

# **Global Antidumping Use and Implications for Developing Countries:**

**Monitoring Update to the**

*Global Antidumping Database*

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*“Antidumping Use Across the World” Conference*

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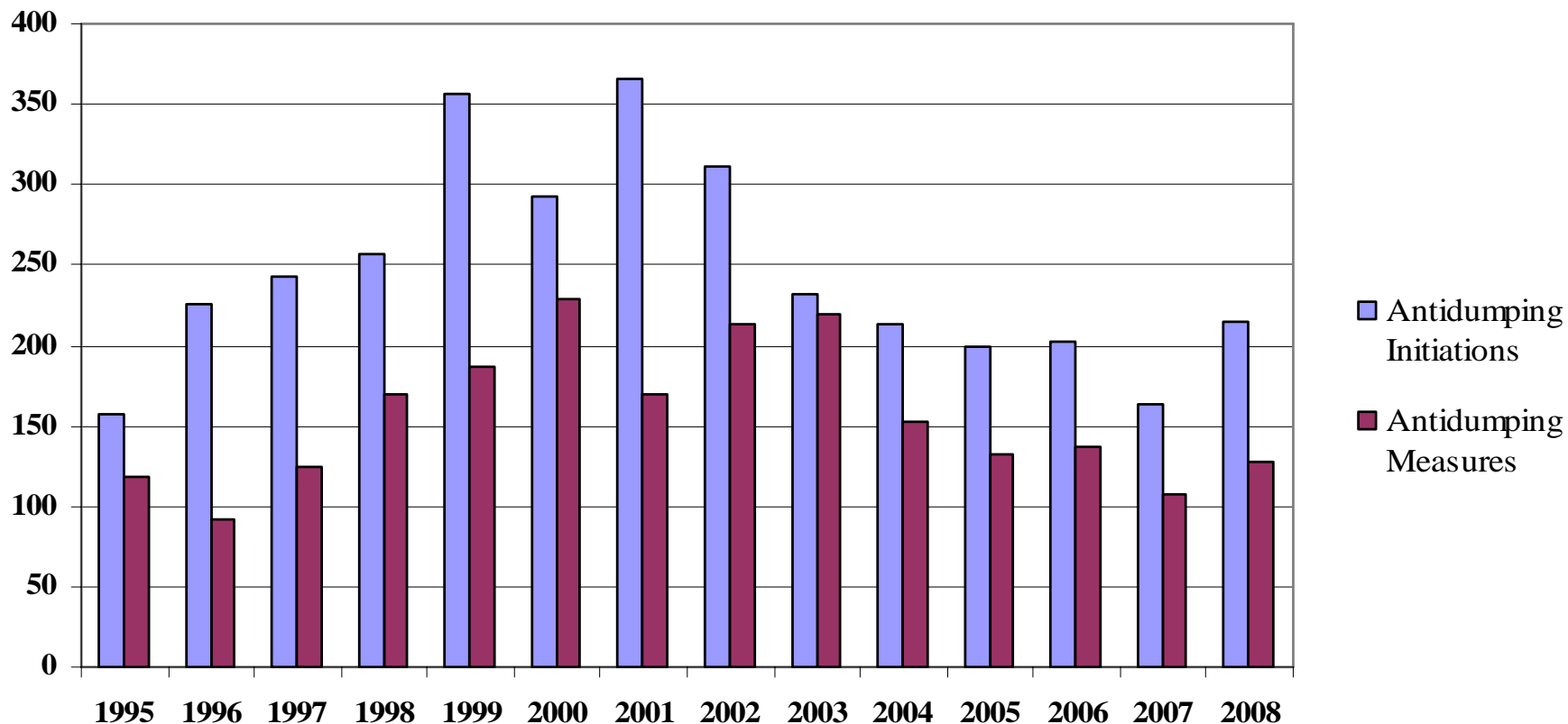
# ***1. Introduction to the Global Antidumping Database***

**[www.brandeis.edu/~cbohn/global\\_ad/](http://www.brandeis.edu/~cbohn/global_ad/)**

- **Data collection and dissemination project funded by the World Bank and Brandeis since 2004**
- **Provides detailed case-level information for more than 20 AD-using countries, more than 90% of the AD-using country activity**
  - **Dates and outcomes of various stages of the investigation**
  - **Harmonized System (HS) codes for investigated products**
  - **Names of domestic petitioning firms**
  - **Names of foreign exporting firms and size of firm-specific measures**
  - **Sources of our data so researchers/analysts can go back and collect additional relevant information**
- **Data derives directly from national government publications**
  - **E.g., U.S. *Federal Register*; EC *Official Journal*, etc.**
- **“Global Antidumping Database” is a misnomer: we also have detailed data on country use of Countervailing Measures (CVM), Safeguards (SG), and related Dispute Settlement Understanding (DSU) activity**
- **Current updating of database for AD activity through 2008**
  - **Full version 5.0 will be available by summer 2009**
  - **Version 5.0 “beta” (major AD-using countries like U.S., EC, India, Canada, Australia, Turkey, South Africa, ...) will be available in late April 2009**
- **It is all free! (to you...)**

## 2. Monitoring: Antidumping Use on the Rise in 2008

### Antidumping Initiations and Measures by WTO Members, 1995-2008

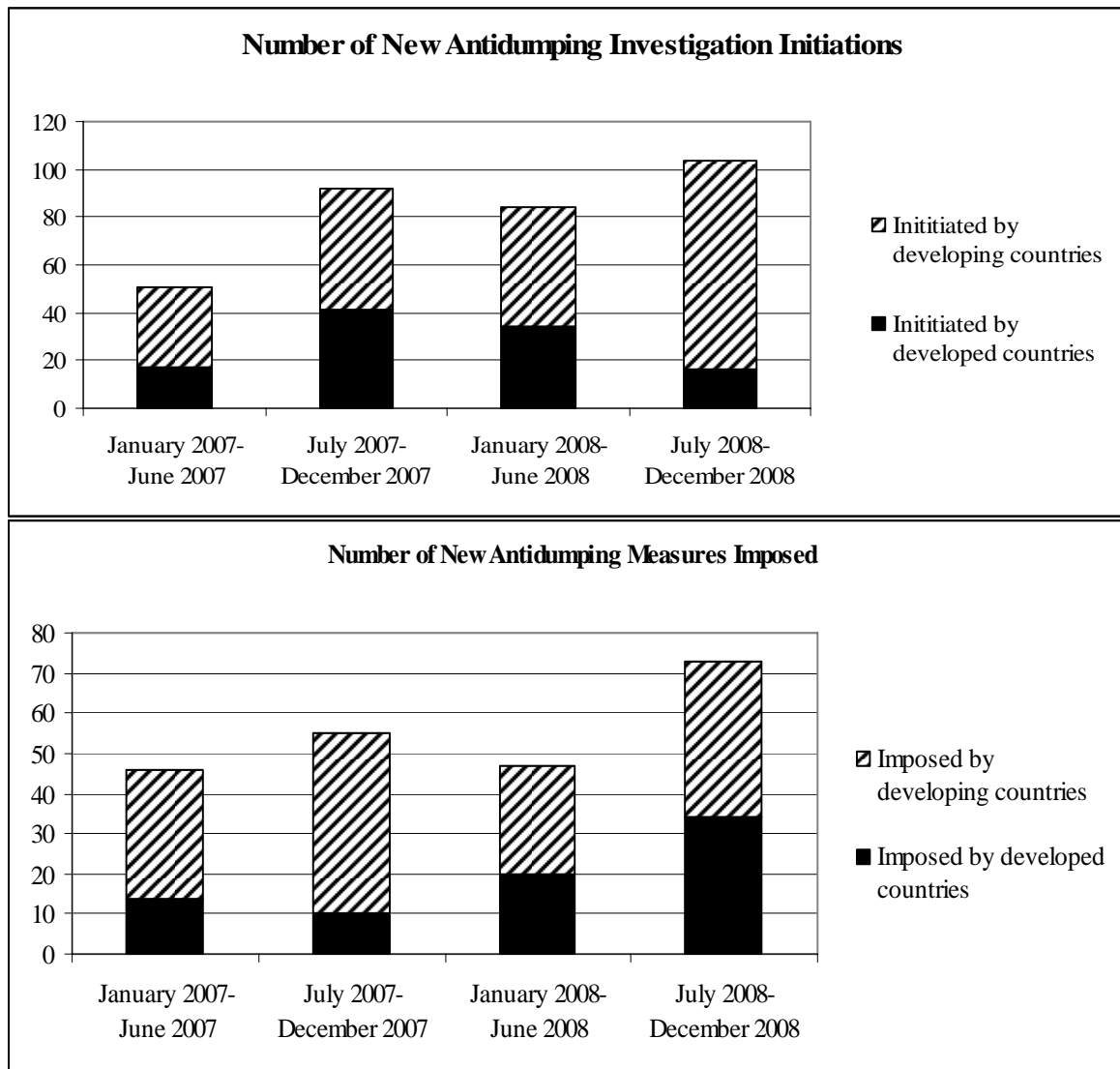


Source: 1995-2007 is from the WTO, 2008 data is estimated based on Global Antidumping Database.

**Implication:** Decline in AD use by the WTO membership over 2002-2007 period, increase in 2008.

## 2. Monitoring: Antidumping Use on the Rise in 2008

### “Zeroing” In – Antidumping Initiations and Measures since January 2007



## 2. Monitoring: Antidumping Use on the Rise in 2008

### AD-Using Countries: 2007 and 2008

Countries	Antidumping Initiations		Antidumping Measures	
	2007 Total	2008 Total	2007 Total	2008 Total
USA	28	18	4	23
Canada	1	3	3	3
European Union	9	18	12	15
India	44	54	28	26
Pakistan	0	3	4	0
Egypt	2	0	2	3
Turkey	6	23	6	11
South Africa	5	3	1	3
New Zealand	3	0	1	2
Taiwan	0	0	1	0
China	4	7	12	4
Colombia	1	6	6	0
Australia	2	6	1	3
Brazil	16	23	9	15
Argentina	7	19	8	4
South Korea	15	5	2	8
<i>Developed countries total</i>	<b>58</b>	<b>50</b>	<b>23</b>	<b>54</b>
<i>Developing countries total</i>	<b>85</b>	<b>138</b>	<b>77</b>	<b>66</b>
<b>Total</b>	<b>143</b>	<b>188</b>	<b>100</b>	<b>120</b>

Source: National government publications described in the *Global Antidumping Database*.

## *2. Monitoring: Antidumping Use on the Rise in 2008*

### **All WTO Member Use of AD: Most Frequently Targeted Industrial Sectors: 2008**

#### **Initiations (out of 188 total)**

- **Iron and steel** sector (48 initiations)
  - India (24 initiations)
  - EU (11 initiations)
- **Chemical** sector (35 initiations)
- **Textile/apparel** sectors (35 initiations)

#### **New Measures (out of 120 total)**

- **Chemical** sector (47 new measures)
  - India (23 new measures)
- **Iron and steel** sector (18 new measures)
- **Plastics and rubber** sector (14 new measures)

## 2. Monitoring: Antidumping Use on the Rise in 2008

### Concern for “Trade Deflection”?

#### Examples of HS-06 “product overlap” across AD-using countries in 2007 and 2008

Product name	6-digit HS Code	Exporting Country	First Initiating Country	Second Initiating Country	Consecutive Initiators	Count
Welded, of circular cross section, of iron or nonalloy steel	730630	China	USA	EU	Canada, Australia	4
Citric acid	291814	China	South Africa	EU	USA	3
Certain bus and truck tyres	401120	China	USA	Brazil	India	3
Certain steel chains	731582	China	South Africa	Argentina		2
Acetone	291411	South Korea	India	China		2
Registers, account books, notebooks, order books, receipt books, letter pads, memorandum pads, diaries and similar articles	482010	China & South Korea	New Zealand	USA		2
PET films	392062	Thailand	Brazil	USA		2
Articles of iron or steel of square or rectangular cross section	730661	China	USA	Australia		2
Articles of iron or steel of square or rectangular cross section	730661	Turkey	USA	European Union		2
Certain iron or steel screws and bolts, whether or not with their nuts or washers	731815	China	EU	USA		2
Polyester textured yarn	540233	China & Indonesia	Turkey	Argentina		2
Graphite electrodes	854511	China	USA	Brazil		2
Polyester staple fiber	550320	China	Pakistan	Argentina		2

Source: *Global Antidumping Database*.

## 2. Monitoring: Antidumping Use on the Rise in 2008

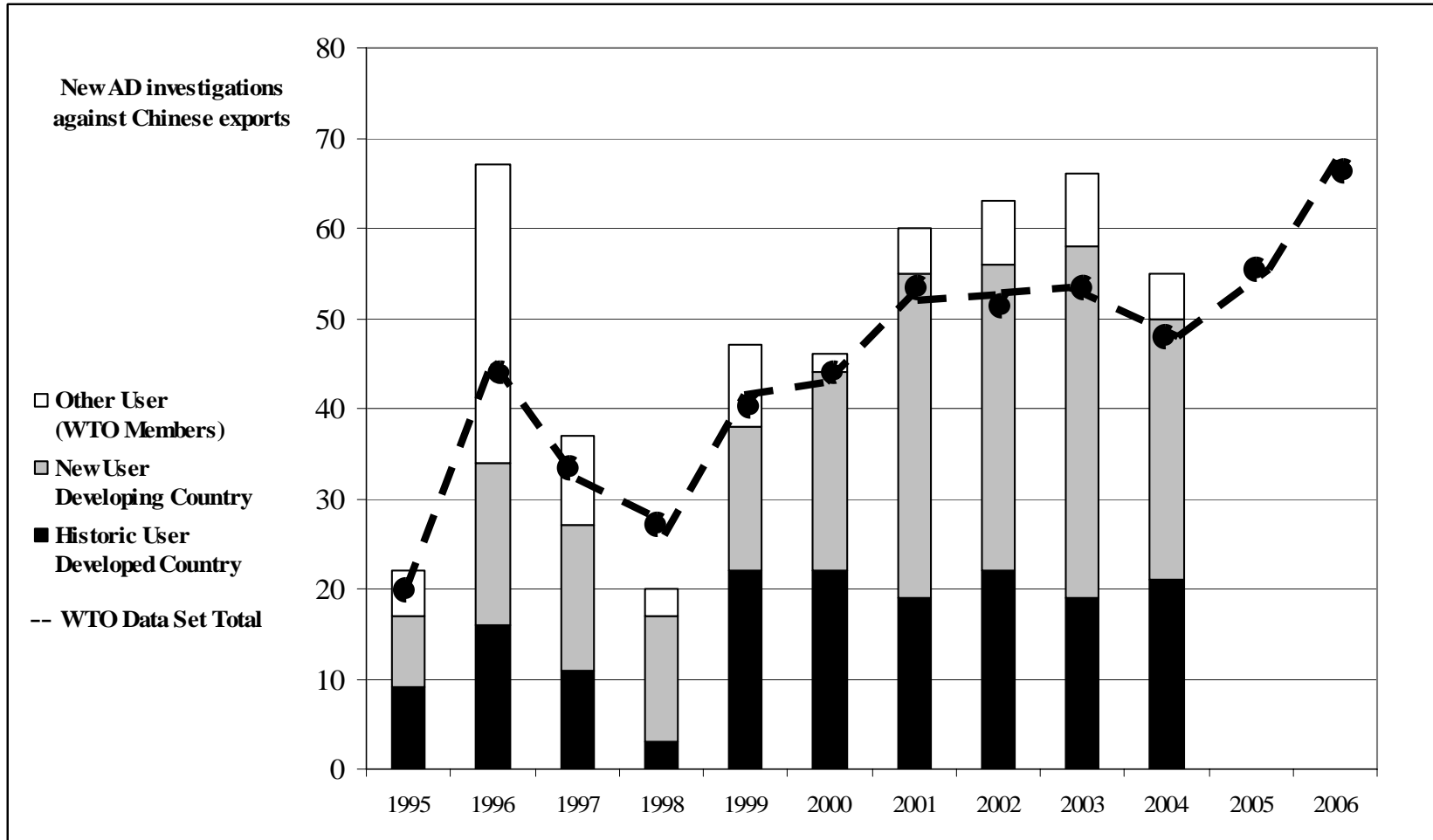
### Exporting Countries Targeted by WTO Member use of AD, 2007-2008

Exporting (affected) country	Number of initiations against-2007	Number of initiations against-2008	Number of impositions against-2007	Number of impositions against-2008
<i>Total</i>	143	188	100	120
<i>Developing country exporters</i> (percent of total)	101 (0.71)	147 (0.78)	78 (0.78)	92 (0.77)
<i>Developed country exporters</i>	42	41	22	28
<b>China</b> (percent of total)	<b>52</b> (0.36)	<b>66</b> (0.35)	<b>44</b> (0.44)	<b>49</b> (0.41)
South Korea	12	8	6	7
European Union	9	11	3	9
Thailand	8	11	4	2
USA	8	6	4	6
Malaysia	6	10	4	2
Taiwan	6	9	7	8
Russia	5	2	0	3
Indonesia	4	11	4	4
India	4	7	3	4
Japan	4	4	5	2
UAE	3	0	0	1
Brazil	2	4	2	3
Turkey	2	3	0	2
Others	18	36	14	18

Source: *Global Antidumping Database* – only contains data for 16 AD using countries for 2007 and 2008 so not comprehensive. (Historically these countries represented 85% of AD use by WTO members during 1995-2006.)

## *WTO Member AD Use in 2007-2008 is Following an Earlier Trend – Global AD is Increasingly Targeted Against China's Exports*

### **WTO Member New Antidumping Investigations against Chinese Exports, 1995-2006**



**Source:** Figure 1 of Chad P. Bown (2009) “China’s WTO Entry: Antidumping, Safeguards, and Dispute Settlement,” in Robert Feenstra and Shang-Jin Wei (eds.) *China’s Growing Role in World Trade*. Chicago, IL: University of Chicago Press for NBER, forthcoming.

**But China became a WTO member in 2001 and since then receives “MFN treatment.”**

## ***Why hasn't the intensity of AD against China declined since 2001?***

- China's increasing exports implies more products to target with antidumping
- China's WTO accession and receipt of MFN treatment in foreign tariff schedules
  - Implication: any domestic political-economic pressure to discriminate against China since 2001 needs to be funneled through a WTO-consistent instrument of protection such as antidumping
- China continues to face non-market economy (NME) status in many countries
  - Implication: antidumping authorities have additional discretion in anti-China investigations which allows them to more easily impose more stringent measures against China's exporters when compared to exports from other WTO members
- China only began late 2008 to legally challenging any foreign use of antidumping through WTO dispute settlement provisions (i.e., formal “self-enforcement”)
  - September 2008: *US – AD/CVD on Steel Pipes and Tubes, Tires, and Laminated Woven Sacks* (China initiates WTO dispute DS379)

### *3. Monitoring: Use of “Related” Contingent Trade Policy Instruments on the Rise?*

- China-Specific Safeguards*
- Countervailing Measures*
- Global Safeguards*

*One caveat for the U.S. audience familiar with Section 201 and 421*

- Many other countries do not have similar “executive constraints” creating disincentives to file SG investigations (vis-à-vis other contingent policy instruments) that is the case in the U.S.*

### 3. Related Trade Policy Instruments: China-Specific Safeguards

#### WTO Members' Transitional Product China Safeguard Investigations, 2002-2006

	Investigating Country	Product	Year of Investigation	Outcome of Investigation
1.	U.S.	Pedestal actuators	2002	No measure imposed*
2.	U.S.	Steel wire garment hangers	2002	No measure imposed*
3.	India	Industrial sewing machine needles	2002	Unresolved**
4.	Peru	Textile products and clothing	2003	Definitive safeguard as specific duty
5.	U.S.	Brake drums and rotors	2003	No measure imposed
6.	U.S.	Ductile iron waterworks fittings	2003	No measure imposed*
7.	Poland	Footwear	2004	No measure imposed
8.	U.S.	Uncovered innerspring units	2004	No measure imposed
9.	Canada	Barbeques	2005	No measure imposed*
10.	Colombia	Certain textile products	2005	Definitive safeguard as ad valorem duty
11.	Colombia	Stockings and hosiery	2005	Definitive safeguard as ad valorem duty
12.	Colombia	Made-up textile products	2005	Preliminary safeguard as ad valorem duty (Definitive safeguard decision unresolved)
13.	U.S.	Circular welded non-alloy steel pipe	2005	No measure imposed*
14.	India	Industrial sewing machine needles	2005	Unresolved**
15.	Colombia	Made-up textile products	2006	Unresolved
16.	Ecuador	Textile products	2006	Unresolved
17.	Ecuador	Taps, cocks and valves for domestic use	2006	Unresolved
18.	Turkey	Float glass	2006	Definitive safeguard as quantitative restriction
19.	Turkey	Polyvinyl Chloride (PVC)	2006	Definitive safeguard as specific duty
20.	Turkey	Porcelain tiles	2006	Definitive safeguard as specific duty
21.	Taiwan	Towelling products	2006	Unresolved

Source: Table 5 of Chad P. Bown (2009) “China’s WTO Entry: Antidumping, Safeguards, and Dispute Settlement,” in Robert Feenstra and Shang-Jin Wei (eds.) *China’s Growing Role in World Trade*. Chicago, IL: University of Chicago Press for NBER, forthcoming.

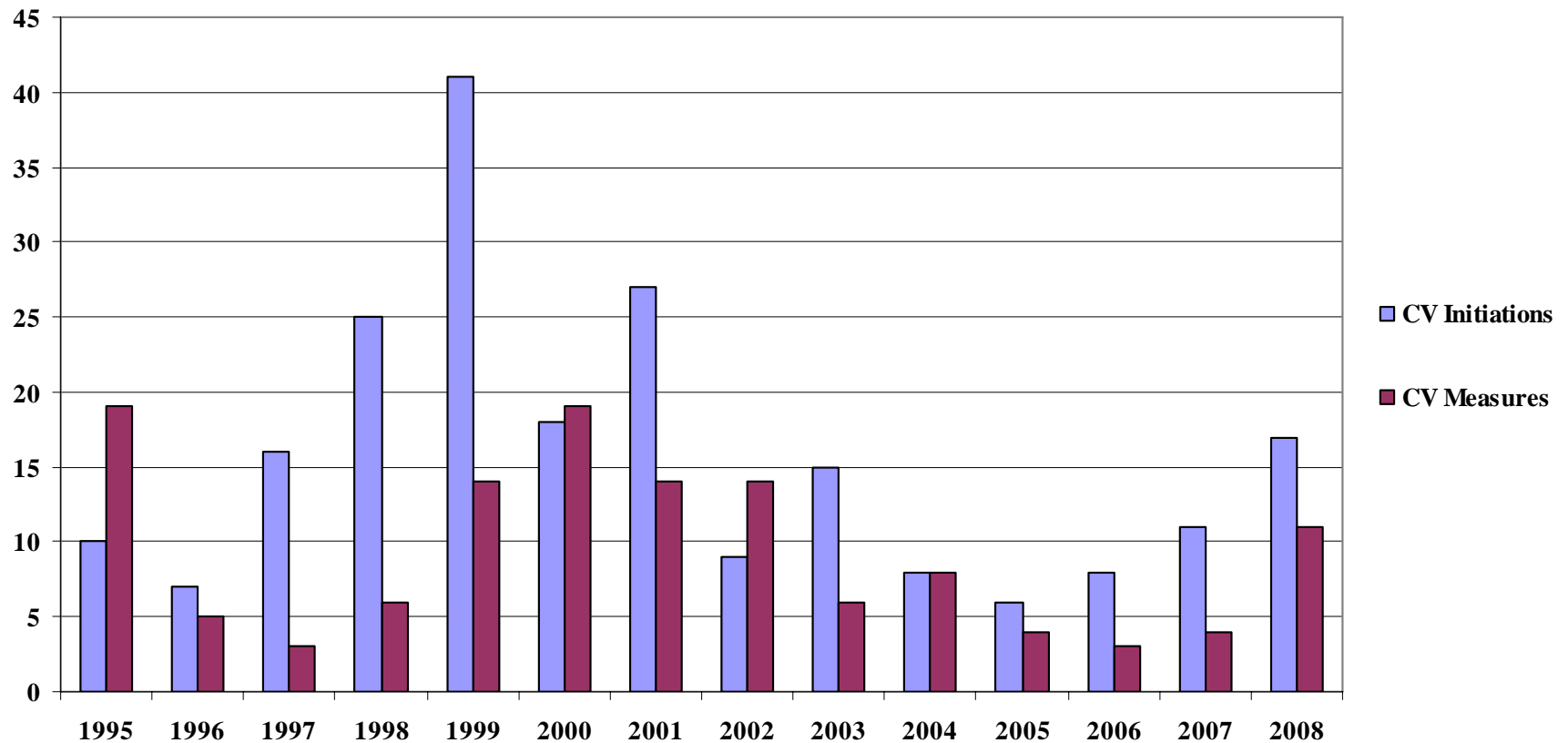
### ***3. Related Trade Policy Instruments: China-Specific Safeguards***

**in process of updating the Global Antidumping Database**

- India, for example, initiated three separate China-safeguard investigations in 1Q 2009

### 3. Related Trade Policy Instruments: Countervailing Measures

#### Countervailing Initiations and Measures by WTO Members, 1995-2008



Source: WTO

**Implication:** CVM smaller scale than AD overall, but on the rise in 2008.

### ***3. Related Trade Policy Instruments: Countervailing (Anti-subsidy) Measures***

#### **Notable events in the “world” of CVM**

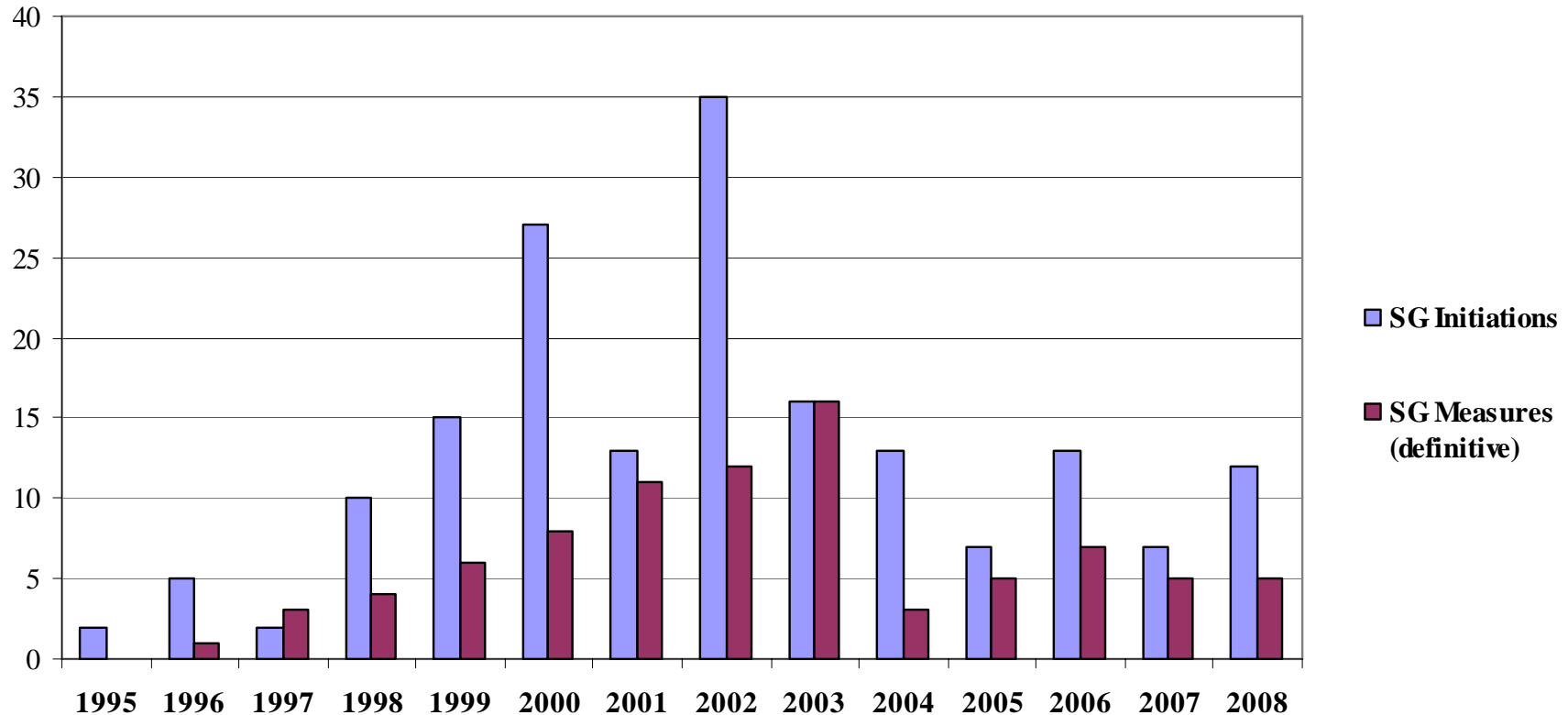
- **U.S. policy shift in March 2007 (reversing 1984 *Georgetown Steel* decision) – it is now willing to “consider” countervailing duty initiations against China**
  - U.S.: 14 or more CVM investigations against China since March 2007
  - A number of which have resulted in the imposition of CVDs (e.g., by 2008 this included *Circular Welded Carbon Quality Steel Pipe, Light-Walled Rectangular Pipe and Tube, Laminated Woven Sacks, Sodium Nitrite, Certain New Pneumatic Off-the-Road Tires, Raw Flexible Magnets, Lightweight Thermal Paper*)

#### ***Other CVM-using countries: following the U.S. lead? (Examples)***

- **Canada**: 3 CVM initiations against China in 2008 (NB: Canada’s first CVM preceded the first U.S. measure)
- **Australia**: 2 CVM initiations against China in 2008
- **South Africa**: 1 CVM initiation against China in 2008
- **India** initiated its first ever CVM investigation in January 2009
  - *Imports of Sodium Nitrite from China*

### 3. Related Trade Policy Instruments: Global Safeguards

#### Safeguard Initiations and Measures by WTO Members, 1995-2008

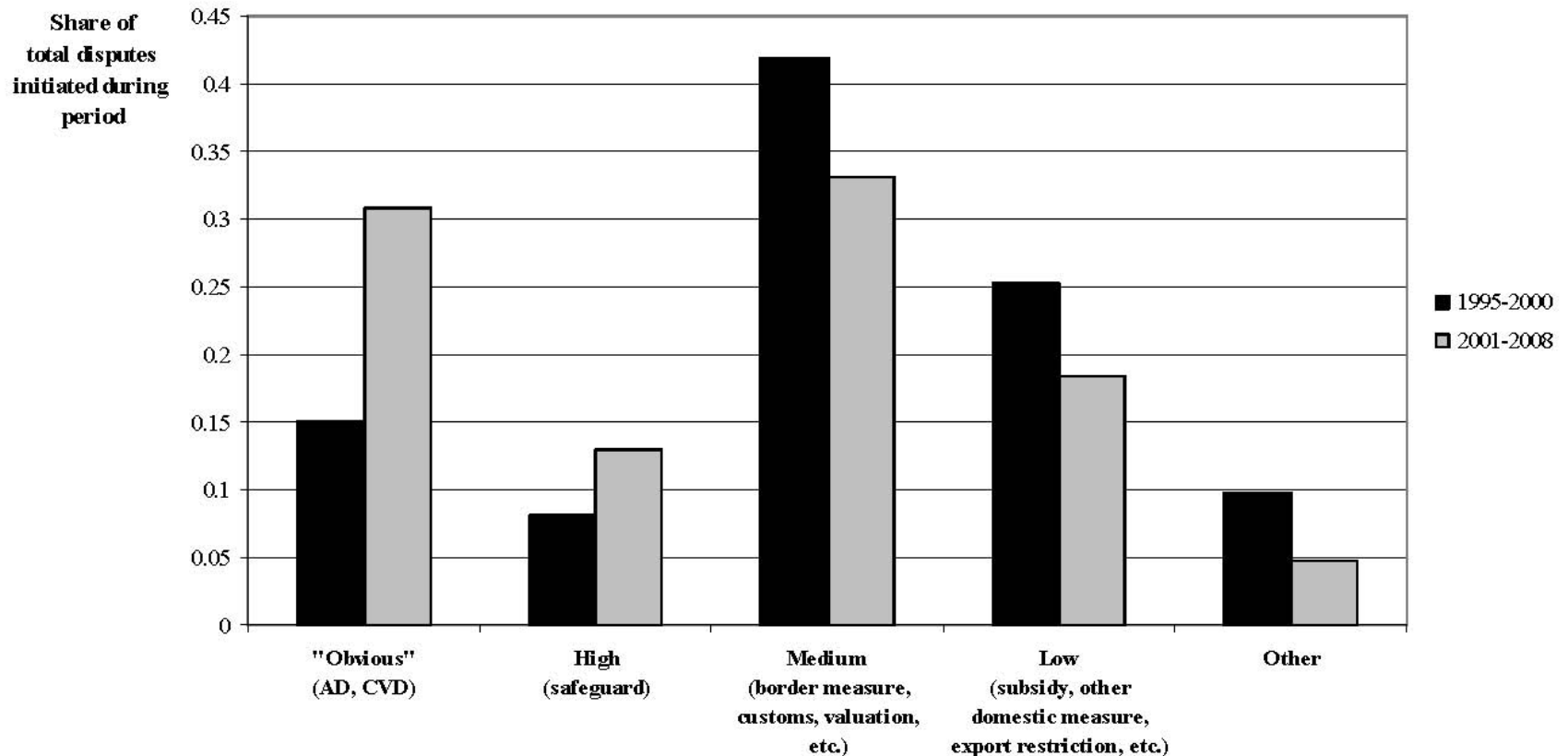


#### Implications:

- Compared to AD, Global SG initiations less likely to result in definitive new measures (1995-2008= 177 investigations but only 86 definitive measures imposed)
- Note: 15 of the remaining 91 initiations did result in preliminary SG measures (so temporary protection)
- The crisis is not yet leading to a spike in SG use comparable to 2000 or 2002 (steel safeguard proliferation)

## 4. Monitoring: WTO Dispute Settlement over These Trade Remedies?

### WTO Disputes by Observability of Alleged Policy Cause of Lost Market Access, 1995-2000 and 2001-2008



Source: Table 4-3 of Chad P. Bown (2009) *Self-Enforcing Trade: Developing Countries and WTO Dispute Settlement*. Washington, DC: Brookings Institution Press, forthcoming.

**Implication:** An increasing share of all formal WTO dispute settlement is over member use of AD, CVM, SG.

## 4. Monitoring: WTO Dispute Settlement over These Trade Remedies?

### WTO Member Antidumping and Countervailing Measures Initiations, Impositions and DSU Challenges, by Targeted WTO Exporter for 1995-2008

Targeted WTO member	New AD Initiations	New AD Measures	Exporter uses DSU to challenge New AD	New CVM Initiations	New CV Measures	Exporter uses DSU to challenge New CVM
<b>Total developed economy exporters</b>	1175	722	72	72	39	15
EC	283	161	55	33	22	9
Japan	144	106	2	0	0	0
US	189	115	5	7	1	0
Korea	252	150	3	16	9	3
Taiwan*	92	64	2	1	0	0
Other developed	215	126	5	15	7	3
<b>Total developing economy exporters</b>	1416	909	38	125	82	9
Argentina	30	15	3	6	4	0
Brazil	97	74	5	7	8	1
China*	410	295	5	23	14	5
Costa Rica	2	0	1	0	0	0
Guatemala	3	1	1	0	0	0
India	137	84	10	46	27	2
Indonesia	145	82	2	11	8	0
Malaysia	90	50	0	3	3	0
Mexico	40	27	5	0	0	0
Pakistan	10	6	0	1	1	0
Philippines	11	6	0	1	2	0
South Africa	58	38	0	6	4	0
Thailand	142	84	2	9	3	0
Turkey	44	25	2	2	1	0
Other developing	197	122	2	10	7	1
<b>Total WTO member exporters</b>	2591	1631	110	197	121	24

Source: Table 4-3 of Chad P. Bown (2009) *Self-Enforcing Trade: Developing Countries and WTO Dispute Settlement*. Washington, DC: Brookings Institution Press, forthcoming.

## *4. Monitoring: WTO Dispute Settlement over These Trade Remedies?*

### **Implications**

- An increasing share of for WTO DSU activity is over challenges to AD, CVM, and SG (35% for 2001-2008, up from 21% during 1995-2000)
- However, these challenges are tiny fraction of the total newly imposed import restrictions that WTO members implement
  - Over 90% of imposed antidumping and countervailing measures have gone unchallenged through WTO dispute settlement
  - Furthermore, there are few countries that use this method of challenging – to date the big challengers to AD/CVM imposed on their exporters are EC and India

# Academics?

- Pilot research project with my students this semester
- Assignment: allocate to each a current investigation in the Global Antidumping Database (e.g., U.S., EU, India)
  - Collect trade data and industry data
  - Explain the economics of what is going on

# Conclusions

- **Antidumping use on the rise in 2008 with the crisis**
  - Some developed economy users, dominated by developing economy users
  - **Targets: developing country exporters being**
  - **A major component to the story is the increasing share of global AD targeting China's exports**
- **While contingent protection is only a small part of the “rising protectionism” story, it is important to point out that even among the instruments of “contingent protection,” antidumping is not the whole story**
- **CVM, China-SG, global SG also indicate worrisome trends, much with the same underlying political-economy flavor as the AD trends (e.g., targeting China)**
- **Little sign that the DSU will do anything soon to stop these trends**
- **Roll-out of version 5.0 of the Global Antidumping Database very soon**

[www.brandeis.edu/~crown/global\\_ad/](http://www.brandeis.edu/~crown/global_ad/)

# Additional Bown References on Antidumping

[www.brandeis.edu/~cbown/research.html](http://www.brandeis.edu/~cbown/research.html)

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