

Chapter 7

Dumping and Anti-dumping Measures

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1 Introduction

An anti-dumping measure is one of the mechanisms which the WTO permits its Members to use to offset unfair trade practices engaged in by a foreign business entity. Underlying it is the desire to create a level playing field between the country imposing the anti-dumping levy and the exporter. The rules on dumping and anti-dumping measures have seen several multilateral trade negotiation rounds, including the current Doha Round. Under these rules, a country may impose such a levy where there is evidence of *material injury* to a competing domestic industry caused by the dumping. This requires proof of dumping, of the extent of dumping (how much lower the export price is compared to the exporter's home market price), and that such dumping is causing injury or threatening to do so to a competing domestic industry. Both the economic merits of dumping, and the remedy of anti-dumping measures have been the subject of much debate: the former by reason of the benefits that can flow to a country in which the product is being dumped,¹ and the latter by reason that the claim of anti-dumping is often used as a disguised form of trade protection for the country imposing the levy.² More importantly, the legal technicalities of the law governing dumping and anti-dumping have themselves been the subject of much dispute given these conflicting possibilities of unfair disadvantage versus disguised trade protectionism.

The discussion in this chapter is structured as follows. Section 2 examines the definition of dumping and anti-dumping measures; Section 3 discusses the general WTO principles on dumping and anti-dumping; Section 4 articulates the rules and standards on determining dumping action; Section 5 examines issues relating to the determination of anti-dumping measures; Section 6 examines the WTO disputes on dumping and anti-dumping; and Section 7 concludes.

1 JH Jackson, WJ Davey, and AO Sykes Jr, *Legal Problems of International Economic Relations: Cases, Materials and Text* (United States: Thomson/West, 5th edn, 2008), 753.

2 Ibid 757.

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