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## C 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 are sometimes used.

Under WTO rules, the ‘Anti-dumping Agreement’ places certain disciplines on anti-dumping actions by setting out rules that a WTO member can or cannot react to dumping. In the absence of such rules, overseas suppliers could be unreasonably subject to anti-dumping duties. To apply anti-dumping measures, a country has to be able to demonstrate that dumping is taking place, calculate the extent of dumping (how much lower the export price is compared to the exporter’s home price) and show that dumping is causing material injury to a competing domestic industry.

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).

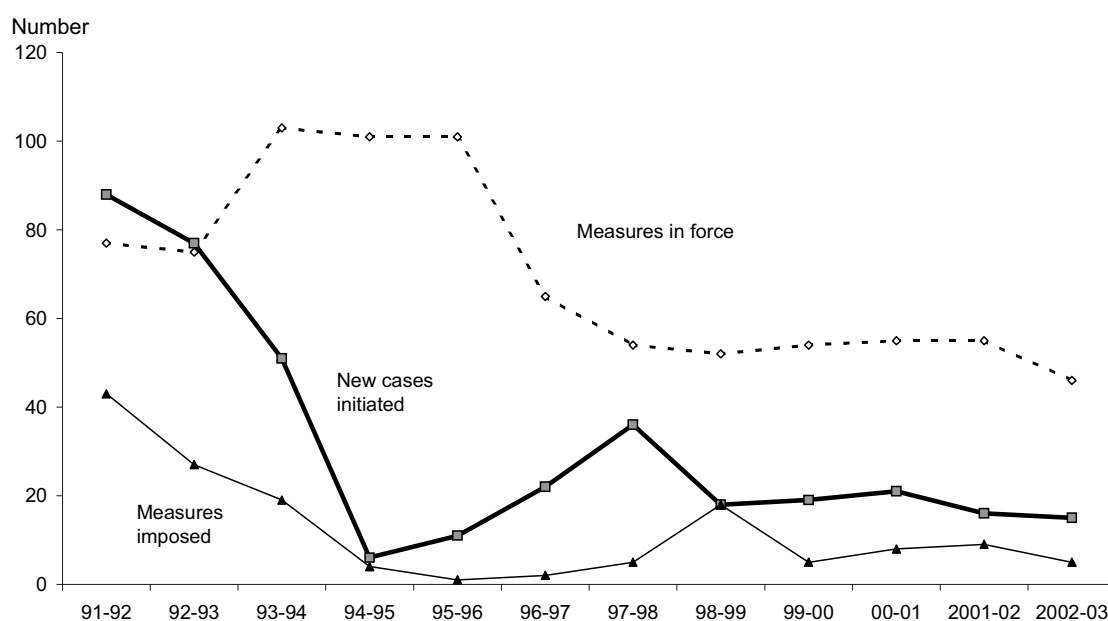
This appendix reports recent anti-dumping and countervailing activity.

Anti-dumping and countervailing activity is shown by three statistics: *initiations*, measures *imposed* and measures *in force* (figure C.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 (though 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*.

## Australian trends

The number of Australian *initiations* of anti-dumping and countervailing cases has been relatively stable over the past five years, with 15 cases initiated in 2002-03. Cases initiated in 2002-03 all of which were anti-dumping actions is almost three times that of 1994-95, but only around a quarter of the 1992-93 level. There were no initiations of countervailing cases in 2002-03. Table C.1 lists the anti-dumping cases initiated in 2002-03.

Figure C.1 Anti-dumping and countervailing activity<sup>a</sup>, 1991-92 to 2002-03



<sup>a</sup> 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.

Data sources: ACS and Commission estimates.

There were 5 new measures *imposed* in 2002-03, compared to 9 measures imposed in 2001-02.

The total number of measures *in force* has been relatively static over the last five or so years. As of 30 June 2003, there were 46 measures in force — falling slightly from the previous year. This is around half of the roughly 100 measures that were in force between 1994 and 1997.

**Table C.1 New Australian anti-dumping initiations<sup>a</sup>, 2002-03**

<i>Commodity</i>	<i>Exporting economy</i>
Washing machines	South Korea
High density polyethylene	Belgium, South Korea, Malaysia, Singapore, Sweden, Thailand
Low density polyethylene	South Korea, Thailand
Ambulatory dialysis bag	Germany
Iron & steel mill liners	Canada
Thermoplastic Polyurethanes	Germany, Italy, USA

<sup>a</sup> Complaints formally initiated by industry. Initiations are defined as actions applying to one commodity from one economy.

Source: ACS.

The *Petroleum, coal, chemical & associated products* industry (mainly chemical and plastic products) has been the largest user of anti-dumping actions recently (table C.2). It also accounted for 11 of the 15 initiations in 2002-03. Multiple initiations by two companies accounted for those initiations concerning polyethylene and thermoplastic polyurethanes products.

**Table C.2 Anti-dumping and countervailing cases<sup>a</sup>, by industry, 1996-97 to 2001-02**

<i>Industry<sup>b</sup></i>	<i>1996-97</i>	<i>2002-03</i>	<i>7-year period</i>	
			<i>Total</i>	<i>Per cent of total<sup>c</sup></i>
Food, beverages and tobacco	–	1	6	4
Textiles, clothing, footwear and leather	–	–	6	4
Wood and paper products	–	–	24	16
Printing, publishing and recorded media	–	–	–	–
Petroleum, coal, chemical and associated products	11	11	65	44
Non-metallic mineral products	6	–	12	8
Metal product manufacturing	2	1	16	11
Machinery and equipment manufacturing	1	2	10	7
Other manufacturing	2	–	8	5
<b>Total</b>	<b>22</b>	<b>15</b>	<b>147</b>	<b>100</b>

– Nil. <sup>a</sup> 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. <sup>b</sup> Based on Australian and New Zealand Standard Industry Classification subdivisions. <sup>c</sup> The sum of percentages for individual industries may not equal the total due to rounding.

Source: ACS.

During 2002-03, Australian firms initiated anti-dumping complaints against firms from 10 economies (table C.3). Of the 15 initiated complaints, seven were against firms from Asia, and six were against European firms.

**Table C.3 Australian initiations of anti-dumping and countervailing cases, by trading region and economy<sup>a</sup>, 1996-97 to 2002-03**

<i>Region/economy</i>	<i>1996-97</i>	<i>2002-03</i>	<i>7-year period</i>	
			<i>Total</i>	<i>Per cent</i> <sup>b</sup>
<b><i>North America</i></b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>5</b>
Canada	–	1	2	1
United States	1	1	6	4
<b><i>European Union</i></b>	<b>7</b>	<b>6</b>	<b>39</b>	<b>27</b>
Austria	–	–	2	1
Belgium/Lux	–	1	3	2
Finland	–	–	3	2
France	–	–	3	2
Germany	3	2	9	6
Italy	–	2	5	3
Netherlands	1	–	3	2
Sweden	2	1	5	3
UK	–	–	5	3
Other EU	1	–	1	1
<b><i>Asia</i></b>	<b>9</b>	<b>7</b>	<b>78</b>	<b>53</b>
China	3	–	13	9
Hong Kong	–	–	1	1
India	1	–	4	3
Indonesia	1	–	14	11
Japan	–	–	4	3
South Korea	–	3	11	6
Malaysia	1	1	6	4
Singapore	–	1	5	3
Thailand	1	2	11	7
Taiwan	2	–	9	7
<b><i>Other</i></b>	<b>5</b>	<b>–</b>	<b>22</b>	<b>15</b>
Saudi Arabia	–	–	2	1
South Africa	–	–	4	3
Other	5	–	16	11
<b>Total</b>	<b>22</b>	<b>15</b>	<b>147</b>	<b>100</b>

– Nil. <sup>a</sup> 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.

<sup>b</sup> The sum of the percentages for the individual economies may not add to the regional totals due to rounding.

Source: ACS.

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## **International trends**

In 2001-02, Australia accounted for 16 (or 5 per cent) of the 327 anti-dumping and countervailing cases initiated internationally (table C.4). This made Australia the seventh largest user of anti-dumping and countervailing duties in 2001-02 (as opposed to the fifth largest in 1998). The largest users of anti-dumping and countervailing duties in 2000-01 were the United States, the European Union, and India. These countries accounted for 61 per cent of the initiations in 2001-02.

Australia had 60 measures in force in 2001-02. This was 5 per cent of the 1287 measures in force around the world. This left Australia as the seventh largest user of anti-dumping and countervailing duties in terms of the number of measures in force. The United States, the European Union and India accounted for over half of the anti-dumping and countervailing measures in force in 2001-02.

**Table C.4 International anti-dumping and countervailing actions, 2000-2001 and 2001-02**

Country	Initiation		Provisional measures		Definitive duties		Price undertakings		Measures in force		Per cent of total measures in force <sup>c</sup>	
	00-01	01-02	00-01	01-02	00-01	01-02	00-01	01-02	00-01	01-02	00-01	01-02
US	92	69	47	71	32	49	—	—	284	317	24	25
EU	41	28	20	23	41	23	2	8	238	239	20	19
India	37	76	52	73	41	41	—	1	121	150	10	12
South Africa	24	—	11	22	13	10	—	—	110	101	9	8
Canada	44	—	41	3	14	11	1	—	98	100	8	8
Mexico	4	—	4	5	6	1	—	—	67	61	6	5
Australia	21	16	6	13	4	9	4	—	61	60	5	5
Brazil	10	1	—	—	1	0	3	1	52	53	4	4
Argentina	44	26	8	30	13	28	1	4	48	61	4	5
South Korea	5	—	0	1	1	1	2	—	29	19	2	1
Turkey	2	—	—	—	2	9	—	—	15	24	1	2
New Zealand	5	—	2	0	3	—	—	—	13	8	1	1
<b>12 WTO Members</b>	<b>329</b>	<b>268</b>	<b>191</b>	<b>241</b>	<b>171</b>	<b>182</b>	<b>13</b>	<b>14</b>	<b>1136</b>	<b>1193</b>	<b>95</b>	<b>93</b>
<b>All WTO Members</b>	<b>339</b>	<b>327</b>	<b>205</b>	<b>262</b>	<b>188</b>	<b>194</b>	<b>17</b>	<b>14</b>	<b>1191</b>	<b>1287</b>	<b>100</b>	<b>100</b>

— Nil. <sup>c</sup> The sum of the percentages for individual countries may not equal the total due to rounding.

Source: WTO (2002a) and (2003).