

**Submission to the Productivity Commission's Draft
Report
on the Anti-dumping and Countervailing System of 10
September 2009.**

I apologize for the lateness of this brief submission to the Productivity Commission in response to the Draft Report on Australia's Anti-dumping and Countervailing System, released on 10 September 2009. I unfortunately have only recently become aware that the draft had been released.

I feel that as a trade policy practitioner and consultant, including over 20 years working in the assistance measurement and evaluation section of the Productivity Commission and its predecessors, I am well qualified to comment on the Draft Report. I have also worked with the GATT/WTO Secretariat, including as an on-going consultant on WTO Trade Policy Reviews under the Trade Policy Review Mechanism. Other experience includes advising governments on trade policies and measures as an international trade consultant for various institutions, including the World Bank and Asian Development Bank. I have also sat on numerous international expert panels related to trade policy, and am currently a Visiting Fellow Specializing in World Trade at the Crawford School of Economics & Government at the Australian National University.

In this personal submission, I would like to support the submission of my colleague, Greg Cutbush. I have just seen a copy of his submission and share his concerns over the Commission's recommendations, and urge the Commission to re-consider them so as to either remove the anti-dumping system altogether, or at least curtail its anti-competitive use much more than is provided for in the Draft Report. The very pertinent issues raised by Greg in his submission go in my view to the centre of the weaknesses in logic, empirics and policy advice contained in the Commission's Draft Report.

In addition, I am dismayed that the Commission has seemingly used a criterion of "small economic costs" as a justification for retaining the anti-dumping system. On the one hand, the criterion is subjective (what is "small") and any economic cost must in any case vary substantially over time depending on the economic cycle. On the other hand, the political economy factors used by the Commission to justify retaining the system have not been empirically demonstrated and would appear to have been exaggerated. Additionally, within the WTO context, these arguments are already used as excuses for allowing members to use safeguard measures, which Australia also has in place. A question arising is why should Australia have both safeguard and anti-dumping measures for the one purpose?

The Commission has also dismissed the use of competition law as a substitute for an anti-dumping system based on practical and other considerations. Why not judge alleged local and foreign price predators by the same rules? The practical and other objections raised against this are far from convincing, and I believe the Commission should re-consider its approach.

Yours sincerely

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