

# AMERICAN UNIVERSITY

## Department of Economics Working Paper Series

### The Spread of Antidumping Regimes and the Role of Retaliation in Filings

by

Robert M. Feinberg and Kara M. Olson

No. 2004-15 November, 2004

#### http://www.american.edu/cas/econ/workpap.htm

Copyright © 2004 by Robert M. Feinberg and Kara M. Olson. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

## The Spread of Antidumping Regimes and the Role of Retaliation in Filings<sup>\*</sup>

Robert M. Feinberg and Kara M. Olson\*\*

#### Abstract

Over the past decade, the world-wide use of antidumping has become very widespread – 41 WTO-member countries initiated antidumping cases over the 1995-2003 period. From another perspective, US exporters were subjected to 139 antidumping cases during this period, by enforcement agencies representing 20 countries. In this context, it is natural to consider whether antidumping filings may be motivated as retaliation against similar measures imposed on a country's exporters. This is the focus of our study, though we also control for the bilateral export flows involved and non-retaliatory impacts of past cases, with other motivations – macroeconomic, industry-specific and political considerations – dealt with through industry, country and year fixed effects. Applying probit analysis to a WTO database on reported filings, we find strong evidence that retaliation was a significant motive in explaining the rise of antidumping filings over the past decade, though interesting differences emerge in the reactions to traditional and new users of antidumping.

Key words: antidumping, retaliation

JEL classification: F13

<sup>\*</sup> Earlier versions of this paper were presented at the U.S. International Trade Commission and American University, and we thank seminar participants for their comments. We particularly thank Chad Bown for helpful suggestions and Alan Fox and Raul Torres for assistance in obtaining data. All views expressed (and any errors or admissions) are those of the authors.

<sup>&</sup>lt;sup>\*\*</sup> American University. Contact: Robert M. Feinberg], Department of Economics, American University, 4400 Massachusetts Avenue, NW, Washington, DC 20016-8029. Email feinber@american.edu