

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry, Innovation and Science Portfolio  
2017 - 2018 Budget Estimates  
31 May – 1 June 2017

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, INNOVATION AND SCIENCE

**TOPIC:** Tracking trade flows

**REFERENCE:** Question on Notice (Hansard, 31 May 2017, page 94)

**QUESTION No.:** BI-2

Senator XENOPHON: But, given the role of the commission and the resources available to you, as a matter of course you would have better information than Australian manufacturers concerning import sources?

Mr Seymour: We have the ability to track trade flows, and one of the key aspects in transshipment is to see, through trade flows, decreases and increases in trade flows.

Senator XENOPHON: Are you tracking trade flows?

Mr Seymour: We do, but I do not have the ability to do that on a wide-ranging basis. Obviously we have to prioritise.

Senator XENOPHON: How much tracking do you do to try to get an idea?

Mr Seymour: We have the Market Intelligence Unit established, and it is doing a range of activities in that space. A lot of it is on my request or the general manager's.

Senator XENOPHON: On notice, can you tell me how much tracking of trade flows you do and what that would be as a proportion of the trade in terms of potential transshipments?

Mr Seymour: Certainly. I would make an additional comment though. When it comes to compliance and the like, we have extremely good working relationships with Australian Border Force. The agencies involved in having a look at this particular aspect of the system are collaborating very strongly, so there is no barrier in that regard.

Senator XENOPHON: This worries me, because I think it is one of the new areas where people try to avoid dumping or countervailing duties. Once measures are imposed, do you actively look for examples of changes in the country of origin? In some cases a country of origin is being nominated that does not even produce the goods. There are examples of steel products exported from Singapore or chemical products from Estonia. Singapore does produce lots of wonderful things, and I am sure Estonia does as well, but if they do not actually have a manufacturing capacity, they do not actually produce those goods, do you have a way of tracking that or monitoring that so we do not get hoodwinked by these transshippers?

Mr Seymour: I rely on many inputs to make judgements about which trade flows I am tracking at a particular time. To be honest with you, I would rather not go into any more detail about what we look at, for the simple reason that it is a rather sensitive area.

Senator XENOPHON: Sure. But that is a pretty obvious one. If a country does not make a particular good, such as steel from Singapore or chemical products from Estonia—

Mr Seymour: Singapore actually does make steel.

Senator XENOPHON: Does it? That is the example I was just given. Well, there were certain steel products from Singapore, but there are particular types of steel products that come here that Singapore does not make—I should clarify that. I do not want to be banned from Singapore as well; it is enough to be banned from Malaysia.

Mr Seymour: Your point is well made, and I understand your point. It would be a desire of mine to improve our market intelligence capability over time.

## ANSWER

Following the imposition of anti-dumping and/or countervailing measures, the Commission monitors and analyses trade flows to: assess the effectiveness of anti-dumping measures; identify potential instances of circumvention; and identify potential non-compliance with measures.

In undertaking this monitoring, the Commission looks for statistically significant changes in trade patterns, including changes in volumes and sources of exports.

The Commission adopts a risk-based approach to monitoring trade flows. The Commission's assessment of risks is informed by its understanding of market dynamics developed during investigations and further updated knowledge obtained during subsequent reviews of measures. To ensure its risk assessments remain current, the Commission gathers market intelligence from Australian industry and other market participants, undertakes research and analysis of market developments, and monitors investigations undertaken by anti-dumping authorities in other jurisdictions.

The Commission works closely with the Department of Immigration and Border Protection (DIBP) to ensure there is an effective whole of Government approach to compliance and anti-circumvention. The two agencies share information about potential instances of non-compliance and circumvention, including through Commission referrals of information about potential non-compliance matters to the Australian Border Force (ABF).

Transshipment is a form of circumvention activity designed to avoid or reduce anti-dumping or countervailing duties.

Circumvention activities take various forms and exploit different aspects of the anti-dumping and countervailing system. The outcome of these activities is that the relevant goods do not attract the intended dumping or countervailing duty. In addition to transshipment (export of goods through one or more third countries), circumvention activities include: slight modification of goods; assembly of parts in Australia; assembly of parts in a third country; arrangements between exporters; avoidance of the intended effect of duty; and any additional circumstances prescribed by regulation.