



**ARAB REPUBLIC OF EGYPT
MINISTRY OF FOREIGN TRADE
TRADE AGREEMENTS SECTOR
International Trade Policies Department**

OUT

Date: 15 May, 2003

NO : 790

To : The xxxxxxxx Government

phone :

Fax :

From : Moufak El fayuomi

phone :

Undersecretary of State
Head of International Trade Polices Dep.

Fax:

Subject: *Anti-dumping Investigation: Product A from X country*

Dear Sir,

As you are aware, on -/-/---, the Anti-dumping, Subsidy & Safeguard Department (referred to hereinafter as “the Department” or the Investigating Authority“) of the Egyptian Ministry of Foreign Trade initiated an anti-dumping investigation into whether imports of *Product A* (referred to hereinafter as *Product A* or “the product under investigation”) originating in or exported from the X country have been imported at dumped prices.

In past cases the Department has treated Country X as a non-market economy (NME) country. Any determination that a foreign country is a NME country remains in effect until revoked. If in this investigation we determine that Country X is a NME country and normal values cannot be used, the Department will attempt to construct normal values by valuing Country X producers’ factors of production in a market-economy country. The factors of production will be valued in one or more market economy countries (“surrogates”) that have similar conditions to Country X.

The Department, if requested, may consider whether the Product A in Country X is a market-oriented industry (MOI). Producers and exporters that can provide evidence that Product A in Country X or individual companies within the industry are market-oriented have been requested to answer the questions below to substantiate their claims

In order to determine in this investigation whether to treat Country X as a market economy or a non-market economy country, the Department requires from the Country X government a complete response, with supporting documentation (such as laws, regulations, decrees, written agreements, sample labor contracts, etc...), to the following questions:

1. Foreign Currency Convertibility:

To what extent is Country X currency convertible? For instance :

- A) Are the companies in Country X entitled to keep a foreign currency account? If so, to what extent are all earnings in foreign currency able to be retained in that currency-Are there any restrictions?
- B) What proportion of foreign currency earned must be converted into local currency?
- C) Is there any limitation on the period during which the Country X companies may keep foreign currency?

The Country X government's answer to the above questions should be accompanied by supporting documentations such as the following:

- (i) A copy of the approval of an application by the relevant authority;
- (ii) A copy of the relevant documents concerning the operations of a foreign currency account for the investigation period and the preceding year and the transactions for those periods; and
- (iii) Copies of any Business and Export licenses.

2. Labour and Wages:

To what extent are wage rates determined by free bargaining between labor and management? For instance :

- A) Please describe both the hiring procedures in Country X, and the labour agreements, including confirmation if there are collective or individual labour agreements.
- B) With whom are the labour agreements negotiated? Is there a required approval from any public authority for these agreements?
- C) What are the categories of employees and workers in Country X?
 - (i) Are the companies in Country X required to employ special categories of employees / workers, for instance, employees / workers of Country X nationality and/or employees / workers from the city or region where the companies are located?
 - (ii) Are there a minimum age requirements for hiring employees?

The Country X government's answer to the above questions should be accompanied by supporting documentation including a sample labour agreement for each category of workers and employees that were applicable during the investigation period.

3. Restrictions on Investments:

To what extent are joint ventures or foreign investment permitted? For instance :

- A)- Please provide details, with supporting evidence, concerning any restrictions on investments and in particular, details concerning the nature of the restrictions.
- B)- What is the profit distribution policy for joint ventures and foreign – owned companies.

Please provide evidence of profit distribution and policies, if applicable, on profit repatriation for the investigation period and the preceding year.

4. Control of the Means of Production:

To what extent does the government (national, provincial, local) own or control the means of production? For instance :

- A)- How do the companies in Country X obtain machinery and raw materials (describe and provide samples of the types of contracts, terms of purchase and payment terms made during the investigation period).

5. Allocation of resources, price and output decisions:

To what extent is there national provincial or local government control over the allocation of resources and over the price and output decisions of enterprises? For instance :

- A)- Are the companies in Country X subject to any restrictions or other state influence concerning the level of production volume, the setting of prices and/or the volume of sales?
- B)- Are the companies in Country X free to determine the volume of domestic and export sales?

The Country X government's answers to the above questions should be accompanied by supporting documentation, including (but not limited to) a copy of the business license and of the Articles of Association of companies applying during the investigation period and legislations or other policies applicable to the setting of prices for raw-material and energy sources.

6. Other Information:

Identify any other factors that the Country X government believes the Department should consider in making its determination.

Any comments in this respect should be accompanied by supporting documentations to support the claim.

The Country X government's response to these questions is required no later than **15** days from receipt of this request.

If you are unable to respond to these Questions within the specified time limit, please contact the official in charge as soon as possible. The Department will attempt to facilitate any difficulties that you encounter in answering these Questions without conflict with Egypt's obligations to conduct the investigation within the timeframes

according to the requirements of the W.T.O. Anti-Dumping Agreement and the Egyptian Anti-Dumping law and its Regulation.

You are also welcome to provide the Department with the names of three market economy countries (MEC) that are considered by the Country X government to have similar conditions to the Country X to enable the Egyptian Investigating Authority to choose as “ surrogate “ countries for the purpose of calculating normal values in this case, if the Investigating Authority, during the course of the investigation, decides to treat Country X as a non-market economy country (NME). Please provide the names of these countries and the criteria which constitute the base of choosing it within **10** days from receipt of this letter.

Best Regards,

*First Undersecretary of State
Head of Trade Agreements Sector*

" Abd El Rahman Fawzy "