

Trade Remedy:  
A Stumbling Block for ASEAN Economic  
Integration?

By

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## List of Abbreviations

AD	Anti-Dumping
ADA	Anti-Dumping Agreement
AEC	ASEAN Economic Community
AFTA	ASEAN Free Trade Area
AMC	ASEAN Member Country
ANZCERTA	Australia-New Zealand Closer Economic Relations
APSC	ASEAN Political-Security Community
APTA	Asia Pacific Trade Agreement
ASCS	ASEAN Social-Cultural Community
ASEAN	Association of South East Asian Nation
ATIGA	ASEAN Trade in Goods
BIS	Bureau of Import Services
CEPT-AFTA	Common Effective Preferential Tariff for ASEAN Free Trade Agreement
ECSC	European Community of Steel and Coal
EU	European Union
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
HS	Harmonised System
IDN	Indonesia
KADI	<i>Komite Anti-Dumping Indonesia</i> (Indonesian Anti-Dumping Committee)
KPPI	<i>Komite Pengamanan Perdagangan Indonesia</i> (Indonesian Trade Safeguards Committee)
MFN	Most Favoured Nation

MIDA	Malaysian Investment Development Authority
MITI	Ministry of International Trade and Industry
MYS	Malaysia
NAFTA	North American Free Trade Area
PHL	Philippines
RTA	Regional Trading Agreements
SCM	Subsidy and Countervailing Measures
SIN	Singapore
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
TAO	Tariff Analysis Online
THA	Thailand
UNCTAD	United Nations Conference on Trade and Development
VNM	Viet Nam
WCO	World Customs Organisation
WDI	World Development Indicator
WITS	World Integrated Trade Solution
WTO	World Trade Organisation

## **Abstract**

This thesis investigates ASEAN's use of trade remedy instruments and their impact on trade and liberalisation efforts.

With the growing number of trade remedy cases worldwide, ASEAN member countries are exposed as targets of anti-dumping (AD), subsidy and countervailing measures, and safeguards. They are also new users, primarily of Anti-dumping.

Focusing on AD, this thesis presents the landscape, implementation and application, and effects of trade remedy instruments in the South East Asian region. Under the ASEAN Trade in Goods Agreement (ATIGA), ASEAN members are permitted to use trade remedy instruments as stipulated in agreements of the World Trade Organization (WTO). Although the use of trade remedy instruments are sometimes seen as contrary to the WTO's most favoured nation (MFN) principle, their use is permitted in exceptional circumstances. How does the decision to make AD - a trade limiting policy – readily available for ASEAN members affect industries, trade flow and integration efforts with the establishment of ASEAN Economic Community in 2015 and goals of becoming a more integrated region?

This thesis examines three main questions as an indication of trade liberalisation and integration efforts: (1) What motivates ASEAN member countries in initiating AD investigations? (2) How does AD affect trade? and (3) Does AD contribute to the reduction of tariffs?

This thesis utilises ASEAN trade remedy, imports and applied tariffs data from 1995 to 2012. To investigate the motivation behind the use of AD, this thesis uses binomial probability to look at whether AD use is triggered by strategic or economic

motives. An econometric model is applied to Indonesian import data to find evidence of the investigation, trade diversion and destruction effects on trade flows. The relationship between average applied MFN tariffs and the use of AD is estimated to identify its contribution to liberalisation.

The results reveal that, for ASEAN members, the use of AD is driven more by strategic motivations. In the case of Indonesia, AD use does halt the movement of import products when AD duty is imposed at least from the named countries in the case, but this effect is offset by the diversion of trade to non-named countries. The analysis of this thesis also found evidence of the AD's contribution to the reduction of average applied MFN tariffs, particularly so for the reduction of applied tariffs at the product level. Furthermore, for ASEAN, it was found that the contribution of the use of the AD instrument is more significant for countries with lower GDP per capita than for countries with higher GDP per capita.

## **Declaration**

I, Aritta Gracia Lily Girsang, certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name in any university or other tertiary institution and, to the best of my knowledge and belief, contain no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint award of this degree.

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