

TRANS-PACIFIC PARTNERSHIP AGREEMENT

CHAPTER SUMMARY: TRADE REMEDIES

Trade remedies are measures that a Party can apply should imported goods cause, or threaten to cause, injury to a domestic industry. Trade remedy measures include safeguards, and anti-dumping and countervailing duties.

Trade remedy chapters are commonly included in Australia's free trade agreements. The World Trade Organization (WTO) agreements, particularly the WTO Anti-Dumping Agreement, the WTO Subsidies and Countervailing Measures Agreement and the WTO Safeguards Agreement, outline the rights and obligations of all WTO Members relating to trade remedies. The Trade Remedies Chapter reiterates the rights and obligations outlined in these agreements.

MORE INFORMATION ON THE CHAPTER

The Chapter is divided into two sections. The first section contains provisions on arrangements for global and transitional safeguard measures. The second section contains provisions on anti-dumping and countervailing duties.

Safeguard measures

The Chapter re-affirms TPP countries' WTO rights and obligations regarding recourse to global safeguards. Safeguard measures allow 'emergency action' to be taken where a surge of imports causes or threatens to cause, serious injury to a domestic industry. Safeguard measures are applied to imports from all countries – be they TPP Parties or not – and may take the form of tariffs, tariff rate quotas, or quantitative restrictions.

The Chapter also has provisions which allow recourse to transitional safeguards where there is serious injury to domestic industry during the transition period as a result of the reduction or elimination of tariffs under the Agreement. As the TPP is a regional agreement, transitional safeguards may be applied as a result of an increase of imports from one or more TPP Parties.

The Chapter incorporates the procedures for investigating injury, as well as on transparency, notification and consultation requirements for imposing transitional safeguards. The Chapter includes provisions on how transitional safeguards can be applied, such as the maximum length of time and the level at which they can be applied. Consistent with Australia's other trade agreements, TPP Parties may not apply transitional and global safeguard measures to the same good at the same time.

Anti-dumping and Countervailing duties

The Chapter re-affirms TPP Parties' WTO rights and obligations to remedy injuriously dumped or subsidised goods imports through anti-dumping and countervailing duty action.



Dumping occurs where exporting companies export a good at a price below its 'normal value', that is, the price at which the good is sold in the domestic market of the exporting company. If those dumped imports cause injury to the domestic industry, an anti-dumping measure may be imposed to offset that dumping and bring the price of the exported good closer to the normal value.

Countervailing duties are aimed at countering the trade effects of subsidies received in the home economy of an exporting company, through imposing additional duties to offset the injury to domestic producers from having to compete with subsidized goods imports.