

An Analysis on the Effectiveness of Antidumping Policy: The Cases of Japan

Joon-heon Song

Tokyo International University

jsong@tiu.ac.jp

Abstract

This paper examines the impact of the antidumping policy on trade in Japan using the ARIMA intervention time-series analysis. Antidumping action is not only one of the trade remedy measures of the World Trade Organization, but also a useful instrument for protecting domestic industries from import competition or foreign rivals. Although antidumping measures lead to the reduction of import from named countries, numerous previous studies show that the imposition of antidumping duties leads to import being diverted from named countries to non-named countries. This is a very important issue, since the antidumping policy is not effective, whereas the relief of domestic industries comes at the expense of both consumers and downstream industries. In this paper, I focus on two cases, Polyester Staple Fiber and Electrolytic Manganese Dioxide, to examine the effects of antidumping investigations and duties on import volume. The results show that there is little evidence that the imposition of antidumping duties restrains import, whereas the investigations appear to cause a significant reduction in imports.

Keywords: Antidumping, Trade Diversion, ARIMA-Intervention, Japan

JEL Classification: F13, F14, C22