

## Introduction

- 1.1 Australian industry is often subjected to competition from heavily subsidised overseas manufacturers that dump products below cost of production on our market. Although product dumping is not illegal, the World Trade Organisation allows Australia to take action against dumped products that cause material injury to Australian industry.
- 1.2 When anti-dumping action is taken, some importers immediately find a way to circumvent that action. Industry claims that as soon as an anti-dumping decision is granted against an imported product, the producer finds a way of changing the description, altering the product or routing the product through a third country to avoid the anti-dumping action.
- 1.3 This inquiry examined circumvention activities and the framework in place to address those actions.

## Background to the inquiry

- 1.4 The Committee agreed on 15 September 2014 to inquire into and report on Australia's anti-circumvention framework in relation to anti-dumping measures. The inquiry was referred to the Committee by the Minister for Industry, the Hon Ian MacFarlane MP.
- 1.5 The Terms of Reference called for the Committee to inquire into and report on the following matters:
  - the scope, prevalence and impact of circumvention practices by foreign exporters and Australian importers, especially from the perspective of Australian businesses;
  - the operation of the anti-circumvention framework since its introduction in June 2013 including its accessibility, use by Australian businesses, recent amendments and effectiveness to date;

- practices that circumvent anti-dumping measures and the models for addressing practices administered by other anti-dumping jurisdictions; and
  - areas which require further consideration or development including the effectiveness of anti-dumping measures and the range and scope of circumvention activities.
- 1.6 The inquiry was advertised in *The Australian* and on social media. The Committee sought submissions from relevant Australian Government ministers and from state and territory governments. In addition, the Committee sought submissions from a wide range of Australian manufacturers and industry peak and representative bodies.
- 1.7 The Committee received 26 submissions and two supplementary submissions. Three submissions were confidential. The submissions are listed at Appendix A.
- 1.8 The Committee held five public hearings in Canberra. Public hearing details are listed at Appendix B.

## **Structure of the report**

- 1.9 Chapter two provides an overview of the anti-dumping and anti-circumvention frameworks and briefly outlines the work of the Anti-Dumping Commission.
- 1.10 Chapter three examines the circumvention practices used by foreign exporters and Australian importers.
- 1.11 Chapter four explores possible improvements to the anti-circumvention framework, including measures aimed at addressing key circumvention activities.

