

Inquiry into Customs Amendment (Anti-Dumping Measures) Bill (No.1) 2015 and Customs Tariff (Anti-Dumping) Amendment Bill 2015, Senate Standing Committee on Economics

Opening Statement, Bernard Lee, Manufacturers Trade Alliance, Committee Hearing, 4 May 2015

Thank you for the opportunity to appear before the Senate Committee today representing the Manufacturers' Trade Alliance with my fellow members.

The Alliance, or MTA, brings together a diverse range large and small Australian manufacturers and producers such as the chemical, paper, agricultural, food, steel and cement industries in an informal forum to give feedback to government on the effectiveness of the anti-dumping system. This feedback is based on our member's direct involvement in the current Anti-Dumping system as Australian Industry applicants.

The bills before the Senate aim to strengthen and improve the anti-dumping system, consistent with Australia's trade obligations.

In introducing the reform bills the government stated its commitment to ensuring Australian industry is able to compete on a level playing field through an effective and efficient anti-dumping system.

MTA welcomes that affirmation and also the support from across the parliament over many years for reforms that deter dumpers and remedy injury to local industry when it does happen.

MTA supports the aim of the government's bills and many of the proposed reforms.

In our two submissions, we focused on those provisions where we think more fine-tuning or clarity is needed, and in a few instances, where we disagree.

I particularly draw the Committee's attention to the MTA's views on five of the proposed changes:

**Firstly, on deadlines for interested party submissions,** we support the change to Day 37 from the current Day 40 of an investigation. We suggest the new deadline apply to fully compliant submissions in both confidential and public file forms. Also, any extension should be for a maximum of 7 days, with the extension applying only to information not completed in response to the questionnaire by Day 37. Blanket extensions should be avoided as they have created serious delays to date.

**Second, in clarifying that the definition of a subsidy is consistent with the WTO Subsidies and Countervailing Measures Agreement,** MTA is unsure why the ADC and Australian industry would have to do more than is required by WTO rules to prove that a direct transfer of funds (e.g. a grant) by an exporter's government is a subsidy.

**Third, we are concerned that the change to notification of subsidies** would impose a less stringent requirement on reporting countries subject to investigations, which would be contrary to the intent of the reform package to ensure strong WTO compliance by all.

**Fourth, we support moves to make the Anti-Dumping Review Panel process more effective.** We support a higher threshold for reviews but seek more detail on the changes to the Panel's powers to accept or reject applications.

The **MTA does not support the introduction of fees for reviews.** The fee structure is open to manipulation by alleged dumpers and will impose new fees on Australian manufacturers who already are obliged to devote significant resources to anti-dumping actions.

**Finally, MTA welcomes clarification on the use of the lesser duty rule.** In addition, we suggest that in anti-dumping investigations where a particular market situation is determined and in cases involving an Australian industry single SME, the mandatory consideration of the lesser duty rule should equally *not* apply.

**In conclusion,** we welcome the bulk of the proposed reforms and acknowledge the ongoing efforts of the Government, Opposition and the Parliament to strengthen the effectiveness of our anti-dumping system as an integral part of Australia's support for fair and open trade.— a vital requirement to ensure the viability of Australia's manufacturing, agricultural and food processing sectors that make an such an important contribution to the prosperity of the economy and nation.

We're happy to take any questions on our submissions.