Australia's Antidumping Experience

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The Australian experience suggests that antidumping is, at heart, about safeguarding the interests of particular industries. As long as this is true, there will always be tension between antidumping policy and the broader interests of the national economy and the world trading systems.
This paper, a product of the Trade Policy Division, Country Economics Department, is part of a larger effort in PRE to understand the economics of the emergence of "fairness" as a standard for regulating international trade, its implications for the continued openness of the international trading system, and its continued functioning as an important vehicle for development.

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One side of the debate on antidumping argues that dumping is a problem in international trade—that it is a normal how the injury test is implemented and has given a second business practice that benefits the importing country's pass at "normal value" arithmetic. Several times its consumers and user industries—and that antidumping is assessments have differed from those of Customs in a direction more sympathetic to the foreign importer. But the other side argues that an antidumping system has that may have more to do with the government's current order, but that the process is being abused for protectionist The ADA operates within the same industry-specific framework as the Customs Service but is more attuned to the political environment in which technical decisions are made. But that can cut both ways.

Antidumping is a complex process with many rules that, depending on interpretation or minor changes, can have important effects on the fortunes of home industries. Lobbying for rule changes or favorable interpretations will continue as long as the expected returns from such lobbying exceed the costs. Whether or not antidumping serves as a process—definitions of normal values, material injury, and protectionist device in Australia, says Banks, industry sees causality—arbitrary judgments will always need to be made at many points. These judgments will inevitably be colored by the political and economic climate of the day.

It is difficult for industries to get the conventional border protection that was common 10 years ago. Under trade liberalization, "protection" has become a discredited concept in Australia. But in the United States and elsewhere, "fairness" is always popular—and antidumping suggests that dumping may be a problem in international trade but that antidumping presents even greater problems. It is the "low-track" route for getting protection against imports. It takes place according to rules and procedures that industry and specialist consultants soon master, away from the public glare. More "high-track" routes are more costly and more likely to meet persuasive opposition. But it does not resolve the fundamental problem that antidumping is at heart about safeguarding the interests of particular industries. As long as this remains the objective, the demand for antidumping as a protectionist device will continue and can be expected to rise when times "get tough," says Banks. Australia's new Anti-Dumping Authority (ADA) has brought a fresh and more critical eye to the antidumping process.