

Aggregate Effects of Antidumping

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Abstract

Although antidumping was conceived at the beginning of last century as a way to solve the problem of dumping, it has evolved since then and it now constitutes a problem in itself. In fact, the long literature on antidumping points out that its use is almost always welfare reducing. Various estimates from CGE models about the effects of imposed antidumping duties support this general conclusion, which is worrying considering the widespread use of this policy tool. This paper uses a gravity equation approach to quantify the effects of antidumping on aggregate trade flows, not restricting the analysis only to affirmative cases. This is important since existence of an antidumping law, previous cases, reputation of heavy use, and strict enforcement of antidumping can influence trade flows on top of the direct effects of the imposed duties. Hence, this paper improves upon the existing literature by providing a more comprehensive assessment of antidumping.

Keywords: Antidumping; trade flows; gravity equation

JEL classification: F13; F14

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