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# Ukraine Trade Policy Project

## Coping with Trade Remedies

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## What we will cover today:

- What is happening and why is it happening?
- What does it mean?
- How are you informed?
- What is your company asked to do?
- Options: Respond or not?
  - Consequences



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## What is happening and why?

- What: An anti-dumping or anti-subsidy (CVD) case is filed by an importing country against particular products manufactured or exported from your country.
- Why: The industry in the importing country has filed a complaint with its government claiming harm from low priced or subsidized imports.



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## What does it mean?

- Your competitors in the importing country are claiming that you have either:
  - sold a product to their market at prices below what you would charge in your own. (AD)
  - Have taken advantage of a government programme that lowers your costs or boosts exports. (CVD)



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## How do you find out about this?

- Ukrainian Embassy in the foreign country may receive notice, as a matter of law, or courtesy.
- Competitors here or abroad may alert you
- Published reports in the media.
- You will receive a request for information from the foreign government.



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## What is your company asked to do?

- You may be asked to register as interested party to the case.
- You will be asked to provide information to allow the foreign government to conduct an analysis of your sales of the product.
- Usually this is accomplished through a standardized form called a “questionnaire”



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## Questionnaires

- Can be 30-40 pages long
- Ask for detailed info on your company:
  - Ownership structure
  - Product list
  - Fixed and variable costs for production and administrative expenses
  - Commercial relationships and customers
  - Whether you have taken advantage of any gov't programmes
  - **Etc etc etc**



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## Questionnaires (continued)

- These can be VERY invasive
- Ask for a lot of sensitive information
- This information must be supported with considerable backup documentation
- The questionnaire response will be submitted to a foreign government for review
- Can request confidential treatment, and prepare non-confidential response as well
  - Non-confidential info given to others, including competitors.



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## Verifications

- Foreign government inspectors may visit your company premises in order to check that you have submitted complete and accurate information.
- They will inspect your books and records and ask questions.



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## Options

- Respond
- Do not respond



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## Respond

- Foreign government will conduct its analysis based on your information and determine whether a duty should be assessed.
  - This will be a percentage added to your product on entry
  - Will reflect the difference between price for export and in your home market, or on level of subsidy.
- You may receive a rate that is calculated from your submission.



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## Do Not Respond

- Foreign government will conduct its analysis anyway and make determinations.
- But instead of using your own info, they will make **unfavorable** assumptions.
- May result in a much higher punitive rate of duty.



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## What happens next?

- After foreign gov't makes a determination:
  - Duty may be assessed on your products
  - You will have the opportunity to challenge the findings
    - At administrative level
    - Through court review
  - Your competitors may also challenge the findings



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## What are your options?

- Pay the duty:
  - The money goes to the foreign government treasury
- Raise your prices:
  - Additional money goes to you
- Cease to export to that market:
  - Lose customers, business etc



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## Also:

- Each year you will have the opportunity to request that the foreign government review its determinations.
- After 5 years, the government will itself review its determination and see if the industry is still being injured or if dumping/subsidy is still happening.



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## Is it fair?

- Invasive
- Expensive
- Time consuming
- Domestic trade laws are written to favor domestic industries
- Issue of translating the large volume of information always arises.



**THANK YOU**

**Questions? Comments?**

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