
B Anti-dumping and countervailing activity

Dumping is said to occur when a foreign supplier exports goods at a price below the ‘normal value’ of the goods in the supplier’s home market. The price of the good in the exporter’s home market is generally used to determine the normal value, but in certain prescribed circumstances, alternatives such as the good’s price in another export market or a constructed price can be used.

The WTO ‘Anti-dumping Agreement’ places certain disciplines on anti-dumping actions by setting out rules about when and how a WTO member can or cannot react to dumping. To apply anti-dumping measures, a country has to demonstrate that dumping is taking place, show that dumping is causing, or threatening to cause, material injury to a competing domestic industry, and calculate the extent of dumping (how much lower the export price is compared to the exporter’s home price).

Countries may also apply countervailing duties where imports — benefiting from certain forms of subsidies in the country of origin — cause, or threaten to cause, material injury to a domestic industry.

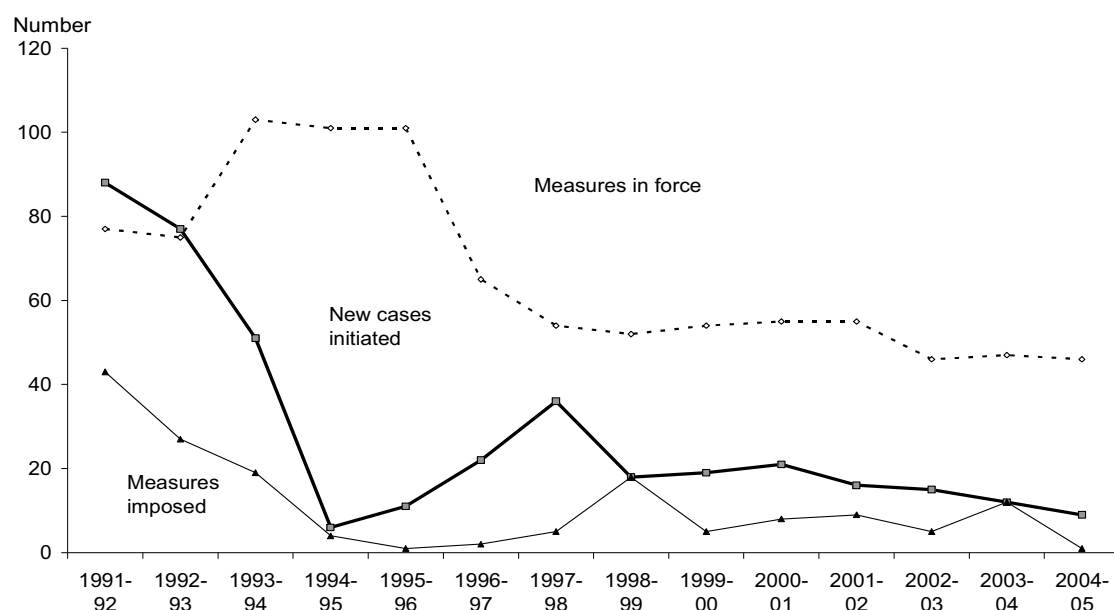
Like other measures that raise the price of imports, anti-dumping and countervailing measures assist particular industries, but can also impose higher costs on other domestic industries and consumers. Australia’s current anti-dumping and countervailing system, which took effect in July 1998, was described in *Trade & Assistance Review 1997-98* (PC 1998). This appendix reports recent anti-dumping and countervailing activity.

Australian trends

Anti-dumping and countervailing activity is shown by three statistics: *initiations*, measures *imposed* and measures *in force* (figure B.1). A case is *initiated* when a complaint of dumping or subsidisation is first made. If after investigation the case is found to have substance, the Customs Minister may *impose* measures to remedy the situation. These measures generally last for five years (although, for some cases, measures may be extended at the end of the period) and the stock of these measures at any point is reported as measures *in force*.

The number of Australian *initiations* of anti-dumping and countervailing cases has been relatively stable over the past five years, with 9 cases initiated in 2004-05. Most of these were anti-dumping actions. The number of cases initiated in recent years has been far fewer than in the early 1990s (figure B.1). Table B.1 lists the anti-dumping cases initiated in 2004-05.

Figure B.1 Anti-dumping and countervailing activity,^a 1991-92 to 2004-05



^a A measure or case is counted as an action applying to one commodity from one economy. If multiple economies are involved, they are counted as separate actions.

Source: ACS.

There was one new measure *imposed* in 2004-05, compared to 12 measures imposed in 2003-04. The total number of measures *in force* has been relatively static over the last six or so years — as of 30 June 2005, there were 46 measures in force. This is around half of the roughly 100 measures that were in force between 1993 and 1996.

In 2004-05, the *Metal product manufacturing* industry accounted for almost half of the 9 initiations (table B.2). Over the nine year period to 2004-05, however, the *Petroleum, coal, chemical & associated products* industry (mainly chemical and plastic products) has on average been the largest user of anti-dumping and countervailing actions, accounting for 40 per cent of total initiations.

During 2004-05, Australian firms initiated 9 anti-dumping complaints against firms from 5 economies. Eight complaints were against firms from Asia and one was against a Canadian firm (table B.3).

Table B.1 Australian anti-dumping and countervailing initiations,^a 2004-05

<i>Commodity</i>	<i>Exporting economy</i>
Linear low density polyethylene	Canada
Greyback cartonboard	Korea
Certain hollow steel sections	China, Korea, Malaysia, Thailand
Domestic refrigerators	Korea
Sodium hydrogencarbonate	China
Preserved mushrooms	China

^a Complaints formally initiated by industry. Initiations are defined as actions applying to one commodity from one economy.

Source: ACS.

Table B.2 Anti-dumping and countervailing cases,^a by industry, 1996-97 to 2004-05

<i>Industry^b</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>1996-97 to 2004-05</i>	
				<i>Number of cases</i>	<i>Per cent of total^c</i>
Food, beverages and tobacco	1	5	1	12	7
Textiles, clothing, footwear and leather	–	–	–	6	4
Wood and paper products	–	1	1	26	15
Printing, publishing and recorded media	–	–	–	–	–
Petroleum, coal, chemical and associated products	11	–	2	67	40
Non-metallic mineral products	6	1	–	13	8
Metal product manufacturing	2	5	4	25	15
Machinery and equipment manufacturing	1	–	1	11	7
Other manufacturing	2	–	–	8	5
Total	23	12	9	168	100

– Nil. ^a Complaints formally initiated by industry. 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 Based on Australian and New Zealand Standard Industry Classification subdivisions. ^c Percentages for individual industries may not sum to the total due to rounding.

Source: ACS.

International trends

In 2003-04, Australia accounted for 12 (or 5 per cent) of the 254 anti-dumping and countervailing cases initiated internationally (table B.4). In 2003-04, the countries with the most initiations were the United States, India, China and the European Union.

Australia, with 54 measures in force in 2003-04, was the ninth largest user of anti-dumping and countervailing duties, the largest users being the United States, the European Union and India.

Table B.3 Australian initiations of anti-dumping and countervailing cases, by trading region and economy,^a 1996-97 to 2004-05

<i>Region/economy</i>	<i>1996-97 to 2004-05</i>				
	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>Total</i>	<i>Per cent^b</i>
<i>North America</i>	2	–	1	9	5
Canada	1	–	1	3	2
United States	1	–	–	6	4
<i>European Union</i>	6	5	–	44	26
Austria	–	–	–	2	1
Belgium/Lux	1	–	–	3	2
Finland	–	–	–	3	2
France	–	–	–	3	2
Germany	2	–	–	9	5
Italy	2	2	–	7	4
Netherlands	–	–	–	3	2
Sweden	1	–	–	5	3
UK	–	–	–	5	3
Other EU	–	3	–	4	2
<i>Asia</i>	7	7	8	93	55
China	–	3	3	19	11
Hong Kong	–	–	–	1	1
India	–	–	–	4	2
Indonesia	–	1	–	15	9
Japan	–	1	–	5	3
Korea (south)	3	2	3	16	20
Malaysia	1	–	1	7	4
Singapore	1	–	–	5	3
Thailand	2	–	1	12	7
Taiwan	–	–	–	9	5
<i>Other</i>	–	–	–	22	13
Saudi Arabia	–	–	–	2	1
South Africa	–	–	–	4	2
Other	–	–	–	16	10
Total	15	12	9	168	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: ACS.

Table B.4 International anti-dumping and countervailing actions, 2002-03 and 2003-04

Country	Initiation		Provisional measures		Definitive duties		Price undertakings		Measures in force		Per cent of total measures in force ^a	
	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04
US	35	47	24	23	22	18	-	-	335	350	23	24
India	67	37	54	12	64	38	-	2	210	216	15	15
EU ^b	17	19	7	13	17	10	4	2	224	183	16	13
Canada	7	17	5	15	1	9	-	-	97	95	7	7
South Africa	5	10	1	6	9	2	-	-	100	88	7	6
Argentina	4	7	12	-	25	2	4	-	80	79	6	5
Mexico	8	13	6	12	4	8	-	-	55	59	4	4
China	17	22	38	13	11	26	-	1	29	56	2	4
Brazil	10	8	1	-	4	3	-	-	59	54	4	4
Australia	15	12	9	4	6	12	-	2	49	54	3	4
Turkey	11	19	6	10	24	11	-	-	48	53	3	4
Korea	11	17	-	9	-	5	-	1	16	23	1	2
New Zealand	3	4	1	1	1	3	-	-	9	11	1	1
13 WTO Members	210	232	164	118	188	147	8	8	1311	1321	92	93
All WTO Members	251	254	197	128	243	173	11	10	1426	1451	100	100

- Nil. ^a The sum of the percentages for individual countries may not equal the total due to rounding. ^b From 2003-04, includes new member states that acceded on 1 May 2004.

Source: WTO (2004, 2005).