



21 September 2010

National Manager  
Trade Measures  
Australian Customs and Border Protection Services Customs House  
5 Constitution Avenue  
CANBERRA CITY ACT 2601

To whom it may concern

The National Farmers' Federation notes the Productivity Commission Inquiry Report issued No. 48, 18 December 2009. In reference to Recommendation 5.1, in the report regarding the new public interest test which states:

*"The imposition and continuation of anti-dumping and countervailing measures should be subject to a 'bounded' public interest test, embodying a presumption that measures will be imposed if there has been dumping or subsidisation that has caused, or threatens to cause, material injury, unless on (or more) of the following circumstances apply:*

- The imposition of measures would preclude effective choice and competition in the Australian market for the like goods, and the resulting scope for the applicant supplier to exploit market power could not be addressed through application of the lesser duty rule*
- The price of the imported goods concerned after the imposition of measures would still be significantly below competing local suppliers' costs to make and sell*
- Un-dumped or non-subsidised like imported goods are readily available at a comparable price to the dumped or subsidised imported goods*
- Prior to the commencement of injurious dumping or subsidisation, the local industry's share of the domestic market for the goods concerned was low, with that share likely to remain low even if measures were imposed*
- The large majority of the overseas supplier's output of the goods concerned is exported, with the goods imported into Australia being exported at a price which covers the supplier's fully distributed costs and a reasonable profit margin (plus the value of any identifiable input subsidies).*

The NFF believes that it is inappropriate to incorporate an emphasis on economy-wide impacts in relation to its anti-dumping system. The NFF contends that the focus of Australia's anti-dumping system should be focussed on ensuring that the principles outlined under the WTO are upheld. That is, the NFF firmly believes that only the facts of if goods are exported to Australia at a price below the "normal value" of the goods with intent to harm should be taken into account when assessing any anti-dumping application.

Consumer benefit attained through the advent of cheap, dumped product, should not be factored into the determination process. This is particularly the case as it can often be extremely difficult to foresee the longer term domestic price outcome of dumping. For example, if the injury incurred by the domestic industry from dumping leads to domestic participants leaving the industry, in the longer term this can lead to market power issues and increased domestic prices as competition dissipates.

The NFF trusts that there will be rigorous engagement and consultation on any proposed change to Australia's system of anti-dumping and countervailing measures. For further information on this issue, please contact NFF Manager for Economics and Trade, Charlie McElhone on (02 6273 3855).

Yours sincerely

A handwritten signature in dark ink, appearing to read 'David Crombie', written in a cursive style.

**DAVID CROMBIE**  
**President**