

Global Trade Protection Report 2009

15 June 2009

*A review of global trade protection activity in 2008
(anti-dumping, countervailing duty and safeguards)*

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1 Trends in anti-dumping activity

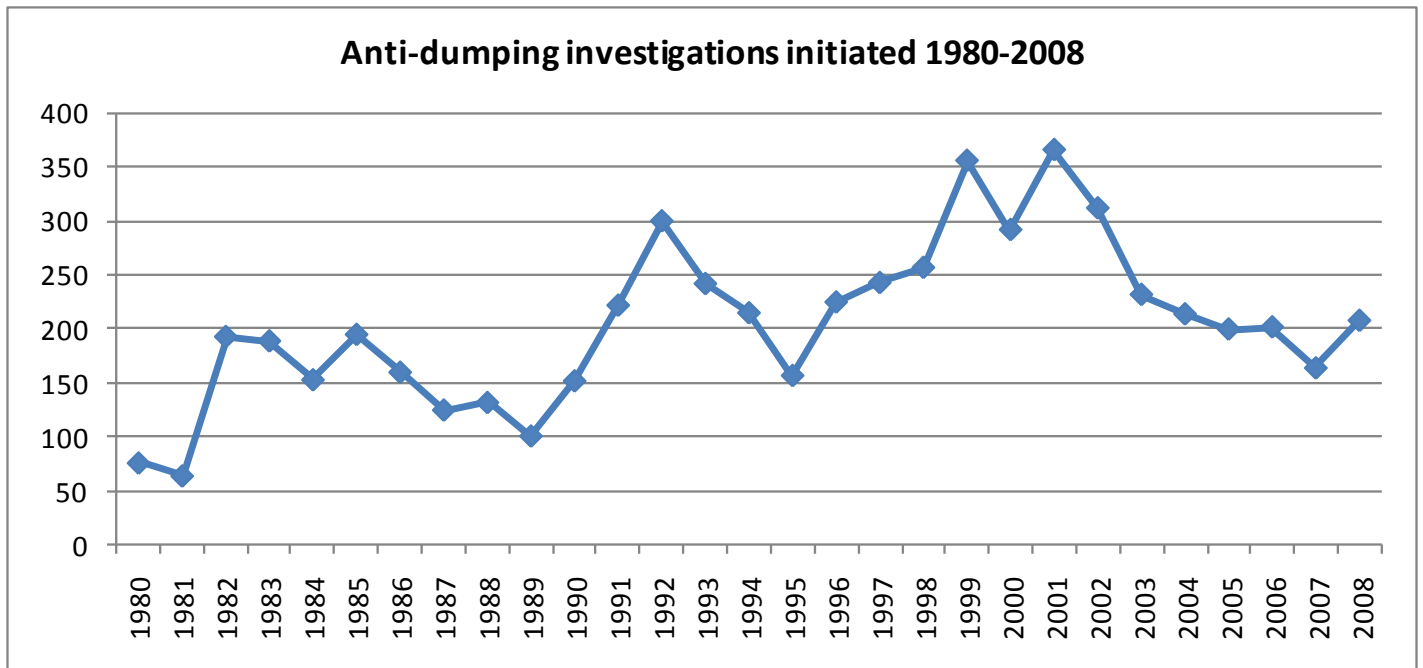
1.1 Increase in overall anti-dumping activity

Anti-dumping (AD) activity¹ increased significantly in 2008 relative to 2007.

Anti-Dumping Investigations Initiated²

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
157	225	243	257	356	292	366	312	232	214	200	202	164	208

Looking back over a longer period in the following graph, it can be seen that global anti-dumping is cyclical with lows in AD activity in the early 1980s, around 1987-89, around 1995, and, most recently, 2007.



¹ Anti-dumping activity is measured by the number of new anti-dumping (AD) investigations initiated (n.b. does not include reviews). If one country initiates an investigation against a particular product from five countries, this will be recorded as five cases. Although AD measures will not be adopted in every case, the initiation of a case alone can have an effect on trade. The number of cases initiated is the best indicator of the overall level of AD activity and is the method used by the WTO. Other ways of measuring AD activity include the number of actual measures adopted, the duration of measures and how often they are reviewed, and initiations/measures weighted by trade flows. See the Global Trade Protection (GTP) Report April 2007 (updated in July 2007) available at www.antidumpingpublishing.com.

² All data for 1995-2008 used in this report is based instead on the statistics published by the WTO Secretariat. Pre-1995 figures are taken from “Anti-Dumping Action in the US and Around the World: An Analysis of International Data” 1998 Congressional Budget Office.

The following table shows that the average number of anti-dumping investigations initiated by various time periods. It indicates that the figure of 208 investigations in 2008 is below average in terms of recent trends.

Average number of initiations	
1980-89	139
1990-89	237
2000-08	243
Post WTO creation average	
1995-2007	245

It can be expected that the impact of the world economic crisis will result in an increase in anti-dumping activity. This increase has not yet occurred but this is not surprising given the fact that there is usually a lag before a deterioration in the economy is evident in the usual injury indicators. Of course, it is certainly the case that injury caused by the global crisis should not be attributed to any imports determined to be dumped. WTO obligations require the separation and distinction of other causes of injury from the dumped imports. But it is also true that, in good economic times, companies are less likely to be motivated to make anti-dumping complaints. Thus, more difficult economic times make the use of anti-dumping more attractive to industries facing low price competition from imports.

1.2 Turkey is the biggest user in 2008

The countries initiating the most anti-dumping investigations in 2008 are shown below. India initiated the most cases, followed by Brazil, Turkey and Argentina.

AD Users 2008			
Reporting Member		Reporting Member	
India	54	Australia	6
Brazil	23	Colombia	6
Turkey	22	Korea	5
Argentina	19	Canada	3
EC	19	Pakistan	3
US	16	Chile	1
China	14	Israel	1
Indonesia	7	Mexico	1
Ukraine	7	South Africa	1

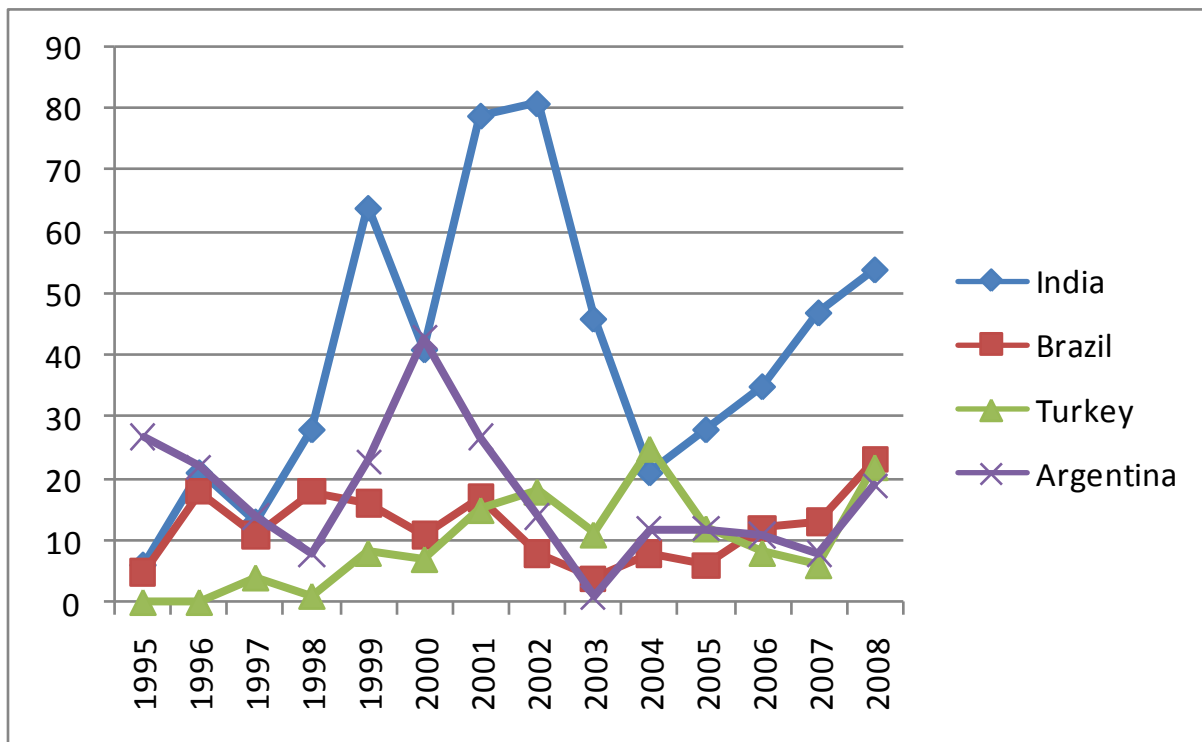
The users in 2008 can be compared with the main users for the period 1995-2008 shown in the table below. India is also by far the biggest user during this period, with the US and EC in 2nd and 3rd place.

AD Users 1995-2008

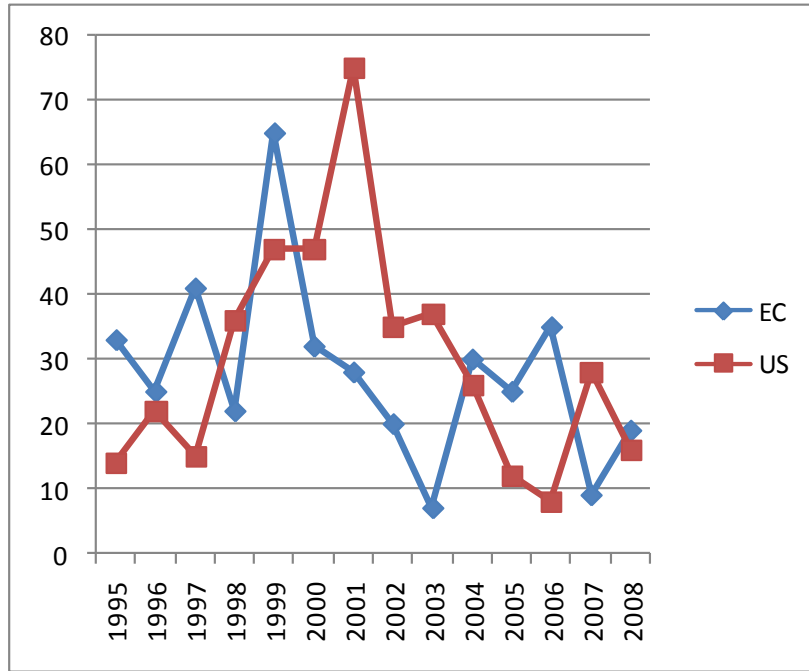
India	564
US	418
EC	391
Argentina	241
South Africa	206
Australia	197
Brazil	170
China	151
Canada	145
Turkey	137
Korea	108
Mexico	95

1.3 Different trends between users

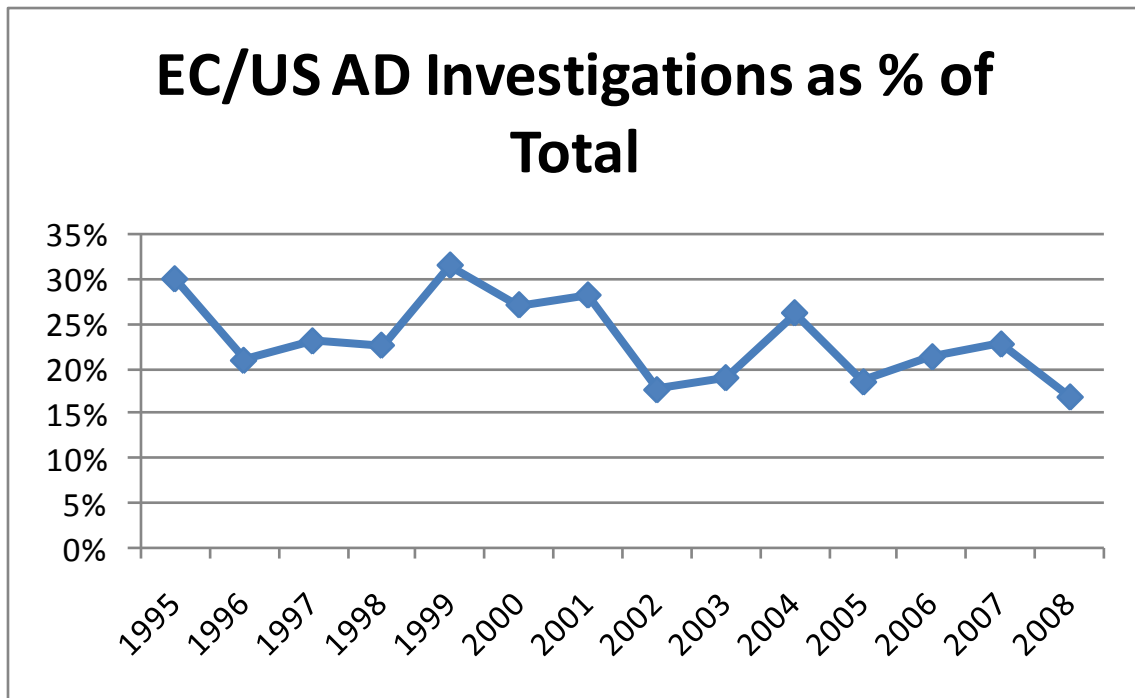
There is a noticeable difference between the trends of the four main users in 2008 compared with more traditional users such as the US and EC. India is the most striking with a consistent, sustained increase for the past four years. Brazil, Turkey and Argentina also saw the highest level of anti-dumping activity for four years in 2008.



This contrasts with the trend for the EC and US. The number of EC investigations increased in 2008 over 2007 but remained at the 2nd lowest level since the creation of the WTO in 1995. For the US, anti-dumping activity actually fell in 2008.



It is interesting to note that, in 2008, the EC and US accounted for their lowest proportion of global anti-dumping initiations since the creation of the WTO.



1.4 China still the main target in 2008

China was again by far the biggest target in 2008, accounting for more 35% of all anti-dumping investigations initiated.

Main Targets of AD 2008

<i>China</i>	73
<i>Thailand</i>	13
<i>Taiwan</i>	10
<i>Indonesia</i>	10
<i>Korea</i>	9
<i>Malaysia</i>	9
<i>US</i>	8
<i>India</i>	6
<i>Ecuador</i>	4
<i>Saudi Arabia</i>	4
<i>Turkey</i>	4

This can be compared with the period 1995-2008, shown in the table below.

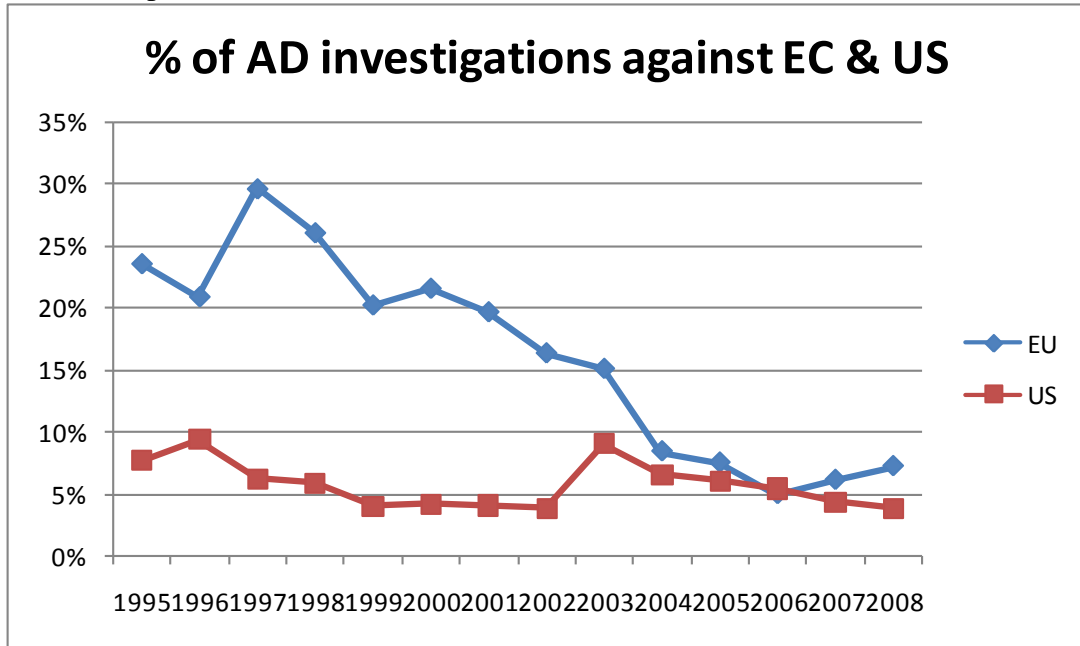
Main Targets of AD 1995-2008

Target	Investigations	Target	Investigations
<i>China</i>	677	<i>Malaysia</i>	90
<i>Korea</i>	252	<i>Germany</i>	83
<i>US</i>	189	<i>EC</i>	69
<i>Taiwan</i>	187	<i>Ukraine</i>	61
<i>Indonesia</i>	145	<i>South Africa</i>	58
<i>Japan</i>	144	<i>Italy</i>	46
<i>Thailand</i>	142	<i>Singapore</i>	44
<i>India</i>	137	<i>Spain</i>	44
<i>Russia</i>	109	<i>Turkey</i>	44
<i>Brazil</i>	97	<i>UK</i>	44

The proportion of cases against China remains at extremely high levels as the following chart shows.



There was a slight increase in the % of anti-dumping investigations against the EC in 2008. However, as highlighted in recent GTP Reports, it can again be observed that anti-dumping investigations against the EC are at very low levels after previously being a principal target³. The trend is shown in the graph below, which includes the US for comparison.



³ Note that some countries initiate cases against the EU as a whole while others initiate against individual Member States. The WTO statistics count a case against the EU on product X as 1 investigation, while it would count investigations against France, Germany and the UK on product X as 3 investigations. The figures in this table are based on aggregate the cases against the EU and the Member States.

Also, it can be noted that the EU has grown significantly from 15 to 27 Members in recent years. This also exaggerates the extent to which the EU has been recently targeted.

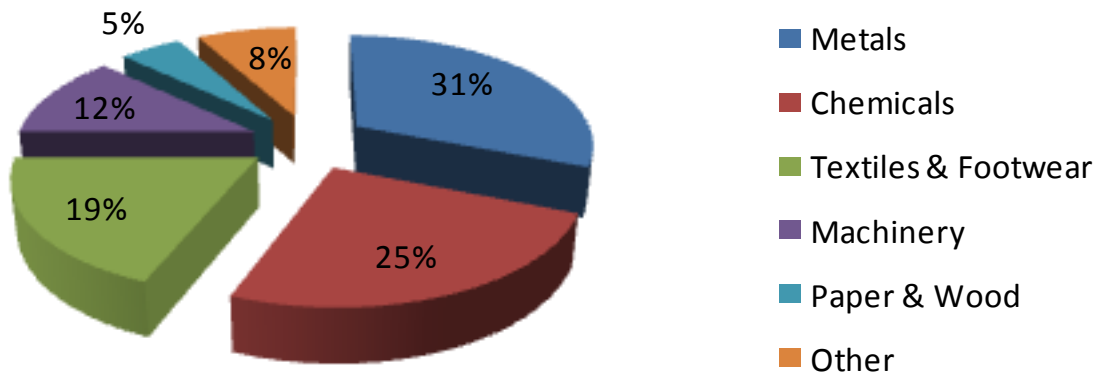
1.5 Dramatic increase in anti-dumping investigations on textiles and footwear

The sectors targeted in 2008 are shown below:

Sectors targeted in 2008AD initiations

Sector	%
Metals & metal articles (including steel)	31%
Chemicals & allied products	25%
Textiles & Footwear	19%
Machinery & Mechanical	12%
Paper & Wood	8%
Other	5%
TOTAL	100%

Sectors in AD investigations 2008

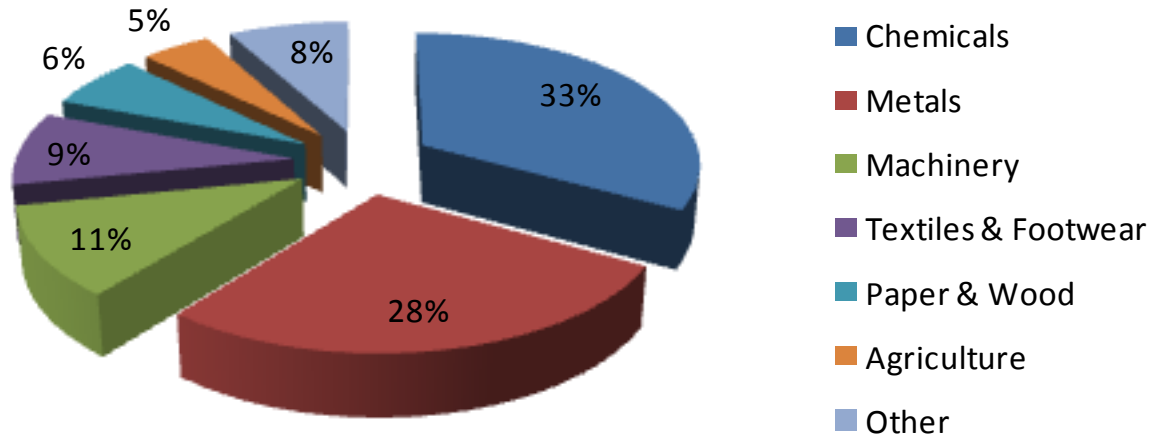


The most notable thing about the 2008 data is the fact that textiles and footwear was much more significant than in previous years. This is apparent from the following data for the period 1995-2008.

Sectors targeted 1995-2008

Chemicals & allied products	33%
Metals & metal articles (including steel)	28%
Machinery & Mechanical	11%
Textiles & Footwear	9%
Paper & Wood	6%
Agriculture & Food	5%
Other	8%
TOTAL	100%

Sectors in AD investigations 1995-2008

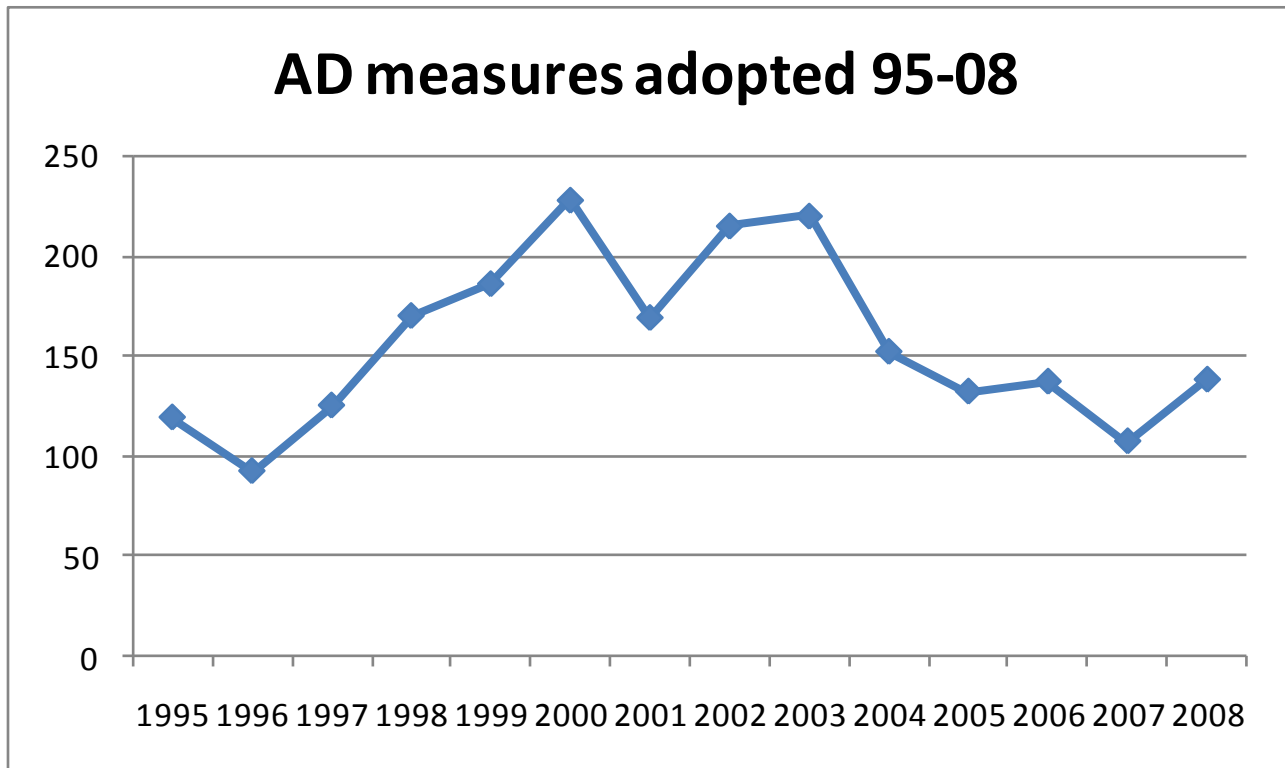


The increase in the % of anti-dumping initiations involving textiles and footwear is apparent in the following graph.



1.6 Around two thirds of AD investigations end with measures

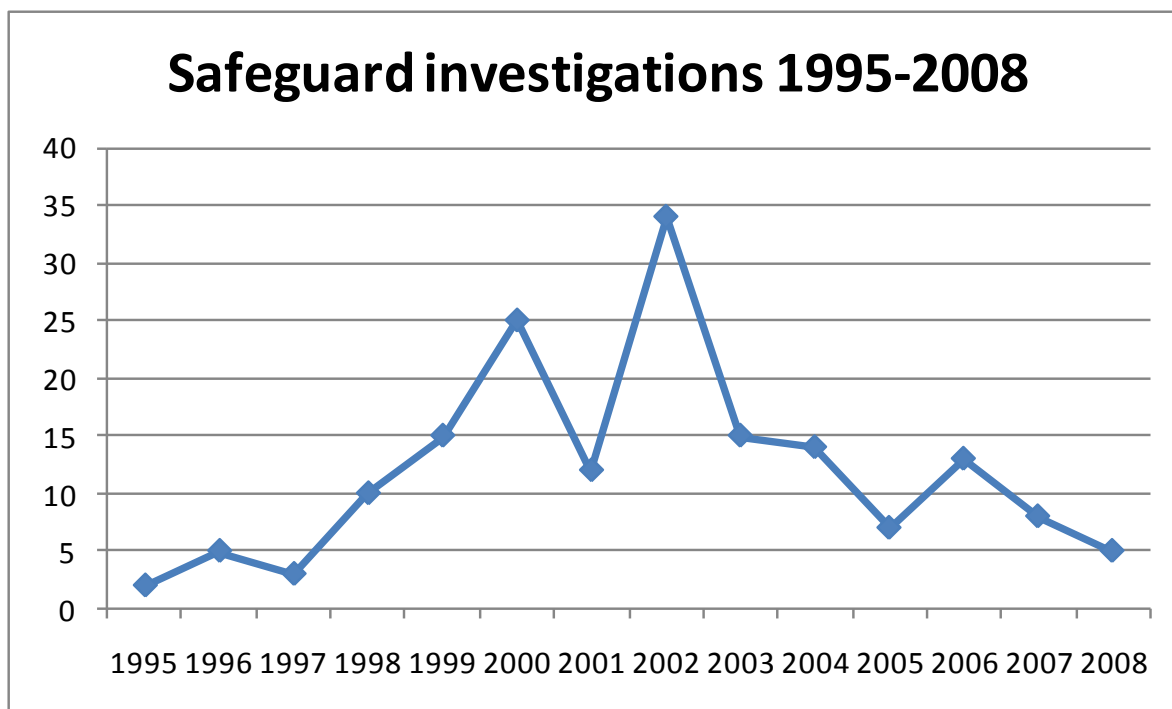
The following chart shows the trend in anti-dumping measures adopted.



Over this whole period, 3427 AD investigations have been initiated and 2190 AD measures have been adopted. On average, 64% of AD investigations finished with AD measures⁴.

2 Trends in safeguard activity

Safeguard activity remains modest and well below the high levels of 2000 and 2002.



**2008 includes up to and including 12 November 2008.*

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Total safeguard investigations initiated	2	5	3	10	15	25	12	34	15	14	7	13	8	5

**Up to and including 12 November 2008*

Countries initiating safeguard investigations in 2008 are shown the following table:

Brazil	1
Egypt	1
Indonesia	1
Philippines	1
Turkey	1

⁴ Note that this figure is not necessarily 100% precise because some measures adopted in 1995 related to investigations initiated in 1994. Likewise, some decisions on cases initiated in 2008 have only been published in 2009. However, as an average, over the whole period, the figure is a good indicator of the proportion of cases resulting in measures.

This can be compared with the trend since the creation of the WTO. The following table shows safeguard initiations for the period 1995-2008.

Safeguard initiations 1995-2008

	Total
India	15
Turkey	14
Jordan	12
Chile	11
United States	10
Czech Republic	9
Philippines	8
Ecuador	7
Argentina	6
Bulgaria	6
Venezuela	6

As has been pointed out in previous GTP reports, the above trends are based on Member notifications of safeguards to the WTO secretariat. However, it is arguable that in some cases, this under-estimates the level of safeguard activity. In 2002, for example, the EC initiated a large safeguard steel action against 21 different products. These were all analysed as 21 different products, some of which resulted in measures and some which did not, and should therefore be treated as 21 different investigations. In a similar way, the US steel safeguard action initiated in 2001 covered 33 separate product categories. In both cases, the EC and US notified these investigations in one document and the WTO Secretariat has therefore counted each of them as one investigation.

Based on what we believe to be a more accurate methodology, the number of investigations in 2001 is actually in excess of 53 rather than 12, and in 2002 more than 130 rather than 34.

In comparing these statistics with the number of AD actions, it is important to note that each safeguard case may involve multiple supplying countries. Thus, whereas an AD investigation on a product from 5 countries would count as 5 cases in the WTO statistics, a safeguard investigation on the same product would count as only 1 (even though there may, in fact, be more than 5 supplying countries). This is an additional reason why the plain safeguard notification numbers under-estimate the protective impact of such measures through measuring them in the same way as AD measures.

Sectors covered by safeguard investigations in 2008 were:

Textiles & Footwear	2
Agriculture	1
Machinery	1
Metals	1

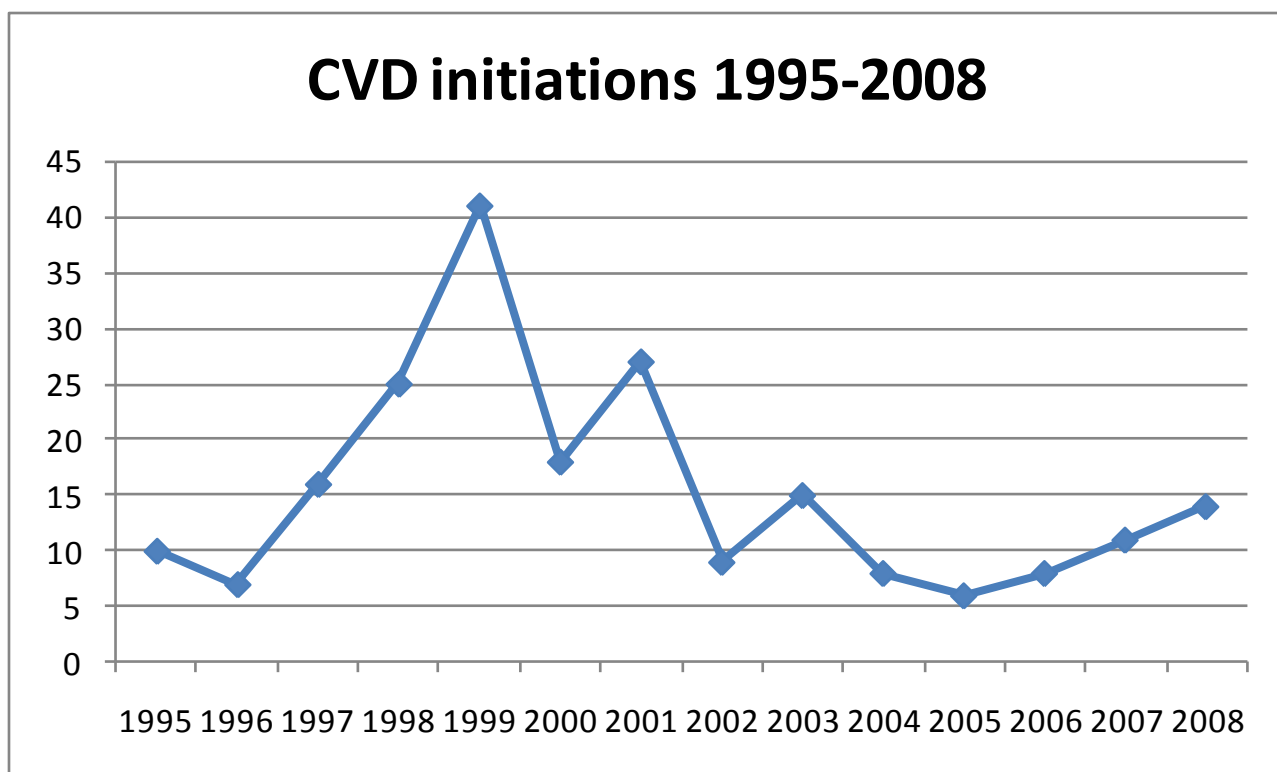
Looking at the figures for 1995-2008, as with anti-dumping, it is noticeable that there has been a relative increase in the proportion of cases involving textiles and footwear.

Sectors in safeguard initiations 1995-2008

	No.	%
Agriculture	47	28%
Chemicals	37	22%
Metals	23	14%
Machinery	21	13%
Stone, Plaster, Cement etc.	15	9%
Textiles & Footwear	12	7%
Other	5	3%
Paper & Wood	5	3%
Minerals	3	2%
	168	100%

3 Trends in countervailing duty activity

The trend in countervailing duty (CVD) investigations is an upward one as shown in the graph below.



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
10	7	16	25	41	18	27	9	15	8	6	8	11	14

The US led the countries initiating CVD investigations.

CVD investigations initiated 2008 (users)

United States	6
Canada	3
Australia	2
EC	2
Turkey	1

The major users of CVD for the longer period 1995-2008 are shown in the table below. The US also heads the list.

CVD investigations initiated 1995-2008 (users)

United States	88
EC	48
Canada	23
South Africa	11
Australia	9
Chile	6
New Zealand	6
Egypt	4
Peru	4
Argentina	3
Brazil	3

As with anti-dumping, China is by far the biggest target of CVD investigations in 2008.

CVD investigations initiated 2008 (targets)

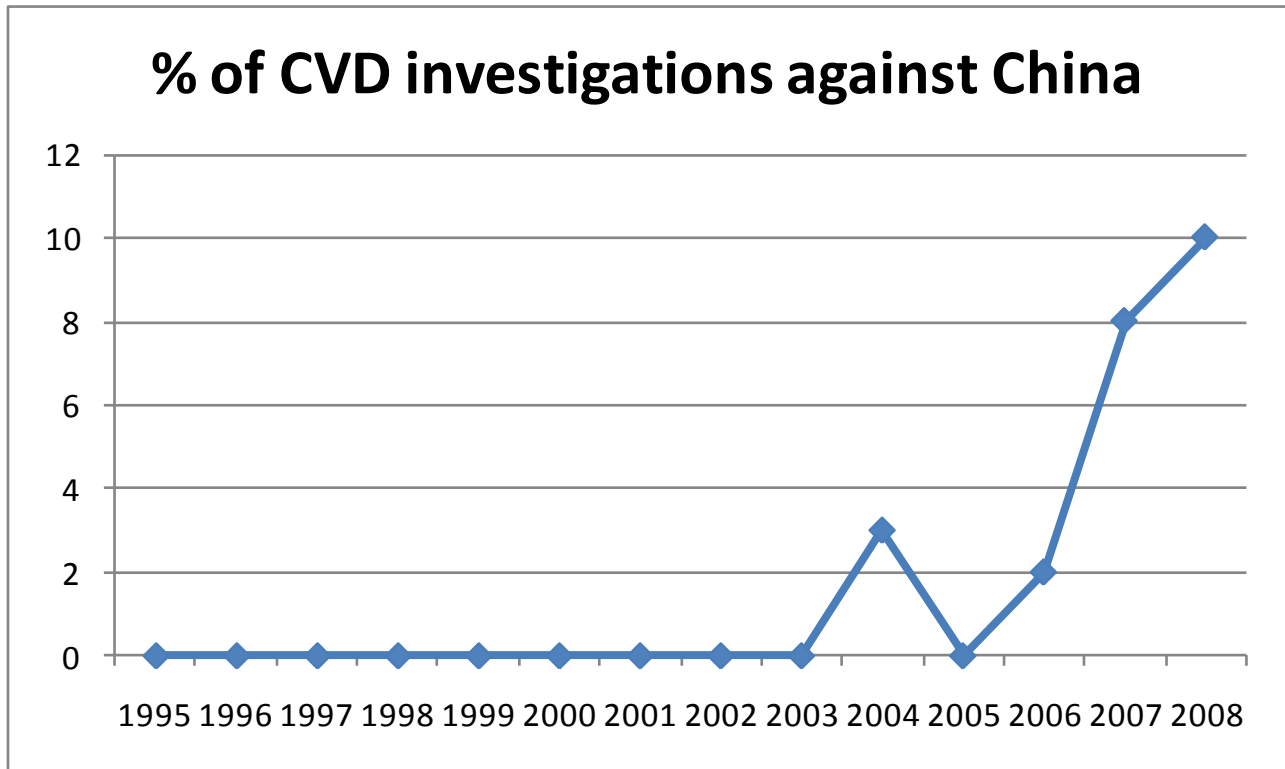
China	10
India	2
US	2

This is a relatively new phenomenon, as China only faced its first CVD investigation in 2004. Despite that, it is already the second most targeted country in CVD investigations since the creation of the WTO in 1995, second only to India as shown in the table below.

CVD investigations initiated 1995-2008 (targets)

<i>India</i>	46	<i>Canada</i>	8
<i>China</i>	23	<i>Brazil</i>	7
<i>KoreaA</i>	16	<i>Taiwan</i>	7
<i>Italy</i>	13	<i>France</i>	7
<i>Indonesia</i>	11	<i>United States</i>	7
<i>EC</i>	10	<i>Argentina</i>	6
<i>Thailand</i>	9	<i>South Africa</i>	6

The dramatic increase in the % of CVD activity is shown the chart below.



Chemicals and metals accounted for around three quarters of the CVD investigations in 2008, higher than average for the period 1995-2008.

Sectors in CVD investigations 2008

Chemicals	36%
Metals	36%
Other	29%

Sectors in CVD investigations 1995-2008

Agriculture	24%
Chemicals	18%
Metals	38%
Other	20%

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