

# Trade Remedy Concept and Practice: ASEAN and Agriculture

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# Outline

- What is trade remedy?
- Trade Remedy in ASEAN
- Trade Remedy : Agriculture Case Study

# Understanding Barriers to Trade

- effects of trade liberalisation
- diminishing barriers – tariff and non-tariff measures, free exchange of goods
- What to do when domestic experience material industry is injured by imported products?

# What is Trade Remedy?

- Definition
  - Exception for certain circumstances (Dumping, Subsidy and Safeguards)
  - Deviation from WTO's Most-favoured-nation treatment
  - Mechanism that puts boundaries on certain imported products into its exporting market (Bown 2008)

Despite being inconsistent with WTO's fundamental principle, its existence is regarded with great urgency when it comes to facilitating trade liberalisation (Voon 2010).

# Types of Trade Remedy Instruments

Trade Remedy Instruments	Responds to	Aim to counter injury from	Overarching Regulations
Anti-Dumping	Unfair trade	Product sold at price lower than normal value	Anti-Dumping Agreement (ADA); article VI of GATT 1994
Subsidy	Unfair trade	Effect of subsidies	Agreement on Subsidies and Countervailing Measures
Safeguards	Fair Trade	Import surge	Agreement on Safeguards; article XIX of GATT 1994

Source: Anti-Dumping Agreement, Subsidies and Countervailing Measures Agreement, Safeguards Agreement, Compiled by author .

# Trade Remedy Process and Requirements

## Instruments

Antidumping

Subsidy

Safeguards

## Application

Dumped / Subsidized  
/ Increased Imports

Injury

Causal Link

## Requirements

Injury Determination  
Effect of dumped imports to  
domestic prices

Financial Contribution  
Government / Public Body  
Benefit

Import Surge  
Unforeseen development  
Serious Injury

# Trade Remedy in ASEAN

- Only 6 out of 10\* ASEAN member countries have used Trade Remedy
  - 12%-15% of world total investigations initiations
  - In 2012 alone, 18% of world trade remedy measures\*\* are levied to ASEAN members
- Has never initiated Subsidy investigations
- Acknowledged in ATIGA (ASEAN Trade in Goods Agreement)
- More member countries are implementing Trade Remedy within National Law.

\*WTO Statistics (2013a, 2013c, 2013e)

\*\*WTO Statistics (2013b, 2013d, 2013f).

# Motivation to use Trade Remedy

- Experience and retaliation
  - Strategic vs Economic motivation
    - Club with growing membership; remained foreign to those not targeted (Skeath and Prusa, 2002)
    - Big import suppliers – import surge
    - Non-parametric test: binomial probability
  - Strategic motivations prevails over Economic motivation
  - Top 10 import supplying markets are usually the targets of Trade Remedy initiations in ASEAN.



# ASEAN Trade Remedy Authorities

Country	National Authority			
	Anti-Dumping	Subsidies and Countervailing Duties	Safeguards	Responsible Ministries
Indonesia	KADI		KPPI	Ministry of Trade of the Republic of Indonesia
Malaysia	Trade Practices Section			Ministry of International Trade and Industry
Philippines	Bureau of Import Services (BIS) & Tariff Commission			Department of Trade and Industry
Thailand	Bureau of Trade Interest and Remedies Department of Foreign Trade			Ministry of Commerce
Singapore	Ministry of Trade and Industry		-	Ministry of Trade and Industry Singapore
Vietnam	Vietnam Competition Authority			Ministry of Industry and Trade (MOIT)
Brunei Darussalam	N/A	N/A	N/A	N/A
Cambodia	In progress			N/A
Laos	In progress		N/A	N/A
Myanmar	N/A	N/A	N/A	N/A

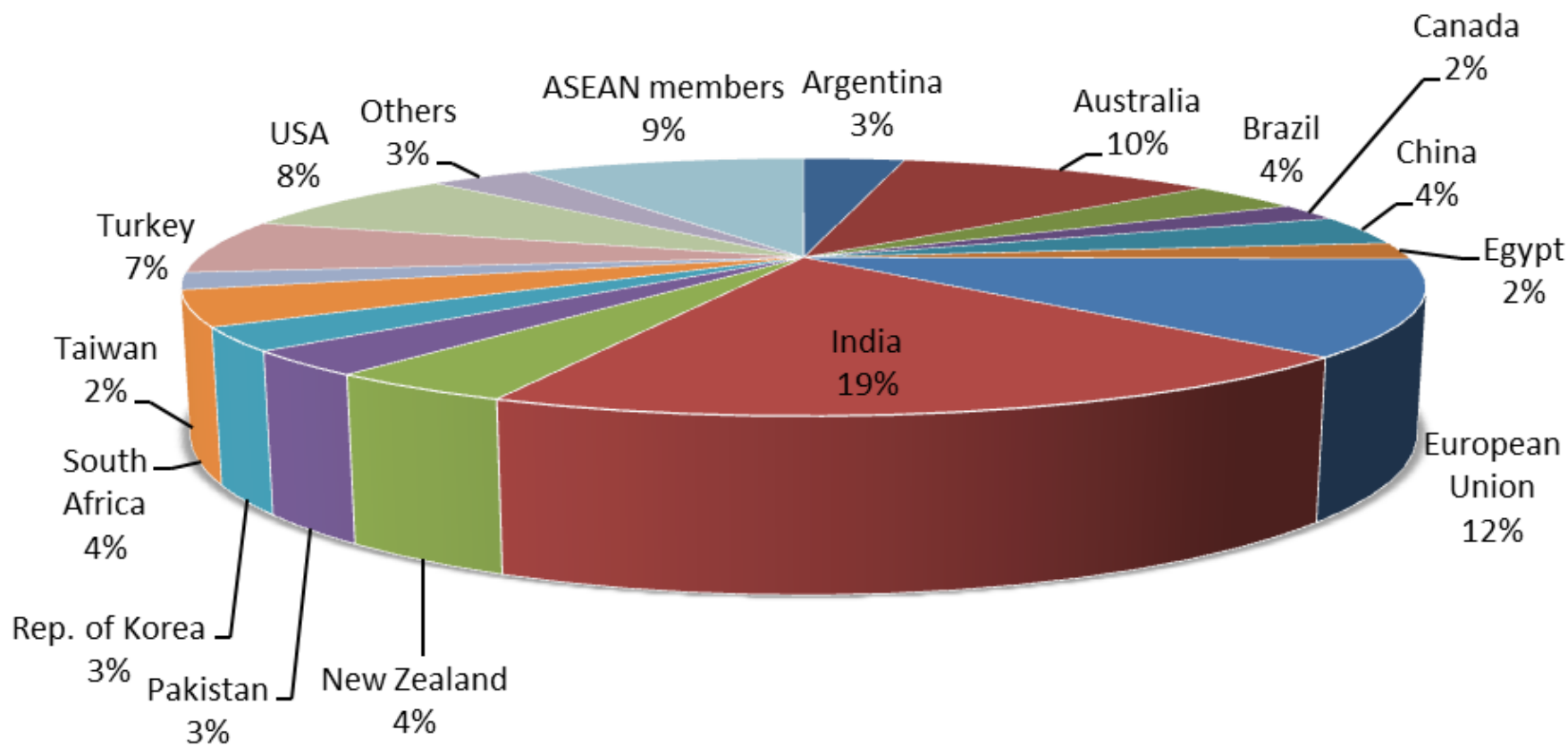
Source: KADI, KPPI, Semi-Annual Reports of the WTO Committee on Anti-Dumping Practices, Sutham, Attavipach & Eiamchinda 2005; compiled by Author.

# ASEAN ANTI-DUMPING STATISTICS (1995-2012)

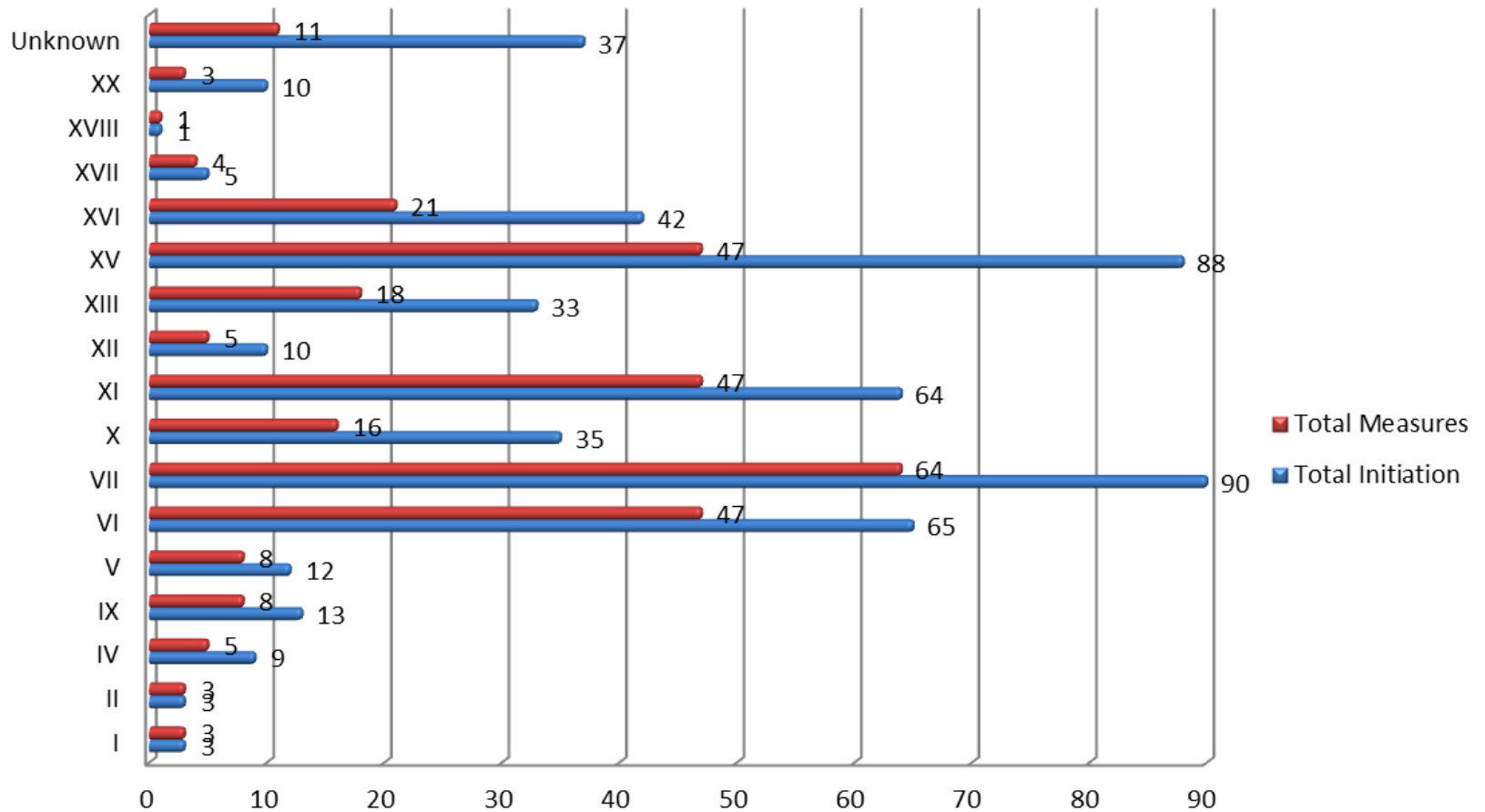
Year	Indonesia		Malaysia		Philippines		Thailand	
	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>
1995	.	.	3	.	1	.	0	.
1996	8	.	2	2	2	3	1	.
1997	5	4	8	2	1	.	3	1
1998	8	2	1	3	3	3	0	2
1999	8	8	2	1	6	1	0	.
2000	3	.	0	1	2	4	0	.
2001	4	1	1	.	0	1	3	.
2002	5	.	5	1	0	.	21	1
2003	12	.	6	7	1	.	3	20
2004	5	9	3	.	0	.	3	1
2005	.	4	4	7	0	.	0	2
2006	5	2	8	.	0	.	3	.
2007	1	.	0	.	0	.	2	1
2008	7	5	0	.	0	.	1	.
2009	7	1	0	.	1	.	1	3
2010	3	5	0	.	0	.	2	.
2011	6	2	0	.	0	.	13	3
2012	7	4	11	.	0	.	5	2
<b>Grand Total</b>	<b>94</b>	<b>47</b>	<b>54</b>	<b>24</b>	<b>17</b>	<b>12</b>	<b>61</b>	<b>36</b>
<b>% of Conversion rate</b>	50%		44.44%		70.5%		59%	

Source: Global Anti-Dumping Database 2012, compiled by Author

# Countries Targeting ASEAN with Anti-Dumping 1995-2012



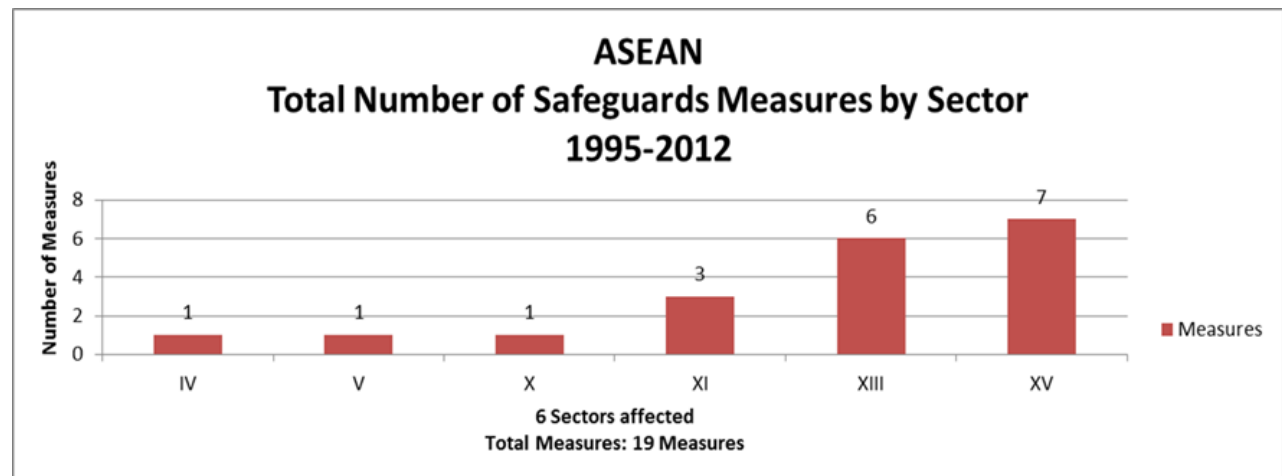
# ASEAN as World Anti-Dumping Targets 1995-2012



# ASEAN SAFEGUARDS STATISTICS (1995-2012)

Year	Indonesia		Malaysia		Philippines		Thailand		Vietnam	
	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>	<i>Initiation</i>	<i>Measures</i>
2001	.	.	.	.	3	1	.	.	.	.
2002	.	.	.	.	.	1	.	.	.	.
2003	.	.	.	.	3	3	.	.	.	.
2004	1	.	.	.	.	.	.	.	.	.
2005	1	.	.	.	.	.	.	.	.	.
2006	1	1	.	.	1	.	.	.	.	.
2007	.	.	.	.	.	.	.	.	.	.
2008	2	.	.	.	1	.	.	.	.	.
2009	.	2	.	.	1	1	.	.	1	.
2010	7	.	.	.	.	.	1	.	.	.
2011	4	7	1	.	.	1	.	1	.	.
2012	7	1	.	.	.	.	2	.	1	.
<b>Grand Total</b>	<b>23</b>	<b>11</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>7</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>0</b>
<b>% of Conversion rate</b>	48%		0%		78%		33%		0%	

# Sectoral Safeguards initiations and measures imposed



# Agriculture Case Study

Focus and Effect on policy and trade

Australia – Indonesia – Thailand:

Pineapple Investigation

# Sectoral Agriculture Product Descriptions

Sector	Descriptions
I	Live animals; animal products
II	Vegetable products
III	Animal and vegetable fats, oils and waxes
IV	Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufactured tobacco substitutes
XI	Textiles and textile articles



# ASEAN Safeguards Investigations in Agriculture (1995-2012)

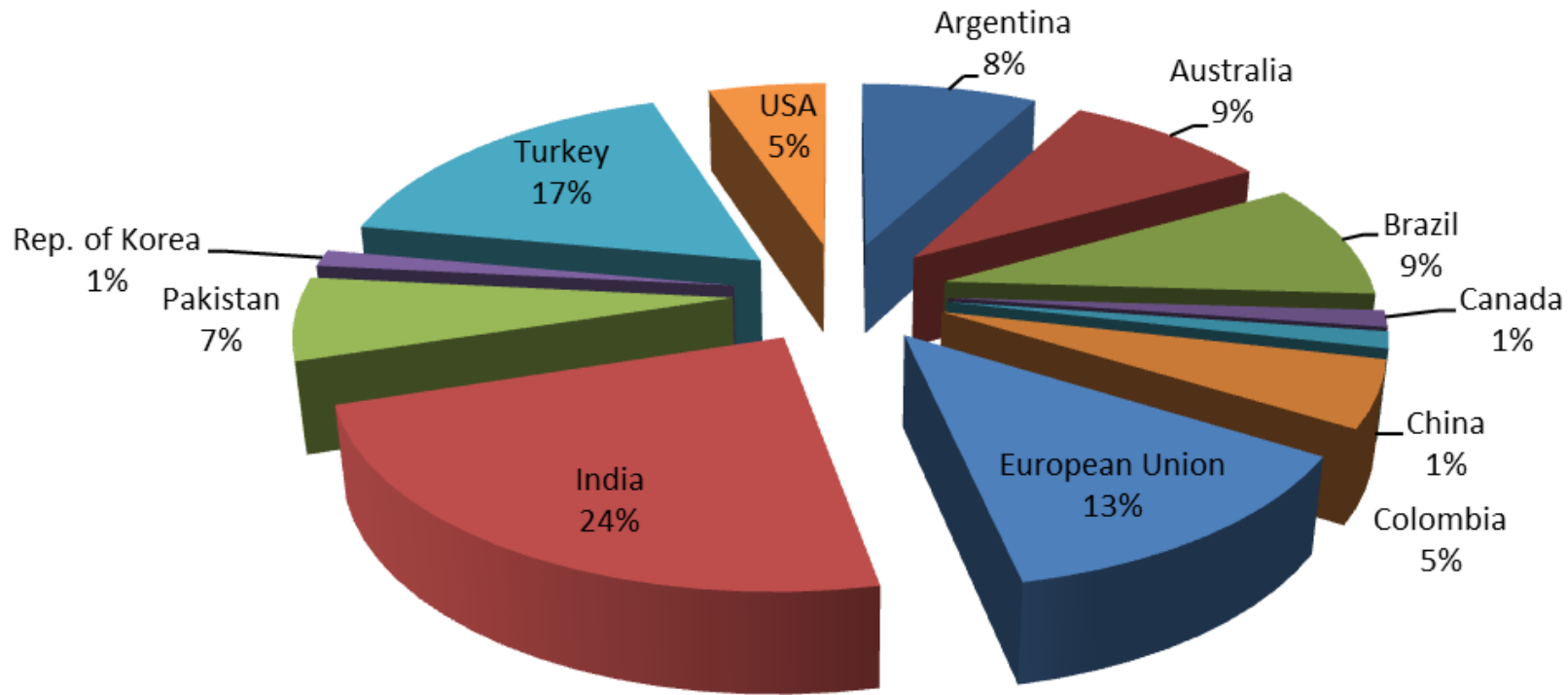
Initiation Country	Sector	Product	Initiation Date	Initiation Year	Imposed Measure Year	Measure Revoke Year
Philippines	IV	Tomato Paste	05/14/2008	2008		
Indonesia	II	Wheat Flour	08/24/2012	2012		2012
Indonesia	IV	Dextrose Monohydrate	05/14/2008	2008	2009	2014
Indonesia	XI	Cotton Yarn other than Sewing Thread	06/25/2010	2010	2011	2014
Indonesia	XI	Woven Fabrics of Cotton	06/25/2010	2010	2011	.
Indonesia	XI	Tarpaulins/Awnings and Sunblinds of Synthetic Fibres	03/22/2011	2011	2011	.
Thailand	XI	Woven Fabrics	12/07/2012	2012		.
Vietnam	III	Vegetable Oils	12/26/2012	2012	2013	2017

# ASEAN Anti-Dumping Investigations in Agriculture (1995-2012)

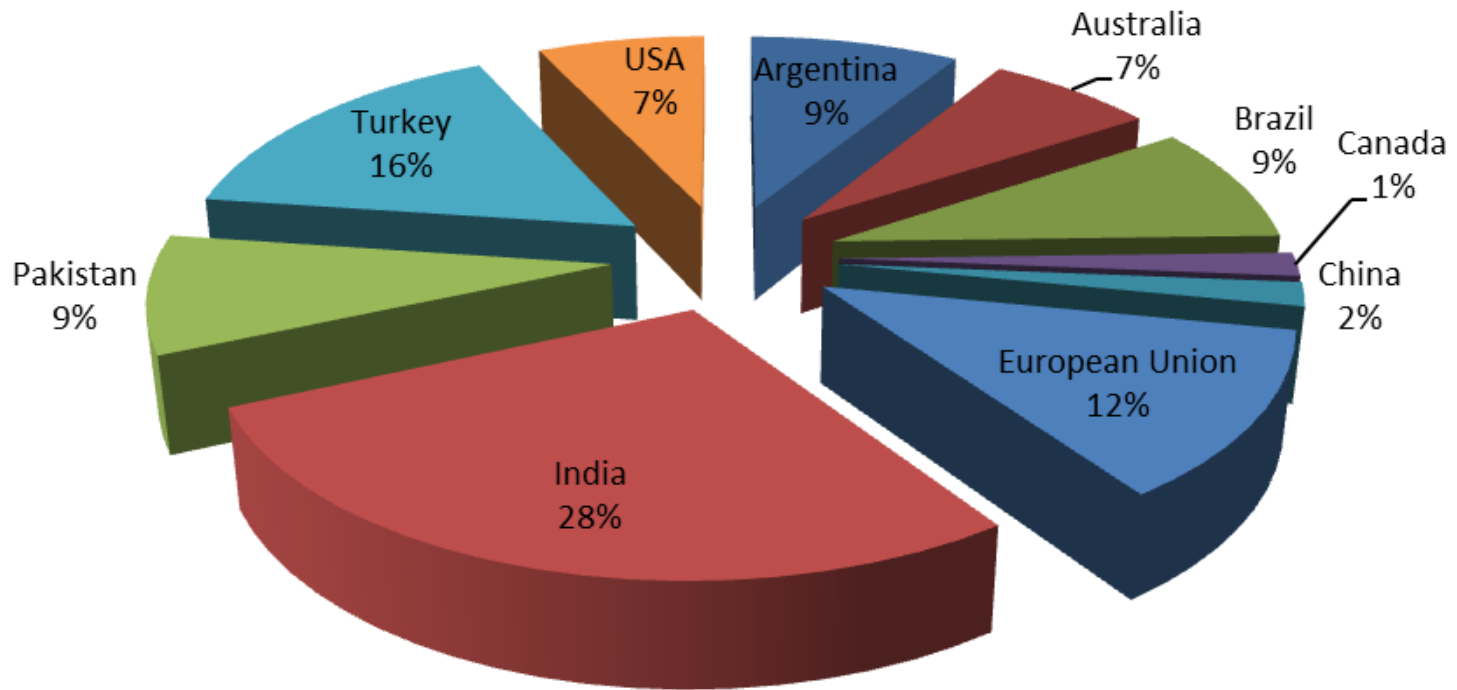
Initiation Country	Sector	Product	Initiation Date	Initiation Year	Imposed Measure Year
Philippines	XI	Terry Towelling Products (Face/Hand)	26/09/1994	1994	1996
Indonesia	XI	Polyester Staple Fiber	30/09/1996	1996	
Indonesia	XI	Polyester Staple Fiber	7/11/1996	1996	
Indonesia	II	Wheat Flour	22/03/2000	2000	
Indonesia	XI	Polyester Staple Fiber	27/06/2003	2003	
Indonesia	II	Wheat Flour*	1/03/2004	2004	2005
Indonesia	II	Wheat Flour*	1/09/2004	2004	2006
Indonesia	II	Cavendish bananas	7/10/2004	2004	2006
Thailand	XI	Woven Fabrics of Cotton and Polyester	4/10/2007	2007	2009
Indonesia	II	Wheat Flour	17/11/2008	2008	
Indonesia	XI	Polyester Staple Fiber	20/04/2009	2009	2010

\*Australia is one of the Targeted countries in this investigation

# Countries Initiating Anti-Dumping Investigations to ASEAN in Agricultural Sector 1995-2012



# Countries Imposing Anti-Dumping Measures to ASEAN in Agricultural Sector 1995-2012



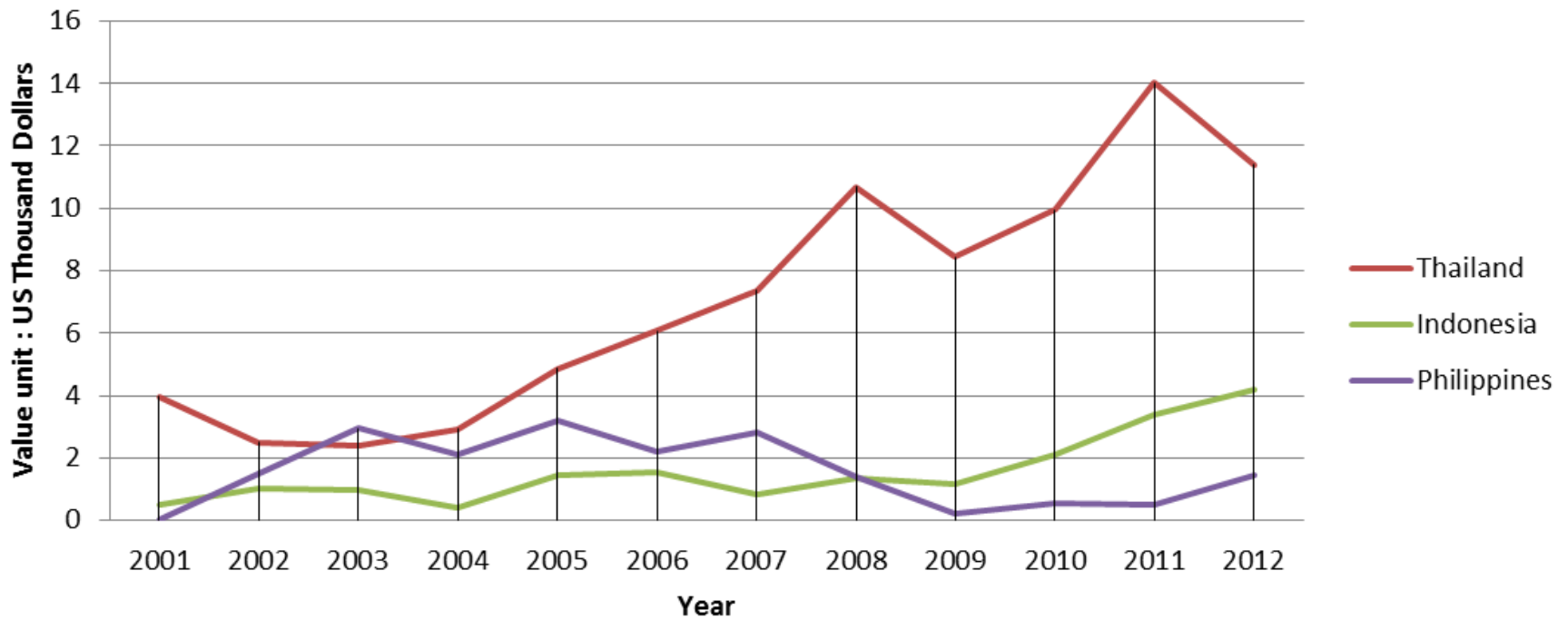
# Australian Anti-Dumping Investigation to ASEAN in Agricultural Sector 1995-2012

Initiating Country	Target Country	PRODUCT	Initiation (Year)	Measures imposed (Year)	Sector
Australia	IDN	Pasta	1995		IV
Australia	IDN	Pineapple Juice and Canned Pineapple	2001		IV
Australia	THA	Pineapple Juice and Canned Pineapple	2001	2001	IV
Australia	PHL	Pineapple Prepared or Preserved in Containers	2006	2006	IV
Australia	IDN	Pineapple Fruit (Consumer and FSI)	2011		IV
Australia	THA	Pineapple Fruit (Consumer)	2011	2011	IV

# Pineapple Anti-Dumping Case Study

- **Canned Pineapple Fruit exported to Australia from Indonesia and Thailand.**
- Alleged dumping of food service and industrial pineapple (HS 2008.20.00; 2008.20.00/26; 2008.20.00/27; 2008.20.00/28)
  - Applicant Golden Circle on 24 March 2011. Golden Circle is the sole producer of consumer and FSI pineapple in Australia.
  - Thai Pineapple Canning Industry Corp Ltd
  - PT Great Giant Pineapple from Indonesia
- The investigation period of this product is from 1 January 2010 to 31 December 2010.
- Results :
  - Terminated the investigation towards Indonesia on 7 September 2011; dumping margins are calculated less than 2%.
  - Determined that Thailand's export dumped and announced 29% definitive Anti-Dumping duties towards Thailand's export to Australia effective on 14 October 2011.

## Australian Imports from ASEAN HS 2008200026/27/28



# Trade Remedy Implications

- Protection for domestic industry from imported goods
- Anti-Dumping and Safeguards reduces import (Prusa, 2001; Herter, Martin and Leister, 2010).
- Trade Remedy instruments can provide an effective relief when used properly.
- Bargaining chip in trade negotiation



# Conclusion

- Important to fully understand, realise and utilise Trade Remedy's existence
  - Growing number of investigations
- It is a useful instrument
  - Insurance for further trade liberalisation

Thank you!

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