
B Anti-dumping and countervailing activity

Dumping is said to occur when an overseas supplier exports a good to Australia at a price below its ‘normal value’ in the supplier’s home market. If dumping causes, or threatens to cause, material injury to local producers of like goods, then remedial action — mainly the imposition of special customs duties — can be taken against the imported goods concerned.

Similarly, countervailing duties can be imposed on imports which benefit from certain subsidies from an overseas government and which cause or threaten injury to a local industry producing like goods.

Australia’s anti-dumping and countervailing legislation (contained in the *Customs Act 1901*, the *Customs Tariff (Anti-Dumping) Act 1975* and the *Customs Regulations 1926*), is based on WTO agreements that, amongst other things, aim to discipline the use of anti-dumping measures as an alternative form of protection. Though WTO members are not obliged to enact such legislation, they are required to comply with the agreed requirements should they wish to take action against dumped imports.

Australia’s anti-dumping system is administered by the Australian Customs and Border Protection Service (Customs and Border Protection). It investigates claims of dumping and makes recommendations to the Minister, and also oversees anti-dumping and countervailing measures in force. The investigation process goes through several, time-limited, stages and includes appeal processes.

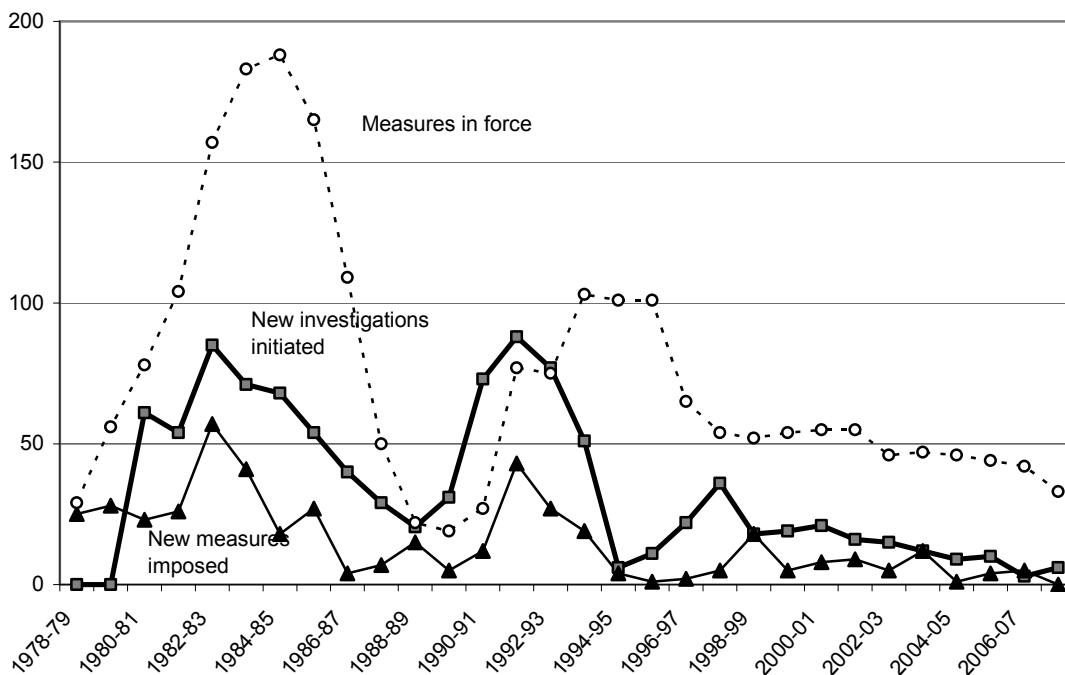
Under Australia’s anti-dumping rules, anti-dumping duties may be imposed up to the level of the assessed dumping margin (or the subsidy provided by an overseas government). However, under the ‘lesser duty rule’, a smaller duty sufficient to increase the price of the overseas good to a ‘non-injurious’ level may sometimes be imposed. Alternatively, the overseas supplier (and also the overseas government in countervailing cases) can make a formal price undertaking on terms that would remove the injury or the threat of injury.

Once in place, anti-dumping measures typically remain in force for five years, with scope for extensions for additional five year periods, following further review.

B.1 Australian anti-dumping and countervailing activity

Over the decade to 2007-08, antidumping and countervailing activity steadily declined. *Initiations* of new investigations fell from 18 in 1998-99 to 6 in 2007-08, while measures *in force* fell from 52 to 33 (figure B.1). Over the decade, new measures were *imposed* about 50 per cent of the time in response to investigations.

Figure B.1 **Australian anti-dumping and countervailing activity, ^{a,b} 1978-79 to 2007-08**



^a An investigation or measure is recorded as an action applying to one commodity from one economy. If multiple economies are involved, they are treated as separate actions. ^b New investigations refer to investigations by Customs of complaint cases that have met the screening requirements. The number of complaints raised by industry may be greater.

Source: PC (2008c).

During 2007-08, six new investigations were *initiated* by Customs and Border Protection (table B.1). No new measures were *imposed* by the Government and eight measures expired.

Table B.1 Australian anti-dumping and countervailing initiations,^a 2007-08

<i>Commodity</i>	<i>Industry grouping</i>	<i>Exporting economy</i>
Mobile garbage bins	Petroleum, coal, chemical & associated products	Thailand
Toilet paper	Wood & paper products	China
Toilet paper	Wood & paper products	Indonesia
Currants, processed dried	Food, beverages & tobacco products	Greece
Pipe, galvanised	Metal products	Thailand
Tubeless steel rims	Machinery and equipment products	China

^a Formal investigations by Customs. Complaints by industry must meet certain requirement before investigations are initiated. Initiations are recorded as actions applying to one commodity from one economy.

Source: Australian Customs Dumping Notices.

Of the 33 measures *in force* in 2007-08, over 90 per cent related to a relatively narrow range of basic industrial chemicals and plastics, metal products and food and beverages, many of which are inputs to further manufacturing processes (table B.2). Over the decade to 2007-08, around one third of initiated investigations related to products in the *Petroleum, coal, chemical and associated products* industry grouping. The second largest number of initiations related to *Metal products*.

Table B.2 Australian anti-dumping and countervailing new investigations, 1998-99 to 2007-08

<i>Industry grouping</i>	1998-99 to 2007-08				
	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>Number of cases</i>	<i>Per cent of total^b</i>
Food, beverages and tobacco	2	1	1	16	12
Textiles, clothing, footwear and leather	–	–	–	5	4
Wood and paper products	–	–	2	14	11
Printing, publishing and recorded media	–	–	–	0	0
Petroleum, coal, chemical and associated products	1	2	1	47	36
Non-metallic mineral products	2	–	–	8	6
Metal product manufacturing	5	–	1	26	20
Machinery and equipment manufacturing	–	–	1	11	9
Other manufacturing	–	–	–	2	2
Total	10	3	6	129	100

– Nil. ^a Formal investigations by Customs. Complaints by industry must meet certain requirements before investigations are initiated. Initiations are recorded as investigations of one commodity from one economy. Cases where dumping and subsidisation are alleged for the same economy and commodity are counted as two distinct initiations. ^b Percentages for individual industries may not sum to the total due to rounding.

Source: Australian Customs Dumping Notices (various years).

The anti-dumping and countervailing activity initiated over the decade to 2007-08 was against more than 25 countries (table B.3). Over this period, there has been an increasing concentration of initiations and measures against suppliers from the Asian region. Of the 13 countries currently subject to antidumping measures, seven are in Asia.

Table B.3 Australian initiations of anti-dumping and countervailing cases by trading region and economy,^a 1998-99 to 2007-08

Region/economy	1998-99 to 2007-08				
	2005-06	2006-07	2007-08	Total	Per cent ^b
North America	–	–	–	6	5
Canada	–	–	–	2	2
United States	–	–	–	4	3
European Union	–	1	1	26	20
Austria	–	–	–	1	1
Belgium/Luxembourg	–	–	–	2	2
Finland	–	–	–	2	2
France	–	1	–	2	2
Germany	–	–	–	3	2
Greece	–	–	1	2	2
Italy	–	–	–	6	5
Sweden	–	–	–	2	2
UK	–	–	–	4	3
Other EU	–	–	–	2	2
Asia	10	2	5	88	68
China	3	1	2	20	16
Hong Kong	–	–	–	0	0
India	–	–	–	2	2
Indonesia	1	1	1	14	11
Japan	–	–	–	4	3
Korea	1	–	–	15	12
Malaysia	2	–	–	8	6
Philippines	1	–	–	1	1
Singapore	–	–	–	4	3
Thailand	1	–	2	14	11
Taiwan	1	–	–	6	5
Other	–	–	–	9	7
Saudi Arabia	–	–	–	2	2
South Africa	–	–	–	1	1
Other	–	–	–	6	5
Total	10	3	6	129	100

– Nil. ^a Cases are defined as actions applying to one commodity from one economy. Cases where dumping and subsidisation are alleged for the same economy and commodity are counted as two distinct initiations.

^b The sum of the percentages for the individual economies may not add to the regional totals due to rounding.

Source: Australian Customs Dumping Notices (various years).

B.2 International anti-dumping and countervailing activity

In 2006-07, there were 167 anti-dumping and countervailing cases initiated worldwide (WTO 2008b). The most were by India (29), followed by the European Union (18), Brazil (15), the United States (12) and China (11). Over 1300 measures were in force at 30 June 2007, of which the United States, India and the European Union accounted for around half. Australia ranked tenth in measures in force, compared with fifth at 30 June 2004.