

The Pattern of Antidumping and Other Types of Contingent Protection

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Executive Summary

For most of the major economies in the multilateral, rules-based trading system, one of the fundamental and potentially WTO-legal ways in which they can respond to calls for additional protection from imports is through resort to trade “remedy” policy instruments such as antidumping, safeguards, and countervailing duty (anti-subsidy) policies. This study reports on newly available data on the combined use of such policies, comprehensively collected across the major WTO member economies and compiled into the World Bank-sponsored Global Antidumping Database.

- Industry demands for these new import barriers continued to increase in the third quarter 2009 above and beyond the sharp increase that began in 2008 with the global spread of the financial crisis. Compared to the same time period in 2008, the third quarter of 2009 resulted in a 52.6% increase in newly initiated investigations in which domestic industries request the imposition of new import restrictions under trade remedy laws. Overall, 2009 year-to-date industry requests are 30.3% higher than the same benchmark period in 2008, which itself was 36.4% higher than in 2007.
- There are two main factors driving the third quarter 2009 data on new initiations. First is a striking increase in new antidumping initiations, even when compared to the data from recent quarters. Second is a continued resort to the global safeguards initiations that, if continued through the fourth quarter, would make 2009 the second most prolific year of safeguard use since the WTO’s 1995 inception.
- India, Argentina, the United States, and the European Union combined to initiate 56.8% of the new investigations during the third quarter of 2009. Nevertheless, thirteen other WTO members initiated at least one new investigation. China’s exporters were the dominant target for these new investigations that may result in import restrictions, being named in over 60% of the new country-level investigations.
- With respect to imposing new trade barriers, the first three quarters of 2009 resulted in a 21.4% increase in the number of new import-restricting measures imposed upon completion of trade remedy investigations, when compared to the same period in 2008. This upward trend will almost certainly increase into 2010 and perhaps beyond due to the large, recent increase in newly initiated investigations.
- Finally, there is some weak evidence that the relatively small increase in the number of newly imposed measures to date during the crisis may be partially explained by national governments granting protection over a smaller share of initiated investigations that have been completed.

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