



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
ABC Radio National PM
7 November 2011

E&OE

Subjects: Anti-dumping.

MARK COLVIN:

The Federal Government and Opposition are embroiled in a bidding war on international trade. The issue is what's called anti-dumping. Manufacturers of paper, glass, food and steel say they're being hurt by heavily-subsidised cheap imports sold here. Tony Abbott today unveiled a plan to bolster Australia's anti-dumping regime. Mr Abbott said the Coalition would help manufacturers lodge anti-dumping cases, and reverse the onus of proof in such investigations, all within world trade rules. But the Trade Minister insists it would violate Australia's international trade obligations, and risk hurting the very people Mr Abbott says he wants to protect. From Canberra, Alexandra Kirk reports.

ALEX KIRK:

The manufacturing sector continues to shrink. Fifty thousand jobs disappeared in the first six months of this year, and almost 300 manufacturing firms went broke. Tony Abbott's unveiled a new Coalition policy he says will give industries a fairer go by making it easier to take action against imported goods dumped at below cost.

TONY ABBOTT: And now, today, the Coalition is formally releasing our anti-dumping policy.

KIRK: The Opposition Leader says while international dumping gives the illusion of short-term benefits to consumers, it seeks to exploit Australia's commitment to free trade.

ABBOTT: We support a competitive, open market economy. But it's also very important that Australian businesses are competing on a genuinely level playing field.

KIRK: He's pledged more money for anti-dumping investigations, shifting anti-dumping responsibilities from Customs to the Department of Industry, and hiring 20 more specialist investigators. The centrepiece is reversing the onus of proof in anti-dumping investigations.

ABBOTT: This is entirely consistent with our World Trade Organization obligations. It's consistent with what's happening in the United States and America. Once a *prima facie* case of dumping has been established, after 60 days if the dumper cannot demonstrate that no dumping in fact is happening, well then countervailing duties can be imposed. So this will be quicker; it will be cheaper; and it will be fairer for Australian manufacturing. And it will give Australian manufacturing a fighting chance to compete against the rest of the world.

KIRK: But the Government insists that reversing the onus of proof breaches Australia's international trade obligations.

CRAIG EMERSON: Tony Abbott is wrong and he knows he's wrong.

KIRK: The Trade Minister Craig Emerson says Mr Abbott's policy would inevitably result in Australia being dragged before World Trade Organization courts by its trading partners seeking retaliatory action, citing Department of Foreign Affairs and Trade evidence to a recent Senate inquiry on dumping.

EMERSON: And I quote: "Australia cannot impose an onus on the importer to prove the goods have not been dumped or subsidised. Any such amendments to this effect would be inconsistent with Australia's WTO obligations." It couldn't be any clearer than that. Mr Abbott knows that to be the case, but he is doing this to pretend that he's the manufacturing workers' friend.

Yet, of course, Mr Abbott led the vote against the Steel Industry Transformation Plan. He is no friend of manufacturing workers. And this is just political opportunism once again.

KIRK: But Tony Abbott says that the policy is a two-step process: that is, that once a *prima facie* case of dumping is established, if after 60 days the alleged dumper can't demonstrate that no dumping's occurred, then countervailing duties can be imposed. So the onus of proof kicks in in the second stage.

EMERSON: This was the proposal that was considered in the Senate inquiry and about which the Department of Foreign Affairs and Trade provided its advice. So we would have innocent working Australians caught in the crossfire as Mr Abbott just wrecks our position with the World Trade Organization and invites retaliation. It's totally irresponsible.

KIRK: Mr Abbott points out that it's very hard for Australian manufacturers to mount a successful anti-dumping case, and he cites the paper manufacturer Kimberley-Clark's experience. On that at least you'd agree.

EMERSON: We actually have implemented a very large number of changes, improvements to Australia's anti-dumping regime, about which Mr Abbott is fully aware.

KIRK: Can you point to anything having materially changed in the past few months – that is, are Australian

manufacturers any closer to mounting a successful anti-dumping case?

EMERSON:

Lodging anti-dumping cases doesn't take a couple of days, and in fact that's the whole point. You'd need to have some evidence, and we will - through the reforms that we've announced - make it easier for Australian businesses to gather that evidence and put it in the front of authorities. But what we won't do is have a reversal of the onus of proof that breaches the World Trade Organization rules, on the clear advice of the Department of Foreign Affairs and Trade, and risk the jobs of those working Australians who are employed in our export industries: our farmers, our small businesses, and our manufacturing workers.

COLVIN:

Trade Minister Craig Emerson speaking to Alexandra Kirk.