Trade Liberalization, Tariff Overhang and Antidumping Filings in Developing Countries

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Comments by Michael Moore (GWU/Institute for International Economic Policy)
• Overarching question:
  – Alternative to AD as a safety valve for protection
  – Specifically: reduction in tariff overhang
• Developing country focus
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  – Alternative to AD as a safety valve for protection
  – Specifically: reduction in tariff overhang
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• Subsidiary question
  – AD use influence on *applied* tariffs
Overarching question:
- Alternative to AD as a safety valve for protection

Subsidiary question
- AD use influence on applied tariffs (as a safety valve)

Authors’ conclusion
- AD has not been used as safety valve
- Sufficient tariff overhang exists for use as alternative
Antidumping → Tariffs

- Link 1:
  Moore and Zanardi (forthcoming CJE)
  no evidence AD use leads to lower tariffs in developing countries.
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• Link 1: Moore and Zanardi (forthcoming CJE) - no evidence AD use leads to lower tariffs in developing countries.

• Link 2: Reynolds and Feinberg (2007) - lower bound tariffs lead to more AD use.
  Bown and Tovar (2008) - lower applied tariffs in India lead to more AD use.
  Moore and Zanardi (2009) - Do lower applied rates lead to more AD use in dev. countries?
Moore and Zanardi (forthcoming CJE) no evidence AD use leads to lower tariffs in developing countries.

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Tariffs

Link 2

Antidumping

Alternative: Reducing tariff overhang

Link 1

Tariffs
Concerns

• Timing and endogeneity

• Initiations vs. orders

• Dummy variables vs. number of orders

• Omitted variables

• Not controlling for industries that may be exporters
Safety valve as smokescreen

• Steel industry in the U.S.
• Empirical evidence in developing countries
• Other reasons for antidumping
  – Rhetorical
  – Selective safeguard
  – Rules based and insulation
  – Vested interests in bureaucracy and trade bar
  – No time limit and no compensation necessary