



# Anti-Dumping Duty

## Why in News

Recently, the government has decided **not to impose Anti-Dumping Duty (ADD) on imports of certain copper products, from China, Thailand, Korea and three other countries.**

## Key Points

### ▪ About:

- In April, **Directorate General of Trade Remedies (DGTR)** recommended imposing the duty on **“copper and copper alloy flat-rolled products”** from China, Korea, Malaysia, Nepal, Sri Lanka and Thailand, after conducting a probe.
- However, the **Ministry of Finance takes the final call** to impose these duties and issues notification for the same.

### ▪ Anti Dumping Duty (Concept):

#### ◦ Dumping:

- Dumping is said to occur **when the goods are exported by a country to another country at a price lower than the price it normally charges** in its own home market.
- This is **an unfair trade practice** which can have a distortive effect on international trade.

#### ◦ Objective:

- Imposition of Anti-dumping duty is **a measure to rectify the situation arising out of the dumping of goods** and its trade distortive effect.

- In the long-term, anti-dumping duties **can reduce the international competition of domestic companies** producing similar goods.

- It is **a protectionist tariff** that a domestic government imposes on foreign imports that it believes are priced below fair market value.
- The use of anti-dumping measures as an instrument of fair competition is **permitted by the [World Trade Organisation](#).**

#### ◦ Different from Countervailing Duties:

- ADD is a customs duty on imports providing a protection against the dumping of goods at prices substantially lower than the normal value whereas **Countervailing duty is a customs duty on goods that have received government subsidies** in the originating or exporting country.

#### ◦ WTO's Provisions Related to Anti-Dumping Duty:

- **Validity:** An anti-dumping duty **is valid for a period of five years** from the date of imposition unless revoked earlier.
- **Sunset Review:** It **can be extended for a further period of five years** through a sunset or expiry review investigation.

- A Sunset review/ expiry review is an evaluation of the need for the continued existence of a program or an agency. It allows for an assessment of the effectiveness and performance of the program or agency.
- Such a review can be initiated suo moto or on the basis of a duly substantiated request received from or on behalf of the domestic industry.

### **Directorate General of Trade Remedies**

- It is the **apex national authority under the Ministry of Commerce and Industry** for administering all trade remedial measures including anti-dumping, countervailing duties and safeguard measures.
- It **provides trade defence support to the domestic industry and exporters** in dealing with increasing instances of trade remedy investigations instituted against them by other countries.

**Source: IE**

PDF Referenece URL: <https://www.drishtias.com/printpdf/anti-dumping-duty-4>