C Anti-dumping and countervailing activity

Dumping is said to occur when an overseas supplier exports a good to Australia at a price below its ‘normal value’ in the supplier’s home market. If dumping causes, or threatens to cause, material injury to local producers of like goods, then remedial action — mainly the imposition of special customs duties — can be taken against the imported goods concerned.

Similarly, countervailing duties can be imposed on imports which benefit from certain subsidies from an overseas government and which cause or threaten injury to a local industry producing like goods.

Australia’s anti-dumping and countervailing legislation (contained in the *Customs Act 1901*, the *Customs Tariff (Anti-Dumping) Act 1975* and the Customs Regulations 1926), is based on WTO agreements that, amongst other things, aim to discipline the use of anti-dumping measures as an alternative form of protection. Though WTO members are not obliged to enact such legislation, they are required to comply with the agreed requirements should they wish to take action against dumped imports.

Australia’s anti-dumping system is administered by the Australian Customs and Border Protection Service (Customs and Border Protection). It investigates claims of dumping and makes recommendations to the Minister, and also oversees anti-dumping and countervailing measures in force. The investigation process goes through several, time-limited, stages and includes appeal processes.

Under Australia’s anti-dumping rules, anti-dumping duties may be imposed up to the level of the assessed dumping margin (or the subsidy provided by an overseas government). However, under the ‘lesser duty rule’, a smaller duty sufficient to increase the price of the overseas good to a ‘non-injurious’ level may sometimes be imposed. Alternatively, the overseas supplier (and also the overseas government in countervailing cases) can make a formal price undertaking on terms that would remove the injury or the threat of injury.

Once in place, anti-dumping measures typically remain in force for five years, with scope for extensions for additional five-year periods, following further review.

## C. Australian anti-dumping and countervailing activity

During 2011‑12, 22 new investigations were *initiated* by Customs and Border Protection (table C.1). This is an increase from 10 new investigations the previous year. Also during the year, four new measures were *imposed* and three measures *expired*.

Table C.1 Australian anti-dumping and countervailing initiations, 2011‑12**a**

|  |  |  |
| --- | --- | --- |
| Commodity | Industry grouping | Investigations b |
| **Initiations** |  |  |
| Electric cables | Machinery and equipment manufacturing | P.R. China |
| Structural timber - coniferous | Wood and paper products | Austria, Canada,  Czech Republic, Estonia, Germany, Lithuania,  Sweden,  United States |
| Hollow structural sections (HSS) | Metal product manufacturing | P.R. China Korea, Rep of, Malaysia,  Taiwan, Thailand |
| Quicklime | Non-metallic mineral products | Thailand |
| Aluminium road wheels | Machinery and equipment manufacturing | P.R. China |
| Formulated glyphosate | Petroleum, coal, chemical and associated products | P.R. China |
| Polyvinyl chloride homopolymer resin | Petroleum, coal, chemical and associated products | Korea, Rep of |
| Hot-rolled coil steel | Metal product manufacturing | Taiwan, Korea,  Rep of, Malaysia, Japan |
| **New Measures Imposed** |  |  |
| Clear float glass | Non-metallic mineral products | P.R. China, Indonesia, Thailand |
| Pineapple, fruit (consumer) | Food, beverages and tobacco | Thailand (TPC) |
|  |  |  |
| **Expirations** |  |  |
| Brandy, certain | Food, beverages and tobacco | France |
| Pineapple, fruit (FSI) | Food, beverages and tobacco | P.R. China, Philippines |

a Formal investigations by Customs. Complaints by industry must meet certain requirements before investigations are initiated. b Initiations are recorded as actions applying to one commodity from one economy.

*Source*: ACS (2012).

Over the decade to 2011‑12, *measures in force* have declined from 46 in 2002-03 to 25 in 2011-12 (figure C.1). Over this period more than half of initiated investigations related to products in the *Metal products* and the *Petroleum, coal, chemical and associated products* industry grouping (table C.2). New measures were *imposed* about 43 per cent of the time in response to all investigations.

Figure C.1 Australian anti-dumping and countervailing activity, 1978‑79 to 2011‑12ab

|  |
| --- |
| Figure C.1 Australian anti-dumping and countervailing activity 1978-79 to 2011-12. This figure is decribed in the surrounding text. |

a An investigation or measure is recorded as an action applying to one commodity from one economy. If multiple economies are involved, they are treated as separate actions. b New investigations refer to investigations by Customs and Border Protection of complaint cases that have met the screening requirements. The number of complaints raised by industry may be greater.

*Source:* ACS (2012).

Table C.2 Australian anti-dumping and countervailing new investigations, 2002‑03 to 2011‑12a

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | 2002-03 to 2011-12 | |
| Industry grouping | 2009-10 | 2010-11 | 2011-12 | Number of cases | Per cent of total |
| Food, beverages and tobacco | 1 | 2 | 0 | 15 | 15 |
| Wood and paper products | 5 | 0 | 8 | 19 | 18 |
| Petroleum, coal, chemical and associated products | 2 | 3 | 2 | 26 | 25 |
| Non-metallic mineral products | 4 | *̶* | 1 | 9 | 9 |
| Metal product manufacturing | 1 | *̶* | 9 | 28 | 27 |
| Machinery and equipment manufacturing | *̶* | *̶* | 2 | 6 | 6 |
| **Total** | 13 | 5 | 22 | 103 | 100 |

– Nil. a Formal investigations by Customs. Complaints by industry must meet certain requirements before investigations are initiated. Initiations are recorded as investigations of one commodity from one economy. Cases where dumping and subsidisation are alleged for the same economy and commodity are counted as two distinct initiations.

*Source*: ACS (2012).

The anti-dumping and countervailing activity initiated over the decade to 2011‑12 was against more than 25 countries (table C.3). Over this period, there has been a consistently higher concentration of initiations and measures against suppliers from the Asian region compared to the earlier decades. Of the 22 investigations in 2011‑12, 14 relate to imports from Asia.

Table C.3 Australian initiations of anti-dumping and countervailing cases by trading region and economy, 2002‑03 to 2011‑12**a**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | 2002-03 to 2011-12 | |
| Region/economy | 2009-10 | 2010-11 | 2011-12 | Total | Per centb |
| **North America** | **1** | **2** | **2** | **10** | **10** |
| Canada | *̶* | 1 | 1 | 5 | 5 |
| United States | 1 | 1 | 1 | 5 | 5 |
| **South America** | **2** | **̶** | **̶** | **2** | **2** |
| Brazil | 1 | *̶* | *̶* | 1 | 1 |
| Chile | 1 | *̶* | *̶* | 1 | 1 |
| **European Union** | **1** | **̶** | **6** | **22** | **21** |
| Austria | *̶* | *̶* | 1 | 1 | 1 |
| Belgium/Luxembourg | *̶* | *̶* | *̶* | 1 | 1 |
| Finland | *̶* | *̶* | *̶* | 0 | 0 |
| France | *̶* | *̶* | *̶* | 1 | 1 |
| Germany | 1 | *̶* | 1 | 5 | 5 |
| Greece | *̶* | *̶* | *̶* | 3 | 3 |
| Italy | *̶* | *̶* | *̶* | 4 | 4 |
| Sweden | *̶* | *̶* | 1 | 2 | 2 |
| United Kingdom | *̶* | *̶* | *̶* | 0 | 0 |
| Other European Union | *̶* | *̶* | 3 | 5 | 5 |
| **Asia** | **9** | **3** | **14** | **69** | **67** |
| China | 5 | *̶* | 4 | 24 | 23 |
| Hong Kong | *̶* | *̶* | *̶* | 0 | 0 |
| India | *̶* | *̶* | *̶* | 0 | 0 |
| Indonesia | 1 | 1 | 0 | 6 | 6 |
| Japan | *̶* | *̶* | 1 | 2 | 2 |
| South Korea | 1 | 1 | 3 | 14 | 14 |
| Malaysia | 1 | *̶* | 2 | 7 | 7 |
| Philippines | *̶* | *̶* | *̶* | 1 | 1 |
| Singapore | *̶* | *̶* | *̶* | 1 | 1 |
| Thailand | 1 | 1 | 2 | 11 | 11 |
| Taiwan | *̶* | *̶* | 2 | 3 | 3 |
| **Other** | *̶* | *̶* | *̶* | **0** | **0** |
| Saudi Arabia | *̶* | *̶* | *̶* | 0 | 0 |
| South Africa | *̶* | *̶* | *̶* | 0 | 0 |
| Other | *̶* | *̶* | *̶* | **0** | **0** |
| **Total** | **13** | **5** | **22** | **103** | **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 (2012).

## C. International anti-dumping and countervailing activity

In the year to December 2011, there were 191 anti-dumping and countervailing cases initiated worldwide (figure C.2).[[1]](#footnote-1) The most were by the United States (24), followed by the European Union (22), Australia (20), India (19) and Brazil (19). The previous year Australia had ranked seventh in terms of most investigations initiated.

Since commencement of the WTO in 1995, through to 31 December 2011, there have been over 2700 measures imposed, of which India, the United States, and the European Union accounted for roughly 40 per cent (WTO 2012). Australia ranked tenth in terms of measures imposed over the period.

Figure C.2 Anti-dumping and countervailing global investigations and measures imposed, 1995 to 2011

|  |
| --- |
| Figure C.2 Anti-dumping and countervailing global investigations and measures imposed, 1995 to 2011. This fugure is described in the surrounding text. |

*Sources*: WTO (2013c), WTO (2013d), WTO (2013e), WTO (2013f).

1. WTO data are on a calendar year basis whereas the Australian data in section C.1 is on a financial year basis. [↑](#footnote-ref-1)