

PUBLIC

CANADIAN INTERNATIONAL TRADE TRIBUNAL

Staff Report

ANALYSIS OF CHANGES IN MARGINS OF DUMPING

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1. Background

The Tribunal's Bench and Bar Committee asked Tribunal staff to analyse the changes in margins of dumping that occur between the Preliminary (PD) and Final Determinations (FD) of CCRA. The purpose of the analysis was to answer 3 questions:

1. How likely was it that the PD margins changed at the FD?
2. How large were the changes and in which direction did they move?
3. Has there been an increasing or decreasing likelihood of change over time?

2. Data Source

In order to do this analysis, Tribunal staff collected and analysed CCRA/Revenue data on PD and FD margins from 1985¹ through 2000 by case and country. This data was derived from a CCRA website². The basic data is tabulated by case and by country in Table 1. This information is aggregated and summarised in Table 2.

Staff focused only on anti-dumping cases because the margins are expressed in common units (percentage of normal value), whereas subsidy estimates are not comparable across cases. Staff also eliminated cases that did not result in CIT/CITT injury inquiries.

3. Results

For the entire period, the summary statistics show that the differences in margins between PD and FD were:

<u>Summary Statistics</u> (1985 – 2000)	<u>Percentage</u> <u>Points(PP)</u>
Average:	-1.8
Median (middle value, with equal number of observations either smaller or larger):	-0.5
Mode (value that occurred most frequently):	0.0

These results suggest that the 'typical' dumping investigation has resulted in relatively small changes in margins at the CCRA final determination.

1. The year of a case referred to the fiscal year in which the PD occurs.
2. <http://www.ccra-adrc.gc.ca/customs/business/sima/historic-e.html>.

Nevertheless, there are some instances of larger changes. To get a better sense of their relative importance, staff prepared a bar chart of the frequency (or probability) of changes, by magnitude of the change (Figure 1). This figure shows the results in the following table:

<u>Change (PP)</u>	<u>Percentage of Cases</u> (1985 – 2000)
0-5	69
5-25	29
> 25	2

These results suggest again that most changes are relatively small.

To see the results over time, staff prepared a chart, plotting the changes in margins, between PD and FD, by year (Figure 2). This chart is in the form of a “bubble graph” in which the diameter of each data point is proportional to the number of observations with that size of change. Again, this chart indicates a predominance of results close to no change, with a lesser number of larger changes.

Finally, to see if the size or direction of changes in margins has been changing over time, staff performed two types of analysis.

First, staff looked at a simple time trend analysis of the results. It shows (Figure 3) that the average reductions in margins, between PD and FD, have been increasing over the 15-year period by about 0.3 pp per year. It should be noted, however, that this trend is neither large nor significant, in light of the wide range of values observed over the years³.

Second, staff compared the results across three separate time periods: 1985-89, 1990-94 and 1995-2000 (Figure 4). The results of this analysis are summarised in the following table:

<u>Change (PP)</u>	<u>Percentage of Cases</u>		
	<u>1985-89</u>	<u>1990-94</u>	<u>1995-2000</u>
0-5	68	68	71
5-25	28	31	26
> 25	4	1	3

These results suggest again that the likelihood of large changes in margins has been falling somewhat over time.

3. Neither the R-square nor the slope of the regression line is statistically significant.

4. Summary

- On balance, the differences between the margins of dumping between PD and FD were relatively small.
- While the margins of dumping as determined at the PD, on average, tended to decline somewhat at the FD, and the magnitude of these declines were observed to be increasing slightly over this period, this trend is far from conspicuous.
- Over this period, the likelihood of large changes in margins of dumping has been falling somewhat.

Table 1
Changes in Margins of Dumping, 1985 - 2000
Preliminary Determination (PD) and Final Determination (FD)

Tribunal Inquiry Code	Year	Country Affected	PD Margin of Dumping (%)	FD Margin of Dumping (%)	Difference (FD - PD) (PP)	% Difference ((FD - PD) / PD) (PP)
CIT-4-85	1985	U.S.A.	22.40	60.50	38.10	170.09
CIT-5-85	1985	Japan	7.35	1.37	(5.98)	(81.36)
		U.S.A.	10.20	10.20	0.00	0.00
		U.K.	25.60	28.50	2.90	11.33
CIT-6-85	1985	Brazil	6.60	6.60	0.00	0.00
		Japan	20.30	13.70	(6.60)	(32.51)
		Mexico	38.20	38.20	0.00	0.00
		Poland	52.70	49.70	(3.00)	(5.69)
		Taiwan	24.60	15.90	(8.70)	(35.37)
		U.K.	24.90	14.20	(10.70)	(42.97)
CIT-7-85	1985	Argentina	46.21	49.86	3.65	7.90
		Brazil	32.69	31.50	(1.19)	(3.64)
		Poland	54.71	47.30	(7.41)	(13.54)
		Korea	4.26	5.56	1.30	30.52
CIT-8-85	1985	Japan	57.60	57.60	0.00	0.00
CIT-9-85	1985	Romania	35.00	30.10	(4.90)	(14.00)
CIT-10-85	1985	China	38.50	68.49	29.99	77.90
CIT-11-85	1985	Chile	51.87	40.99	(10.88)	(20.98)
CIT-12-85	1985	Czech	66.50	63.32	(3.18)	(4.78)
		Germany	58.99	55.15	(3.84)	(6.50)
CIT-13-85	1985	Korea	8.22	4.54	(3.68)	(44.77)
CIT-14-85	1985	Belgium	37.00	12.52	(24.48)	(66.16)
		France	15.50	35.77	20.27	130.77
		Italy	20.50	14.31	(6.19)	(30.20)
		U.K.	19.50	5.97	(13.53)	(69.38)
CIT-15-85	1985	U.S.A. (Maverick)	13.39	3.70	(9.69)	(72.37)
		U.S.A. (others)	13.39	14.06	0.67	5.00
		Korea	9.76	13.03	3.27	33.50
		Germany	3.34	0.67	(2.67)	(79.94)
		Argentina	47.20	43.75	(3.45)	(7.31)
		Austria	2.44	0.00	(2.44)	(100.00)
CIT-16-85	1985	U.S.A.	30.70	32.40	1.70	5.54
CIT-1-86	1986	Taiwan	23.00	32.35	9.35	40.65
CIT-3-86	1986	Korea	29.33	17.00	(12.33)	(42.04)
CIT-4-86	1986	Belgium	13.62	3.86	(9.76)	(71.66)
		Japan	27.28	23.99	(3.29)	(12.06)
		Sweden	9.02	9.02	0.00	0.00
		U.S.A.	18.25	18.00	(0.25)	(1.37)
CIT-6-86	1986	Korea	31.12	14.88	(16.24)	(52.19)
CIT-1-87	1987	U.S.A.	45.50	42.58	(2.92)	(6.42)
CIT-2-87	1987	Germany	30.71	26.44	(4.27)	(13.90)
		Sweden	20.32	16.55	(3.77)	(18.55)
		U.S.A.	33.35	18.42	(14.93)	(44.77)
CIT-3-87	1987	U.S.A.	7.97	9.41	1.44	18.07

Tribunal Inquiry Code	Year	Country Affected	PD Margin of Dumping (%)	FD Margin of Dumping (%)	Difference (FD - PD) (PP)	% Difference ((FD - PD) / PD) (PP)
CIT-4-87	1987	Japan	45.71	46.18	0.47	1.03
		U.K.	28.60	31.88	3.28	11.47
CIT-5-87	1987	Malaysia	45.10	49.30	4.20	9.31
		Singapore	45.60	52.90	7.30	16.01
		Taiwan	53.30	60.80	7.50	14.07
CIT-6-87	1987	Spain	40.60	39.16	(1.44)	(3.55)
CIT-7-87	1987	Spain	6.14	7.29	1.15	18.73
CIT-8-87	1987	Mexico	20.62	20.62	0.00	0.00
		U.S.A.	20.66	21.04	0.38	1.84
CIT-9-87	1987	Germany	66.47	66.51	0.04	0.06
		Russia	61.35	57.66	(3.69)	(6.01)
CIT-10-87	1987	France	38.20	38.20	0.00	0.00
CIT-11-87	1987	Germany	44.80	44.00	(0.80)	(1.79)
		Hong Kong	71.60	64.00	(7.60)	(10.61)
		Japan	23.30	24.00	0.70	3.00
		Malaysia	41.60	40.00	(1.60)	(3.85)
		China	64.90	63.00	(1.90)	(2.93)
		Korea	69.50	59.00	(10.50)	(15.11)
		Singapore	66.60	66.00	(0.60)	(0.90)
Taiwan	58.70	59.00	0.30	0.51		
CIT-12-87	1987	U.S.A.	12.32	14.86	2.54	20.62
CIT-13-87	1987	Korea	36.30	26.30	(10.00)	(27.55)
CIT-1-88	1988	Japan	40.00	40.00	0.00	0.00
CIT-2-88	1988	U.S.A.	39.04	35.36	(3.68)	(9.43)
CIT-3-88	1988	U.S.A.	31.90	27.45	(4.45)	(13.95)
CIT-4-88	1988	Taiwan	19.00	19.00	0.00	0.00
		U.S.A.	20.00	20.00	0.00	0.00
CIT-5-88	1988	Brazil	19.50	28.70	9.20	47.18
		France	11.70	28.10	16.40	140.17
		Japan	40.60	38.00	(2.60)	(6.40)
		Sweden	34.60	33.80	(0.80)	(2.31)
		Taiwan	30.60	17.50	(13.10)	(42.81)
		U.K.	11.70	9.60	(2.10)	(17.95)
		U.S.A.	19.30	15.30	(4.00)	(20.73)
NQ-89-001	1989	Poland	75.40	75.60	0.20	0.27
NQ-89-002	1989	Italy	42.00	45.75	3.75	8.93
NQ-89-003	1989	Brazil	24.81	26.10	1.29	5.20
		Poland	34.13	38.74	4.61	13.51
		Romania	38.00	20.00	(18.00)	(47.37)
		Taiwan	29.54	27.50	(2.04)	(6.91)
		Yugoslavia	23.75	26.20	2.45	10.32
China	21.69	47.30	25.61	118.07		
NQ-89-004	1989	Brazil	32.50	32.50	0.00	0.00
NQ-90-001	1990	Germany	31.70	28.70	(3.00)	(9.46)
NQ-90-002	1990	India	38.05	30.60	(7.45)	(19.58)
NQ-90-003	1990	Indonesia	76.50	73.60	(2.90)	(3.79)
		Philippines	78.00	78.00	0.00	0.00

Tribunal Inquiry Code	Year	Country Affected	PD Margin of Dumping (%)	FD Margin of Dumping (%)	Difference (FD - PD) (PP)	% Difference ((FD - PD) / PD) (PP)
NQ-90-003	1990	Thailand	55.50	55.50	0.00	0.00
NQ-90-004	1990	U.S.A.	25.20	25.89	0.69	2.74
NQ-90-005	1990	Argentina	46.50	46.50	0.00	0.00
		India	37.10	19.80	(17.30)	(46.63)
		Romania	18.30	17.80	(0.50)	(2.73)
		Taiwan	13.90	13.60	(0.30)	(2.16)
		Thailand	41.40	40.80	(0.60)	(1.45)
		Venezuela	33.10	33.10	0.00	0.00
NQ-91-001	1991	Taiwan	16.90	18.20	1.30	7.69
NQ-91-002	1991	U.S.A.	30.00	29.80	(0.20)	(0.67)
NQ-91-003	1991	Brazil	26.10	25.10	(1.00)	(3.83)
		Luxembourg	11.70	11.70	0.00	0.00
		Yugoslavia	33.90	28.10	(5.80)	(17.11)
		Poland	29.70	10.70	(19.00)	(63.97)
		Turkey	56.30	51.00	(5.30)	(9.41)
NQ-91-004	1991	Sweden	47.00	42.40	(4.60)	(9.79)
NQ-91-005	1991	U.S.A.	18.50	16.90	(1.60)	(8.65)
NQ-91-006	1991	U.S.A.	21.05	12.02	(9.03)	(42.90)
NQ-91-007	1991	Japan	44.72	36.17	(8.55)	(19.12)
NQ-92-001	1992	U.S.A.	31.60	31.00	(0.60)	(1.90)
NQ-92-002	1992	China	45.00	34.00	(11.00)	(24.44)
		Taiwan	25.00	13.00	(12.00)	(48.00)
NQ-92-003	1992	U.S.A.	46.10	50.00	3.90	8.46
NQ-92-004	1992	U.S.A.	28.00	27.28	(0.72)	(2.57)
NQ-92-005	1992	Czech	36.60	47.20	10.60	28.96
		Slovak	36.60	47.20	10.60	28.96
		China	18.70	47.20	28.50	152.41
		Korea	47.20	47.20	0.00	0.00
		Taiwan	5.50	5.50	0.00	0.00
NQ-92-006	1992	U.S.A.	13.10	11.20	(1.90)	(14.50)
NQ-92-007	1992	U.S.A.	10.20	10.20	0.00	0.00
		Brazil	51.30	43.20	(8.10)	(15.79)
		Czech	39.80	53.80	14.00	35.18
		Denmark	65.00	53.80	(11.20)	(17.23)
		Germany	12.80	12.30	(0.50)	(3.91)
		Romania	45.00	53.80	8.80	19.56
		U.K.	40.80	32.90	(7.90)	(19.36)
		Macedonia	40.90	40.90	0.00	0.00
		Belgium	23.70	23.60	(0.10)	(0.42)
NQ-92-008	1992	Germany	55.40	56.54	1.14	2.06
		France	17.30	18.92	1.62	9.36
		New Zealand	39.20	39.23	0.03	0.08
		Italy	55.40	56.54	1.14	2.06
		U.K.	36.30	40.82	4.52	12.45
		U.S.A.	10.90	11.60	0.70	6.42
NQ-92-009	1992	France	27.60	24.80	(2.80)	(10.14)
		Germany	23.80	27.70	3.90	16.39

Tribunal Inquiry Code	Year	Country Affected	PD Margin of Dumping (%)	FD Margin of Dumping (%)	Difference (FD - PD) (PP)	% Difference ((FD - PD) / PD) (PP)
NQ-92-009	1992	Italy	46.60	46.60	0.00	0.00
		U.K.	35.80	35.80	0.00	0.00
		U.S.A.	22.33	16.05	(6.28)	(28.12)
NQ-93-001	1993	U.S.A.	52.00	47.00	(5.00)	(9.62)
NQ-93-002	1993	U.S.A.	51.00	38.00	(13.00)	(25.49)
NQ-93-003	1993	U.S.A.	17.40	13.00	(4.40)	(25.29)
NQ-93-004	1993	Italy	45.60	44.50	(1.10)	(2.41)
		Spain	27.50	38.20	10.70	38.91
		Ukraine	43.20	39.10	(4.10)	(9.49)
		Korea	45.60	44.50	(1.10)	(2.41)
NQ-93-005	1993	Hungary	44.00	37.00	(7.00)	(15.91)
		Czech	35.00	32.00	(3.00)	(8.57)
NQ-93-006	1993	India	47.00	29.00	(18.00)	(38.30)
NQ-93-007	1993	U.S.A.	24.10	6.89	(17.21)	(71.41)
		Australia	32.70	32.70	0.00	0.00
		Brazil	55.90	51.40	(4.50)	(8.05)
		France	34.10	32.80	(1.30)	(3.81)
		Germany	62.40	60.80	(1.60)	(2.56)
		Spain	28.40	28.40	0.00	0.00
		Sweden	24.00	23.50	(0.50)	(2.08)
		U.K.	24.30	23.50	(0.80)	(3.29)
		Japan	62.40	60.80	(1.60)	(2.56)
		Korea	13.10	11.30	(1.80)	(13.74)
		New Zealand	30.00	32.10	2.10	7.00
NQ-94-001	1994	U.S.A.	30.00	28.00	(2.00)	(6.67)
		U.S.A.	12.00	18.00	6.00	50.00
NQ-95-001	1995	U.S.A.	35.00	35.80	0.80	2.29
NQ-95-002	1995	U.S.A.	44.00	44.00	0.00	0.00
		Korea	64.00	64.00	0.00	0.00
		Denmark	64.00	64.00	0.00	0.00
		Germany	50.00	50.00	0.00	0.00
		Netherlands	64.00	64.00	0.00	0.00
		U.K.	64.00	64.00	0.00	0.00
NQ-95-003	1995	Italy	27.00	18.80	(8.20)	(30.37)
NQ-95-004	1995	U.S.A.	40.80	41.10	0.30	0.74
		U.K.	40.80	44.00	3.20	7.84
NQ-95-005	1995	China	70.70	70.70	0.00	0.00
NQ-96-001	1996	Indonesia	4.20	3.30	(0.90)	(21.43)
		Indonesia	3.20	2.40	(0.80)	(25.00)
		Brazil	53.10	57.50	4.40	8.29
NQ-96-002	1996	China	72.00	70.00	(2.00)	(2.78)
NQ-96-003	1996	U.S.A.	40.70	36.00	(4.70)	(11.55)
NQ-96-004	1996	U.S.A.	43.00	35.00	(8.00)	(18.60)
NQ-97-001	1997	China	23.90	27.30	3.40	14.23
		Mexico	26.20	26.20	0.00	0.00
		Russia	25.30	25.20	(0.10)	(0.40)
		South Africa	18.10	18.10	0.00	0.00

Tribunal Inquiry Code	Year	Country Affected	PD Margin of Dumping (%)	FD Margin of Dumping (%)	Difference (FD - PD) (PP)	% Difference ((FD - PD) / PD) (PP)
NQ-97-002	1997	U.S.A.	68.71	59.76	(8.95)	(13.03)
NQ-98-001	1998	Germany	49.50	52.40	2.90	5.86
		France	49.50	52.40	2.90	5.86
		Italy	9.80	8.20	(1.60)	(16.33)
		Japan	49.50	52.40	2.90	5.86
		Spain	49.50	52.40	2.90	5.86
		Sweden	37.80	42.80	5.00	13.23
		Taiwan	49.50	52.40	2.90	5.86
		U.K.	49.50	52.40	2.90	5.86
		US (exp.)	3.70	0.60	(3.10)	(83.78)
		Netherlands (exp.)	49.50	52.40	2.90	5.86
		India	19.30	18.80	(0.50)	(2.59)
NQ-98-003	1998	Korea	52.40	52.40	0.00	0.00
NQ-98-004	1998	France	24.00	11.80	(12.20)	(50.83)
		Romania	43.00	42.10	(0.90)	(2.09)
		Russia	43.00	41.60	(1.40)	(3.26)
		Slovakia	43.00	35.40	(7.60)	(17.67)
NQ-99-001	1999	Argentina	42.00	29.00	(13.00)	(30.95)
		Belgium	42.00	7.00	(35.00)	(83.33)
		New Zealand	42.00	29.00	(13.00)	(30.95)
		Russia	26.00	29.00	3.00	11.54
		Slovakia	18.00	24.00	6.00	33.33
		Spain	12.00	13.00	1.00	8.33
		Turkey	26.00	20.00	(6.00)	(23.08)
NQ-99-002	1999	Cuba	21.00	4.90	(16.10)	(76.67)
		Korea	20.60	20.80	0.20	0.97
		Turkey	15.40	9.00	(6.40)	(41.56)
NQ-99-003	1999	U.S.A. (incl Puerto Rico)	82.00	69.00	(13.00)	(15.85)
NQ-99-004	1999	Brazil	57.60	35.55	(22.05)	(38.28)
		Finland	57.60	57.60	0.00	0.00
		India	13.60	14.90	1.30	9.56
		Indonesia	57.60	21.30	(36.30)	(63.02)
		Thailand	56.30	49.00	(7.30)	(12.97)
		Ukraine	57.60	57.60	0.00	0.00
NQ-2000-01	2000	U.S.A.	15.00	12.00	(3.00)	(20.00)

Note 1: PP (Percentage Points)

Note 2: Only countries reporting margins of dumping at both PD and FD were selected.

Note 3: Countries with zero margins of dumping at both PD and FD were excluded. (4 cases)

Note 4: Cases that were not referred to the Canadian Import Tribunal/Canadian International Trade Tribunal were excluded. (32 cases)

Note 5: Countries with subsidy margins were excluded. (4 cases)

Note 6: An unweighted average margin was used as a surrogate for countries with more than one exporter, reporting separate margins of dumping, and for which no weighted average margin was published.

Note 7: The year of a case referred to the fiscal year in which the PD occurs.

Source: CCRA website <http://www.ccr-aadrc.gc.ca/customs/business/sima/historic-e.html>.

Table 2
Margins of Dumping
Preliminary Determination (PD) and Final Determination (FD)
Summary Statistics
(Percentage Points)

	Difference (FD - PD)				% Difference ((FD - PD) / PD)			
	1985 - 1989	1990 - 1994	1995 - 2000	1985 - 2000	1985 - 1989	1990 - 1994	1995 - 2000	1985 - 2000
No. of observations	87	77	56	220	87	77	56	220
Average	(0.98)	(1.66)	(3.27)	(1.80)	(3.02)	(3.51)	(10.45)	(5.08)
Median	(0.80)	(0.60)	0.00	(0.50)	(1.79)	(2.41)	0.00	(1.99)
Mode	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Max	38.10	28.50	6.00	38.10	170.09	152.41	33.33	170.09
Min	(24.48)	(19.00)	(36.30)	(36.30)	(100.00)	(71.41)	(83.78)	(100.00)
Range	62.58	47.50	42.30	74.40	270.09	223.82	117.12	270.09
Standard deviation	9.08	7.07	8.50	8.29	42.79	26.54	24.19	33.47

Note: see Notes of Table 1.

Source: CCRA website <http://www.ccra-adrc.gc.ca/customs/business/sima/historic-e.html>.

Figure 1
Margins of Dumping, 1985 - 2000
Frequency Distribution of the Difference between PD and FD
(expressed as FD minus PD)

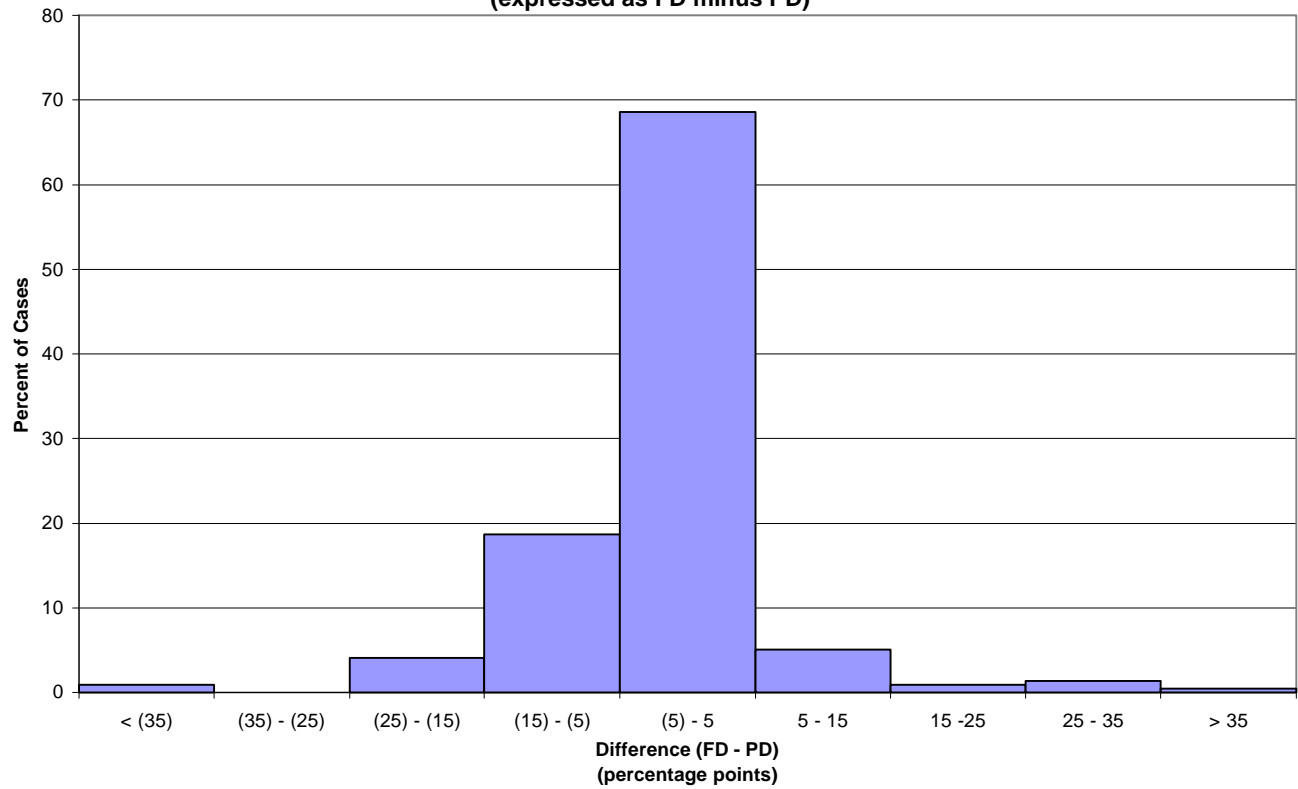
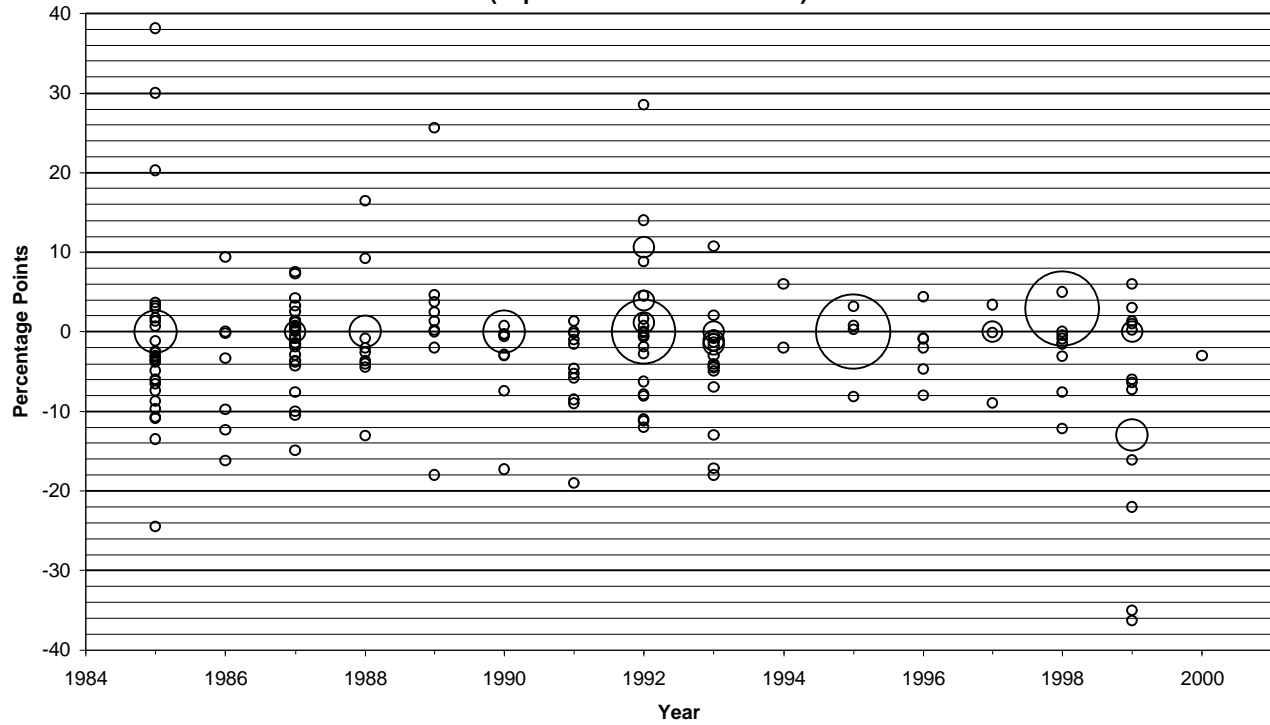


Figure 2
Margins of Dumping
Difference between PD and FD by Year
(expressed as FD minus PD)



Note: The width of a bubble is proportional to the number of occurrences of the particular percentage points difference it represents.

Figure 3
Margins of Dumping
Difference between PD and FD by Year
(expressed as FD minus PD)

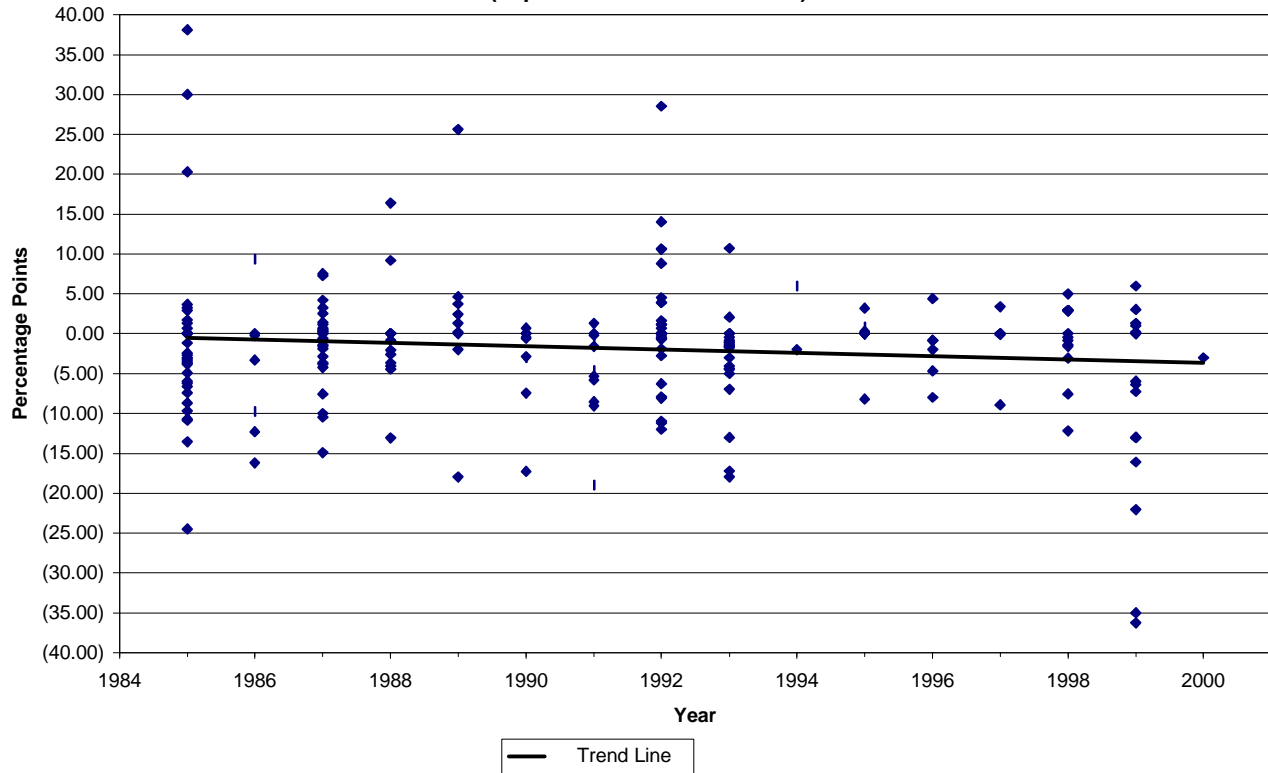


Figure 4
Margins of Dumping
Frequency Distribution of Difference between PD and FD by Time Period
(expressed as FD minus PD)

