

AUSTRALIA'S ANTI-DUMPING AND COUNTERVAILING SYSTEM

Australia's anti-dumping and countervailing system seeks to remedy the harmful effects that dumped and subsidised imports can have on Australian industries.

Australia's anti-dumping system is based on World Trade Organization (WTO) agreed rules and procedures. WTO members must comply with the agreed requirements should they wish to take action against dumped or subsidised imports.

The system is administered by Customs and Border Protection. The agency investigates claims of dumping, subsidisation and injury, makes recommendations to the Minister about the imposition of anti-dumping and countervailing measures, and ensures compliance with measures that are applied.

WHAT IS DUMPING?

Dumping occurs when an overseas supplier exports goods to Australia at a price below their 'normal value'. The normal value will usually be based on the domestic price of the goods in the exporting country.

WHAT IS A SUBSIDY?

A subsidy is a financial contribution provided by a foreign government or public body that benefits goods exported to Australia, either directly or indirectly.

Countervailing is the act of providing a remedy for certain subsidies that are actionable under WTO rules.

ANTI-DUMPING INVESTIGATIONS

An investigation goes through several stages that are mostly time-limited.

Before any action may be taken against dumped or subsidised goods, Customs and Border Protection must find that there is dumping or subsidisation of goods exported to Australia, and that the local Australian industry has suffered material injury as a result.

If these requirements are met, then Customs and Border Protection can recommend to the Minister that remedial measures be imposed.

An investigation typically takes six months and includes the following stages:

- receiving and screening an application for anti-dumping and/or countervailing measures
- initiating an investigation
- receiving submissions in response to the application
- implementing provisional measures (if applicable)
- verifying information submitted to the investigation
- issuing a Statement of Essential Facts, which sets out the facts found in the investigation to date
- receiving submissions in response to the Statement of Essential Facts
- providing a report to the Minister containing final findings and recommendations
- implementing the Minister's decision, which could include the imposition of measures

CAN MEASURES BE REVIEWED?

The Minister's decision may be appealed to the Review Officer. Particular findings may be reinvestigated by Customs and Border Protection and the Minister may affirm or vary the original decision.

An Australian industry, importer, exporter or foreign government can apply to have the level of measures updated or to have them revoked.

Where an application is initiated, Customs and Border Protection will conduct a review inquiry inviting evidence from relevant parties. If a measure is updated the expiry date remains the same.

WHAT HAPPENS IF MEASURES ARE IMPOSED?

Dumping measures are imposed on imported goods to offset the effects of injury in the form of 'interim dumping duty'. The duty imposed to offset a subsidy is called 'interim countervailing duty'.

An alternative remedy to imposing duty is for the Minister to accept a price undertaking from an exporter. This means the exporter agrees that future trade will be at or above a minimum export price.

WHEN DO MEASURES EXPIRE?

Dumping and countervailing duties are initially imposed for a five-year period.

Prior to the expiration of measures Customs and Border Protection will advertise the expiry date and advise the original applicant. The relevant Australian industry can apply to have the measures continued for a further five years. Where an application is initiated, Customs and Border Protection will conduct a continuation inquiry inviting evidence from relevant parties.

FOR MORE INFORMATION

Visit www.customs.gov.au/site/page4227.asp

RECENT ANTI-DUMPING AND COUNTERVAILING ACTIVITY

Anti-dumping and countervailing activity in Australia has declined over the past decade or so and, until quite recently, was at historically low levels.

As at 30 June 2011 there are 24 measures in place against 18 products and 12 countries.

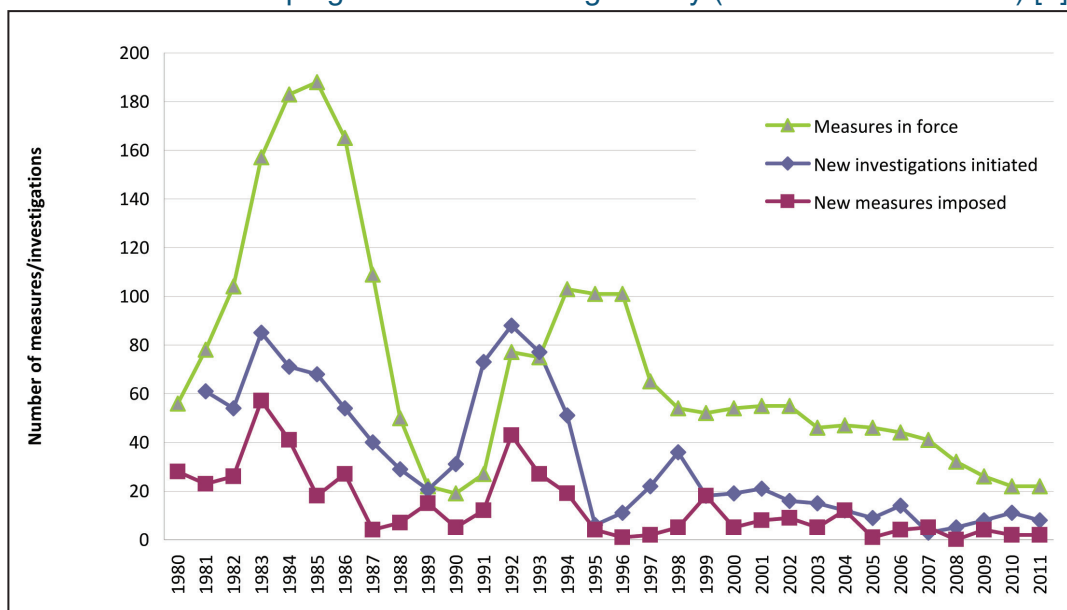
Various factors have contributed to the downward trend in usage, including the strong state of the economy for much of the past decade and the changing composition of Australian industry.

In the decade to 2010, Customs and Border Protection initiated around 12 new anti-dumping investigations each year. In contrast, the number of investigations in the 1990s averaged over 40 each year.

The number of new measures imposed has similarly fallen—from an average of around 14 each year during the 1990s to around five each year over the past decade.

There has been an increase in Australian anti-dumping and countervailing activity over the last two years. The number of new anti-dumping and countervailing investigations has fluctuated from a low of three in 2006-07 to 13 in 2009-10 and 10 in 2010-11.

Australia's anti-dumping and countervailing activity (1980 - 31 March 2011) [1]



[1]1 Productivity Commission Report December 2009 (Page 27) for 1980 - 2009, TMB statistics for 2010 - YTD 2011