



Hardwood Plywood Antidumping Petition Can Be Devastating: IWPA

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WASHINGTON, DC – The International Wood Products Association on Oct. 18 urged the International Trade Commission to consider the devastating unintended consequences of anti-dumping and countervailing duty measures against Chinese hardwood plywood suppliers when they review a petition by the Coalition for Fair Trade of Hardwood Plywood (CFTHP). The CFTHP is seeking to cut off a large and unique supply of badly needed hardwood plywood at a time when the economic recovery is fragile at best. “The evidence is overwhelming: efforts to cripple competition with government sanctions always result in devastating unintended consequences,” said Brent McClendon, IWPA’s Executive Vice President. “This shortsighted tactical maneuver to create shortages through the exploitation of antidumping and countervailing duty laws is bad for the U.S. economy, American consumers, and even the domestic hardwood industry itself.”

Following are just a few of the salient real-world examples of the harmful effects of antidumping sanctions.

The Sanctions Will Cost US Jobs

There are millions of US jobs that are directly tied to trade with China. As the Wall Street Journal recently reported, “economists at the Federal Reserve Bank of San Francisco ... found that up to 55 cents of every 1 dollar spent on a product with a ‘Made in China’ label actually goes to Americans who design the products; manufacture components that are shipped to China for final assembly; transport the goods; market and retail them; finance their production and trade, and so on.

A new report from The Heritage Foundation found that, “The Chinese imports in apparel and toys alone supported a total of 576,000 jobs in the U.S. in 2010.”

It is a fact: artificially increasing the costs of products from China through government sanctions will lead directly to job loss. According to a recent study for the National Retail Federation, imposing just a 27.5 percent tariff on imports from China “would cost nearly 300,000 net U.S. jobs.” The CFTHP is calling for tariff increases more than 10 times that amount.

The Sanctions Will Not Eliminate International Competition

Industries seeking punitive duties on their international competition do so to protect domestic jobs. But according to Dan Ikenson, the associate director of the Center for Trade Policy Studies at the Cato Institute, “import restrictions will cause a shift in sourcing from China to places like the Philippines, Indonesia, Brazil, and Vietnam—places from which many of the petitioners have begun or are poised to begin importing themselves.”