

How to Defend Anti-Dumping Investigation Effectively

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Abstract: This article provides recommendations to China on how to defend an anti-dumping investigation effectively. An efficient defending system needs the cooperation of exporting producers, industry associations and government altogether and from before the beginning of an anti-dumping investigation to after the end of an anti-dumping duty being imposed.

Keywords: Anti-dumping; Countermeasure; Investigation Effectively

1. Introduction

To defend anti-dumping cases promptly and effectively needs the joint efforts of exporting producers, industry associations, and governments departments. The following passages will discuss about each of their roles.

2. Exporting Producers

Exporting producers play a substantive role in anti-dumping cases. Due to the life-and-death influence anti-dumping cases may bring to them, to defend to the point in the proceedings is vital.

2.1. From Procedure

(1) Knowing the procedure well

In many aspects, the procedures in a trade investigation have at least the same importance as the results. An appropriate procedure always grants parties a justifiable opportunity to present each other's arguments and evidences, in order to ensure a relative fair result. Most Chinese exporting producers choose not to defend their interests in the anti-dumping investigation is not only because to defend is a time and money consuming process but also due to the absent of knowledge about how the investigation procedure works and their rights and obligations in each step. However, only on the basis of knowing the rules can they protect themselves in an anti-dumping cases effectively.

(2) Give prompt and effective response in the process

Because of the tight time-limits imposed by the investigation authorities, to give effective response in time becomes a crucial thing for exporting producers.

Firstly, any unawareness of the initiation of the investigation will result in recognition of non-cooperation by investigation authorities and the highest anti-dumping duties may follow. Notices of Initiation are generally published in exporting countries' official journals which has a very limited circulation and maybe without a specific

name of exporting producers identified in the complaint. They are apt to be unaware that the investigation has been opened.[1] Therefore, to pay close attention to importing country's official journals should become habit-forming for exporting producers. Only by knowing it earlier can they have relatively more time to prepare to respond in the limited time period.

Secondly, to inform their interest to defend to the investigation authority within time limit is necessary for exporting producers after the publication of a Notice of Initiation in importing country's official journal. Besides, they must request an exporter questionnaire if they wish to participate in the investigation, otherwise can be also recognized as non-cooperation.

Thirdly, the completion and delivery of these questionnaires must be done within the time limit. Due to China's NME status, an additional questionnaire must be completed if exporting producers want to obtain market economy treatment. Precise and actual information and data in each link of exporting producers' commercial and manufacturing activities within a prescribed investigation period must be provided for achieving a good result. False statement must be refrained to avoid inconsistency with the information collected by authorities in an on-the-spot investigation.

Fourthly, an effective response is essential in an on-the-spot investigation. The on-the-spot investigation will be conducted at exporting producers' factories or premises. All official documents have to be translated into the language of the investigation. Specific member of staff will be asked by officials with the help of an interpreter. Exporting producers must assure the information and data is true and accurate as they are provided in the questionnaire or else the application will be rejected. Another point worth to be noticed is that exporting producers have a right to have their legal representatives present to the officials directly which is a chance to convince them with the sound data. On-the-spot investigation is so essential

for that the preliminary finding got in this step will determine the amount of provisional anti-dumping duties imposed and findings in further investigation following will decide the adjustment made to provisional calculations and determinations before definitive anti-dumping duties imposed.

Fifthly, the end of the full investigation is not the end of defence of exporting producers. The imposition of definitive duties normally lasts five years with the possibility of extension of another five-year period. Continuity of cooperation is crucial since it helps to keep the privileged status until all anti-dumping measures are revoked or to obtain an advantageous administrative review of the anti-dumping order.

2.2. From Substance

(1) Normal value and dumping margin

In order to initiate an anti-dumping investigation, it must be satisfied that the export price of a product is lower than its normal value. Therefore, whether the questioned product is priced at "normal value" becomes a controversial issue in anti-dumping investigations.[2] Concerning market economies, normal value is determined by its domestic actual market price for each individual producer, while for non-market economies, it is determined by the price of like product in a surrogate market economy country. For China, since it agreed to be still treated as a NME for up to 15 years (until 2017) after its accession to the WTO, the most important factor in an anti-dumping case--"normal value" is calculated by using information from a surrogate country which generally has considerably more expensive cost than China does. The balance between normal value and the exporting price-- dumping margin is not surprisingly extraordinarily high for Chinese products if the surrogate country rule applied. Therefore, to minimize the dumping margin becomes their first prime interest when Chinese exporting producers involved in an anti-dumping case. The most beneficial way is to try to obtain individual market economy status in respect that the dumping margin can be minimized as low as zero.

(2) To attempt to achieve Market Economy Status

As long as the deepening of economy reform in China, today's Chinese economy contains "bubbles of capitalism"[3] as sectors in a planned economy in which reforms have advanced to the point that in that sector, market is the force that determines all the prices and costs faced by Chinese producers.[4] In accordance with the agreement between China and the WTO, if a Chinese producer under anti-dumping investigation can evidently prove that market economy conditions prevail in its industry concerning the manufacture, production, and sale of the product, the related importing WTO member should apply Chinese prices or cost for that industry to decide price comparability.[5]

Firstly, whether or not Chinese exporting producers can seek individual market economy status is based on whether the importing country has such regulations in its domestic legislation or not. If it is not allowed for charged producers to petition individual market economy status independently, the responding enterprise has to resort to other methods for defence. In countries who initiate more anti-dumping cases, the E.U. and Turkey have such regulations for defending enterprise to achieve individual market economy status independently.[6] The US only allows enterprises to request their industry as a market-oriented industry instead of apply for market economy status for themselves independently.[6]

Secondly, whether certain conditions that meet the requirements of individual market economy status are provided should be estimated by responding enterprises themselves. After weighing the possibility of acquisition of market economy status Chinese exporters can make their minds to request for it or not.

In the five standards of the grant for market economy status of the E.U.[7], whether the enterprise's activities are interfered significantly by the state is one of the most important. Besides, whether the accounting records are in accordance with international standards is another important one. To achieve individual market economy status, producers should prove that their inputs and outputs are bought and sold, and that labour is made up for at prevailing market rates without significant state interferes in this regard. And to provide a clear set of basic accounting records, Chinese enterprises should turn to apply a set of basic accounting records audited independently with respect to international standards and applied for all purposes instead of using traditional accounting system which is different from international ones. In addition, enterprises should also demonstrate that they accord with the other requirements: The production costs and financial situation of firms are not subject to significant distortions carried over from the former non-market economy system, in particular in relation to depreciation of assets, other write-offs, barter trade and payment via compensation of debts; The firms concerned are subject to bankruptcy and property laws which guarantee legal certainty and stability for the operation of firms; and exchange rate conversions are carried out at the market rate.[8] All these requirements can be generalized as the privatisation, standardisation and general adoption of market principle of the economy. The resolve of these matters is in favour of the resolve of non-market economy status.

Referring to market economy status of the enterprises, through demurring with European Union in anti-dumping cases, altogether 28 enterprises attained the market economy status separately in 1999, 2000, 2002, and 2003[9]. In the E.U. anti-dumping case against Chinese pocket lighters, with the Chinese exporting producers' derangement and the government's negotiation, all 5 enterprises

applying for the market economy status attained it successfully. It is the most successful case with most enterprises granted market economy treatment in China's responding anti-dumping cases.

Actually, those bigger and more powerful enterprises who usually respond to the cases are often state-owned enterprises under influence from government more or less. On the contrary, the most of small and medium-sized Chinese firms who do not answer anti-dumping cases are actually private ones and they operate without government influence. It is actually respectively easier for them to obtain market economy treatment.[10] Chinese exporting producers who have emanated from the bubbles of capitalism should take effective actions to avoid unfair anti-dumping duties imposed on them.

If Chinese producers fail to show clearly market economy conditions existing, the importing WTO member may apply a method which does not strictly compare the exporting prices with domestic prices or costs in China. Then the following method must be considered in order to minimize the dumping margin.

(3) To try to get Individual Treatment

When failing to attain full market economy status, Chinese exporting producers may shift their efforts to seeking individual treatment which is occasionally available to the charged exporting producers. It can help to minimize the dumping margin of targeted Chinese producers, on account of their individual domestic export price will be taken into consideration and their own comparative advantages like low labour and material cost will be possibly approved to adjust the margin as well.[11] The individual treatment is different from the individual market economy treatment. It is just a semi-individual treatment, on the reason that it only has influence on one side of the comparison-the individual export price, not the normal value.[12] Therefore, the normal value in such cases is still calculated on the basis of surrogate country rule. No matter what, it can at least lessen the dumping margin for a specific producer by demonstrating or adjusting its individual export price.[12]

From the five criteria set out in Article 9(5) of the New Basic Regulation it can be seen that the qualified producers for the individual treatment are all wholly or partly foreign owned firms or joint ventures. Chinese private exporting producers can hardly benefit from such individual dumping duty treatment. Hence, this method is a more useful and realistic tool for Chinese joint ventures and foreign invested enterprises in China when responding to anti-dumping cases.

Some similar requirements as those in market economy treatment are demanded as well. Sufficient independence from state interference and free determination on export prices and quantities and conditions and terms of sale are necessary. In Microdisks,[13] Hanny Zhuhai was granted individual dumping duty treatment for its fully foreign

investor ownership and profit oriented nature, as well as the freedom to transfer profits outside China. In addition, it was completely independent on administrating its business and setting export prices. In Polyester Yarns[14], Guangying Spinning, the joint venture established by Chinese and Hong Kong partners, was entitled individual dumping margin on similar grounds. In hand bags from China,[15] individual treatment was given to two privately owned companies who were located in Hong Kong. But in Bicycles from China, (OJL 58/12, 1993, p.29) a Chinese producer was rejected to be given individual treatment owing to the argument that certain key decisions of the company was blocked by the power of the state which preventing a company from truly acting autonomously.

The above cases indicate that although the criteria for granting individual treatment are not that easy to satisfy, they are at least clear and providing certain transparency and legal certainty. Thus trying the best to achieve this individual treatment is possible and worthwhile. On the occasion it fails to meet such requirements, Chinese exporting producer can turn to find an appropriate surrogate country and get proper adjustments instead.

(4) An appropriate surrogate country and adjustments

With regard to NME, the normal value is calculated on the basis of a third market economy and the anti-dumping duties are generally determined without regard to each producer's individual circumstances. Though China's market economy status is accepted by Singapore, New Zealand and Malaysia in 2004[16] after Kyrgyzstan and Thailand, many other countries still treat China as a NME. And special rules may be applied by the E.U., the U.S. and an amount of other countries if the exporting country is regarded as a NME country.

With respect to the U.S. anti-dumping legislation, NME country means a country where the cost and price of the product is determined by the administration other than the market. The E.U. adopts similar definitions. When an exporting country is labelled as a NME, a third country which is characterised as a market economy country at a similar level of economic development to that of the exporting country will be selected as a surrogate country for the calculation of dumping margin.[17] The cost structure of the surrogate country may not necessarily as low as that of China.

In addition, there is no clear criteria stated in the selection of a surrogate country in the WTO agreements, and domestic countries enjoy extremely wide discretion. The unfairness and uncertainty on the determination of a surrogate country has brought serious injury to Chinese exporting producers' interests. Usually, the rule of a surrogate country will result in an artificially much higher dumping margin and consequently lead to very high anti-dumping duties. Not surprisingly, China has been the

largest injured country to surrogate country method all along.

For example, referring to the 1995 E.U. anti-dumping investigations against China, in three out of six cases the U.S. was selected as the surrogate country, and Japan was chosen in one other case.[18] However, on the rank countries list for GDP per capita in 1995,[19] it can be seen clearly that the U.S. was ranked in second place with \$24,700, and Japan was ranked eleventh with \$20,400, whereas China was ranked the 94th with only \$2,200. Apparently, the U.S. and Japan are developed countries which were and are not at an economic development level similar to that of China. Chinese exporting producers' comparative advantages on access to cheap labour and natural resources are denied. Accordingly, when facing anti-dumping investigations, how to select an appropriate surrogate country becomes a factor which has crucial influence in anti-dumping investigations against Chinese exporting producers.

To avoid high anti-dumping margins, Chinese exporting producers should pay attention to the following aspects when respond to the market economy third country envisaged to be used within the limited time.

Firstly, try the best to prove the authorities with sound data in support of the cost and price analysis that the reference to a surrogate country is improper. On March 27 1996, Australian customs officials initiated an anti-dumping investigation against liquorice acid produced in China. On May 15th 1996, in the initial report, Australian administrative authority declared that the U.S. was selected as a surrogate third country for comparison and there were dumping margins from 75% to 106%. The Chinese exporting producers provided evidence during further investigation to demonstrate that the selection of the U.S. as a surrogate country is highly inappropriate. They focus their argument on two subjects. In the first place, the U.S. producers of the comparable product hold a much high cost structure than that of the Chinese producers. In the second place, the export price of the production in question is the reflection of the market price of that product in China. Consequently, the normal value should be calculated on the basis of the domestic market price of China. During an on-the-spot investigation from October 18th-25th 1996, Australian authorities inspected all accounting records of one of China's primary liquorice acid producers with regard to cost, price, domestic sales, exports etc. According to the findings in on-the-spot investigation, Australian authorities announced on October 29th 1996 that there was no fact showing dumping exiting of the product in question. Furthermore, on March 12 of the following year, Australia proclaimed that China would be regarded as a transforming economy country from that time on and no anti-dumping duty would be levied.[20]

Secondly, comparability of production volumes should be noticed. If the balance is too big between the volumes of the exporting country and the surrogate country, the selection of the third country is obviously improper. In paintbrushes case, Sri Lanka was chosen to be the surrogate country by the Commission. Nölle, the importer of the relevant case then claimed that the Council's selection was invalid on account of Sri Lanka's non representation on the production of paintbrushes. It only took 1.2% per cent of the volume of exports from China to the Community. This claim was accepted by the Court of Justice and Sri Lanka was considered to be inappropriate.[21] However, in Furaldehyde from China,[22] the ratio between the production of the surrogate country and of the country charged was determined not relevant to the selection of a surrogate country. Hence, the importance of the comparability of production volumes should not be exaggerated. Other factor as the representation of domestic sales, access to raw materials, etc may have more influence.[23]

Thirdly, another issue matters is the comparability of access to raw materials, components and energy in the investigated country and in the surrogate country. In the aforementioned paintbrushes case, specific raw materials such as the ferrules, pig bristles and wood for the handles were all need to be imported from abroad in the selected surrogate country Sri Lanka. Whereas China has virtually 85 per cent of pig bristles in world market. Especially, the Court refused the Commission's argument that advantages rising from access to raw materials could not be qualified in a NME country.[23] Due to China's abundant of nature resources such as minerals and raw materials, Chinese exporting producers enjoy a comparative advantage than their counterparts. It may bring anti-dumping case because the cost of Chinese products is lowered and at the same time it provides a responding excuse for the producers. Though differences with regard to raw materials do not themselves necessarily exclude a surrogate country being selected[23], they can at least bring some downward adjustment of the selling price in the surrogate country like it does in Fluorspar case.

What is noticeable is that the calculation of dumping margin is barely one aspect of technical matters of an anti-dumping proceeding. Though an essential part, it can never substitute the functioning of the whole proceeding.[24] Therefore, if a Chinese exporting producer fails to get favoured in this part, it does not mean all is lost. They can still try to get credits in the following steps.

(5) To challenge material injury and consider undertakings

Currently, two factors are considered in the E.U. legislation in order to decide whether anti-dumping duties should be levied. The first one is "dumping margin"—we have mentioned above. And the second is "material injury" (or threat), to the domestic industry of the dumping.

Owing to the complicated nature of the injury analysis, few accused Chinese exporting producers released on account of such reasons. In addition, the complaints were favoured in this respect because they need not to provide that the dumped imports are the mere cause of the material injury to the products.[25] Therefore, unless sufficient proof is available for lack of injury findings, this step is not highly advisable.

Undertakings can be offered by an exporter when dumping and injury have been confirmed in order to exclude the injurious effect of dumping through increasing its export price without being levied anti-dumping duty. Though the authority is not bound to accept such an offer and enjoys broad discretion, it should not be ignored and still worth to have a try. Firstly, the increased price of the product in the form of undertakings will still get by the exporting producers whereas the increased price in the form of anti-dumping duties will go directly into the pocket of the authority. [26] Secondly, undertakings should be sufficient to eliminate the injury to the related industry and could be less than the margin of dumping[27] Hence it leaves possibility for a relatively higher competitive competence for an exporter taking undertakings. It needs to be noticed that for NMEs, undertakings is offered on the basis that individual treatment criteria is met.[28]

(6) Judicial review.

According to article 13 of the WTO anti-dumping agreements, judicial review authority is independent from those who make determination for anti-dumping cases, there is still a chance for exporting producers to grasp for protect themselves. If the imposed anti-dumping measures are not strongly supported by substantial evidence or not in accordance with the law, they can be reversed.

1.3. Other Aspects need to be Noticed

(1) Professionals

An anti-dumping case is a knowledge intensive process. Firstly, response to anti-dumping investigations needs detailed data about prices, market shares, inventories, and costs of international counterparts, in order to plan for fitting strategies. Professional international trade lawyers, accountants and marketing research consultants are necessary for collection and analysis of such information.[29] Furthermore, protection of business secrets also should be paid attention to. Anti-dumping authorities have no right to require further information exceeding the need of anti-dumping investigations. Professionals can help to keep the secrets maximum unreleased.

Secondly, in view of the most complex anti-dumping procedures and rigorous time limit, to hire a lawyer who knows all the requirements in the WTO rules and related importing countries' anti-dumping legislations is necessary since it helps to avoid any information missing or

the form returning late. The expertise from a lawyer of the initiating country may help a lot. However, try not to engage a lawyer who had been worked for the company initiating any anti-dumping case against Chinese producers on account of any hostility may leave in their minds.

Thirdly, professional translators are also necessary in preparing documents and in on-the-spot investigation. Due to the complexity of translation between different languages the job alone can be very time consuming and any improper selection of words may lead to a totally opposite meaning. A professional translator who is familiar with anti-dumping terms conduces to accurate expression of information.

(2) Proactive response

Since the response time for anti-dumping cases is very limited, to take precautions is helpful. Firstly, producers should set up a document system to make sure the everyday data is kept in record and can be easily found. It will reduce the tremendous work needed for providing the information in questionnaires. Secondly, pay attention to counterparts in other countries which have the possibility to be selected as a surrogate county. Keeping track on their export prices of like products to ensure their own export prices to be approach to or superior to that of a potential surrogate country and thereby avoids anti-dumping action.[30]

(3) Cooperation with the industry association and the government

Join industry association to get a better communication with other producers of similar products. And they can also acquire the latest information on the international market and the trends of anti-dumping initiations as well as related training.[31] Coordinating with related industry association and government departments to build up an early-warning system is also very important. Seeking for political pressure against initiating counties form government can also help. The united power will be explained in details below.

(4) To assimilate successful and adverse experiences from others

As mentioned in the former passages, an anti-dumping case against China easily attracts more cases on similar product with the previous one. They echo each other. Precedent cases should be noticed since they can provide a lot of information in the findings which conduce to answer the following anti-dumping cases. No matter the arguments against former anti-dumping case lead to a success or a loss, they are all very helpful.

(5) To improve product's structure and quality

One factor responsible for China's vulnerable to anti-dumping cases is China's high concentration of low-end products. However, product quality, consumer protection, environment protection and intellectual property protection is becoming the requirements of international market. Chinese producers should pay more attention to improve

their product's structure and quality in order to step up efforts for self-protection in international trade market and decrease the risk of encountering anti-dumping investigation.

3. Industry Association

3.1. To Set up United Export Prices

As a result of the economic reforms in China, export prices are no longer dictated by government but rather by exporters themselves in the market. Vicious competitiveness on export prices between Chinese exporting producers is really a reason for nourishing anti-dumping cases. Industry associations play an increasingly important role in deciding and monitoring the price levels of exports.[32] Large percentage of anti-dumping investigations is against either labour-/ resource- intensive Chinese products which easily fall in a price competition towards each other. To set up united export prices for industry association members can prevent cannibalistic price wars as well as the following anti-dumping investigations.

3.2. To Provide Related Anti-dumping Information and Knowledge

Be sensitive to the trends of anti-dumping initiations on the international market and provides the latest information for exporting producers to direct them on the right track, that is, be far from being accused anti-dumping. Relative training for producers is necessary, since industry association comparatively expertise on this issue than those enterprisers who may even not read English questionnaires.

To organize a united battlefield to defend effectively Anti-dumping cases have influential impact on the whole industry sector; therefore, a united battlefield is needed for every producer in the same industry sector. As the requirements in the U.S. anti-dumping law, market economy status can only be granted to the whole industry instead of any individual exporting producer. In such cases, a united response is the only way to get through the market economy test. In addition, anti-dumping duties are imposed on certain product from certain country, which means one country one duty. Every producer's interest is involved. To cooperate interiorly in the industry association can provide effective response to anti-dumping cases.

In pocket lighter case, Wenzhou Smoking Set Association formed a team to Europe which was the first of its kind as a non-governmental organization for external negotiations.[33] It turned out to be very effective since every related producer in this case was granted market economy treatment instead of any anti-dumping duties.

4. Government

Government departments play an independent and essential role in challenging world anti-dumping campaign against Chinese products. Generally, MOFTEC - the Ministry of Foreign Trade and Economic is the main governmental organ in charge of this kind of matters.[34] Organizations such as the Import and Export Chamber and the Foreign Investment Society have also played an active part in this field in recent years. Government departments can contribute from the following aspects:

4.1. Domestically

(1) To accelerate the pace of economic reform in China Along with the deepening of economic reform in China, Chinese exporting producers will be more and more aggressive other than passive when face to anti-dumping investigations. The pace of Chinese economic reform over next decade will note worthily influence the outcomes and development of anti-dumping cases against Chinese exporting products.

(2) To provide strongly encouragement for defence Government departments should offer Chinese exporting producers' advices on how to effectively defend their interests in anti-dumping cases. To make them know about victories of former cases and the impact of no action. With the encouragement from the results of these successes, Chinese exporting producers are possibly to defend their interests in anti-dumping cases more actively than they have in the past.[35] Government can even provide funds for accused producers and industry sectors if it is vital to do so.

(3) China's anti-dumping regulations

Article 56 of the new anti-dumping regulations of China reads: "Where a country (region) discriminatorily imposes anti-dumping measures on the export from the People's Republic of China, China may, on the basis of the actual situations, take corresponding measures against that county (region)." From this article it shows that China opens the possibility to use anti-dumping rules as a retaliatory instrument through its anti-dumping law.[36] This will lead to more carefulness of initiating anti-dumping cases against China from other countries.

4.2. Internationally

(1) To impose political pressures

It is pointed out in "2003 China Market Economy Development Report"[37] that, China's market economy degree had achieved 69 %, surpassing the world 60% critical level. Respecting an essential change in this field, China should urge those countries who initiate most anti-dumping cases against Chinese exporting producers considering the changing reality of China's economy.[38] In addition, to impose more political pressure on those countries in bilateral negotiations is also helpful since the countries initiated most anti-dumping cases against China are just the countries have most trade relations with Chi-

na. There are increasing bilateral interests between China and these countries.

(2) Rights under WTO regime

If the importing country imposing definitive anti-dumping duty on product is in question to breach the WTO agreements, e.g. the calculation of dumping is inconsistent with the requirements, Government of the enterprises concerned cannot live with the results can choose to take those results to a WTO panel and seek for remedies.

Initiate other anti-dumping cases against those countries to give them pressure. As a Chinese proverb, "The best defence is attack". China's accession to the WTO provides it a new stage to settle dumping issues by utilizing its legal rights as a member. For example, in March 2002, when the U.S. determined to levy an 8 to 30 percent tariff on Chinese imported steel products, China immediately retaliated by imposing a 24 percent extra tariff on the U.S. soybean oil. Retaliatory actions from the charged countries will make initiating countries rethink about anti-dumping cases before the initiation or at least get the charged countries some compensation on the loss of very high anti-dumping duties being imposed.

(3) To participate in making the rule

China should argue for stricter rules on anti-dumping, such as the suggestions proposed by the Swedish Kommerzkollegium (1999): "Dumping should be the principle cause of material injury", "Measures should last five years at most" and so on. When stricter rules applied, the number of anti-dumping cases against China will be reduced. And as Hou Shubo mentioned in his article, a change from the surrogate country rule to "the surrogate enterprise" rule can benefit NMEs as China a lot. Though application of the surrogate country rule is also on the basis of enterprises, it has to be the enterprise in a third market- economy country. If the rule changed to a surrogate enterprise rule, then the enterprise which has already achieved market-economy treatment can become the most appropriate surrogate enterprise since it develops in the same social environment as the accused enterprise. It is apparently fairer and provides more certainty in the selection.

5. Conclusion

China is the world's biggest targeted country for anti-dumping investigations due to several reasons as trade protectionism and the refusal of market economy recognition and its products structure. It must be admitted that there are still some problems existing in China's economy, such as incompleteness in the economic reform and lack of high-end products and relatively low accountancy standards. China has to defend its interests in anti-dumping cases while solving these problems.

It is showed that exporting producers who abandon their right to defend in an anti-dumping case will seriously

harm themselves and the domestic industry, and may even be excluded from the international market. A lack of experience and lack of well-trained professionals dealing with such issues bring difficulties for exporting producers to respond. As the anti-dumping campaign against China evidences a continuous trend, it is urgent for Chinese exporters to get a better understanding on anti-dumping rules and defend promptly and effectively.

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