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## 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*. This appendix reports recent anti-dumping and countervailing activity.

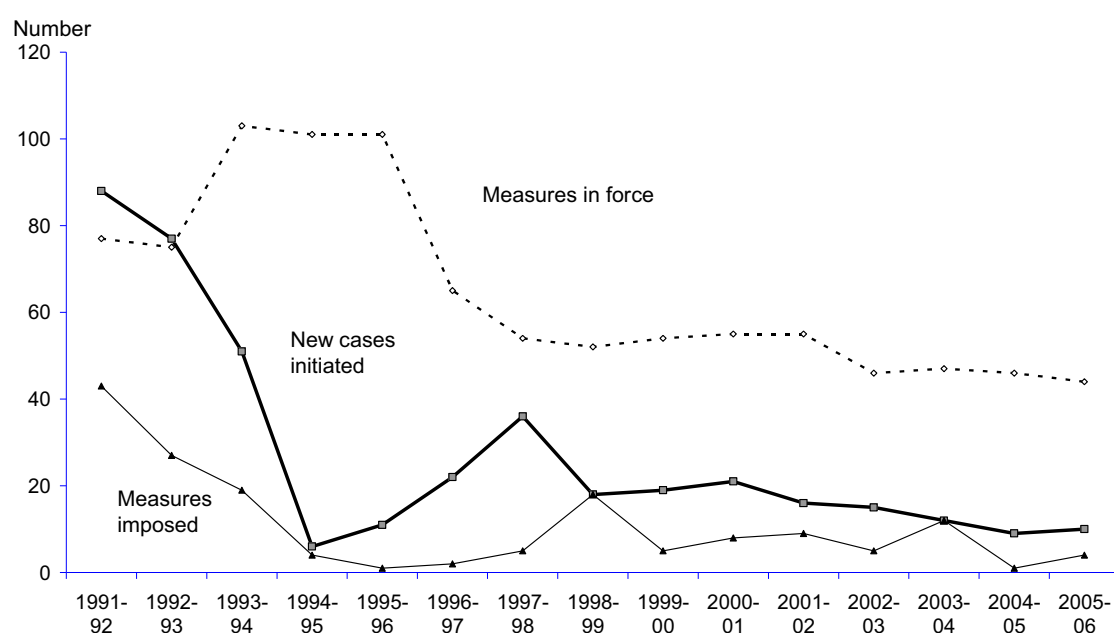
### Australian trends

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 new anti-dumping and countervailing cases *initiated* in Australia has been stable and relatively low over recent years, compared with the early 1990s (figure B.1). There were 10 new cases in 2005-06. Table B.1 lists the anti-dumping cases initiated in 2005-06.

Four new measures were *imposed* by the government in 2005-06, compared to one measure imposed in the previous year. The number of measures *in force* remained relatively stable at around 50 (figure B.1).

Figure B.1 Anti-dumping and countervailing activity,<sup>a</sup> 1991-92 to 2005-06



<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.

Source: ACS.

During 2005-06, Australian firms initiated 10 anti-dumping complaints against firms from 7 economies, all of which were against firms from Asia.

In 2005-06, the *Metal product manufacturing* industry accounted for half of the 10 initiations (table B.2). Over the 10-year period to 2005-06, 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 almost 40 per cent of total initiations.

**Table B.1 Australian anti-dumping and countervailing initiations,<sup>a</sup> 2005-06**

<i>Commodity</i>	<i>Exporting economy</i>
Certain hollow structural sections	China, Korea, Malaysia, Taiwan, Thailand
Pineapple fruit, prepared or preserved in containers	China, Philippines
Clear laminated safety glass	China, Indonesia
Mobile garbage bins	Malaysia

<sup>a</sup> 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,<sup>a</sup> by industry, 1996-97 to 2005-06**

<i>Industry<sup>b</sup></i>	<i>1996-97 to 2005-06</i>				
	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>Number of cases</i>	<i>Per cent of total<sup>c</sup></i>
Food, beverages and tobacco	5	1	2	14	8
Textiles, clothing, footwear and leather	–	–	–	6	3
Wood and paper products	1	1	–	26	15
Printing, publishing and recorded media	–	–	–	–	–
Petroleum, coal, chemical and associated products	–	2	1	68	38
Non-metallic mineral products	1	–	2	15	8
Metal product manufacturing	5	4	5	30	17
Machinery and equipment manufacturing	–	1	–	11	6
Other manufacturing	–	–	–	8	4
<b>Total</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>178</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> Percentages for individual industries may not sum to the total due to rounding.

Source: ACS (various).

## International trends

In 2004-05, Australia accounted for 9 (or 4 per cent) of the 214 anti-dumping and countervailing cases initiated internationally (table B.4). In 2004-05, the countries with the most initiations were the European Union (35), India (30) and China (27).

Thirteen WTO countries account for just over 90 per cent of anti-dumping and countervailing duties in force. Australia, with 54 measures in force in 2004-05, was the 10th largest user of anti-dumping and countervailing duties. The largest users are the United States, India and the European Union.

**Table B.3 Australian initiations of anti-dumping and countervailing cases, by trading region and economy,<sup>a</sup> 1996-97 to 2005-06**

<i>Region/economy</i>	<i>2003-04</i>	<i>2004-05</i>	<i>2005-06</i>	<i>1996-97 to 2005-06</i>	
				<i>Total</i>	<i>Per cent<sup>b</sup></i>
<b>North America</b>	–	<b>1</b>	–	<b>9</b>	<b>5</b>
Canada	–	1	–	3	2
United States	–	–	–	6	3
<b>European Union</b>	<b>5</b>	–	–	<b>44</b>	<b>25</b>
Austria	–	–	–	2	1
Belgium/Lux	–	–	–	3	2
Finland	–	–	–	3	2
France	–	–	–	3	2
Germany	–	–	–	9	5
Italy	2	–	–	7	4
Netherlands	–	–	–	3	2
Sweden	–	–	–	5	3
UK	–	–	–	5	3
Other EU	3	–	–	4	2
<b>Asia</b>	<b>7</b>	<b>8</b>	<b>10</b>	<b>103</b>	<b>58</b>
China	3	3	3	22	12
Hong Kong	–	–	–	1	1
India	–	–	–	4	2
Indonesia	1	–	1	16	11
Japan	1	–	–	5	3
Korea (south)	2	3	1	17	6
Malaysia	–	1	2	9	5
Philippines	–	–	1	1	1
Singapore	–	–	–	5	3
Thailand	–	1	1	13	7
Taiwan	–	–	1	10	7
<b>Other</b>	–	–	–	<b>22</b>	<b>12</b>
Saudi Arabia	–	–	–	2	1
South Africa	–	–	–	4	2
Other	–	–	–	16	9
<b>Total</b>	<b>12</b>	<b>9</b>	<b>10</b>	<b>178</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.

**Table B.4 International anti-dumping and countervailing actions, 2003-04 and 2004-05**

Country	Initiation		Provisional measures		Definitive duties		Price undertakings		Measures in force		Per cent of total measures in force <sup>a</sup>	
	03-04	04-05	03-04	04-05	03-04	04-05	03-04	04-05	03-04	04-05	03-04	04-05
US	47	9	23	26	18	22	—	0	350	335	24	24
India	37	30	12	9	38	29	2	1	216	191	15	14
EU <sup>b</sup>	19	35	13	14	10	8	2	4	183	183	13	13
South Africa	10	19	6	8	2	2	—	0	88	77	6	6
China	22	27	13	17	26	20	1	3	56	71	4	5
Turkey	19	20	10	2	11	16	—	0	53	68	4	5
Mexico	13	7	12	7	8	7	—	0	59	64	4	5
Canada	17	8	15	13	9	9	—	0	95	63	7	5
Argentina	7	6	—	2	2	1	—	2	79	56	5	4
Australia	12	9	4	2	12	1	2	0	54	54	4	4
Brazil <sup>c</sup>	8	5	—	0	3	4	—	2	54	51	4	4
Korea	17	1	9	3	5	11	1	2	23	32	2	2
New Zealand	4	5	1	5	3	4	—	0	11	15	1	1
<b>13 WTO Members</b>	<b>232</b>	<b>181</b>	<b>118</b>	<b>108</b>	<b>147</b>	<b>134</b>	<b>8</b>	<b>14</b>	<b>1321</b>	<b>1260</b>	<b>93</b>	<b>91</b>
<b>All WTO Members</b>	<b>254</b>	<b>214</b>	<b>128</b>	<b>126</b>	<b>173</b>	<b>155</b>	<b>10</b>	<b>15</b>	<b>1451</b>	<b>1383</b>	<b>100</b>	<b>100</b>

— Nil. <sup>a</sup> The sum of the percentages for individual countries may not equal the total due to rounding. <sup>b</sup> From 2003-04, includes new member states that acceded on 1 May 2004. <sup>c</sup> Certain measures in force were notified as having been fully or partially suspended.

Source: WTO (2005, 2006).