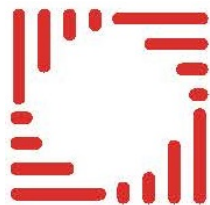


OVERVIEW OF TRADE REMEDIES



**GLOBAL
TRADE
LAW
ADVISORS**

REVIEW OF WTO LAW

- WTO formed in 1994 out of the Uruguay Round of the GATT
- Intent of GATT/WTO is to liberalize trade with 4 basic principles:
 - Reduce tariffs (**Tariff Binding**) – schedules of concessions (See GATT Art. II)
 - Move all trade restrictions into tariffs (no **Non-Tariff Barriers**, *e.g.* quantitative restrictions) (See GATT Art. XI)
 - Prevent trade discrimination
 - **Most Favored Nation** (no favoring certain trade partners) (See GATT Art. I:1)
 - **National Treatment** (no favoring domestic over imports) (See GATT Arts. III, XIII, Ad Art. III)

EXCEPTIONS TO TRADE LIBERALIZATION

- **Preferential Trade Agreements: Free Trade Areas & Customs Unions**
- **GATT Art.XX Defenses**
 - **Necessary to protect public morals**
 - **Necessary to protect human, animal, or plant life or health**
 - **Necessary to secure compliance with laws or regulations . . .**
 - **Relating to the conservation of exhaustible natural resources . . .**
 - **Involving restrictions on exports of domestic materials . . .**
- **Trade Remedies**

TRADE REMEDIES

- **Antidumping Duties**
 - (See GATT Art. IV & Agreement On Implementation Of Article VI Of The General Agreement On Tariffs And Trade 1994 (“Antidumping Agreement” or “ADA”))
- **Countervailing Duties**
 - (See GATT Art. & Agreement on Subsidies and Countervailing Measures)
- **Safeguards**
 - (See GATT Art. XIX & Agreement on Safeguards)

ANTIDUMPING & SUBSIDIES

- **Injury, Dumping, and Prohibited Subsidies**
- **Injury**
 - **Material injury or threat of material injury**
 - **Factors (volume effects, price effects, impact analysis)**
 - **Actual and potential decline in sales, profits, output, market share, productivity, return on investments, or utilization capacity**
 - **Factors affecting domestic prices**
 - **Magnitude of dumping margin/subsidization**
 - **Actual and potential negative effects on cash flow, inventories, employment, wages, growth, and ability to raise capital or investments**
 - **Causal link between imports and injury**

ANTIDUMPING

- **NV – EP = Dumping**
- **Normal Value (price/constructed price in home market)**
- **Export Price (price at which goods are sold to the foreign market)**
- **Fair Comparison**
- **Ordinary Course of Trade**

SUBSIDIES

- Financial Contribution
- Benefit
- Specificity

SAFEGUARDS

- Unforeseen Developments
- Relative or absolute increase in imports
- Serious injury
- Causal relationship