

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry Portfolio  
Budget Estimates Hearing 2014-15  
2-3 June 2014

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY

**TOPIC:** Subsidies Working Group

**REFERENCE:** Written Question – Senator Carr

**QUESTION No.:** BI-172

In relation to an action item from the last meeting of the ITRF for Customs and Border Protection to establish a Subsidies Working Group with the same membership as the Market Situation Working Group:

1. Has this group being established?
2. Have there been any concerns raised with the Commission that lack of action in this area is resulting in the failing of Anti-Dumping investigations because subsidies are impacting the particular market situation in exporting countries but this is not being recognised?
3. Has the Commission been alerted to or considered in relation to the above ‘Subsidies to Chinese Industry; State Capitalism, Business Strategy and Trade Policy’ (Haley 2013)?

**ANSWER**

1. The Subsidies Working Group of the International Trade Remedies Forum (ITRF) has yet to be formally established. Members of the ITRF were notified of the intention to establish a Subsidies Working Group with a preparatory presentation explaining key concepts and investigative processes to be held in conjunction with the meeting of the ITRF scheduled for 5 August 2013. That meeting of the ITRF was postponed, as was the subsidies presentation. They are yet to be rescheduled.
2. The Anti-Dumping Commission is not aware of any concerns that the delay in establishing the Subsidies Working Group has affected the ability to recognise alleged subsidies or a “particular market situation” in anti-dumping investigations. The Anti-Dumping Commission encourages potential applicants to discuss such matters with the Anti-Dumping Commission at the earliest opportunity before lodging an application. Further, there are opportunities during the investigations for parties to make formal submissions to the Anti-Dumping Commission on relevant matters including, where appropriate, the operation of subsidies and its effect on prices.
3. It is possible that an interested party to an investigation being conducted by the Anti-Dumping Commission may have drawn upon this publication to support claims made in application or submissions to the Anti-Dumping Commission. However the Commission notes that, in conducting anti-dumping and countervailing investigations, it is bound by domestic legislation and World Trade Organization obligations. Accordingly, the Anti-Dumping Commission is required to establish whether goods exported to Australia receive the benefit of a countervailable subsidy, or whether the effect of such programs renders domestic selling prices unsuitable for normal value purposes based on the evidence and facts available in relation to the specific goods the subject of each investigation.