

S. 1726 (90th Congress) Cont'd.:

The competitive market area would be the geographical area in which the dumped imports compete with the domestic merchandise. Section: 1 [201(f)(3)].

The domestic industry would be those domestic vendors who supply merchandise directly or indirectly to the competitive market area. Section: 1 [201(f)(2)].

The product market would include merchandise which is reasonably interchangeable in use with the class or kind being dumped. Section: 1 [201(f)(4)].

Comment:

Article 4 (a) defines domestic industry generally as "the domestic producers as a whole of the like products or to those providing a major proportion of the total domestic production.

Article 4 (c) superimposes the "relevant product line" requirement in Article 3 (d) upon the industry concepts in Article 4.

Recognition is given (in only exceptional cases) to the possibility of a country being divided into two or more "competitive markets" which the producers within each market regarded as a separate industry. However, this feature is severely limited by the requirement that the producers within such market sell all or almost all of their production of such product in that market because of transport costs and that there be no, or almost no, sales into that area of other U.S. production situated outside such market. The Code also recognizes the possibility of special regional marketing conditions such as traditional patterns of distribution or consumer tastes, which result in an equal degree of isolation of the producers in such a market from the rest of the industry. Both of the aforementioned possibilities are also strictly limited by a further provision that injury must be found "to all or almost all" of the production of the product in the market defined.

S. 1726, on the other hand, incorporates a regional geographic market concept but is not restricted by requiring all those producers selling in that market to sell exclusively in that market. If the Code provisions are adopted injury in any regional market could never be shown if there were some sales in that market by a producer selling on a broader or nationwide basis.