



Anti-Dumping Duty

For Prelims: Anti Dumping Duty, Countervailing Duty, Directorate General of Trade Remedies, World Trade Organisation.

For Mains: WTO's Provisions Related to Anti-Dumping Duty (ADD), Significance of ADD in International Trade Competition.

Why in News

As per Directorate General of Trade Remedies' (DGTR) recommendations, India has imposed [Anti-Dumping Duties](#) on five Chinese products, including certain aluminium goods and some chemicals, for five years.

- The DGTR has concluded that these products have been exported **at a price below normal value in Indian markets**, which has resulted in dumping, causing injury to domestic markets.
- India's exports to China during the April-September 2021 period were worth USD 12.26 billion while imports aggregated at USD 42.33 billion, leaving a [Trade Deficit of USD 30.07 billion](#).

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.

Key Points

- **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 of Anti-Dumping Duty (ADD):**
 - 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.

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