



THE HON BRENDAN O'CONNOR MP
MINISTER FOR HOME AFFAIRS AND JUSTICE

THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

MEDIA RELEASE

Wednesday, 22 June 2011

Government combats dumping and helps support local jobs

The Gillard Government will make the most important improvements to Australia's anti-dumping regime in more than a decade to improve its effectiveness, while re-affirming Australia's commitment to world trading rules.

Dumping occurs where a company exports its goods to Australia at a price below the price it charges in its home market or below cost. Where that dumping materially injures an Australian business producing similar goods, additional Customs duties can be applied as a remedy.

"Australia's economy is strong but some industries are vulnerable to dumping," Mr O'Connor said.

"Australian manufacturers and primary producers, especially smaller businesses, are finding the expense and complexity of taking anti-dumping action can be prohibitive. Our changes will help."

"Our suite of improvements will help keep our economy strong and provide greater certainty for manufacturers and primary producers – and their workers, families and communities."

"Better support can be provided to our industries and workforce with a modern, rigorous and better resourced anti-dumping regime," Mr O'Connor said.

The World Trade Organization recognises the damage that unfair trading practices can cause, and has established a system in which countries can respond to and remedy such practices.

"Countries playing by the WTO rules need assurance those dumping practices which breach these rules can be dealt with effectively," Dr Emerson said.

"All WTO members are expected to abide by the global trading rules and these changes are fully WTO-consistent."

The Government's improvements to the anti-dumping system take account of the recommendations of the Productivity Commission report tabled last year, Senator Nick Xenophon's Private Members Bill, the views of State and Territory Governments and submissions made to the Government by stakeholders.

The Government has accepted, either in full or in part, 15 of 20 recommendations of the Productivity Commission's anti-dumping report. The reforms will reduce costs for Australian business seeking remedies against dumping and improve timeliness and transparency for all parties to anti-dumping investigations.

However, some of the Productivity Commission recommendations would make it harder for the Government to apply remedies against proven dumping activity.

These include a highly prescriptive 'bounded public interest test' that could oblige the Minister for Home Affairs to refrain from applying anti-dumping measures when dumping is proven and a business is being harmed.

The Minister for Home Affairs already has the discretion to refrain from applying measures if it is in the public interest to do so.

The Government will establish the International Trade Remedies Forum. The Forum will work with Government to oversee the implementation of the reforms. This will include a working group to examine the operation of the Close Processed Agricultural Goods provisions of the *Customs Act* for primary producers. A second working group will advise on how to improve the effectiveness of the 'particular market situation' provisions. The Forum will also advise on non-injurious price methodology.

The Government's reforms ensure that Australia's anti-dumping system is effective, while at the same time reaffirming its commitment to liberalised trade, which benefits Australian consumers and businesses alike and helps keep the economy strong.

The Government will introduce legislation as soon as possible to give effect to the first tranche of changes. The suite of improvements includes:

Improved timeliness through:

- A 45 per cent increase in Customs staff working on anti-dumping issues over the next 12 months to ensure cases are dealt with more efficiently
- Introducing provisional measures at an earlier opportunity to remedy the negative effects of dumping sooner
- Introducing a 30 day time limit for Ministerial decisions on anti-dumping cases.

Stronger compliance through:

- A dedicated resource within Customs to boost monitoring of measures to ensure compliance
- Combating attempts to circumvent anti-dumping duties.

Improved decision making through:

- Greater use of trade and industry experts in investigating complaints
- The introduction of a more rigorous appeals process supported by more resources
- Clarifying the list of injury factors that can be claimed by domestic industry, and clarifying Customs' approach to injury determinations
- Providing flexibility in allowing extensions of time to complete complex cases.

Better access to the anti-dumping system through:

- A new Support Officer to support small and medium businesses and downstream manufacturers and producers to actively participate in anti-dumping investigations
- Improving access to imports and subsidies data, and clarifying the data requirements for making an application
- Clarifying the parties who can participate in investigations to include relevant industry associations, unions and downstream industry
- Providing a more flexible basis for parties wishing to seek a review of existing measures.

Greater consistency with other countries through:

- Regular consideration of the practices and decisions of other countries
- Allowing Australian companies to combat a wider range of subsidies.

Further information will be available at www.customs.gov.au.

Media Adviser (O'Connor): Jayne Stinson 0458 547 512 jayne.stinson@ag.gov.au

Media Adviser (Emerson): Mark Mulligan 0413 250 632 mark.mulligan@dfat.gov.au