

## **Submission No.1 – Manufacturing Industry Taskforce**

The Manufacturing Industry Task Force on Anti-dumping has a high interest in the Committee's inquiry and would like to give evidence in person at the hearing on 19.03.03.

Representing the Task Force:-

Mr. Bruce McAllen (Chairman)

Mr. John O'Connor (Deputy Chairman)

Our submission will assert that the proposed legislation is in accord with Article 15 of the Protocol admitting China to the WTO. Article 15 provides for surrogacy treatment where the producers cannot "clearly show" that market economy conditions prevail in the industry exporting to Australia. This treatment extends for 15 years after November 2001 when PR China was admitted to the WTO. The proposed legislation inserts "price influence" in lieu of "price control" to mirror the terms of Article 15 placing the onus on the exporter to demonstrate market economy conditions exist.

This approach has long been sought by the Task Force. It aligns Australia with other WTO members in the approach adopted for economies in transition. Previous legislation was ineffective as the requirement to identify "price control" was narrowly interpreted and did not allow for a complete examination of government influences on prices. It is our understanding that it was always, and still is, Government Policy to take in a broader range of factors impacting on prices and costs where "economies in transition" are involved in anti-dumping cases.

The Task Force was disappointed the Ministerial Directions made by former Minister Vanstone in 2000 based on "price control" were not effective, because that legislation did not allow the onus of proof to be placed on the exporter as is now required under Article 15.

Since the introduction of the old "price control" legislation in 1999, cases involving PR China have rarely been successful. Many Industries have collapsed that would still exist if Australia's approach was similar to that adopted by other WTO members.

The Task Force will be happy to elaborate and answer questions.

Bruce McAllen  
Chairman