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The Impact of Antidumping on EU12 Trade

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Introduction: What is in my study?

- Compared to the previous studies I substantially extend time horizon (1992-2010)
- I use relatively new dataset on antidumping investigations, Global Antidumping Database by the World Bank
- I analyse the impact of antidumping not only on imports, but also on exports

What do I do?

- Reciprocal dumping model with incr. marginal costs shows that introduction of tariff against one country by EU member states should cause:
- Trade destruction effect
- Trade diversion effect
- EU exports to be crowded out from third markets.

Variables in the model

- Dependent variable: **logged imports** / exports
- Explanatory variables:
- Lagged dependent variable
- Set of **dummy variables associated with AD initiation**
- Control variables:
 - GDP of partner country
 - Population of partner country
 - Real exchange rate
 - Dummy for preferential trade agreements
 - Dummy for EU new member states
 - Year dummies

AD dummies

- Dummies associated with AD consist of:
 - dummy for product × country that is **named in AD investigation**
 - at the same time there is dummy for the **third countries** (not mentioned in AD investigation)
 - dummy for EU states outside EU12, i.e. **EU new member states**
- ... and respective dummies for subsequent years, up to 5 years after initiation
- ... and 3 preceding years (augmented model only)

Data

- Trade data from Comtrade, six-digit codes of HS classification
- Only products mentioned in AD investigations
- EU 12 treated as one country, partner countries separately
- Time span: 1992-2010

Further notes

- Information on AD investigation taken from Global Antidumping Database by World Bank
- Models for AD investigations ended positively and negatively are estimated separately:
 - final AD protection introduced
 - cases withdrawn or rejected
- 527 cases (product x named country x year of initiation) of final protection introduced
- 329 cases with no final protection



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Model for imports

		AD cases ended with definitive protection measures introduced	AD cases withdrawn by applicants or rejected by AD authority	
lagged ln_imp		0.347***	0.302***	
named product named country	t = init	-0.049	-22% -37% -30% -19% -16%	-0.147** -0.201*** -0.041 0.031 0.008 0.051
	t = init + 1	-0.244***		-14% -18%
	t = init + 2	-0.46***		
	t = init + 3	-0.357***		
	t = init + 4	-0.209***		
	t = init + 5	-0.168***		
named product not named third countries	t = init	-0.01	6% 6%	-0.04 -0.04 -0.083*** -0.112*** -0.007 -0.057** -6%
	t = init + 1	0.026		
	t = init + 2	0.037		
	t = init + 3	0.062***		
	t = init + 4	0.03		
	t = init + 5	0.058**		
named product new EU member states	t = init	0.012	13% 12%	0.104* 0.107** 0.082 0.083 0.127** 0.119** 11% 11% 13% 12%
	t = init + 1	0.005		
	t = init + 2	0.033		
	t = init + 3	0.123**		
	t = init + 4	0.119**		
	t = init + 5	0.017		
GDP population preferential trade agreement new member states real exchange rate year dummies constant		0.04 -0.246 -0.016 -0.164** 0 yes 7.148*	-0.061 -0.262 -0.008 -0.239*** 0 yes 8.593**	
N		108 726	89 494	

		AD cases ended with definitive protection measures introduced	AD cases withdrawn by applicants or rejected by AD authority	
lagged ln_imp		0.347***	0.302***	
named product named country	t = init	-0.049	-0.147** -0.201*** -0.041 0.031 0.008 0.051	-14%
	t = init + 1	-0.244***		-18%
	t = init + 2	-0.46***		
	t = init + 3	-0.357***		
	t = init + 4	-0.209***		
	t = init + 5	-0.168***		
named product not named third countries	t = init	-0.01	-0.04 -0.04 -0.083*** -0.112*** -0.007 -0.057**	
	t = init + 1	0.026		
	t = init + 2	0.037		-8%
	t = init + 3	0.062***		-11%
	t = init + 4	0.03		
	t = init + 5	0.058**		-6%
named product new EU member states	t = init	0.012	0.104* 0.107** 0.082 0.083 0.127** 0.119**	11%
	t = init + 1	0.005		11%
	t = init + 2	0.033		
	t = init + 3	0.123**		
	t = init + 4	0.119**		13%
	t = init + 5	0.017		12%
GDP population preferential trade agreement new member states real exchange rate year dummies constant		0.04 -0.246 -0.016 -0.164** 0 yes 7.148*	-0.061 -0.262 -0.008 -0.239*** 0 yes 8.593**	
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	t = init + 1	-0.244***	-0.201***	-18%
	t = init + 2	-0.46***	-0.041	
	t = init + 3	-0.357***	0.031	
	t = init + 4	-0.209***	0.008	
	t = init + 5	-0.168***	0.051	
named product not named third countries	t = init	-0.01	-0.04	
	t = init + 1	0.026	-0.04	
	t = init + 2	0.037	-0.083***	-8%
	t = init + 3	0.062***	-0.112***	-11%
	t = init + 4	0.03	-0.007	
	t = init + 5	0.058**	-0.057**	-6%
named product GDP population preferential trade agreement new member states real exchange rate year dummies constant	t = init	0.012	0.104*	11%
	t = init + 1	0.005	0.107**	11%
	t = init + 2	0.033	0.082	
	t = init + 3	0.123**	0.083	
	t = init + 4	0.119**	0.127**	13%
	t = init + 5	0.017	0.119**	12%
N		108 726	89 494	

	AD cases ended with definitive protection measures introduced	
lagged ln_imp	0.231 ***	
named product named country	t = init	-0.228
	t = init + 1	-0.566 ***
	t = init + 2	-0.62 ***
	t = init + 3	-1.06 ***
	t = init + 4	-0.73 ***
	t = init + 5	-0.447 ***
named product not named third countries	t = init	-0.09
	t = init + 1	0.167 *
	t = init + 2	0.146 *
	t = init + 3	-0.145
	t = init + 4	-0.032
	t = init + 5	0.116
named product new EU member states	t = init	-0.023
	t = init + 1	0.148
	t = init + 2	0.295 ***
	t = init + 3	0.488 ***
	t = init + 4	0.577 ***
	t = init + 5	0.187
GDP	-0.634 ***	
population	0.41	
preferential trade agreement	-0.144	
new member states	-0.3	
real exchange rate	0	
year dummies	yes	
constant	15.608	
N	8 500	

steel subsample only

	AD cases ended with definitive protection measures introduced	AD cases withdrawn by applicants or rejected by AD authority	
lagged ln_imp	0.342***	0.303***	
named product named country	t = init - 3	0.063	0.094
	t = init - 2	0.183***	0.273***
	t = init - 1	0.432***	0.419***
	t = init	0.33***	0.222**
	t = init + 1	0.088	0.117
	t = init + 2	-0.183**	0.22***
	t = init + 3	-0.144**	0.229***
	t = init + 4	-0.057	0.144**
	t = init + 5	-0.087	0.126**
			13%
named product not named third countries	t = init - 3	0.003	0.063**
	t = init - 2	-0.056**	0.064**
	t = init - 1	-0.095***	-5%
	t = init	-0.093***	-9%
	t = init + 1	-0.044*	-9%
	t = init + 2	-0.022	-4%
	t = init + 3	0.014	-0.035
	t = init + 4	-0.004	-0.081***
	t = init + 5	0.043*	-8%
		4%	-11%
named product new EU member states	t = init - 3	0.003	-0.025
	t = init - 2	-0.068	-0.176***
	t = init - 1	-0.151***	-16%
	t = init	-0.116**	-0.22***
	t = init + 1	-0.101*	-20%
	t = init + 2	-0.054	-0.061
	t = init + 3	0.051	-0.025
	t = init + 4	0.065	-0.022
	t = init + 5	-0.012	0.013
			0.088
		0.1*	10%
GDP population preferential trade agreement new member states real exchange rate year dummies constant	7.074*	yes	yes
	0.043		-0.008
	-0.243		-0.201
	-0.016		-0.061
	-0.141*		-0.184**
	0		0
N	108 726	89 494	

		AD cases ended with definitive protection measures introduced	AD cases withdrawn by applicants or rejected by AD authority	
lagged ln_imp		0.342***	0.303***	
named product named country	t = init - 3	0.063	0.094	
	t = init - 2	0.183***	20%	0.273***
	t = init - 1	0.432***	54%	0.419***
	t = init	0.33***	39%	0.222**
	t = init + 1	0.088		0.117
	t = init + 2	-0.183**	-17%	0.22***
	t = init + 3	-0.144**	-14%	0.229***
	t = init + 4	-0.057		0.144**
	t = init + 5	-0.087		0.126**
				13%
named product not named third countries	t = init - 3	0.003		0.063**
	t = init - 2	-0.056**	-5%	0.064**
	t = init - 1	-0.095***	-9%	0.012
	t = init	-0.093***	-9%	-0.034
	t = init + 1	-0.044*	-4%	-0.035
	t = init + 2	-0.022		-0.081***
	t = init + 3	0.014		-0.111***
	t = init + 4	-0.004		-0.006
	t = init + 5	0.043*	4%	-0.055*
				-5%
named product new EU member states	t = init - 3	0.003		-0.025
	t = init - 2	-0.068		-0.176***
	t = init - 1	-0.151***	-14%	-0.22***
	t = init	-0.116**	-11%	-0.061
	t = init + 1	-0.101*	-10%	-0.025
	t = init + 2	-0.054		-0.022
	t = init + 3	0.051		0.013
	t = init + 4	0.065		0.088
	t = init + 5	-0.012		0.1*
				10%
GDP population preferential trade agreement new member states real exchange rate year dummies constant		0.043		-0.008
		-0.243		-0.201
		-0.016		-0.061
		-0.141*		-0.184**
		0		0
		yes		yes
		7.074*		7.946**
N		108 726		89 494



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Model for exports

		AD cases ended with definitive protection measures introduced	AD cases withdrawn by applicants or rejected by AD authority
lagged ln_exp		0.227 ***	0.275 ***
named product named country	t = init - 3	-0.094	0.024
	t = init - 2	-0.087	0.026
	t = init - 1	-0.022	0.026
	t = init	0.065	-0.041
	t = init + 1	-0.119	-0.024
	t = init + 2	0.069	0.061
	t = init + 3	-0.056	0.167
	t = init + 4	-0.013	0.177 * 19%
	t = init + 5	-0.075	0.083
named product not named third countries	t = init - 3	-0.002	0.018
	t = init - 2	-0.008	0.019
	t = init - 1	-0.038 *** -4%	-0.044 *** -4%
	t = init	-0.013	-0.046 *** -4%
	t = init + 1	-0.035 *** -3%	-0.086 *** -8%
	t = init + 2	-0.042 *** -4%	-0.031 * -3%
	t = init + 3	-0.04 *** -4%	-0.044 *** -4%
	t = init + 4	0	-0.011
	t = init + 5	-0.008	-0.011
named product new EU member states	t = init - 3	-0.004	0
	t = init - 2	-0.032	-0.028
	t = init - 1	-0.049	-0.066
	t = init	-0.048	-0.076 * -7%
	t = init + 1	-0.055 * -5%	-0.145 *** -14%
	t = init + 2	0.02	-0.095 ** -9%
	t = init + 3	-0.014	-0.112 *** -11%
	t = init + 4	-0.013	-0.047
	t = init + 5	0.01	-0.008
GDP population preferential trade agreement new member states real exchange rate year dummies constant		0.539 *** -0.72 *** 0.019 0.002 0 * yes 2.776	0.467 *** -0.651 *** 0.02 0.029 0 yes 3.327 *
N		250 797	197 185

Summary

- strong and long-lasting trade destruction effect when final AD protection introduced
- short effect when there are provisional measures only
- trade diversion identified when definitive protection imposed
- model with leading dummies shows that antidumping is used against aggressive exporters
- decline in EU exports identified but it cannot be associated with AD since the fall starts before AD initiation



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Thank you for your attention



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