## **Anti-Dumping Probe**

## Source: ET

Recently, India has initiated an **anti-dumping** probe into the import of **'Insoluble Sulphur'** used in the rubber industry from **China and Japan**.

- Directorate General of Trade Remedies (DGTR) is the apex national authority under the Ministry of Commerce and Industry for administering all trade remedial measures including anti-dumping, <u>countervailing duties</u>, and safeguard measures.
  - It offers assistance to domestic industries and exporters in responding to trade remedy investigations initiated against them by foreign nations, thereby providing trade defence support.

## WTO Framework on Trade Remedies

	Global Safeguards	Anti-Dumping measures	Countervailing Duties
Legal Basis	GATT Article XIX	<ul> <li>GATT Article VI</li> <li>Agreement on Implementation of Article VI (AD Agreement)</li> </ul>	<ul> <li>WTO Agreement on Subsidies and Countervailing Measures</li> </ul>
Objectives and Features	<ul> <li>Create "breathing room" for domestic industry struggling with increasing imports</li> <li>MFN based import restrictions</li> <li>No allegations about unfair trade</li> </ul>	<ul> <li>Protect domestic industry from imports sold "at less than the normal value of the products"</li> <li>Departure from MFN principle</li> <li>It's about the "unfair" (pricing) practices of individual firms</li> </ul>	<ul> <li>Protect domestic industry from effects of another country's export subsidies actions</li> <li>Departure from MFN principle</li> <li>It's about the "unfair" (subsidies) practices of governments</li> </ul>
Measures	<ul> <li>Supplementary tariffs beyond bound MFN rates</li> </ul>	<ul> <li>Supplementary tariff beyond bound MFN rates targeted at particular foreign firms based on difference between the import price and the "normal" value</li> </ul>	<ul> <li>Supplementary tariff beyond bound MFN rates based on the value of the subsidy provided by the government of the exporting country</li> </ul>
Criteria	<ul> <li>Imports must be rising (absolute)</li> <li>Imports are causing "serious" injury to the domestic industry</li> </ul>	<ul> <li>Dumping, thus pricing below (1) production cost or (2) market price</li> <li>Imports are causing "material" injury to the domestic industry</li> </ul>	<ul> <li>Specific subsidies (financial contribution) by foreign governments that are exported</li> <li>Imports are causing "material" injury to the domestic industry</li> </ul>

## \_\_\_\_

Read More: Anti-Dumping Duty, Protectionism vs Globalization

PDF Refernece URL: https://www.drishtiias.com/printpdf/anti-dumping-probe

