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Trade Briefs

Study Sees Rise in Use of Safeguards in 2Q 2009

On July 23, Professor Chad Brown of Brandeis University released a study on the continuing rise of protectionism over the second quarter of 2009. Specifically, Brown points to the increase of the use of safeguards as countries look to protect their domestic industries during the economic slowdown.

The study is one of a series of monitoring updates that Brown has been publishing on a Brandeis University website. Brown has compiled data for antidumping (AD), countervailing duty (CVD), and safeguard actions, and he has provided analysis that is useful to those who are interested in global trends in trade remedy.

As the ongoing economic crisis has weighed down economies worldwide, trade remedy actions have predictably become more prevalent. Brown notes a 12.1% rise in investigations in the second quarter (2Q) of 2009 over the same time period in 2008. As expected, China has been the most frequent target and was named in 80% of country-level investigations. India and the U.S. were the countries who most frequently initiated new investigations and were responsible for 50% of all new investigations.

The most striking change was in the safeguard category, where 9 new safeguard investigations were initiated. That would put the total number of safeguard investigations initiated in 2009 at 15, on pace to exceed every year but 2002 (the "steel safeguard year" that was triggered by a single industry event).

Brown also notes a 30.5% increase in the imposition of new import-restricting measures upon completion of earlier investigations.

The surge in safeguard actions is likely the result of the economic crisis changing the global political landscape. Politicians are finding it much more difficult to hold firm against domestic protectionist impulses as consumption craters and unemployment continues to rise. In this situation, the imposition of safeguard actions appears attractive. Generally, seeking protection through a safeguard action is more comprehensive and less burdensome to prepare for the domestic industry than preparing AD and CVD cases. Accordingly, this trend toward greater use of safeguards is one that could continue for some time.

Dumping Watch

Rescission of CVD Review re Korean SS Sheet and Strip in Coils

On July 21, the Department of Commerce (DOC) published its notice of rescission of the changed circumstances review of the countervailing duty (CVD) order on stainless steel sheet and strip in coils from Korea. In 2001, the DOC initiated an instant changed circumstances review to examine whether INI Steel Company (INI) was the successor-in-interest to Incheon Iron and Steel Co., Ltd. (Inchon). In 2002, the DOC preliminarily determined that Incheon was the successor to INI. In subsequent administrative reviews, the DOC found that INI was indeed the successor-in-interest to Incheon. There is no need for the DOC to reach a new determination on this issue on the current instant CVD changed circumstances review, as INI is understood to be the successor to Incheon based on the DOC's previous findings in its administrative reviews. Therefore, the DOC is rescinding this review.

Federal Register Notices

International Trade Administration

[A-570-941] Certain Kitchen Appliance Shelving and Racks From the People's Republic of China: Final Determination of Sales at Less Than Fair Value *74 FR 36656-36662*, July 24, 2009.

[A-570-901] Certain Lined Paper Products From the People's Republic of China: Notice of Preliminary Results of the Antidumping Duty Administrative Review *74 FR 36662-36667*, July 24, 2009.

U.S. Travel and Tourism Advisory Board *74 FR 36667-36668*, July 24, 2009.

[A-570-901] Certain Lined Paper Products from the People's Republic of China: Notice of Rescission, in Part, of Antidumping Duty Administrative Review *74 FR 36457-36459*, July 23, 2009.

[A-570-878] Saccharin from the People's Republic of China: Notice of Initiation of Changed Circumstances Review *74 FR 36456-36457*, July 23, 2009.

[A-570-827] Certain Cased Pencils From the People's Republic of China: Extension of Time Limit for Preliminary Results of the Antidumping Duty Administrative Review *74 FR 36164*, July 22, 2009.

[A-570-893, A-552-802] Certain Frozen Warmwater Shrimp from the People's Republic of China and the Socialist Republic of Vietnam: Notice of Extension of Time Limit for the Final Results of the Third Administrative Reviews *74 FR 36164-36165*, July 22, 2009.

[A-580-809] Circular Welded Non-Alloy Steel Pipe from the Republic of Korea: Extension of Time Limit for Preliminary Results of the Antidumping Duty Administrative Review *74 FR 36164*, July 22, 2009.

University of Virginia, et al.; Notice of Consolidated Decision on Applications for Duty-Free Entry of Electron Microscopes *74 FR 36166*, July 22, 2009.

[A-570-894] Notice of Extension of Time Limit for Final Results of Antidumping Duty Administrative Review: Certain Tissue Paper Products from the People's Republic of China 74 FR 35842, July 21, 2009.

[Application No. 92-8A001] Export Trade Certificate of Review 74 FR 35843-35844, July 21, 2009.

[A-201-805] Certain Circular Welded Non-Alloy Steel Pipe from Mexico; Extension of Time Limit for Preliminary Results of Antidumping Duty Administrative Review 74 FR 35844-35845, July 21, 2009.

[C-580-835] Stainless Steel Sheet and Strip in Coils from the Republic of Korea: Rescission of Countervailing Duty Changed Circumstances Review 74 FR 35845-35847, July 21, 2009.

International Trade Commission

[Inv. No. 337-TA-681] In the Matter of Certain Lighting Control Devices Including Dimmer Switches and Parts Thereof; Notice of Investigation 74 FR 36744-36745, July 24, 2009.

[Investigation No. 731-TA-1034 (Review)] Certain Color Television Receivers From China 74 FR 36254, July 22, 2009.

[Investigation Nos. 701-TA-465 and 731-TA-1161 (Preliminary)] Certain Steel Grating From China 74 FR 35204-35205, July 20, 2009.

The Week Ahead

- On July 30, the ITC will hold a preliminary conference in the AD and CVD investigations into narrow woven ribbons with woven selvedge from China and Taiwan.