

DUMPING&ANTI-DUMPING

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Abstract

Since the accession to the WTO, China has been the world's largest trading nation. In the mean time, china suffers countering investigation is the first in the world. These dispensable troubles have serious affected the economic development and restructure. Hence, It's essential for us to clear the anti-dumping cases, the cause and effect, the current situation. Through continuous efforts of government and companies, safeguard national and the enterprise benefits.

Keywords

Anti-dumping, typical cases, current situation, measures.

1. INTRODUCTION

1.1. The Definitions of Dumping

Dumping is a behavior that the producer or exporters of a country or an area dump their commodities to another one at a price less than their costs or the price in domestic market (dumping is recognized as a form of international price discrimination) [1]. There are three necessary conditions for dumping: the price is Below the normal domestic price, the Low price behavior have caused actual damage to domestic related industries;there must be a causal relationship between the above two.Three are three forms of dumping,Sporadic dumping (distress dumping) occurs when a firm disposes of excess inventories on foreign markets by selling abroad at lower prices than at home.Predatory dumping occurs when a producer temporarily reduces the prices charged abroad to drive foreign competitors out of business [2].Persistent dumping goes on indefinitely .In order to maximize economic profits, a producer may consistently sell abroad at lower prices than at home.

1.2. The Definitions of Anti-dumping

Anti-dumping refers to the domestic market has taken actions against the dumping of foreign goods.In general, the dumping of foreign goods will be imposed a general import taxes,so that it can not be cheap to sell,such a levy known as the "anti-dumping" [3-5].

In general,anti-dumping means to resist to revenge on other countries and protect the development of domestic industry. At the same time, anti-dumping can sustain fair trade and maintain the profit.

2. TYPICAL CASE ANALYSIS

2.1. Case of Chinese Tire ----A Perfect Anti-dumping Success

In 2005,nine countries initiated anti-dumping investigations to china, respectively, Australia, Brazil, Peru, Egypt, Argentina, Turkey, South African, Mexico and India .Most of these are developing countries. In October 2005, the South Africa International Trade Management Committee (ITAC) made the anti-dumping investigation on the Chinese tire .Then Peru levied

penalty duties against Chinese tire of 1.6%-92.2%, Turkey is 60%-87%, and America is 19.17%-87.99%. In September 2009, the case of China-US special protectionist tariffs on tire U.S. President Barack Obama announced that America will levy a three-year penalty duties on imports of Chinese cars and light truck tires. Tariff jumped from 4% to 4%, Chinese enterprises suffered serious losses.

In November 2005, under the leadership of CRIA, 10 domestic tire export companies and some traders gathered in Shanghai to discuss countermeasures. China is preparing to fight.

On March 10, 2006, further details of the no damage and cause effect relationship were presented. Among them, chenshan, Delta, Giti and Feng shen. In addition to participate in the industry collective defense, also conducted a separate respondent.

On April 10, 2007, ITAC made an judgment that there is no casual relationship between Chinese exports of tires and the applicant damage. Chinese tires are free from any anti-dumping duties. Except for the eight enterprises responding to the action, no respondent enterprises, and those who are not exporting to South Africa, also can enjoy the anti-dumping tax for free treatment.

2.2. Iron and Steel

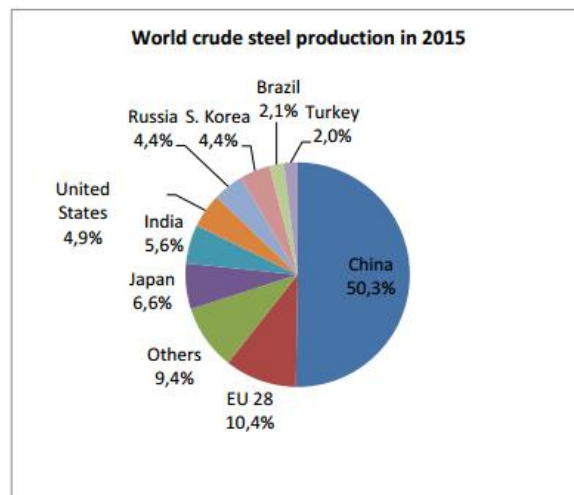


Figure 1. World crude steel production in 2015

Figure 1 illustrates the world steel production in 2015. As we can see that steel production of China has a large proportion of 50%. Under this situation, Many countries begin to take actions to resist Chinese steel. In April 2016, Australia decided to levied a anti-dumping tariff of 57% on Chinese steel. In order to protect domestic industry, Japan and The European Union take measures on Chinese steel as following [6].

It's obviously that the price was declining. In the sluggish domestic demand, the market relatively demand there is still a certain support, and RMB exchange rate depreciation in a certain extent, stimulate exports, China's exports of steel prices in the international market competition still in a dominant position, so the overall export market is still relatively optimistic. The steel exporter should improve its advantages in the international market competition, establish the system of production and sales, grasp the "anti-dumping" dynamic reasonably .

3. CURRENT SITUATION

Figure 2 listed the commodity such as deep drawn stainless steel sinks, Tomatos, Hollow Structural Sections which had been levied a anti-dumping tariff.

Anti-Dumping Notices - 2016

Number	Commodity	Subject	Country	Date
2016/55 (PDF 112KB)	Tomatoes	Initiation of a Review of Anti-Dumping Measures	Italy	25/05/2016
2016/54 (PDF 744KB)	Resealable Can End Closures	Initiation of an Investigation into Alleged Dumping	India, Malaysia, the Philippines and Singapore	18/05/2016
2016/53 (PDF 80KB)	Deep Drawn Stainless Steel Sinks	Initiation of a Review of Anti-Dumping measures	China	16/05/2016
2016/52 (PDF 73KB)	Hollow Structural Sections	Findings in relation to Exemption Inquiry	China, Korea, Malaysia, Taiwan	16/05/2016
2016/51 (PDF 304KB)		Status Report as at 30 April 2016		11/05/2016

Figure 2. Anti-dumping notice in 2016

From the Figure 3, we can know that China suffer a lot of anti-dumping cases, the increasing percentage show that the quantity of anti-dumping have growth tendency, compared with the total quantity. The finance and economics information reveals among the countries which raise anti-dumping investigations, developed countries are the great majority, for example Japan, America, India, EU and other countries, in order to protect domestic market

Our country export commodities registered by the anti-dumping investigation is our country per year on average to 11.8 times the number of annual imports of anti-dumping investigation. China also do something to protect domestic market.

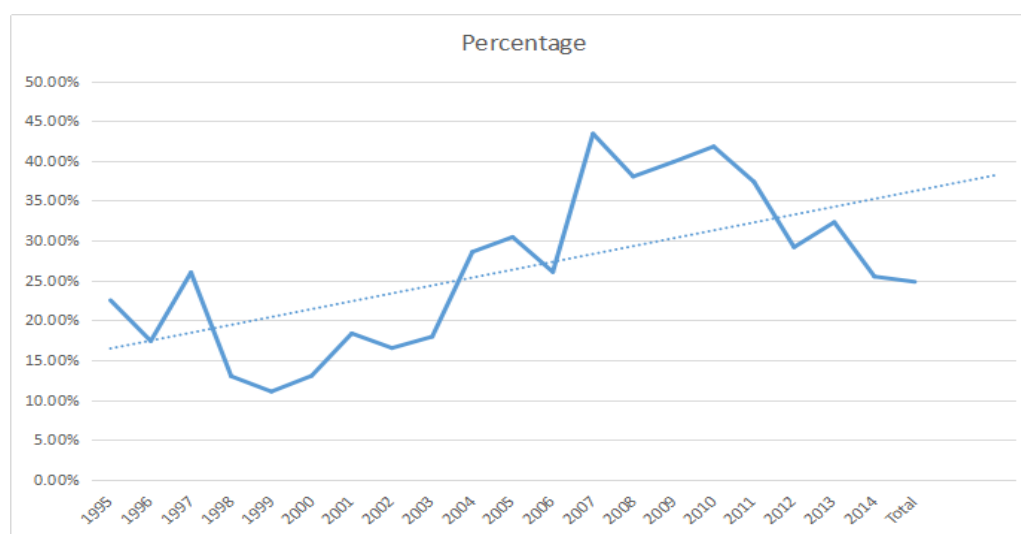


Figure 3. The percentage of anti-dumping cases China

4. THE REASONS FOR INCREASING ANTI-DUMPING

4.1. International Reasons

As we all known, in recent years ,international economy is in a poor situation. The exports of many countries is falling sharply. Under this situation ,other countries want to protect their domestic economy and industry ,pull domestic demand ,so the increasing anti-dumping cases are very common. countries have a little knowledge on China's current economic system. Since the reforming and opening up ,china has achieved great progress on international trade. They don't know what is the socialist market economy with Chinese characteristics.From the data what has been mentioned above, China has suffered great a lot of anti-dumping cases.

4.2. Reasons of Rising Anti-Dumping Cases

On the one hand, China is a large country with abundant resources and is committed to the development of manufacturing industry, which mainly processes raw materials and produces primary products with low added value. On the other hand, the large population and cheap labor are important reasons.China is a large country with a population of 1.7 billion. Low labor costs lead to cheap goods, not deliberately underpriced.

Developed countries have relatively high human cost and scarce resources, and it takes a lot of human resources, material resources and financial resources to produce such products as heavy industry, manufacturing and agricultural products. Because the price of domestic commodities is higher than that of China, they have difficult in selling, which affects the interests of their domestic enterprises and the healthy development of the domestic economy. Therefore, Anti-dumping measures are proposed against China

5. RELEVANT MEASURES

China should take the initiative to combat prejudice and seize the dynamic opportunity of "anti-dumping". It is necessary for the government to realize market-oriented reform of domestic enterprises and follow the pace of the world economy according to the economic environment in the international market. Effective state ownership enterprise reform and property right optimization adjustment can reduce the company's export dumping. [7]

The government actively creates an environment for enterprises and builds a sound legal system. Understand the risk of foreign market and provide risk consulting service. The government should try to create a good legal environment for Chinese enterprises. A large number of cases prove that foreign lawsuits are not to be feared, and that as long as companies are prepared, the chances of success are high.

The company actively improve their own anti-dumping awareness and product competitiveness. Export enterprises should pay attention to the domestic and foreign market research work. We will actively use various non-price competitive means such as trademarks, marks of origin, packaging, design, public relations and advertising to expand high-tech and high-value-added exports through technological innovation.

The company can strengthen the cultivation of professional talents. China has become the world's largest antidumping victim, we are familiar with the WTO rules, but we are short of the corresponding professional talent. China urgently needs to train a large number of talents and lawyers who understand the rules of the WTO and the rules of the international market.

6. CONCLUSIONS

Due to the tense international economic situation, not only China is facing dumping and anti-dumping trade problems, other countries are also facing the same. As the world's

manufacturing powerhouse, China is in an even more awkward position. Our governments and enterprises should make joint efforts to make rational use of trade rules, participate in economic cooperation and dialogue, actively build a healthy and stable trade ecosystem, and safeguard the legitimate trade interests of all countries in the world.

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