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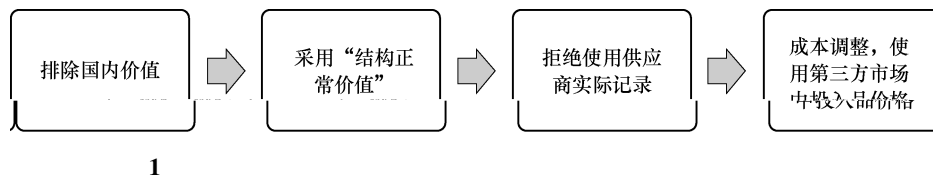
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European Union-Anti-Dumping

Measures on Biodiesel from Argentina, Appellate Body Report, 6 October 2016, WT/DS473/AB/R.

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	VI	Anti-Dumping Agreement	ADA	17.6	
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producer or manufacturer

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On the “Cost Adjustment” Methodology Adopted by the EU Anti-dumping Regime and Its WTO Consistency

CHE Luyao

Abstract: “Cost adjustment” represents as a special arrangement adopted by the EU anti-dumping authority in their investigations. It refers essentially to the exclusion of the costs actually recorded by the supplier of an importing product and even the price charged within the domestic market of the exporter or the supplier and the subsequent use of the price for the input costs of a third-party’s domestic market when determining the normal value of the product. The purpose of this article is to doctrinally analyze the cost adjustment methodology employed by the EU authority, to explore its legal ground within the EU legal system, and to provide a step-by-step anatomical picture of the ways by which the authority applies this methodology. Following, the article discusses the WTO consistency of such a methodology. The analysis of this article will be concluded together with an exploration of the implications by the methodology for China’s practice in processing its ongoing market-oriented reforms and in participating in the multilateral trading system.

Keywords: Cost Adjustment; Particular Market Situation; Constructed Normal Value; Ordinary Trade Course; Market Distortion