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**The Falling Number of EU Anti-Dumping Actions:  
Temporary Downturn or Long-Term Trend?**

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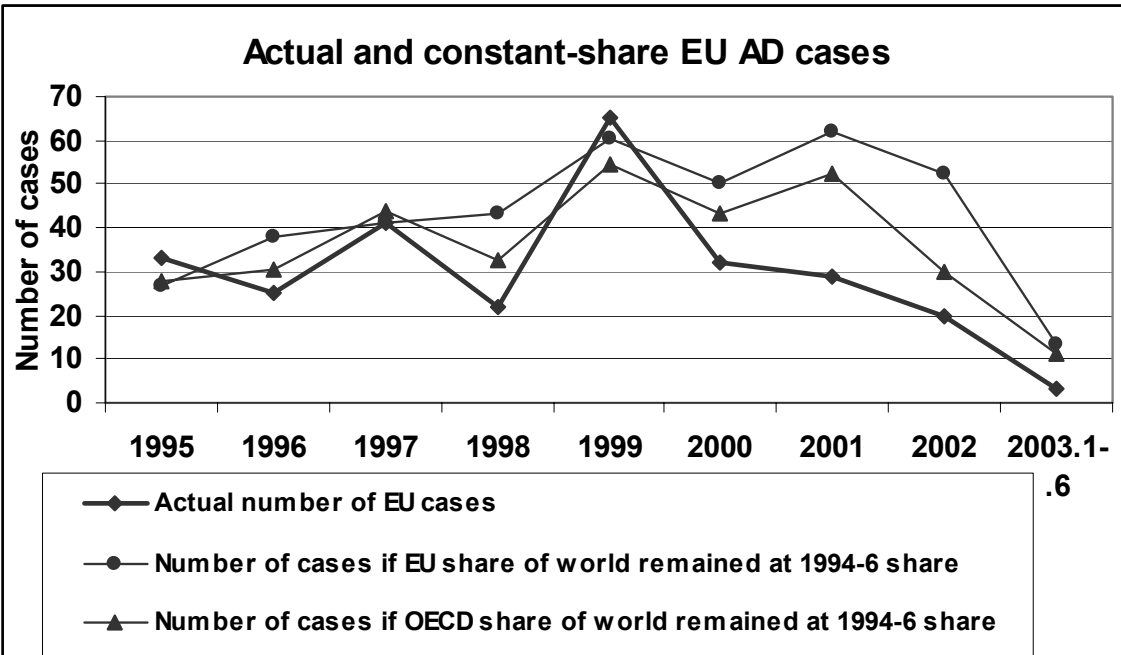
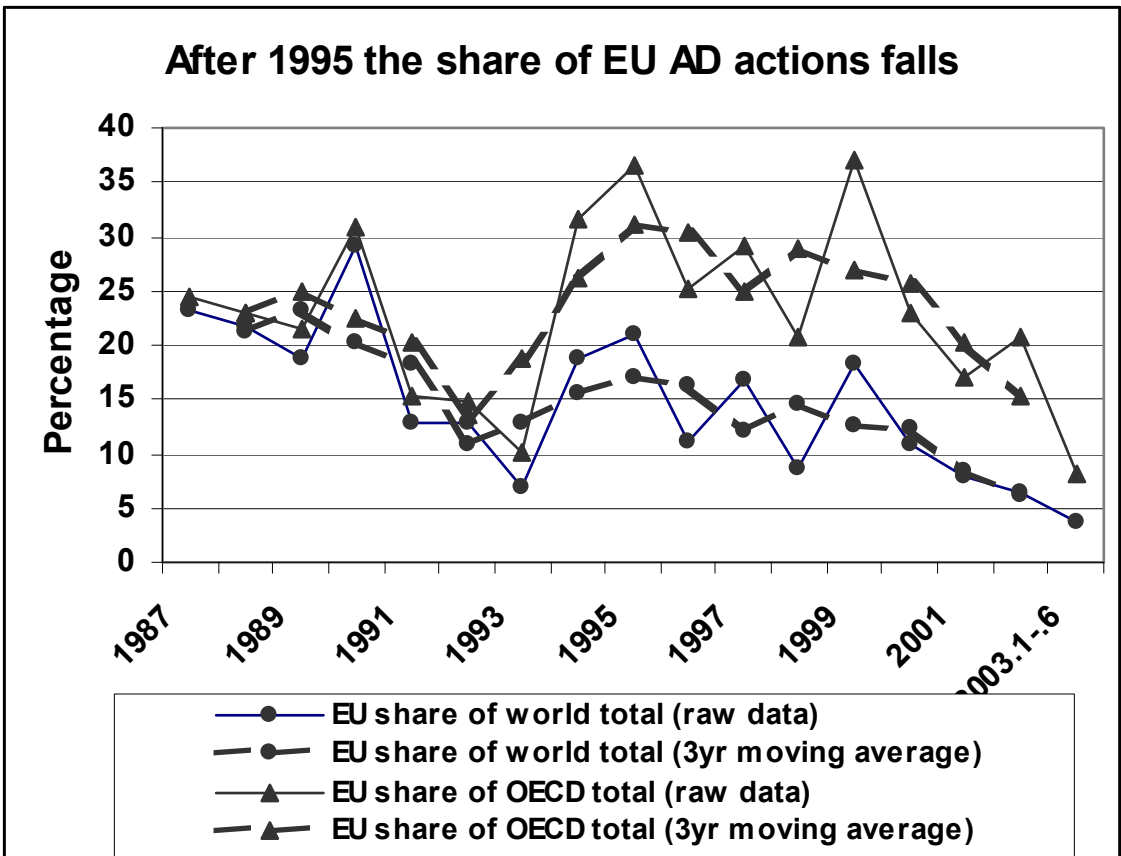
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**NOTES FOR CONFERENCE PRESENTATION:**

This presentation will make the following points:

1. Since 1998 the EU's share of the total number of world and OECD anti-dumping cases has fallen.
2. Although the economic literature might point to the boom of the late 1990s as a plausible explanation for this finding, another (potentially complementary) political economy explanation should be considered.
3. During this period anti-dumping duties could only become definitive after they had to be approved by the European Council of Ministers in a simple majority vote. Under these rules abstentions by a Member State counted as a vote against imposing definitive duties. This Council comprises representatives of the 15 Member States.
4. Although votes at this Council are in principle secret, leaks to the news media often reveal how each Member State voted. We have assembled a considerable number of media reports (some of which are reported here) that indicate that certain Member States have become active in opposing the imposition of duties outright or in demanding that the European Commission waters down (along a number of dimensions) the proposed duties in return for supporting the duties imposition.
5. This political economy finding is probably significant as that the EU has agreed this Monday (8 March 2004) to change the rules on voting in the Council of Ministers so that abstentions now count in favour of the imposition of duties.
6. The latter change, plus any macroeconomic upturn on Continental Europe, suggest that the recent downturn in the number of EU antidumping cases is likely to be temporary.



**Table: INCOMPLETE Reported of Member States' positions on anti-dumping proposals made by the European Commission, 1997-2003.**

Date dd/mm/yr	Good and target(s) of anti-dumping action by the EU	Article name and publication	Number and identity <sup>1</sup> of Member States...			Pertinent information and quotations
			supporting....	opposing...	neither supporting nor opposing...	
			... a trade-restrictive initiative.			
04/6/1997	Salmon—Norway	EU/Norway— Commission Agrees Salmon Import Curbs.	The United Kingdom			<p>European Commission approves a package of measures (including a minimum price in ECU, a ceiling on imports, and a rise in Norway's export tax) on Norwegian salmon in an extraordinary meeting on 1 June 1997.</p> <p>The article reports that the Scottish Industry Minister would have preferred anti-dumping duties to be imposed. "The Scottish Industry Minister Brian Wilson even came over to Brussels in a vain attempt at last-minute lobbying. After the decision, he complained that the measures would not work, and added that when minimum prices were imposed in the past, they were not enforced."</p> <p>The article also notes: "After two hours of talks, the Commission agreed the measures, although there were five votes against.... The fiercest opposition to the proposals came from Sir Leon's countryman, Transport Commissioner Neil Kinnock, who echoes concerns in the Scottish salmon farming industry that the measures would not be strong enough to halt the time of imports of Norwegian Salmon."</p>

<sup>1</sup> Reported where available and listed in the order reported in the relevant news article.

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16/5/1997	Unbleached cotton grey fabrics—India, China, and Pakistan and three other (unspecified) nations.	EU spikes anti-dumping duty on cotton fabrics, The Hindu.	6: Belgium, Spain, Italy, Greece, France, and Portugal.	9: Denmark, the Netherlands, Sweden, Ireland, Britain, Finland, Austria, Luxembourg, and Germany.		<p>Council decision to “drop” definitive duties on the products in question. (The definitive duties were imposed on 15/3/1997).</p> <p>“The EU decision was on expected lines after Austria and Luxembourg, which had not taken any formal decision on the duty until April 7, said they were opposed to it.”</p> <p>“The opposition to the duty was mainly on the grounds that the processing units in the member-countries would be badly affected by the move, since they were expected to foot the levy.”</p>
02/09/1997	Leather Bags—China.	EU/Anti-Dumping—Leather Bags From China.		5.		European Commission imposed definitive duties “despite the opposition of five Member States.”
01/10/1997	In-car compact disc systems—Japan, China, South Korea, Malaysia, and Taiwan.	Anti-dumping—Commission To Probe Asian In-Car CD Laser Systems, European Report.	7 including: Italy, Netherlands, France, Portugal, Belgium, Greece, and Austria.	5: Germany, United Kingdom, Spain, Sweden, and Finland.	3: Denmark, Luxembourg, and Ireland.	European Commission launches AD investigation in to the specified products “despite opposition from many EU Member States.”
27/3/1998	Rugs—Russia	EU/Russia—The Rug Case, Agence Europe	4: Belgium, France, Portugal, Spain.			<p>Issue was whether to grant Russia and China “market economy” status in AD cases. Decision required qualified majority vote.</p> <p>“Belgium, France, Portugal, and Spain continue to oppose it, for different reasons: Belgium because Russia fixed a quota, on 19</p>

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						March, on imports of rugs originating in the EU, a measure affecting Belgium first and foremost, as the EU's principal exporter of rugs; France and Spain question the advisability of granting more favourable treatment to Russia even before this country has made any real concessions (tariffs or other) in the negotiations for its accession to the WTO; Portugal establishes a link between this issue and the EU/Russia negotiations (in a stalemate for some time) on the textile trade in general."
28/3/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia, Egypt, and initially Turkey.	Anti-dumping— Commission Agrees Controversial Cotton Duties.	5: France, Spain, Greece, Italy, Portugal.		1: Belgium.	European Commission decided to impose provisional duties on 25/3/1998 "despite opposition from the European Union's Member States."  "European Commission officials acknowledge that the EU's Council of Ministers is currently hostile to the duties, but argue that a majority could be generated by the time the Member States have to vote on definitive anti-dumping duties in September. 'At the moment, we have enough room for manoeuvre with this,' one official said."
19/5/1998	Unwrought unalloyed magnesium— China.	EU/Anti-Dumping— Provisional Duties on Imports of Unalloyed Magnesium Originating in China, Agence Europe.		4: Germany, Denmark, Spain, and the United Kingdom.		European Commission has imposed provisional duties on Chinese exports of the product in question. "When consulted about the introduction of provisional duties, four Member States expressed opposition."
20/5/1998	Unbleached	EU/Anti-Dumping,		8: Austria,		Eight Member States express their opposition

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	cotton fabrics— India, Pakistan, China, Indonesia, Egypt, and initially Turkey.	Agence Europe.		Denmark, Finland, Germany, Ireland, the Netherlands, Sweden, and the United Kingdom.		to the provisional duties imposed on these cotton products. According to this article these 8 Member States regretted the European Commission’s decision to impose duties contrary to the opinion of a “clear majority” of nine Member states.  These eight Member States note that “the interest of the Community producer industry have to be weighed against the interests of the user industries across Europe, particularly textile finishers.”
30/5/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia, Egypt, and initially Turkey.	Anti-Dumping— Eight EU Member States Complain Over Cotton Duties, European Report.		9 in March 1998: Austria, Denmark, Finland, Germany, Ireland, Luxembourg, the Netherlands, Sweden, and the United Kingdom.		Issue was whether to confirm provisional duties. Eight Member States back a statement by the British Presidency on 27 May opposing duties. “At a meeting of the EU’s Anti- Dumping Committee, the eight Members reiterated their opposition to the measures imposed by the European Commission...”  “At the March meeting [of the Anti-Dumping Committee] nine Member States indicated that they were opposed to the duties...”
20/7/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia, Egypt, and initially Turkey.	Cotton fabric exporters hit by EU conflict, The Economic Times, The Times of India Group.		8.		Issue was whether to confirm provisional duties by 5/10/1998.  “Austria and some other EU countries did not want to penalise Turkey; hence the decision to exclude Turkey. The Commission is hoping that this move will convert the minority in the EU council which opposes restrictions on

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						UCF imports into a minority. In which case its proposal to convert the present provisional duties into definitive duties will obtain the council's approval when it meets on October 5. But the Commission is not counting on this. It has reduced the provisional anti-dumping duties on India, Pakistan, China, Indonesia, Egypt and Turkey."
10/09/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia, Egypt, and initially Turkey.	Cotton anti-dumping vote on a knife-edge, European Voice.	6 including France and Italy.	7: Germany, the United Kingdom, Sweden, Finland, Denmark, Ireland, and the Netherlands.	2: Belgium and Luxembourg.	<p>Issue is whether to confirm provisional duties.</p> <p>"With the pro and anti camps evenly balanced, the attitude of Belgium and Luxembourg—the only two member states yet to declare their hand—will be crucial."</p> <p>A lawyer for the foreign firms "said talks with Belgium had revealed the government had yet to make up its mind. Luxembourg, however, had made a decision but was unwilling to reveal it before the meeting [to decide whether to make the duties definitive]."</p> <p>The same lawyer argued that "[t]he Commission has seemingly manipulated its findings to achieve a political result." According to the article, this lawyer "said this included a proposal for only a marginal duty on imported embroidery, to win the support of Austria for definitive duties."</p> <p>The article goes on to note that "[t]he Commission, which hotly denies these</p>

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						accusations, has also come under attack from diplomats and lobbyists for allegedly altering duties for ‘political reasons’, reducing some of the proposed levies to placate sceptical member states. They claim, for example, that the Commission abandoned plans to increase duties against Turkey, even though investigators found evidence of dumping, because the EU is trying to rescue diplomatic relations with Ankara after excluding Turkey from the first wave of applicants for Union membership.”
18/09/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia, Egypt, and initially Turkey.	EU/Anti-Dumping, Agence Europe.	6.	8 including Luxembourg.	1: Belgium.	Issue is whether to confirm provisional duties.  “The rallying of Luxembourg to the opposition camp created the majority needed to reject the proposal for the imposition of definitive duties tabled by Commission this past summer. The Council must state its final view by 9 October. Meanwhile, the Commission can amend its proposal up until the time of the Council vote, with the goal of obtaining a favourable majority. It has already withdrawn Turkey from the countries concerned, withdrawn embroidered fabrics and proposed price undertakings by export countries to meet the demands of several Member States.”
01/10/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia and Egypt.	Cotton saga draws to a quiet close— European Voice.		8: Luxembourg, the United Kingdom, Denmark, Germany, the		Issue is whether to confirm provisional duties.  “Diplomats from a majority of member states (Luxembourg, the UK, Denmark, Germany, the Netherlands, Sweden, Ireland, and



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				Netherlands, Sweden, Ireland, and Finland		Finland) maintained their opposition to the Commission's plan at a meeting of EU ambassadors yesterday (30 September)."  "There had been speculation that the Commission might amend its proposals in an effort to win over opponents at the 11 <sup>th</sup> hour, but officials said this was now unlikely. Even France, which originally lobbied hard for anti-dumping action, is not expected to demand further debate on the issue before the 9 October deadline for a final decision."
07/10/1998	Unbleached cotton fabrics— India, Pakistan, China, Indonesia and Egypt.	Anti-Dumping— Cotton Duty Plan Thrown Out Again, European Report.	5: France, Italy, Portugal, Spain, Greece, and Austria.		1: Belgium.	European Commission drops proposals for definitive measures on 5 October "in the face of stiff opposition from the European Union's Member States."  "...it was already clear that a meeting of an EU's working group on September 16 that the proposal would not be accepted." "The Member States split on classic North/South lines..." "The Commission's plan was to mix these duties with minimum price undertakings from the exporters, but failed to convince the traders despite a promise that they could escape duties if they agreed to this 'gentleman's agreement'."