8 Calculation of Dumping Margins

To determine whether a dumping margin exists, Commerce subtracts the weighted-average export price from the weighted-average normal value for the like merchandise. Any positive difference serves as the basis for a dumping margin, which is then averaged on a weighted basis to find one estimated margin amount for all sales to the United States during the period of investigation.

Under Commerce's pre-Uruguay Round methodology, *average* home market prices were usually compared to *individual* export transaction prices. In accordance with Article 2.4.2 of the Anti-Dumping Agreement, Commerce now normally establishes and measures dumping margins on the basis of a comparison of weighted-average normal value prices and weighted-average export prices (or constructed export prices). Transaction-to-transaction calculations may be used where there are very few sales and the merchandise sold in each market is identical or very similar.[38]

The difference between the old and current U.S. methodologies can have a substantial impact on dumping margins. For example, if on the same day a Canadian manufacturer sells identical quantities of widgets in the U.S. and Canadian markets for $100 a unit, and a week later sells identical quantities of widgets in both markets for $200 a unit, the normal value would be $150. According to previous U.S. methodology, when the two U.S. sale prices are compared to this normal value of $150, the first sale at $100 would be considered dumping. In contrast, under average-to-average or transaction-to-transaction methodology, no dumping would exist.

However, U.S. law retained the use of comparison of individual export prices to the averaged normal value for all administrative reviews until January 1, 2000. This methodology may also be used where there is evidence of a pattern of export prices "that differ significantly among purchasers, regions, or periods of time"—a practice generally known as "targeted dumping." [39]

8.1 All-Others Rate

Commerce normally calculates individual weighted-average dumping margins for the largest foreign exporters and producers, while all other producers or exporters from the same country are subject to an "all-others" rate set in the original investigation or the latest annual review. The all-others rate is calculated as the weighted average of the individually determined dumping margins, excluding zero or *de minimis* margins, and margins based entirely on facts available. Commerce must establish individual duty rates when an exporter or producer not selected for individual examination voluntarily submits the information requested of the

38 19 U.S.C. § 1677f-1 (d) (1) (A) (1994); SAA at 172.

39 19 U.S.C. § 1677f-1 (d) (1) (B) (1994).