

Anti-Dumping Probe

Source: ET

Recently, India has initiated an **anti-dumping** probe into the import of **'Insoluble Sulphur'** used in the rubber industry from **China and Japan**.

- Directorate General of Trade Remedies (DGTR) 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 offers assistance to domestic industries and exporters in responding to trade remedy investigations initiated against them by foreign nations, thereby providing trade defence support.

WTO Framework on Trade Remedies







Countervailing Duties

Legal Basis

GATT Article XIX

· GATT Article VI

 Agreement on Implementation of Article VI (AD Agreement) WTO Agreement on Subsidies and Countervailing Measures

Objectives and Features

- Create "breathing room" for domestic industry struggling with increasing imports
- · MFN based import restrictions
- · No allegations about unfair trade
- Protect domestic industry from imports sold "at less than the normal value of the products"
- Departure from MFN principle
- It's about the "unfair" (pricing) practices of individual firms
- Protect domestic industry from effects of another country's export subsidies actions
- Departure from MFN principle
- It's about the "unfair" (subsidies) practices of governments

Measures

- Supplementary tariffs beyond bound MFN rates
- Supplementary tariff beyond bound MFN rates targeted at particular foreign firms based on difference between the import price and the "normal" value
- Supplementary tariff beyond bound MFN rates based on the value of the subsidy provided by the government of the exporting country

Criteria

- · Imports must be rising (absolute)
- Imports are causing "serious" injury to the domestic industry
- Dumping, thus pricing below (1) production cost or (2) market price
- Imports are causing "material" injury to the domestic industry
- Specific subsidies (financial contribution) by foreign governments that are exported
- Imports are causing "material" injury to the domestic industry

Read More: Anti-Dumping Duty, Protectionism vs Globalization

