

Proposed Amendment to the Anti-Dumping and Countervailing Act of Thailand

On 9th August 2016, the Cabinet accepted a bill (the “Draft Act”) proposed by the Ministry of Commerce to amend the Anti-Dumping and Countervailing Act B.E. 2542 of Thailand (the “ADC Act”) in its principle and forwarded it to the Council of State for review before it is sent to the National Legislative Assembly (“NLA”) for final approval.

The Advisor to the Minister of Commerce, Mr. Nattaporn Jatusripitak, said that the Draft Act aims to protect domestic entrepreneurs as it will introduce a new chapter to the ADC Act regarding the anticircumvention measures.

In essence, circumvention is any activity designed to avoid the payment of anti-dumping or countervailing duties imposed on a particular product manufactured in and/or exported from other country. Circumvention of anti-dumping and countervailing duties has harmed the domestic industries for a long period of time as it is not actionable under the current ADC Act. The Draft Act will fill the gap in the current ADC Act and make the circumvention activities actionable.

Mr. Nattaporn Jatusripitak said that the Ministry of Commerce has received many complaints from the owners of domestic industries, complaining that since the ADC Act came into force, many foreign manufacturers and exporters who export their products to Thailand have been circumventing antidumping or countervailing duties by various means, e.g., slightly modifying a product so that it can be classified under a combined nomenclature (CN) code that is not subject to duties, exporting through a producer with a lower duty rate and exporting a product in parts and having it assembled in Thailand, where the parts are not subject to duties. These practices have been detrimental to the domestic industries and made the anti-dumping and countervailing duties inefficient and ineffective for many years.

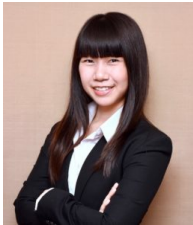
The Draft Act will empower the Committee on Dumping and Subsidies to carry out the investigation on a suspected circumvention and implement anti-circumvention duties in response to the circumvention of measures. If circumvention is found to be taking place, the anti-dumping or countervailing duties imposed in the original investigation is extended to the product from the circumventing third country or to parts/components of the product or to the slightly modified product as the case may be.

The Cabinet urged the Ministry of Commerce to expedite the process of drafting related subordinate legislations so that the implementation of the Draft Act after its final approval by the NLA will not be delayed.

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