
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. The price of the good in the exporter’s home market is generally used to determine the normal value although, 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 action 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 has taken 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).

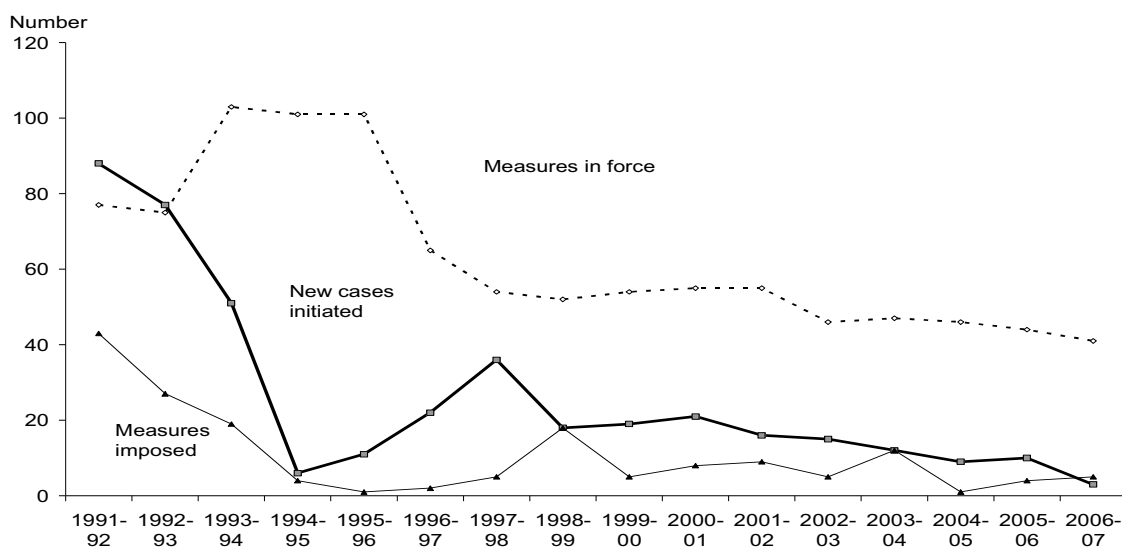
Countries may also apply countervailing duties where imports — benefiting from certain forms of subsidies in the country of origin — cause, or threaten to cause, material injury to a domestic industry.

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*.

Figure B.1 Anti-dumping and countervailing activity^a 1991-92 to 2006-07



^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 (2006, 2007); PC (2007d).

The number of new anti-dumping and countervailing cases *initiated* in Australia has been relatively low over recent years, compared with the early 1990s (figure B.1). During 2006-07, Australian firms initiated three complaints against firms from three economies (table B.1). Two of the cases initiated were in the chemicals and plastics industry, while the third case was in the food and beverages industry.

Table B.1 Australian anti-dumping and countervailing initiations,^a 2006-07

Commodity	Exporting economy
Certain brandy	France
Transparent Bi-Axially oriented polypropylene	Republic of Indonesia
Sodium tripolyphosphate	China

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

Source: ACS (2006, 2007).

In 2006-07, five new measures were *imposed* by the Government compared to four in the previous year, while nine measures expired. Overall, the number of measures *in force* dropped slightly, to 41.

The *Petroleum, coal, chemical and associated products* industry (mainly chemical and plastic products) has on average been the largest initiator of anti-dumping and countervailing actions, accounting for more than one third of total initiations over the last decade (table B.2). Over the 10-year period to 2006-07, Australia initiated anti-dumping and countervailing activity against over 25 countries. In the last three

years, action has been initiated against nine countries, with more than one action initiated against five of these countries during the period (table B.3).

Table B.2 Anti-dumping and countervailing cases initiated,^a by industry, 1997-98 to 2006-07

<i>Industry^b</i>	<i>1997-98 to 2006-07</i>				
	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>Number of cases</i>	<i>Per cent of total^c</i>
Food, beverages and tobacco	1	2	1	15	9
Textiles, clothing, footwear and leather	–	–	–	6	4
Wood and paper products	1	–	–	26	16
Printing, publishing and recorded media	–	–	–	–	–
Petroleum, coal, chemical and associated products	2	1	2	59	37
Non-metallic mineral products	–	2	–	9	6
Metal product manufacturing	4	5	–	28	18
Machinery and equipment manufacturing	1	–	–	10	6
Other manufacturing	–	–	–	6	4
Total	9	10	3	159	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 (various years).

International trends

Internationally in 2005-06, there were 189 anti-dumping and countervailing cases initiated (table B.4). The most initiations were by India (30) and the European Union (26), followed by China (16) and Argentina (16).

Twelve WTO countries currently account for 90 per cent of anti-dumping and countervailing measures in force, a similar percentage to recent years. However, over the last four years the composition of the twelve largest users of anti-dumping and countervailing measures has changed, with China (which joined the WTO in December 2001) and Peru joining the top 12 and Korea and New Zealand dropping out. The three countries with the most measures in force remain the United States, India and the European Union — together they have accounted for around half of all measures. Australia, with 48 measures in force at 30 June 2006, was the 11th largest user of anti-dumping and countervailing measures, compared to its position as eighth largest user in 2002.

Table B.3 Australian initiations of anti-dumping and countervailing cases, by trading region and economy,^a 1997-98 to 2006-07

<i>Region/economy</i>	<i>2004-05</i>	<i>2005-06</i>	<i>2006-07</i>	<i>1997-98 to 2006-07</i>	
				<i>Total</i>	<i>Per cent^b</i>
North America	1	–	–	8	5
Canada	1	–	–	3	2
United States	–	–	–	5	3
European Union	–	–	1	38	24
Austria	–	–	–	2	1
Belgium/Luxembourg	–	–	–	3	2
Finland	–	–	–	3	2
France	–	–	1	4	3
Germany	–	–	–	6	4
Italy	–	–	–	7	4
Netherlands	–	–	–	2	1
Sweden	–	–	–	3	2
UK	–	–	–	5	3
Other EU	–	–	–	3	2
Asia	8	10	2	96	60
China	3	3	1	20	13
Hong Kong	–	–	–	1	1
India	–	–	–	3	2
Indonesia	–	1	1	16	10
Japan	–	–	–	5	3
Korea	3	1	–	17	11
Malaysia	1	2	–	8	5
Philippines	–	1	–	1	1
Singapore	–	–	–	5	3
Thailand	1	1	–	12	8
Taiwan	–	1	–	8	5
Other	–	–	–	17	11
Saudi Arabia	–	–	–	2	1
South Africa	–	–	–	4	3
Other	–	–	–	11	7
Total	9	10	3	159	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 (various years).

Table B.4 International anti-dumping and countervailing actions, 2004-05 and 2005-06

Country	Initiation		Provisional measures		Definitive duties		Price undertakings		Measures in force ^a		% total measures in force ^b	
	04-05	05-06	04-05	05-06	04-05	05-06	04-05	05-06	At 30 June 2005	At 30 June 2006	04-05	05-06
US	9	11	26	11	22	8	-	-	335	307	24	23
India	30	30	9	12	29	18	1	1	191	177	14	13
EU	35	26	14	6	8	24	4	3	183	168	13	12
China	27	16	17	24	20	21	3	2	71	88	5	6
Turkey	20	9	2	2	16	16	-	-	68	81	5	6
South Africa	19	7	8	19	2	3	-	-	77	75	6	6
Mexico	7	6	7	7	7	11	-	-	64	72	5	5
Argentina	6	16	2	-	1	9	2	2	59	67	4	5
Canada	8	8	13	3	9	-	-	-	63	54	5	4
Brazil ^c	5	6	-	-	4	3	2	2	51	50	4	4
Australia	9	14	2	3	1	4	-	5	54	48	4	4
Peru	7	3	4	-	5	5	-	-	34	35	2	3
12 WTO members	182	152	104	87	124	122	12	15	1250	1222	90	90
All WTO Members	214	189	126	110	155	150	15	18	1383	1358	100	100

- Nil. ^a Includes definitive price undertakings. ^b The sum of the percentages for individual countries may not equal the total due to rounding.

^c Certain of the measures in force as at 30 June 2005 were notified as having been fully or partially suspended.

Source: WTO (2006, 2007a).