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 Anti-Dumping Commission, a division of 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). Australian rules also include a ‘lesser duty rule’. Under this rule, a smaller duty sufficient to increase the price of the overseas good to a ‘non-injurious’ level may sometimes be imposed. As an alternative to the imposition of a duty, 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.1 Australian anti-dumping and countervailing activity

During 2012‑13, 13 new investigations were *initiated* by Customs and Border Protection (table C.1). This is a decrease from 22 new investigations in the previous year. Also during the year, 12 new measures were *imposed.* This is an increase from four new measures in the previous year. No measures *expired* during 2012‑13.

Table C.1 Australian anti-dumping and countervailing activity, 2012‑13

|  |  |  |
| --- | --- | --- |
| Commodity | Industry grouping | Country of export |
| **Initiations**a,b |  |  |
| Zinc coated (galvanised) steel (dumping) | Metal product manufacturing | China, Korea, Taiwan |
| Aluminium zinc coated steel (dumping) | Metal product manufacturing | China, Korea, Taiwan |
| Zinc coated (galvanised) steel (countervailing) | Metal product manufacturing | China |
| Aluminium zinc coated steel (countervailing) | Metal product manufacturing | China |
| Hot rolled plate steel (dumping and countervailing) | Metal product manufacturing | China, Indonesia, Japan, Korea, Taiwan |
|  |  |  |
| **New Measures Imposed** |  |  |
| Aluminium road wheels (dumping) | Machinery and equipment manufacturing | China |
| Aluminium road wheels (countervailing) | Machinery and equipment manufacturing | China |
| Hot rolled coil steel (dumping) | Metal product manufacturing | Taiwan, Korea, Malaysia, Japan |
| Hollowed structural sections (dumping) | Metal product manufacturing | China, Korea, Malaysia, Taiwan |
| Hollowed structural sections (countervailing) | Metal product manufacturing | China |
| Polyvinyl chloride homopolymer resin (dumping) | Petroleum, coal, chemical and associated products | Korea |

a Formal investigations by Customs and Border Protection. Complaints by industry must meet certain requirements before investigations are initiated. b Initiations are counted as actions applying to one commodity from one economy. Actions may be solely dumping, solely countervailing or both dumping and countervailing.

*Source*: Australian Customs Dumping Notices (monthly status reports).

*Measures in force* declined from 1995‑96 to 2010‑11, as expirations had been exceeding new impositions. However, the upturn in investigations in 2011‑12, and the subsequent 12 new measures imposed in 2012‑13, has resulted in an increase in the number of measures in force to 40 (figure C.1).

Figure C.1 Australian anti-dumping and countervailing activity, 1978‑79 to 2012‑13a,b

|  |
| --- |
|  |

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*:Australian Customs Dumping Notices (monthly status reports).

Of the 101 initiated investigations over the last decade, 41 per cent related to products in the *Metal products* industry grouping (table C.2).

Table C.2 Australian anti-dumping and countervailing new investigations, 2003‑04 to 2012‑13a

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | 2003‑04 to 2012‑13 | |
| Industry grouping | 2010-11 | 2011-12 | 2012‑13 | Number of cases | Per cent of total b |
| Food, beverages and tobacco | 2 | 0 | 0 | 14 | 14 |
| Wood and paper products | 0 | 8 | 0 | 18 | 18 |
| Petroleum, coal, chemical and associated products | 3 | 2 | 0 | 15 | 15 |
| Non-metallic mineral products | *̶* | 1 | 0 | 9 | 9 |
| Metal product manufacturing | *̶* | 9 | 13 | 41 | 41 |
| Machinery and equipment manufacturing | *̶* | 2 | 0 | 4 | 4 |
| **Total** | 5 | 22 | 13 | 101 | 100 |

– Nil. a Formal investigations by Customs and Border Protection. 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. b The sum of the percentages for the industry groupings may not add to the total due to rounding.

*Source*: Australian Customs Dumping Notices (monthly status reports).

Of the 101 initiated investigations over the decade to 2012‑13, 75 per cent were against suppliers from Asia (table C.3). All 13 investigations in 2012‑13 related to imports from Asia.

Table C.3 Australian initiations of anti-dumping and countervailing cases by trading region and economy, 2003‑04 to 2012‑13**a**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | 2003‑04 to 2012‑13 | |
| Region/economy | 2010-11 | 2011-12 | 2012‑13 | Total | Per centb |
| **North America** | **2** | **2** | **̶** | **8** | **8** |
| Canada | 1 | 1 | *̶* | 4 | 4 |
| United States | 1 | 1 | *̶* | 4 | 4 |
| **South America** | **̶** | **̶** | *̶* | **2** | **2** |
| Brazil | *̶* | *̶* | *̶* | 1 | 1 |
| Chile | *̶* | *̶* | *̶* | 1 | 1 |
| **European Union** | **̶** | **6** | **̶** | **16** | **16** |
| Austria | *̶* | 1 | *̶* | 1 | 1 |
| Belgium/Luxembourg | *̶* | *̶* | *̶* | 0 | 0 |
| Finland | *̶* | *̶* | *̶* | 0 | 0 |
| France | *̶* | *̶* | *̶* | 1 | 1 |
| Germany | *̶* | 1 | *̶* | 3 | 3 |
| Greece | *̶* | *̶* | *̶* | 3 | 3 |
| Italy | *̶* | *̶* | *̶* | 2 | 2 |
| Sweden | *̶* | 1 | *̶* | 1 | 1 |
| United Kingdom | *̶* | *̶* | *̶* | 0 | 0 |
| Other European Union | *̶* | 3 | *̶* | 5 | 5 |
| **Asia** | **3** | **14** | **13** | **75** | **75** |
| China | *̶* | 4 | 5 | 29 | 29 |
| Hong Kong | *̶* | *̶* | ̶ | 0 | 0 |
| India | *̶* | *̶* | *̶* | 0 | 0 |
| Indonesia | 1 | *̶* | 1 | 7 | 7 |
| Japan | *̶* | 1 | 1 | 3 | 3 |
| South Korea | 1 | 3 | 3 | 14 | 14 |
| Malaysia | *̶* | 2 | *̶* | 6 | 6 |
| Philippines | *̶* | *̶* | *̶* | 1 | 1 |
| Singapore | *̶* | *̶* | *̶* | 0 | 0 |
| Thailand | 1 | 2 | *̶* | 9 | 9 |
| Taiwan | *̶* | 2 | 3 | 6 | 6 |
| **Other** | *̶* | *̶* | *̶* | **0** | **0** |
| Saudi Arabia | *̶* | *̶* | *̶* | 0 | 0 |
| South Africa | *̶* | *̶* | *̶* | 0 | 0 |
| Other | *̶* | *̶* | *̶* | 0 | 0 |
| **Total** | **5** | **22** | **13** | **101** | **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*: Australian Customs Dumping Notices (monthly status reports).

## C.2 International anti-dumping and countervailing activity

In the 2012 calendar year, there were 209 anti-dumping and 23 countervailing cases initiated worldwide (figure C.2).[[1]](#footnote-1) Brazil initiated the highest number of cases (48), followed by India (21), the European Union (19), Canada (17), and the United States (16). Australia and Turkey ranked equal sixth (14). In the previous year, Australia had been the tenth most active.

Figure C.2 Anti-dumping and countervailing global investigations and measures imposed, 1995 to 2012

|  |
| --- |
|  |

*Sources*: WTO (2014a); WTO (2014b); WTO (2014c); WTO (2014d).

From the commencement of the WTO in 1995 through to 31 December 2012, there have been over 2700 dumping and countervailing measures imposed, of which India, the United States, and the European Union accounted for around 40 per cent. Australia ranked tenth in terms of the number of measures imposed over the period.

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