

METI-RIETI International Seminar

Recent State of Play on Anti-dumping and Other Trade Remedy Measures: With overviews of Brazil and Japan

Handout



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November 4, 2015

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<http://www.rieti.go.jp/en/index.html>



Ministry of Economy, Trade and Industry

Trade Remedies in Japan : with focus on anti-dumping measures (provisional translation)

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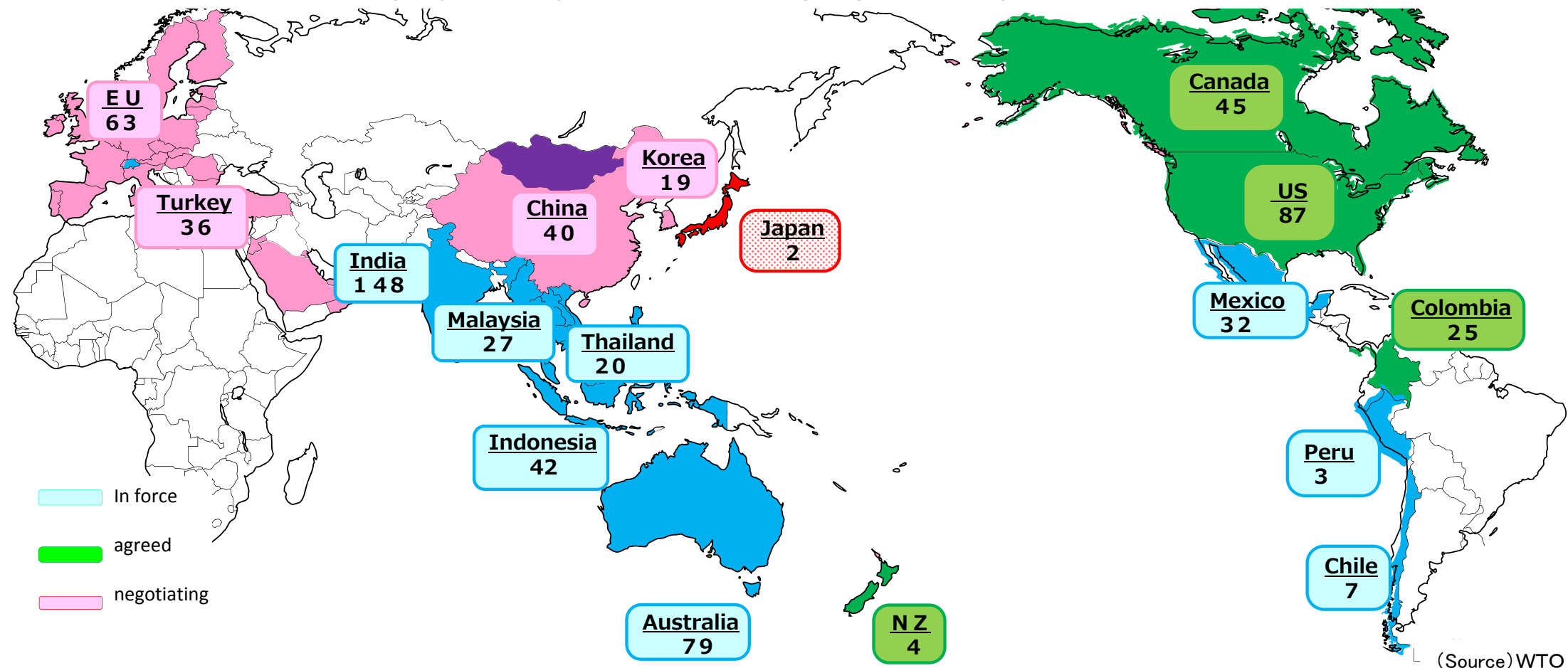
November 4, 2015



1. Anti-dumping : state of play (1)

- The WTO agreement allows governments to take action against dumping.
- More than 200 anti-dumping investigations are initiated every year around the world while it is seldom initiated in Japan

Anti-dumping investigations initiated by Japan's FTA partners (2010-2014)



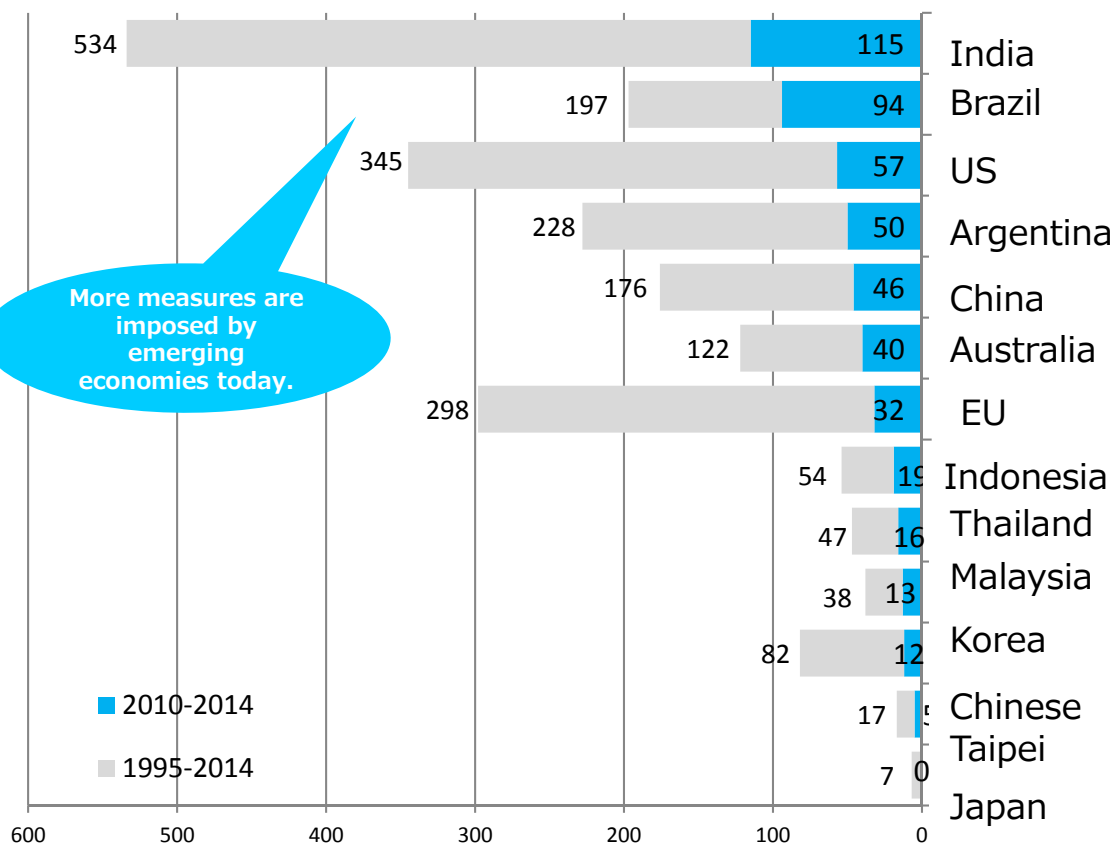
(Source) WTO

- In force (13 countries, 1 region) : Singapore, Malaysia, Thailand, Indonesia, Brunei, ASEAN, the Philippines, Viet Nam, India, Australia, Mexico, Chile, Peru, Switzerland
- Signed (1 country) : Mongolia
- Negotiating etc. (4 countries, 5 regions) : Korea, KCJ, RCEP, GCC, Turkey, EU, Canada, Colombia, TPP

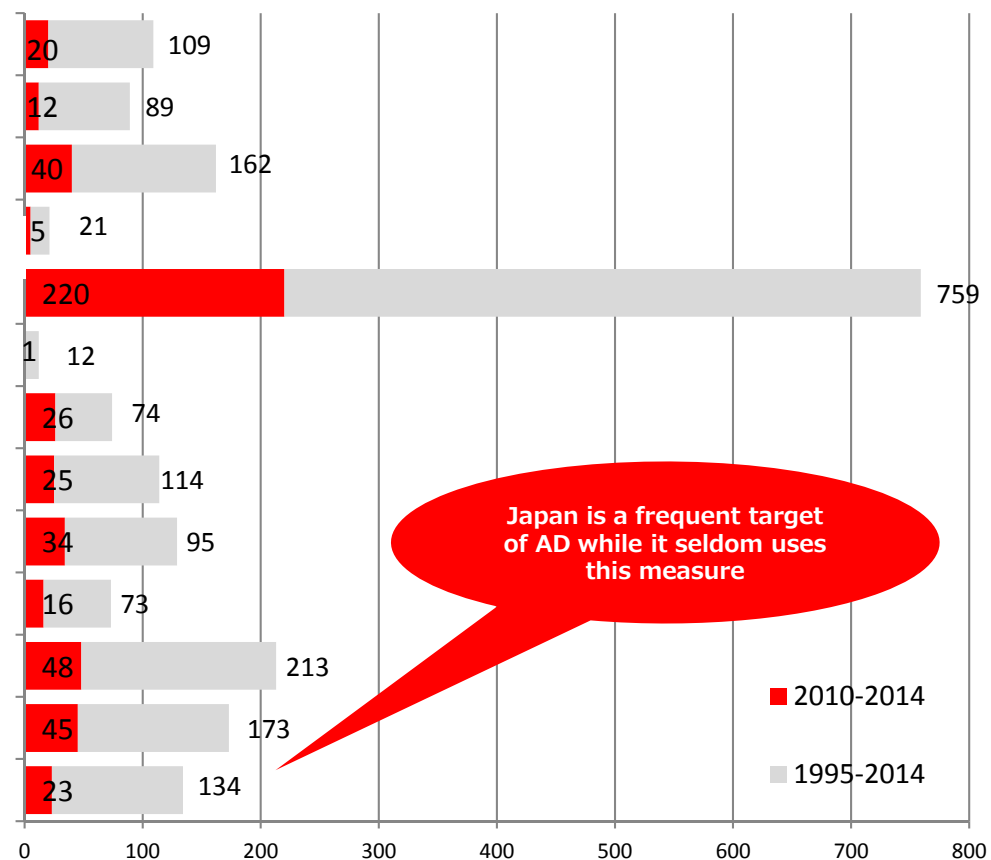


1. Anti-dumping : state of play (2)

AD MEASURES IMPOSED by reporting Members
1995-2014



AD MEASURES IMPOSED by exporting Members
1995-2014



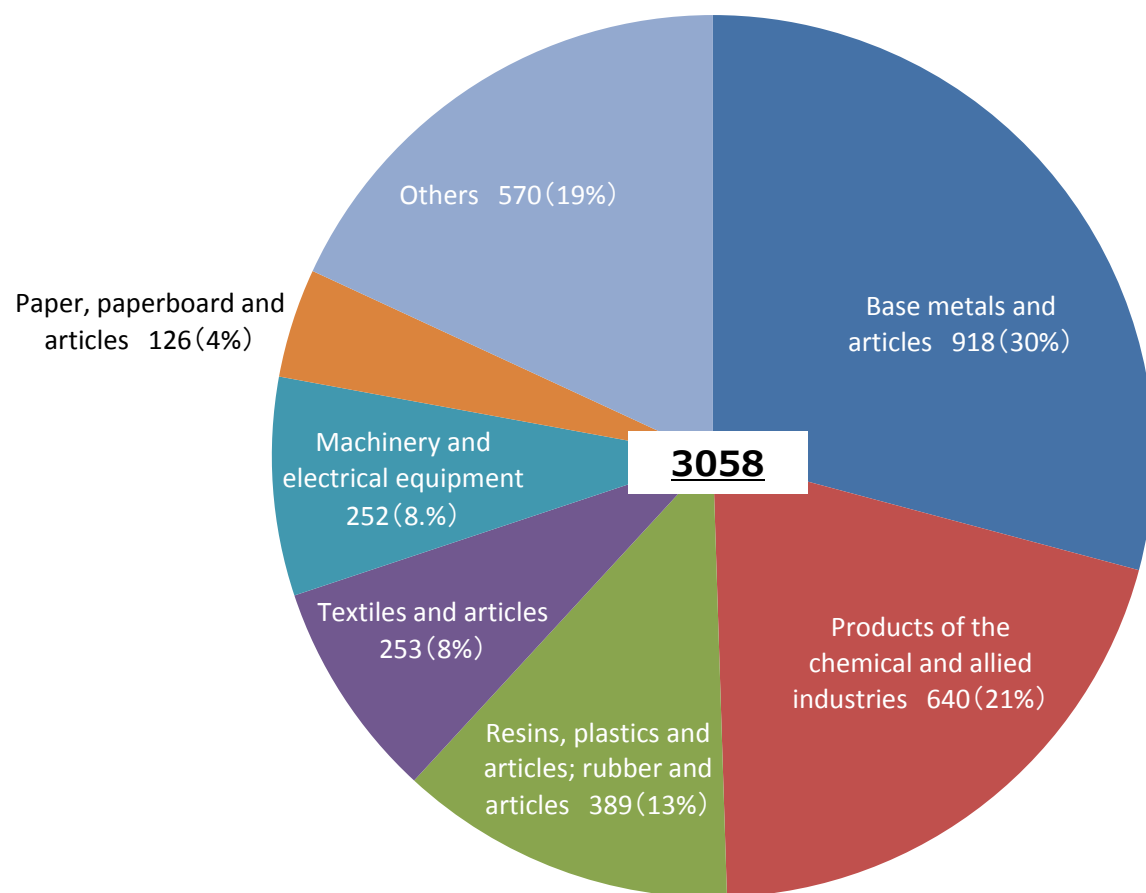
(number of measures)

(number of measures)

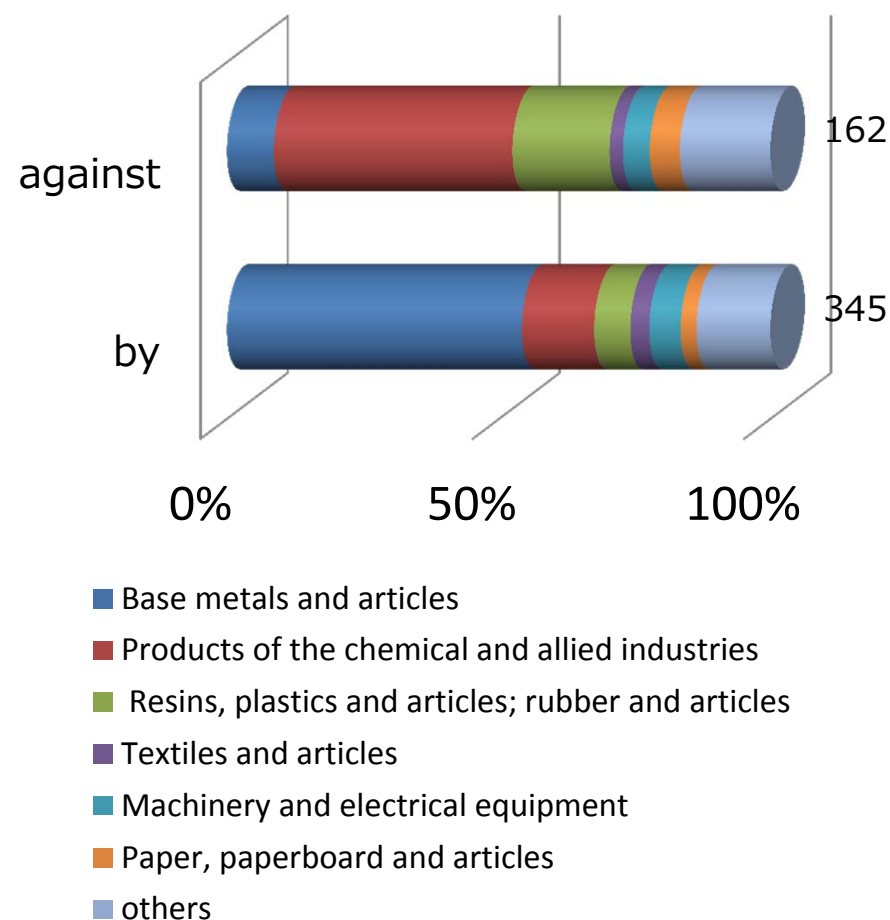


1. Anti-dumping : state of play (3)

Anti-dumping Measures by sector
(1995-2014)

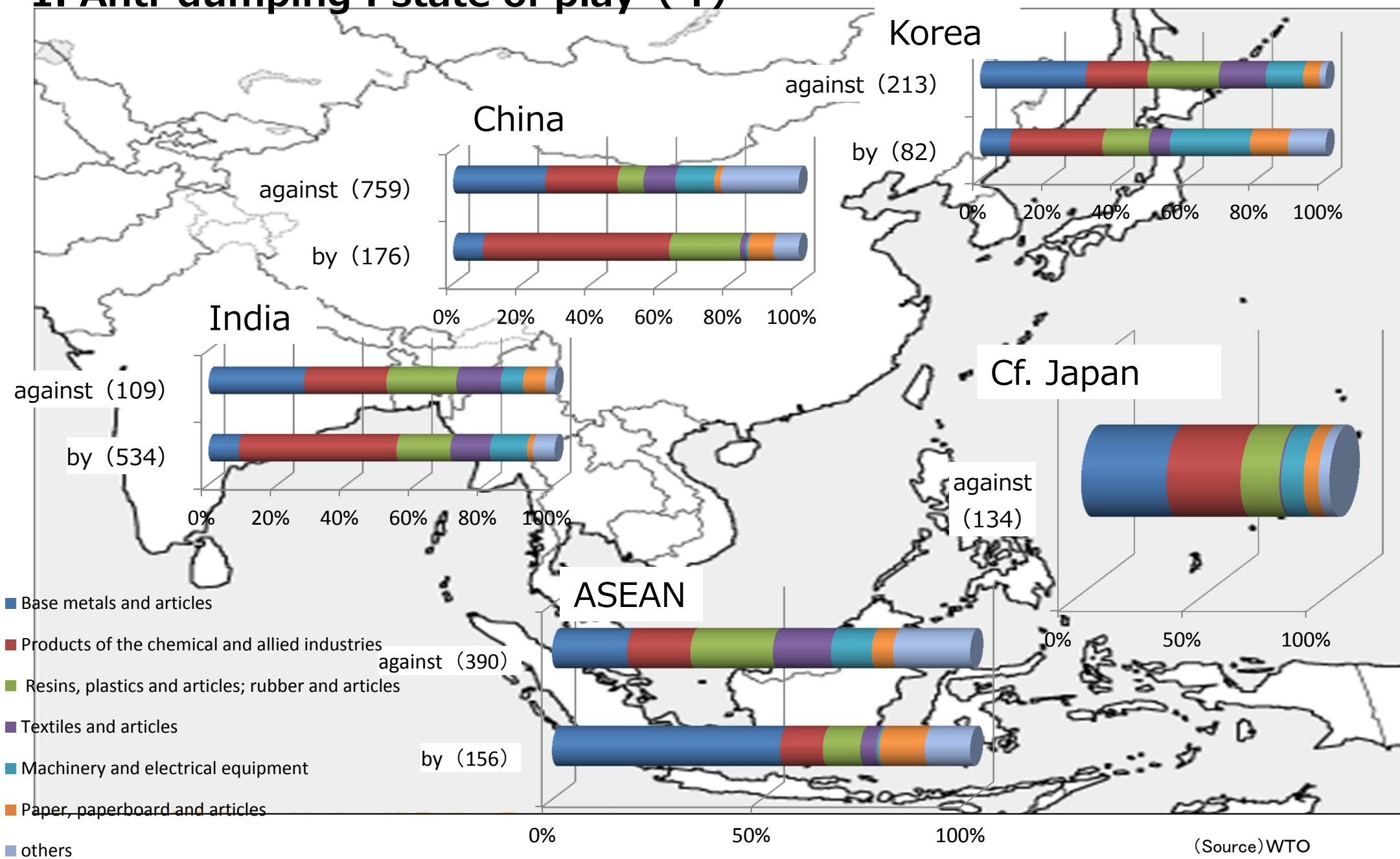


AD Measures by and against the US: by sector
(1995-2014)





1. Anti-dumping : state of play (4)

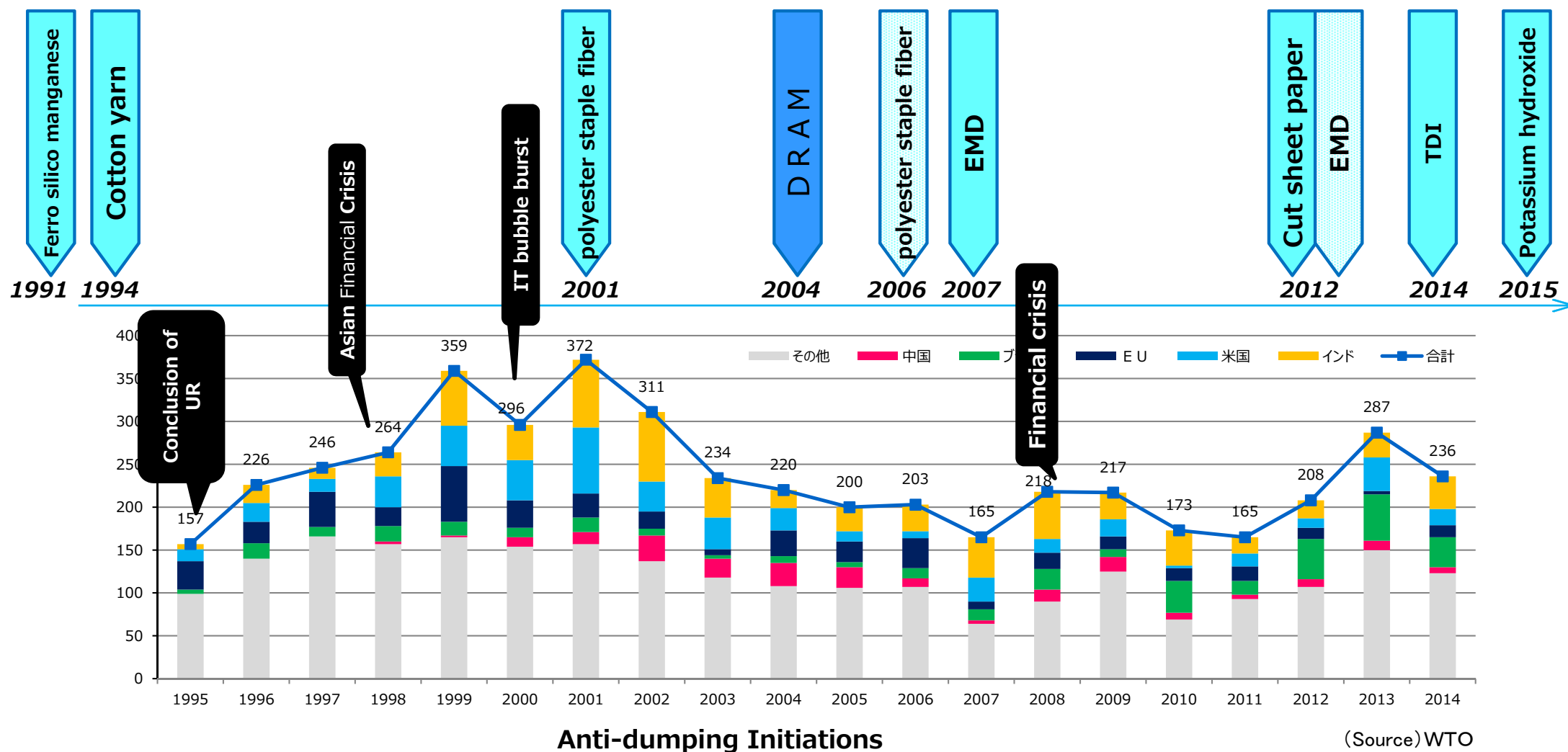




2. Trade remedies in Japan

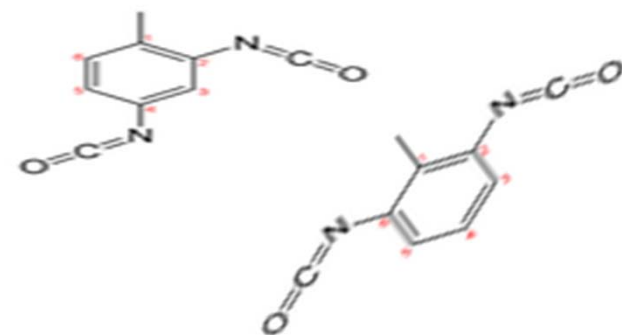
- After the establishment of the W T O (1995) , Japan initiated 10 AD investigations (5 products , 10 countries) and 1 CVD investigation.

Japan's investigations



3. Case 1 ~TDI~ (1)

Anti-Dumping Investigation on Tolylene Diisocyanate (TDI) Originating in the People's Republic of China

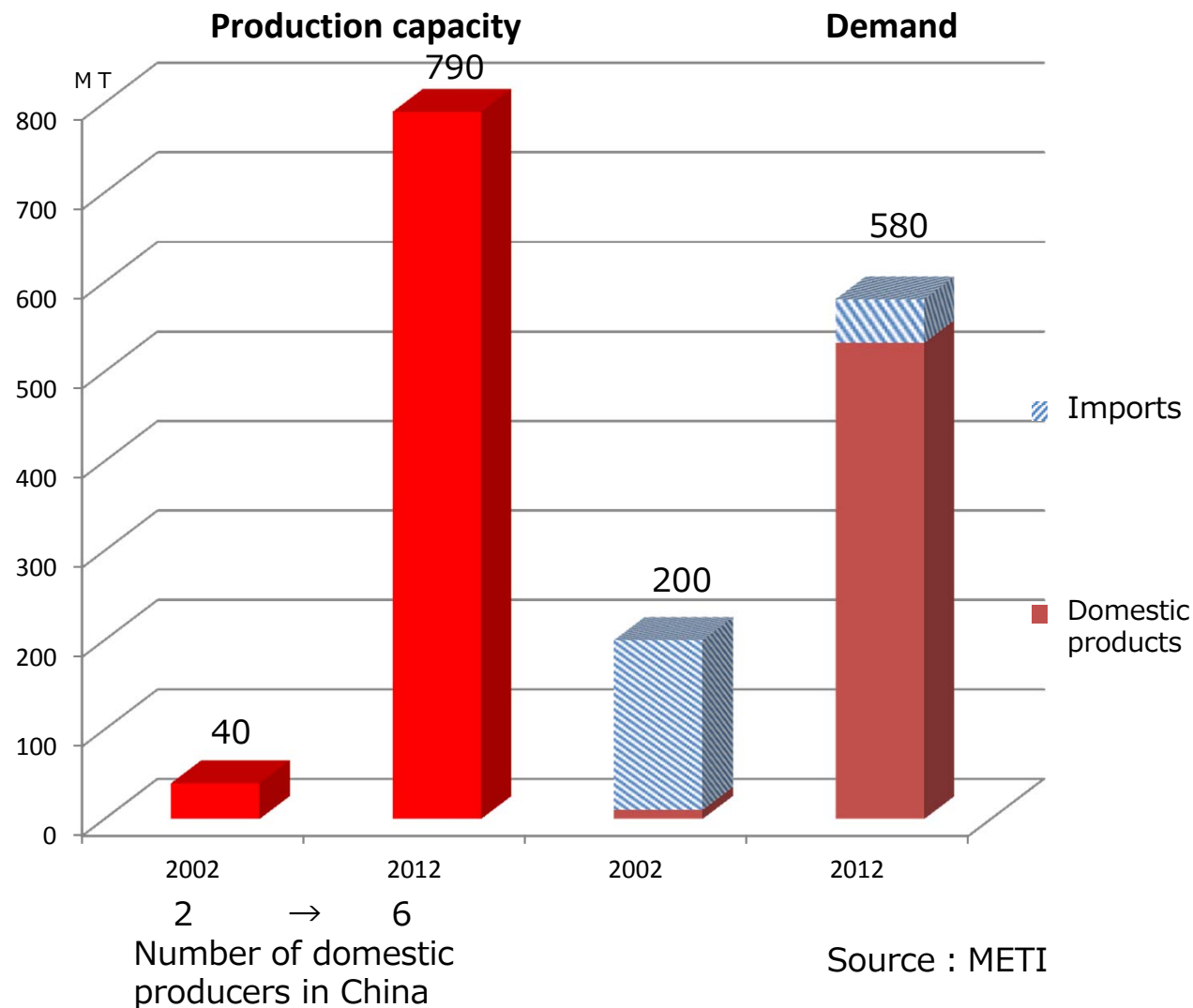


| | |
|-----------------------|---|
| ● application filed | December 17, 2013 |
| ● initiation | February 14, 2014 |
| ● Provisional measure | December 25, 2014 – April 24, 2015 |
| ● Provisional duty | 69.4% |
| ● Effective dates | April 24, 2015 – April 24, 2020 |
| ● Definitive duty | Same as the provisional duty |
| ● About the product | Tolylene diisocyanate is a transparent liquid, mainly used as a raw material for polyurethane flexible foams, which are applied to car seats, bedding, and other articles |



3. Case 1 ~ T D I ~ (2)

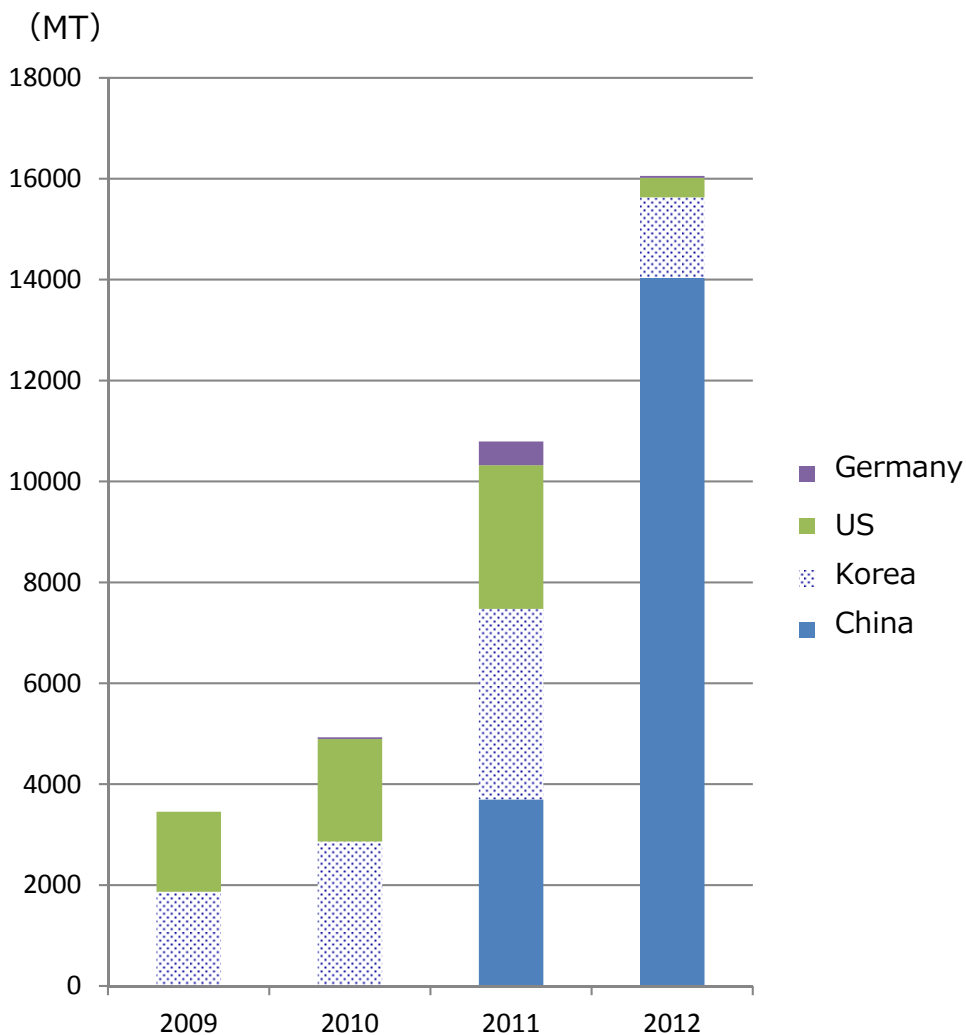
China's TDI production capacity and demand



- 2002 China initiated AD investigation on TDI from Japan, the US, and Korea
- 2003 Imposition of measures
 - Japan : 12~60%
 - US : 7~28%
 - Korea : 4~16%
- 2012 China initiated AD investigation on TDI from the EU
- 2013 Imposition of measure
 - E U : 7~38%
- 2014 Termination of measures against Japan, the US and Korea

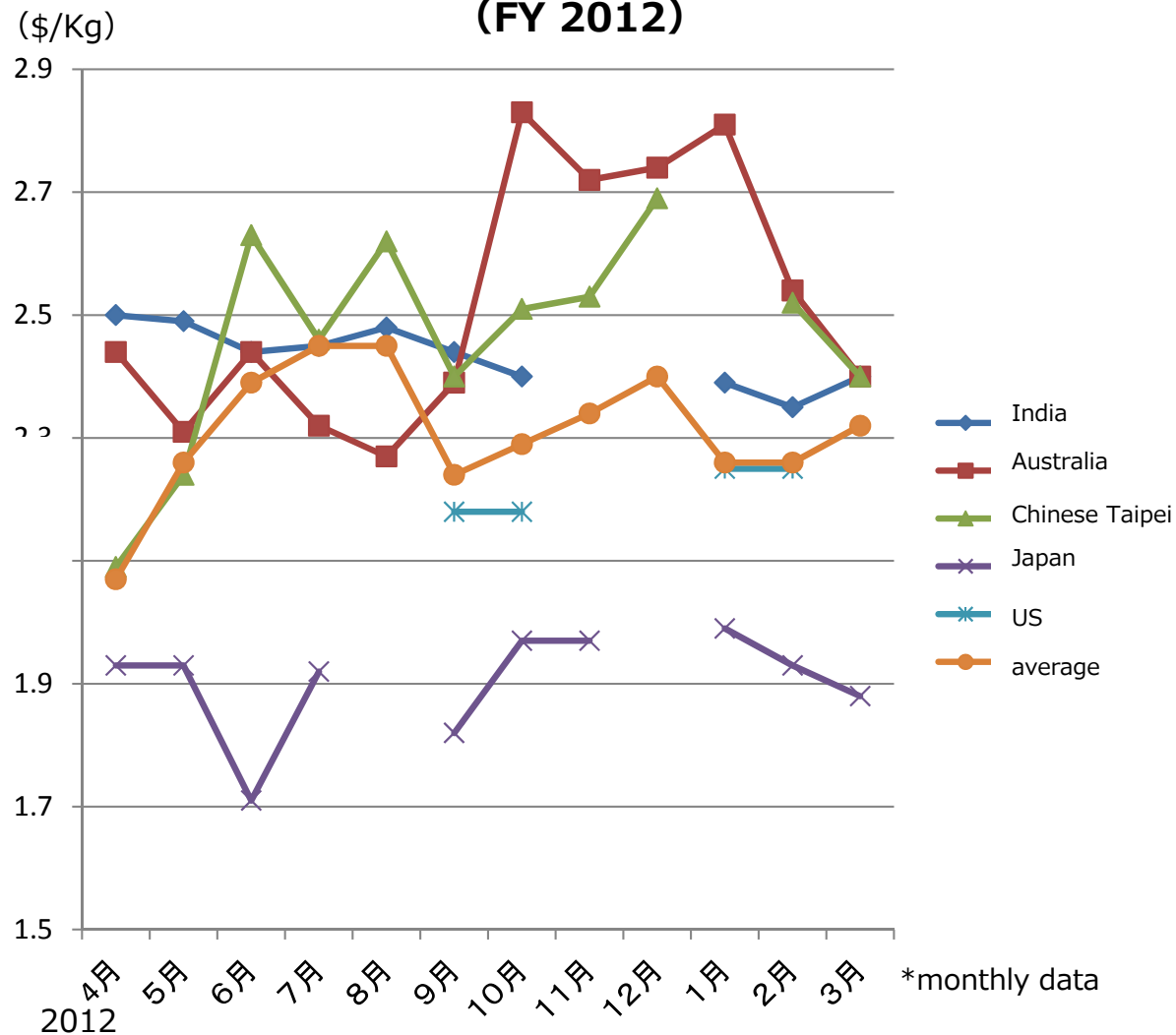
3. Case 1 ~ T D I ~ (3)

Japan's Imports of TDI



Source : Japan custom

China's TDI export price by importing countries (FY 2012)

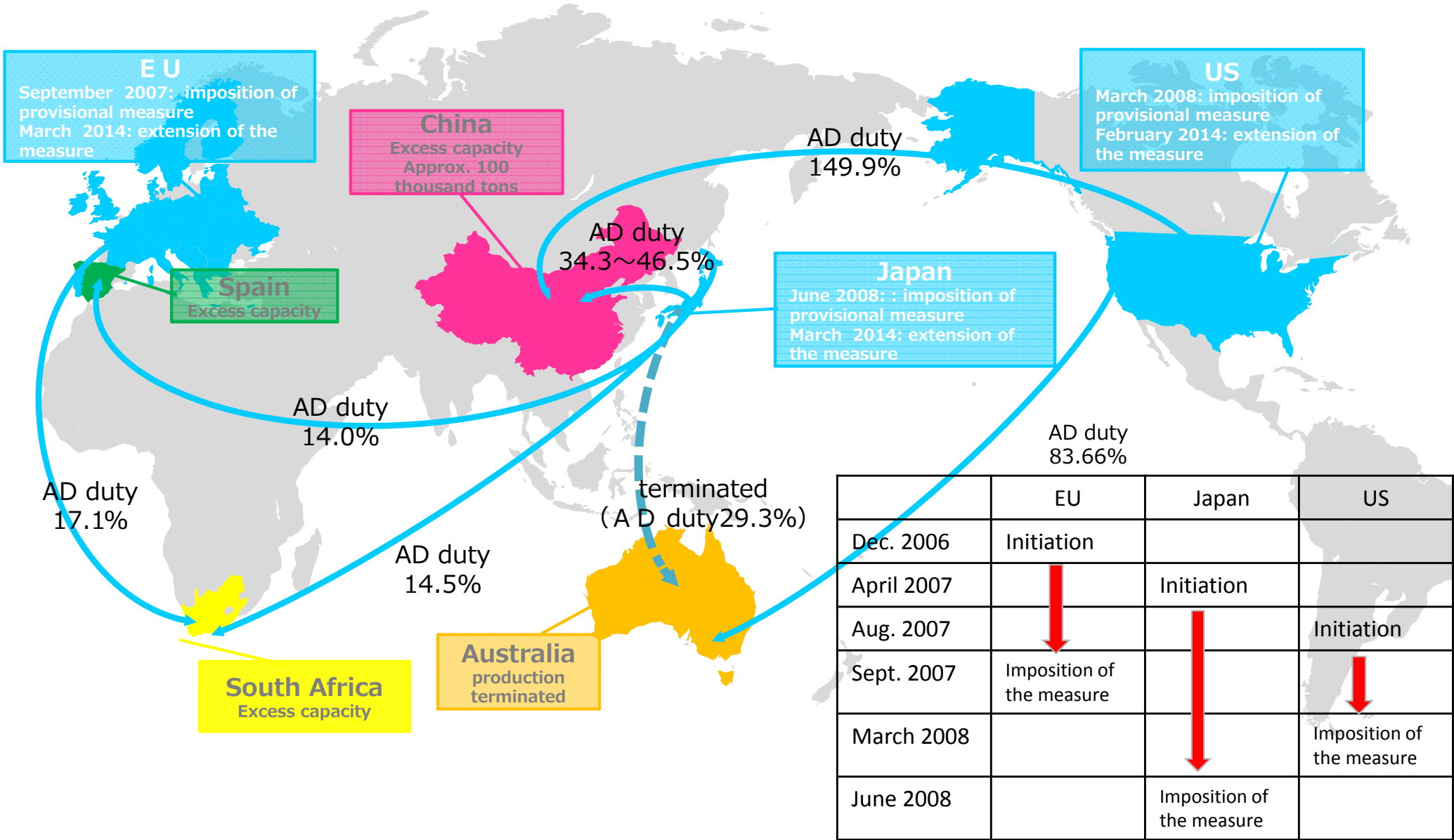


Source : China custom



4. Effect of the measure ~ EMD ~ (1)

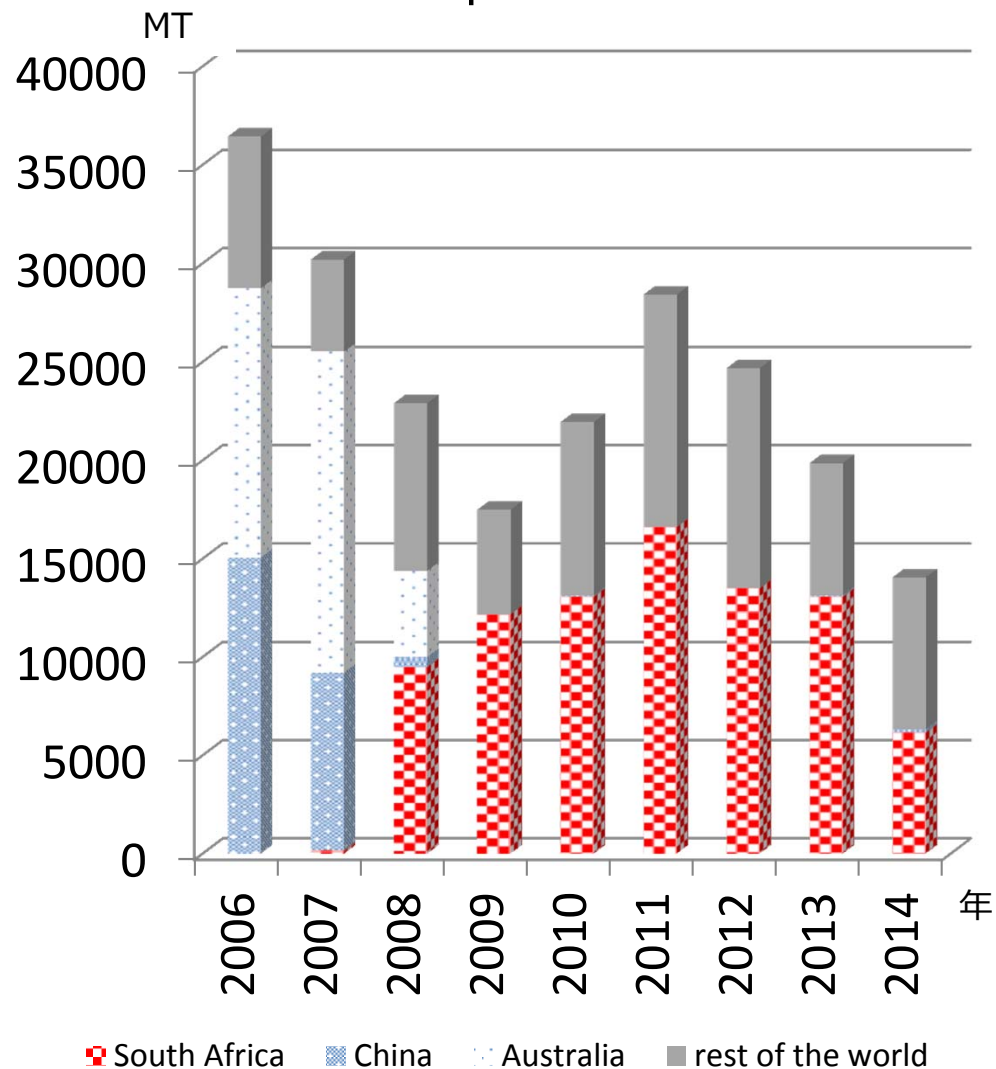
Measures on EMD in the world





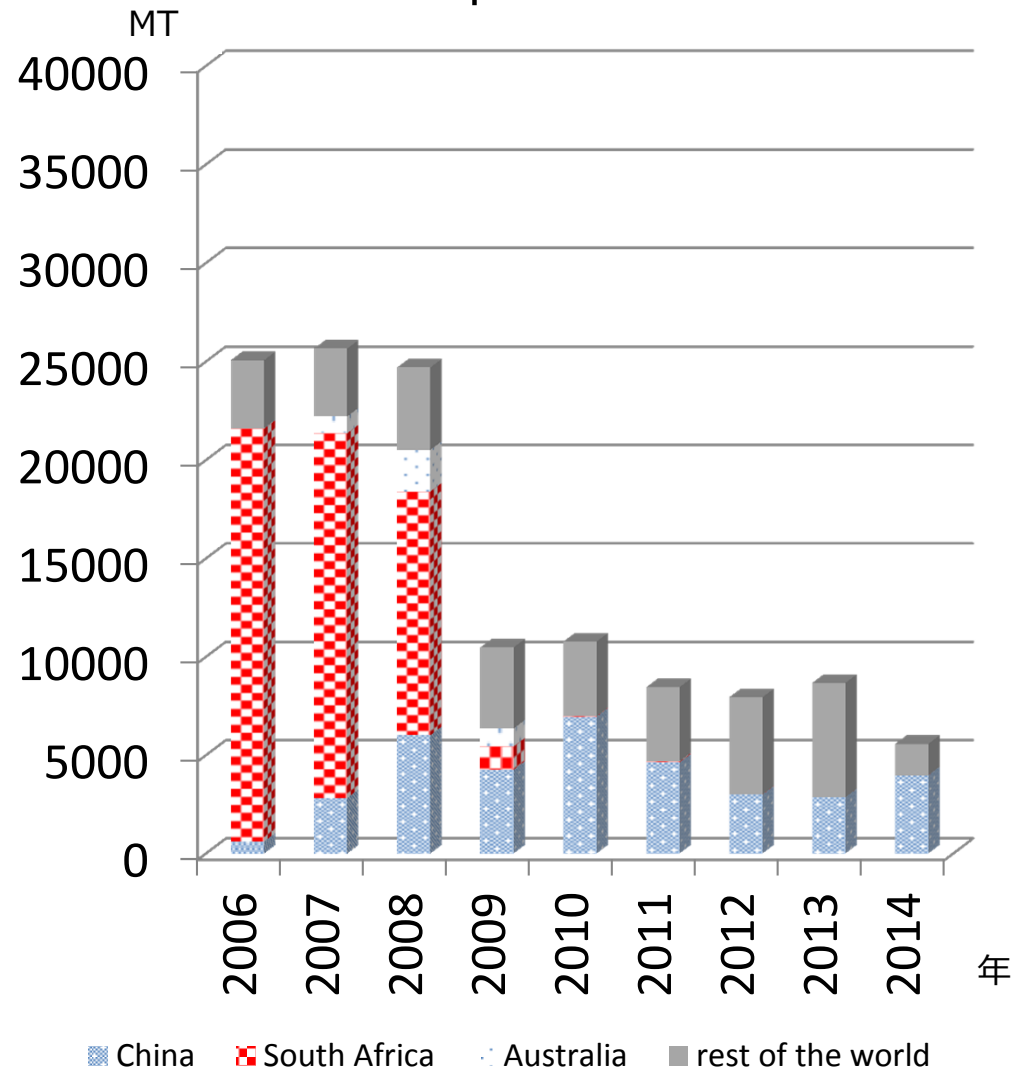
4. Effect of the measure ~ E M D ~ (2)

US Imports of E M D



Source : Global Trade Atlas

E U Imports of E M D

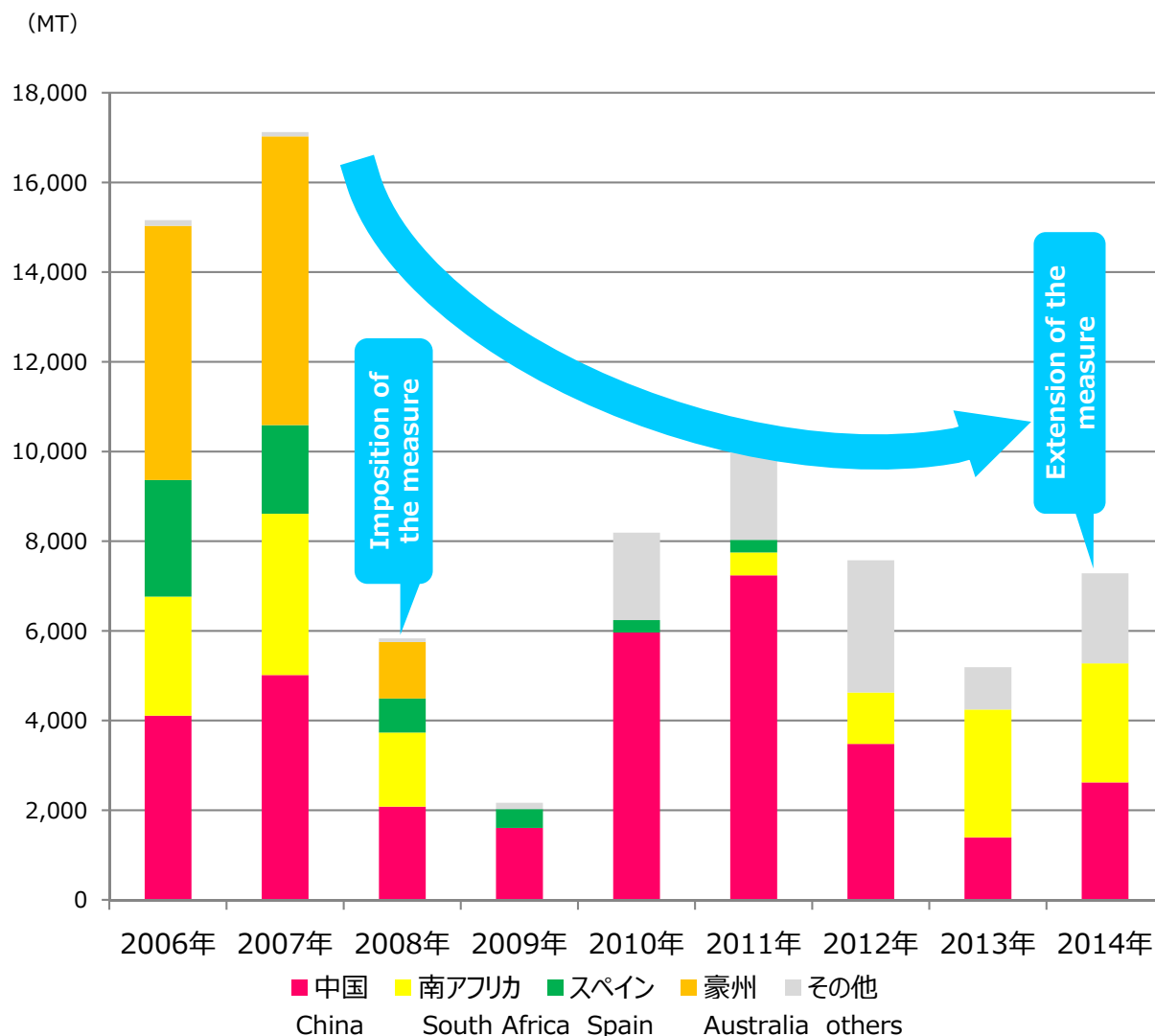


Source : Global Trade Atlas



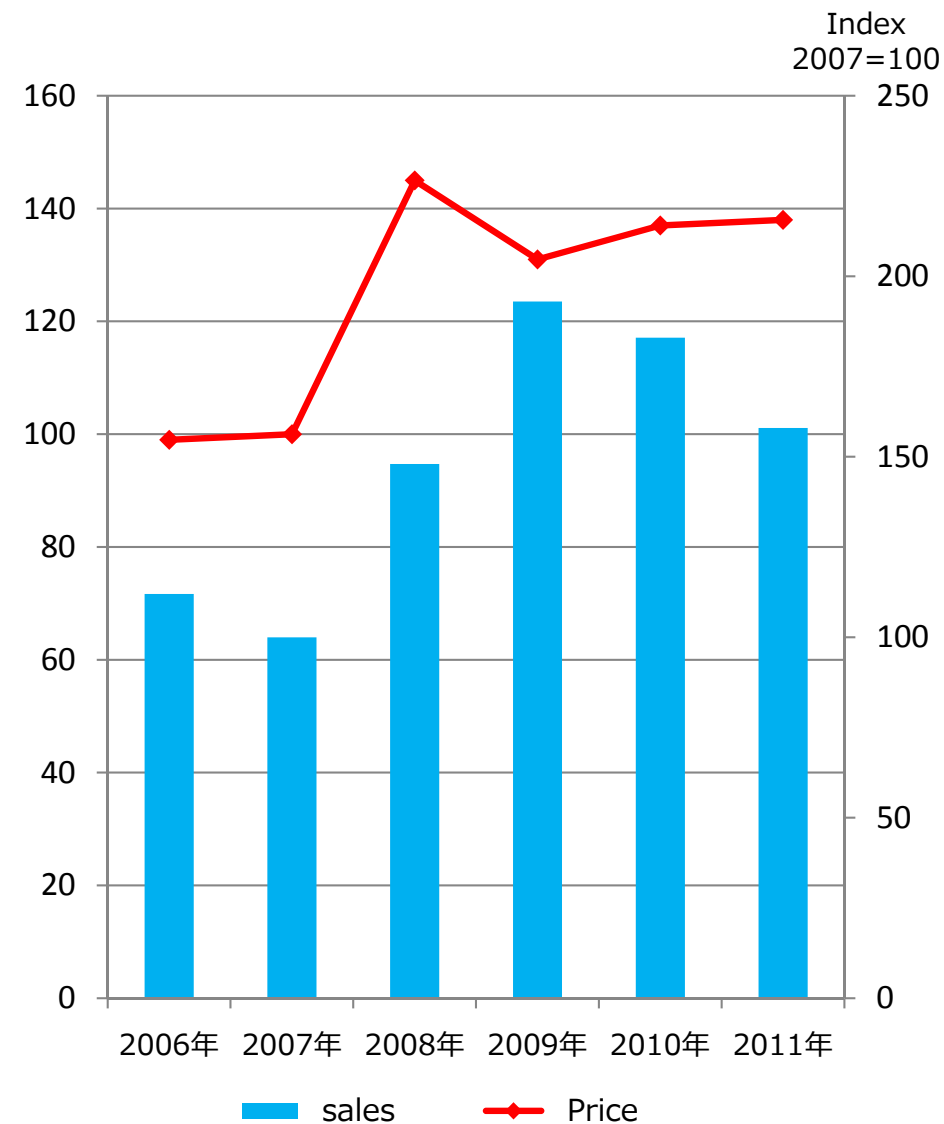
4. Effect of the measure ~ EMD ~ (3)

Imports of EMD



Source : Japan custom

Sales and Price of Domestic Producer



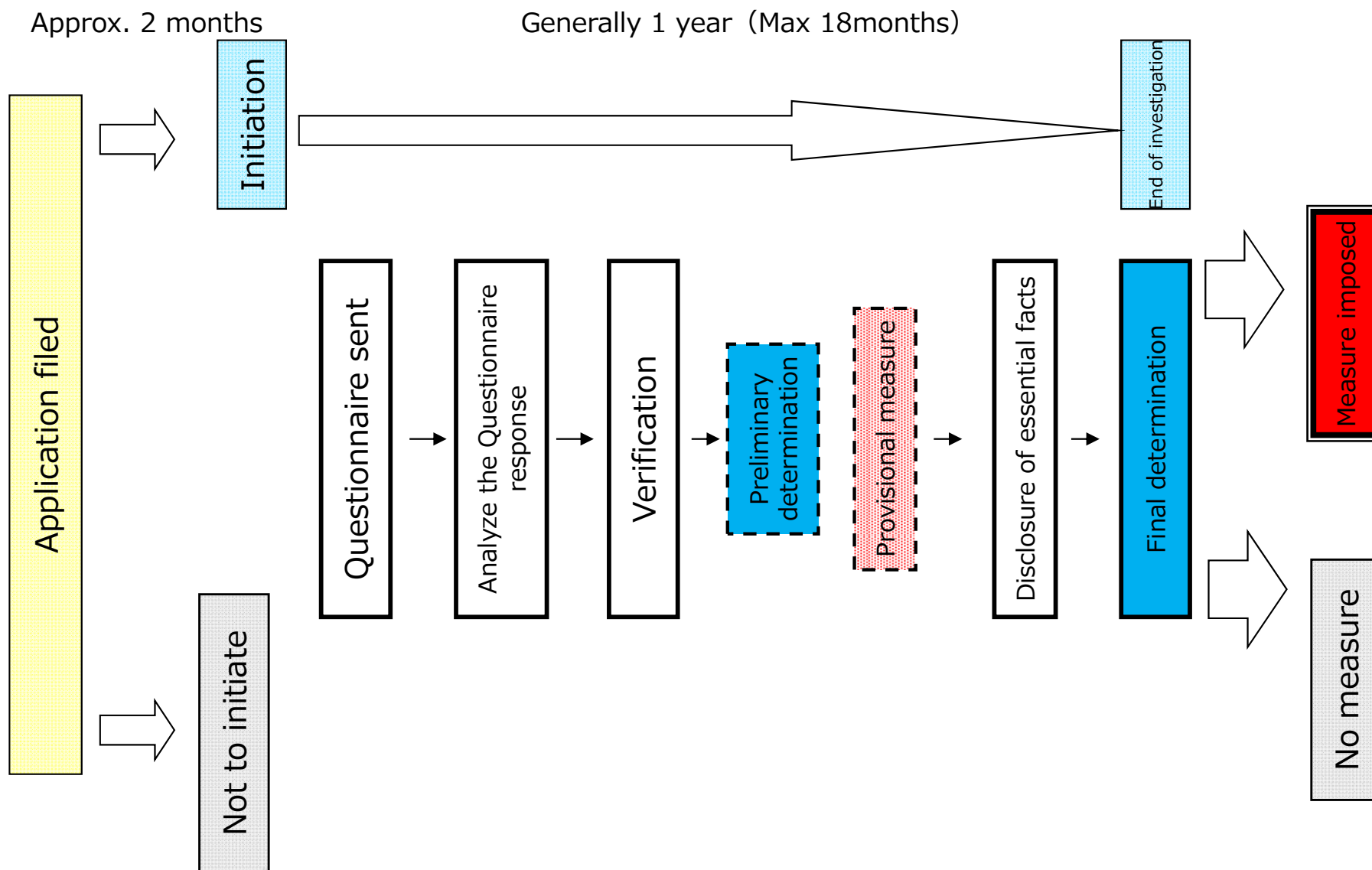
Source : METI



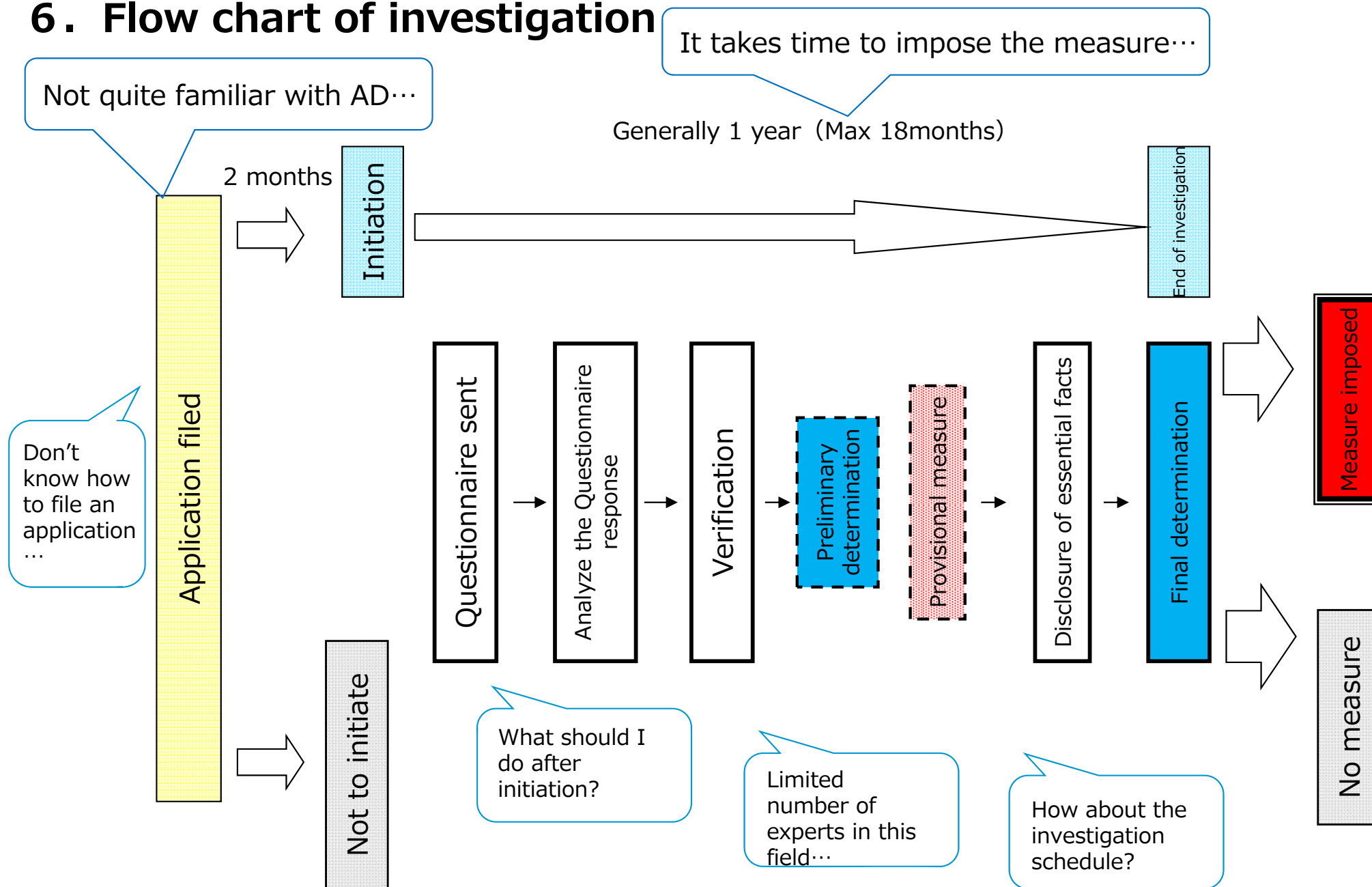
5 . Japanese Investigating Authority

- Minister of Finance, Minister of Economy, Trade and Industry and the Minister having jurisdiction over the subject industry are responsible for trade remedies investigations.
- An Investigating Team which consists of investigators from METI, MOF and the Ministry which has jurisdiction over the subject industry is established when a decision to initiate the investigation is made by the Ministers.
- Applications and submissions such as evidences, comments etc. are submitted to MOF.
- METI and MOF have offices which are dedicated to trade remedies investigations. (“Office for Trade Remedy Investigations” in METI and “Office for Trade Remedy Affairs” in MOF)

6. Flow chart of investigation



6. Flow chart of investigation





7. Improving the national AD system

– Direction of improvements –

- Fully in compliance with the WTO agreements
- Taking into account of relevant practices of other authorities
- Better access to the anti-dumping system (WTO rules)



For that purpose...

1. Improved access to the anti-dumping system
2. Increased transparency and due-process considerations
3. Enhancing the understanding of the AD system
4. Capacity building for investigations



8. Improved access to the anti-dumping system

- Reviewed the application process and published model application form which is on the website of METI.

- Domestic industry can have better idea of an application document.

- Eliminated the duplication of works before and after filing the application and streamlined the process

- Revise and enrich the guidance document

- It is less burdensome by eliminating the duplication of works.

- Request to amend domestic regulations taking into account of other Members practices and the WTO agreements

- More harmonized domestic system



8. Improved access to the anti-dumping system

- Use of preliminary determinations (earlier publishing date for interim report)

- It took 14 months to publish interim report before. In our most recent investigation, the interim report was issued 10 months after initiation.

- Put questionnaires on the WEB

- List the information which are generally classified as “confidential information” if requested by the submitting party

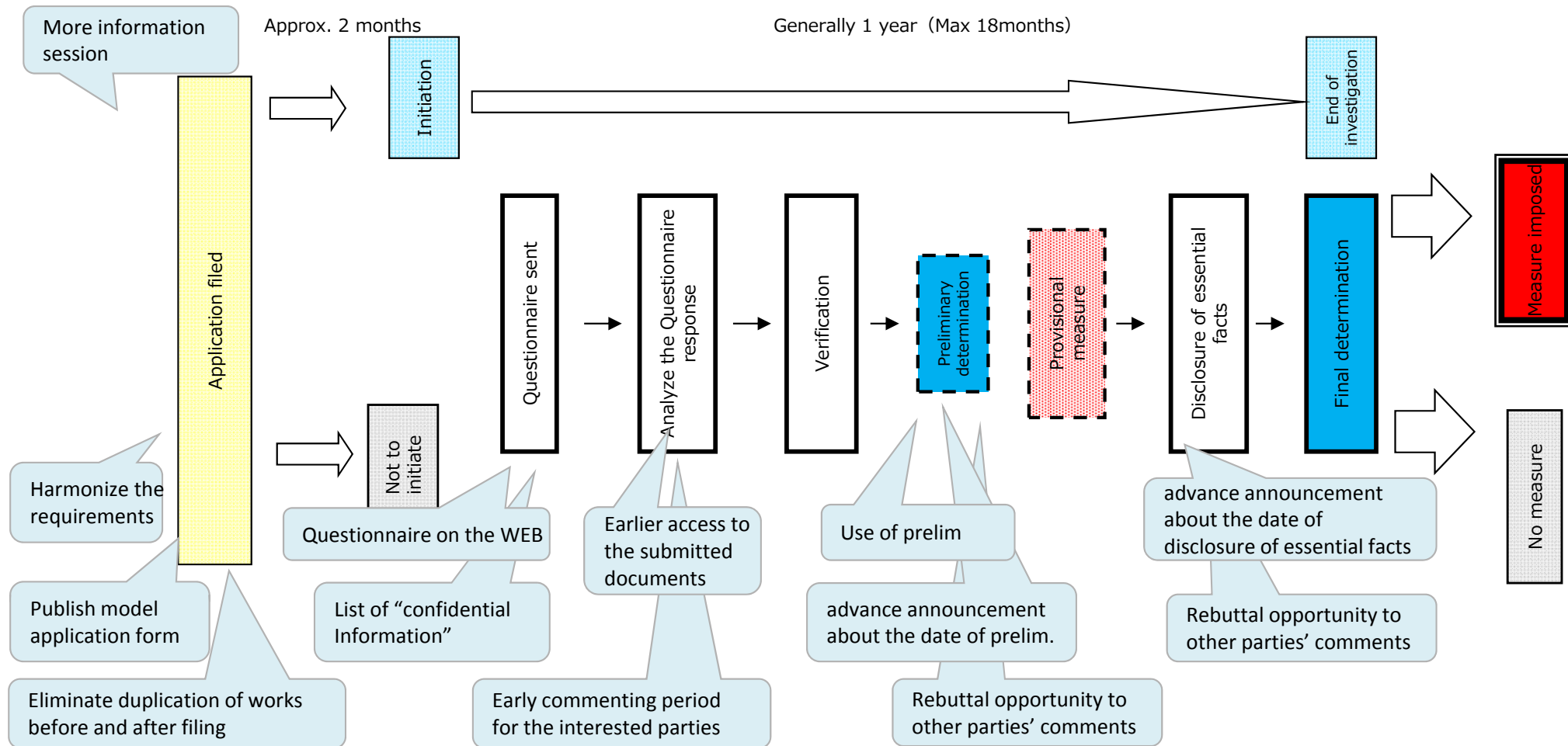
- Make an advance announcement about the date of preliminary determination/disclosure of essential facts (approx. 10 days before)

- Interested parties have better access to the investigation

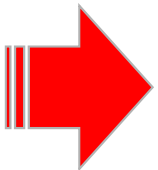
- Increase the opportunity to make comments

- Interested parties have earlier access to the submitted documents and have more time and opportunity to express their views.

6. Flow chart of investigation (after improvement)



- ✓ Early filing of an application, less burdensome work
- ✓ Early access to the submitted evidences → more time to make comments based on the submission
- ✓ Increased transparency of investigation process
- ✓ Early preliminary determination





1 0. In closing...

- 2015 is the 60th anniversary for Japan to join GATT and 20th anniversary of the WTO.
- WTO agreements are the legal ground-rules for international commerce. WTO supports the rule-based multilateral trading system and trade liberalization.
- Make good use of the WTO rules and create the level playing field.

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Cf. Japan's trade remedy cases

Anti-dumping cases

| Product name | Country | Measures | Duty rate |
|-------------------------------|--|--|--|
| Ferro silico manganese | China Norway S. Africa | Expired (H5.2.3~ H10.1.31) | China 5 exporters: 4.5~19.1% Others: 27.2% new shipper: 8.9% (Price undertaking : 2 exporters) |
| Cotton yarn | Pakistan | Expired (H7.8.4~ H12.7.31) | 9 exporters: 2.1~7.9% 8 exporters: no measure Others: 9.9% |
| Polyester staple fiber | Korea Chinese Taipei | Expired (H14.7.26~ H24.6.28) | Korea 1 exporter: 6.0% 4 exporters: no measure Others: 13.5% C. Taipei 10.3% |
| EMD | Spain S. Africa China Australia | Measures in force (H20.6.14~) *expired for Australia | S. Africa: 14.5% China 1 exporter: 34.3% others: 46.5% Australia: *29.3% Spain: 14.0% |
| Cut sheet paper | Indonesia | Terminated w/o measure (H25.6.26) | n.a. |
| TDI | China | Measures in force (H26.12.25~) | China: 69.4% |
| Potassium hydroxide | China Korea | Investigation on going | |

CVD case

| Product name | Country | Measures | Duty rate |
|--------------|---------|------------------------------------|---|
| DRAM | Korea | expired (H18.1.27~ H21.4.22) | Hynix Inc. initial duty: 27.2% after review: 9.1% CCR: no duty |

Safeguard case

| Product name | Measures | Duty rate |
|---|---|--|
| Tatami-omote Welsh Onion Shitake Mushrooms | Terminated after imposition of provisional measure (H13.12.21) | ※provisional measure Welsh Onion Tariff quota : 5,383 t Additional rate : 225 yen/kg Shitake Mushrooms Tariff quota : : 8,003 t Additional rate : 635 yen/kg Tatami-omote : Tariff quota : 7,949 t Additional rate : 306 yen/kg |