

IMPOSITION OF UNJUSTIFIED ANTI-DUMPING DUTIES

—AVAILABLE MEASURES TO BE AWARE OF—

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SUMMARY

- As the number of cases imposing anti-dumping (AD) duties continues to rise worldwide, companies may face unjustified AD duties imposed by importing countries, even when they are not engaged in export dumping.
- As companies diversify their supply chains—for example, by relocating production bases overseas—it is becoming increasingly difficult for them to rely on government support when confronted with unjustified AD duties. As a result, companies are being forced to develop their own countermeasures.
- Specifically, it is effective for companies to identify as many measures as possible and implement them in a coordinated and integrated manner. Available measures include obtaining information—such as pricing, quality, production volume, and export volume—on companies in other countries that manufacture similar products, and preparing evidence demonstrating the legitimacy of their own operations should duties actually be imposed.

1. PURPOSE OF THIS REPORT

In recent years, it has become crucial for Japanese companies—as it has for many other companies worldwide—to diversify their supply chains, such as by developing channels into third-country markets. This is driven by the need to find alternative markets for products that have lost their outlets as a result of overproduction by China and US tariffs imposed under the Trump administration.¹ These circumstances increase the likelihood of trade friction. One of the primary sources of such friction involves AD duties.² Even

¹ For example, in response to the Trump tariffs, Mazda has begun curbing exports from Mexico of low-margin compact cars bound for the US market and redirecting them to other regions. The company stated that it is intentionally adjusting shipments. *Nikkei* article dated September 17, 2025. In addition, Suntory announced that it is considering shifting sales of Scotch whisky from the US to Europe. *Reuters* article dated April 3, 2025.

² Export dumping refers to the unfair practice of exporting products at prices lower than those in the exporter's domestic market. To prevent such practices, WTO agreements permit an importing country to impose a duty equivalent to the price difference in the case of export dumping when injury is caused to the importing country's domestic industry and a causal relationship between the two has been established. Such duties are generally imposed for a period of up to five years, but may be extended in five-year increments if recovery from the injury is not deemed likely. This measure is known as an AD duty. For example, it would constitute export dumping if a product were sold in Japan at JPY 120 but exported at JPY 100. In the importing country, if an identical domestically manufactured product were priced at JPY 110, the imported product priced at JPY 120 would not sell, whereas one priced at JPY 100 would. Through dumping, exporters are able to expand their market share by driving domestically produced goods out of the importing country's market and then subsequently raising prices, even if it means incurring losses in the short term. To prevent this, the importing country may impose a duty equivalent to the JPY 20 difference between the JPY 120 domestic price in the exporting

when Japanese companies export products at fair prices, importing countries may classify the transactions as dumping and impose unjustified AD duties. In response, this report first reviews recent trends in AD duties and then examines various measures Japanese companies can take to address the imposition of unjustified AD duties.

2. CURRENT STATUS AND FUTURE OUTLOOK OF AD DUTIES

2-1. IMPOSITION OF AD DUTIES

From 1995, when the WTO was established, through to 2024, AD duties were imposed in a total of 4,682 cases worldwide, including some that are considered unjustified (Figure 1). Countries and regions with the highest number of impositions include India (823 cases), the US (673 cases), and the EU (369 cases), and the top 10 countries and regions account for 74% of the total (Figure 2).³ These countries and regions warrant particular attention as frequent imposers of AD duties.

In recent years, the number of cases worldwide in which AD duties were imposed peaked at 286 in 2021, a figure significantly higher than in other years. This surge is believed to reflect a combination of factors. In the 2010s, duties on products from Chinese companies—particularly steel—rose against a backdrop of overproduction, pushing up the global total. In 2020, however, the investigations required to impose duties were delayed due to COVID-19 lockdowns and related disruptions, and the accumulated duties were subsequently imposed in 2021, resulting in the spike.⁴ Afterward, the number of impositions temporarily declined due to economic recovery and other factors. However, in 2024, an increase in the volume of Chinese exports led to a rise in duties imposed on Chinese products by the US and other countries, once again pushing up the global total.

2-2. FUTURE OUTLOOK FOR AD DUTY IMPOSITIONS

Looking ahead, in addition to the factors discussed above, the implementation of Trump tariffs may further drive an increase in AD duties. As high tariffs make exporting to the US more difficult, China and other affected countries are exporting products to third-country markets in large volumes and at low prices. In response, importing countries may seek to protect their domestic industries by imposing AD duties, even in cases of

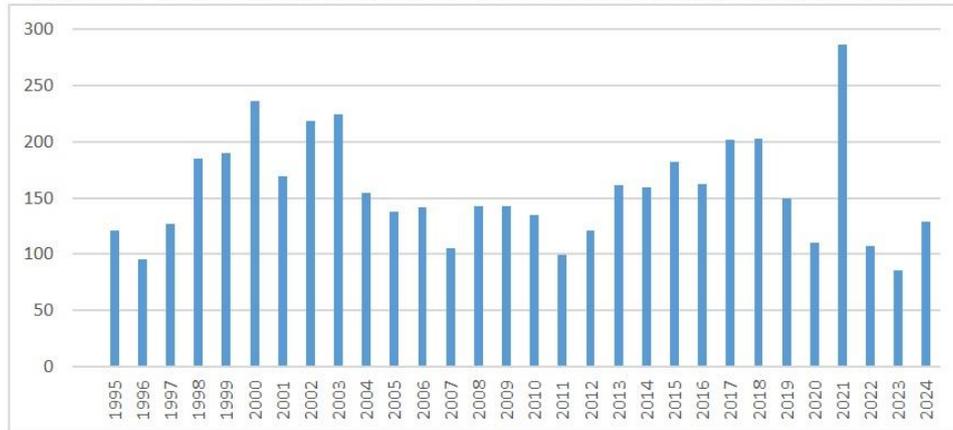
country and the JPY 100 export price. Imposing AD duties offers a means of curbing imports of dumped products, supporting a recovery in domestic prices, and restoring market share. Overview of Anti-Dumping Measures and the Application Process, August 26, 2020, Office for Trade Remedy Investigations, Trade Control Department, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry of Japan.

³ During the same period, AD duties were imposed on Japanese products in 177 cases. This includes 44 cases by China, 34 by India, and 31 by the US, with these three countries accounting for 62% of all AD duties imposed on Japan. An example of AD duties imposed on a Japanese product is the US targeting of prestressed concrete (PC) steel strands used to reinforce concrete structures. In 1978, the US imposed AD duties ranging from 0.62% to 15.8% on products from five Japanese companies, citing injury to domestic producers resulting from the dumping of Japanese PC steel strands. Subsequently, on the grounds that recovery from the injury remains unlikely, the duties have been repeatedly extended and remain in force as of November 2025. 2024 Report on Compliance by Major Trading Partners with Trade Agreements by the Ministry of Economy, Trade and Industry of Japan; “Prestressed Concrete Steel Wire Strand from Brazil, India, Japan, Korea, Mexico, and Thailand” (I-8) Apr.2015 U.S. International Trade Commission (https://www.usitc.gov/publications/701_731/pub4527.pdf)、 “Prestressed Concrete Steel Wire Strand From Brazil, India, Japan, the Republic of Korea, Mexico, and Thailand: Continuation of the Antidumping Duty Finding/Orders and Countervailing Duty Order” November 9, 2020 The Daily Journal of the United States Government

⁴ Other contributing factors include duties imposed in response to an increase in export dumping aimed at offsetting sluggish domestic markets during the COVID-19 pandemic, as well as the greater ease of abusing AD duties following the suspension of the Appellate Body’s functions in the WTO dispute settlement system since 2019.

exports that do not constitute dumping.⁵ AD duties were imposed worldwide at an average of 156 cases per year through 2024, but this level could be exceeded in the future.⁶

Figure 1: Trends in the number of cases worldwide imposing AD duties



Note: Vertical axis shows number of cases; horizontal axis shows the year.

Source: WTO website

https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.wto.org%2Fenglish%2Ftratop_e%2Fadp_e%2FAD_MeasuresByRepMem.xlsx&wdOrigin=BROWSELINK (Accessed November 14, 2025)

Figure 2: Top 10 countries and regions imposing AD duties

India	823
US	673
EU	369
Argentina	308
Brazil	286
China	268
Turkey	216
Australia	177
South Africa	163
Mexico	160
Total of the above top 10	3443
Japan (for reference)	17

Note: Number of cases from 1995 to June 2024

Source: Same as for Figure 1 (Accessed November 14, 2025)

⁵ The Institute of Developing Economies forecasts that Trump tariffs will lead to a significant decline in Chinese exports to the US, with displaced Chinese products flowing into many Southeast Asian countries, potentially triggering the use of trade remedy measures such as AD duties. Report from Expert Study Group on Promoting EPA Utilization, January 2025, Ministry of Finance of Japan (https://www.mof.go.jp/about_mof/councils/epa/honbun.pdf).

⁶ According to the WTO, 223 AD and other trade remedy investigations were initiated between October 2024 and May 2025—the highest number recorded in the past decade. Compiled based on data from the WTO Trade Remedies Data Portal (<https://trade-remedies.wto.org>), WTO Semi-annual Reports (Anti-dumping; <https://trade-remedies.wto.org/en/antidumping/reports>), and WTO Trade Monitoring Update: Latest Trends (<https://tmdb.wto.org/en/explore>). As such investigations are required to impose AD duties, this trend suggests that the number of cases in which AD duties are imposed will likely increase going forward.

3. UNJUSTIFIED IMPOSITION OF AD DUTIES

3-1. FACTORS BEHIND THE UNJUSTIFIED IMPOSITION OF AD DUTIES

It is natural for importing countries to counter export dumping by imposing AD duties. However, in some cases, importing countries unilaterally impose AD duties after deeming that companies are dumping, even though the companies are not engaging in dumping or do not realize that they are doing so.⁷ The examples shown in Figure 3 are the five main scenarios behind the imposition of what are perceived by the affected companies as unjustified AD duties.

Figure 3: Factors behind the unjustified imposition of AD duties

(1)	The company concerned exported products after enhancing price competitiveness through its own efforts, such as relocating production to countries with abundant, low-cost labor. However, these exports were nonetheless deemed to constitute dumping.
(2)	The importing country deemed the competing company's exports to constitute dumping as a means of buying time for its domestic industry to grow and develop the capacity to produce internationally competitive products.
(3)	The company concerned was deemed to be engaging in export dumping because it did not, or was unable to, cooperate with the importing country's investigation into whether dumping had occurred.
(4)	The importing country expanded the scope of products subject to AD measures in order to further prevent the circumvention of dumping by third-country firms, and exports from the company concerned were swept up and deemed to constitute dumping.
(5)	The importing country determined that exports from a third-country company constituted dumping, and exports from the company concerned were indiscriminately swept up and deemed to constitute dumping as well as they were of the same type, despite being differentiated in terms of price, performance, and quality and not being in competition with products in the importing country.

Note 1: As an example related to (3), in April 2025, the U.S. Department of Commerce decided to impose anti-dumping and countervailing duties on solar panels, and while the duty rate for Malaysian companies was set at 14.64%, the rate for Cambodian companies was set at 3,403.96%. This is viewed as a retaliatory measure against Cambodian companies for their failure to cooperate with investigations. Online article by the Cambodian Journalists Alliance Association dated April 23, 2025 (<https://cambodianews.com/u-s-solar-tariffs-soar-amid-trade-rift-cambodia-denies-china-proxy-role/>).

Note 2: With respect to (4), HS codes are used to identify products subject to export dumping, and changing the level of identification from the previously used 6-digit code to a 4-digit code—as an example—would broaden the scope to include a larger number of like products.

Source: Compiled by MGSSI based on the 2024 Report on Compliance by Major Trading Partners with Trade Agreements by the Ministry of Economy, Trade and Industry of Japan.

3-2. EXAMPLE OF UNJUSTIFIED AD DUTIES IMPOSED ON JAPANESE COMPANIES

One example of unjustified AD duties imposed on Japanese companies involves measures taken by China against Japanese stainless-steel products. In 2019, China imposed AD duties ranging from 18.1% to 29.0% on Japanese stainless-steel products, alleging that they were being dumped into the Chinese market and injuring

⁷ The WTO dispute settlement system is the formal means of resolving disputes when exporting companies and importing countries disagree over whether dumping has occurred. However, as the Appellate Body within the system is currently not functioning, a definitive resolution is not necessarily guaranteed. (For an overview of the suspension of the WTO dispute settlement mechanism, refer to my article in *MGSSI Monthly*, "Prolonged Suspension of the WTO Dispute Settlement System" (https://www.mitsui.com/mgssi/ja/report/detail/_icsFiles/afie/2025/01/22/2501_matano.pdf)). Furthermore, in the case of Japan, only a limited number of disputes have been resolved through this system, and it remains unclear how many cases of AD duties targeting Japanese companies were due to genuine export dumping. However, the factors discussed in Section 3-1, "Factors Behind the Unjustified Imposition of AD Duties," appear to apply to many Japanese companies, suggesting that a considerable number of such cases may involve the imposition of unjustified AD duties.

China's domestic stainless-steel industry.⁸ In response to the companies' claims that they were not engaging in export dumping, Japan appealed to the WTO dispute settlement system in 2021, arguing that China had imposed unjustified AD duties. Consequently, in 2023, the WTO found that China was in violation of WTO agreements and recommended that it rectify its measures.⁹ Following this ruling, China repealed the relevant AD duties in 2024.

However, although Japan prevailed in the dispute, not all of its claims were accepted. The WTO recognized the following two points as violations of the WTO agreements. (1) The fact that China's assertion of export dumping was based on domestic sales volumes—which can be kept artificially low—rather than on domestic production volumes of stainless-steel products.¹⁰ (2) The fact that China failed to disclose data essential to substantiating the existence of export dumping.¹¹

The unaccepted claim was that, in the Chinese market, Japanese products had not unfairly depressed domestic prices or captured market shares in a manner that caused injury to the domestic industry.¹² This was because Japan failed to demonstrate that China's decision to impose AD duties on Japanese products together with products from Indonesia and other countries constituted a violation of WTO agreements.¹³

This case exposes how easy it is for importing countries to impose AD duties collectively on like products from multiple countries. This practice can be disadvantageous for Japanese products, which often differentiate themselves from those of other countries through superior quality or performance. As illustrated by this case, even when companies assert that they are not engaging in export dumping, Japanese products may nonetheless be swept up in measures targeting other countries' products and subjected to AD duties—a risk that is likely to persist going forward.

4. DIVERSIFICATION OF AD DUTY IMPOSITION FRAMEWORKS

The frameworks through which AD duties are imposed are diversifying as Japanese firms and other companies around the world continue to develop cross-border supply chains in response to factors such as overproduction by China and Trump tariffs from the US. Six major frameworks have been recognized, as illustrated in Figure 4, and in practice, these may overlap and interact, resulting in increasingly complex situations. This makes it more difficult for Japanese companies and the government to respond effectively to the unjustified imposition of AD duties.

⁸ *Japan Metal Daily* article dated June 21, 2021. According to the Ministry of Economy, Trade and Industry of Japan, the imposition of AD duties led to an annual decline of JPY 5.6 billion in sales of Japanese stainless-steel products in China, with the tariff burden amounting to JPY 1.1 billion.

⁹ Panel Report, "CHINA—ANTI-DUMPING MEASURES ON STAINLESS STEEL PRODUCTS FROM JAPAN" June 19, 2023, WTO.

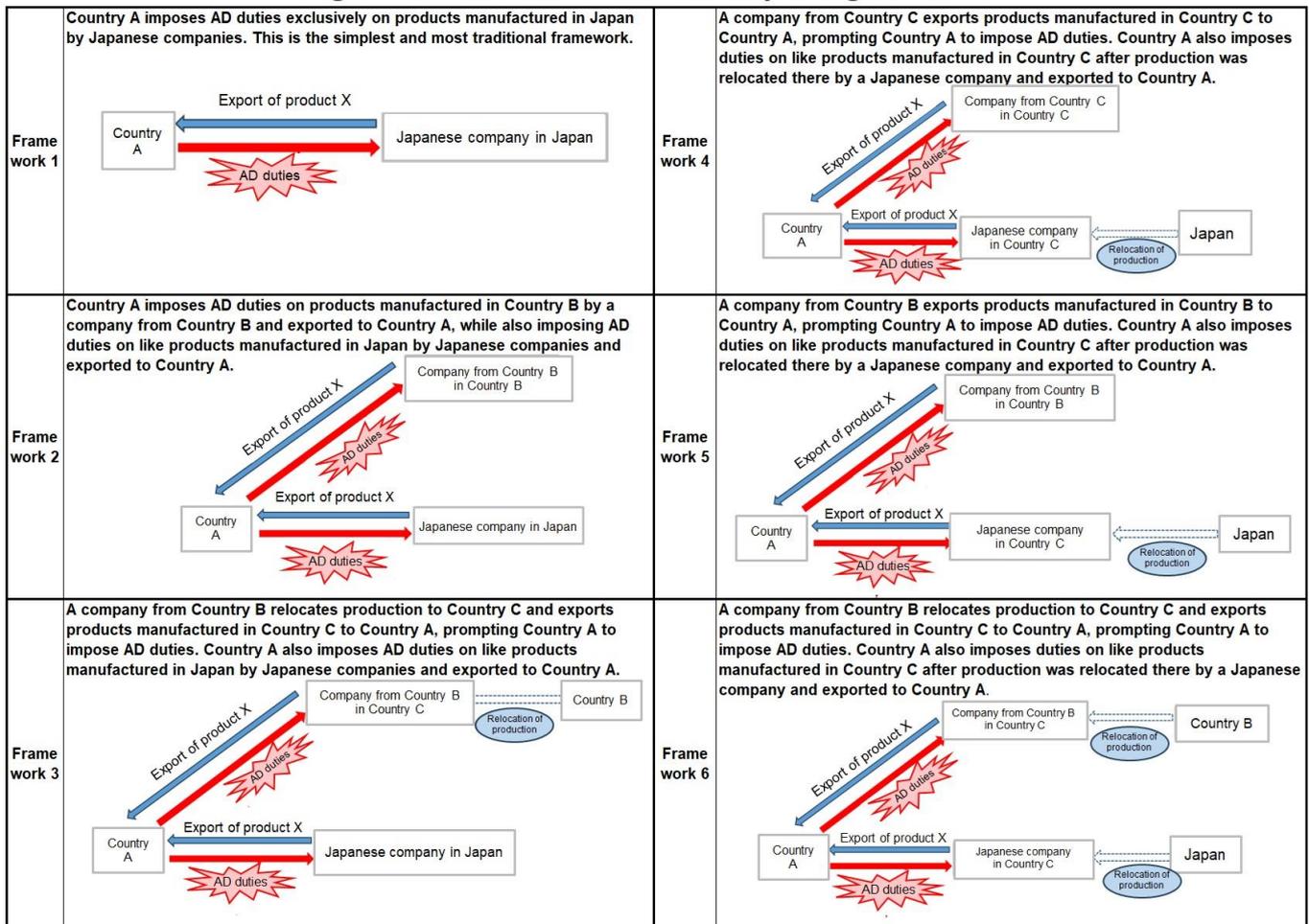
¹⁰ The panel report—equivalent to a judicial statement and spanning 109 pages—found that this approach was inconsistent with a WTO agreement (Article 4.1 of the Anti-Dumping Agreement), which stipulates that "the term 'domestic industry' shall be interpreted as referring to the domestic producers as a whole of the like products or to those of them whose collective output of the products constitutes a major proportion of the total domestic production of those products." In addition, while the report does not explicitly state that China's intent was based on domestic sales volumes, it is presumed that—as domestic sales volumes include low-priced imported stainless-steel products—China's assertion of dumping was driven by the assumption that the overall price level of stainless-steel products in the country could be kept lower than if it were based on domestic production volumes.

¹¹ This is the same as the report cited in Note 9 (page 112).

¹² Japanese stainless-steel products were subject to AD duties together with products from the EU, South Korea, and Indonesia. However, compared to products from Indonesia—whose exports to China had surged—Japanese exports were limited in volume and were regarded as high-end products with different prices and quality.

¹³ More precisely, the panel concluded that Japan had not demonstrated that China had acted inconsistently with Article 3.3 of the Anti-Dumping Agreement.

Figure 4: Six frameworks for imposing AD duties



Source: Compiled by MGSSI

5. MEASURES AVAILABLE TO JAPANESE COMPANIES AGAINST THE UNJUSTIFIED IMPOSITION OF AD DUTIES

In light of the above, measures that Japanese companies can take in response to the unjustified imposition of AD duties on their products by importing countries will vary depending on the specific circumstances, including which AD duty imposition framework applies, as shown in Figure 4.

5-1. BASIC STRATEGIES

The four basic strategies are as follows. (1) First, before imposing AD duties, importing countries investigate the targeted products, including their prices and import volumes, to determine whether export dumping is occurring. Accordingly, companies that produce such products should prepare sufficient data and documentation to demonstrate that they are not engaging in dumping, and when an investigation is initiated, they should present and explain this information to the importing country in an effort to avoid unjustified AD duties. (2) If the imposition of duties is unavoidable, companies should request the Japanese government to urge the importing country to repeal the measure through forums such as the WTO Committee on Anti-Dumping Practices and other relevant channels. (3) In addition, to aid the Japanese government in swiftly obtaining a repeal, companies should maintain close relationships with government outposts in the importing country,

including the Japanese Embassy and JETRO. (4) If unable to obtain a repeal, companies should request the Japanese government to pursue recourse through the WTO dispute settlement system.¹⁴

5-2. MEASURES WHEN JAPANESE GOVERNMENT SUPPORT IS DIFFICULT TO OBTAIN

Obtaining support from the Japanese government, as described in points (2) and (4), is relatively straightforward when the Japanese company produces in Japan, as in Frameworks 1 through 3 shown in Figure 4. However, such support becomes more difficult to obtain when production has been relocated overseas, as in Frameworks 4 through 6. In such cases, requests for support are generally made to the government of the country to which production has been relocated, rather than to the Japanese government. However, in developing countries, support systems are not always fully developed. Moreover, even when the relocated operation is a local subsidiary—such as a wholly owned subsidiary of a Japanese parent company—it may still be substantively regarded by the host government as a foreign enterprise, and satisfactory support may not be available.

In such cases, Japanese companies must devise their own countermeasures. Specifically, companies should proactively gather information that could form the basis for an importing country's imposition of AD duties, including data on the prices, quality, production volumes, and export volumes of like products manufactured by other companies in the importing country or in third countries. However, obtaining such information directly from other companies is likely to be difficult. Therefore, attempting to obtain information through multiple third parties would likely increase the chances. Possible sources of information include (1) industry associations to which local subsidiaries or the Japanese headquarters belong, (2) customers shared with other companies, (3) participation in exhibitions where other companies exhibit, and (4) trading companies with offices around the world and global information networks. By using the information obtained to make comparisons with the company's own like products and clearly demonstrate points of differentiation, companies will be able to strengthen their position when swept up in measures targeting other countries' products and subjected to the unjustified imposition of AD duties as discussed above. Such preparation may help demonstrate violations of WTO agreements by the importing country and contribute to the repeal of unjustified AD duties.

The following three measures can be pursued to complement this approach. First, companies can diversify their export destinations to disperse the risks. Second, they can engage in lobbying efforts to urge the importing country's government to repeal the unjustified AD duties imposed.¹⁵ As this is also likely to be difficult for companies to pursue on their own, companies should seize every available opportunity, such as those provided below, to ensure effective lobbying. (1) Work in coordination with Japanese chambers of commerce and industry located in the importing country. (2) If like products from third-country companies are also subject to unjustified AD duties, and the chambers of commerce and industry of those countries are likewise present in the importing country, request that the respective chambers coordinate and conduct lobbying efforts jointly. (3) Participate in dialogue forums between the importing country's government and Japanese companies.¹⁶ Third, companies can leverage Economic Partnership Agreements (EPAs). Many of the EPAs entered into by Japan include chapters on improving business environments, and negotiation forums—such as committees on business environment improvement—have been established in accordance with these provisions for governments to

¹⁴ In practice, it is costly for companies to respond to investigations by importing countries. Accordingly, companies may opt to take no action after weighing those costs against the disadvantages that would result from the imposition of AD duties.

¹⁵ Unjustified AD duties imposed to buy time for the growth of domestic industries, as described in Figure 3, as well as those imposed to expand the scope of AD duty coverage, are deliberate actions taken by importing countries. As such, it is not easy to obtain a repeal. However, thorough lobbying efforts may nonetheless be worthwhile.

¹⁶ As an example, China hosts Roundtable Sessions on Policy Interpretation for Foreign-Invested Enterprises organized by its Ministry of Commerce. These roundtable sessions are held regularly with foreign-invested enterprises so that the Ministry of Commerce can gather feedback and respond to concerns in a timely manner. In 2023, 15 roundtable sessions were held, attended by representatives from more than 400 foreign-invested enterprises.

Article from *JETRO Business Tanshin* dated March 5, 2024 (<https://www.jetro.go.jp/biznews/2024/03/5cd63323851e7fd8.html>)

China hosts a variety of other roundtable sessions open to foreign-invested enterprises, including some organized by local governments. In addition, Japan and Malaysia have formed the Japan-Malaysia Economic Association (JAMECA) to put forward proposals for improving the business environment between the two countries.

discuss issues such as non-transparent regulations affecting foreign companies, deterioration of the investment environment, and arbitrary measures.¹⁷ If the importing country imposing unjustified AD duties is a party to the relevant EPA, companies can request the Japanese government to raise the issue of the AD duties within such negotiation forums.

6. CONCLUSION

Once AD duties have been imposed, exports of the targeted products could decline or cease altogether¹⁸, resulting in a loss of market share in the importing country. To minimize this risk, companies are required to fully understand and prepare the measures outlined above, and to implement them in a coordinated and integrated manner.

¹⁷ Japan currently has 19 EPAs in force. Of these, 14—namely, those with Singapore, Mexico, Malaysia, Chile, Thailand, Indonesia, Brunei, the Philippines, Vietnam, India, Peru, Australia, the EU, and the United Kingdom—contain chapters on improving business environments or provisions on negotiations relating to business environments.

¹⁸ According to a *JETRO Business Tanshin* article dated October 29, 2025, titled Excess Production and Inflows from China and South Korea Heighten Uncertainty Surrounding Trade Remedies Relating to Malaysia, Malaysia imposed AD duties of up to 36.8% on Japanese tinplate in May 2025. This resulted in exports to Malaysia plunging by 99.1% year on year as of August 2025.