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Research on existence identification of “fear effect” from antidumping investigation

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ABSTRACT

Aside from well-known effects of trade restrict, trade diversion and secondary protection, the research on the area that whether a country use antidumping investigation will distort the volume that the accused country exports to third markets is rare. To systematically identify this so-called fear effect, a case that EU antidumping investigation against China's seamless steel pipe was used. We first develop a dummy variable model to test whether the time that EU conducted antidumping investigation was the breakpoint of the trend that China's seamless steel pipe exported to US. Then we use the granger causality test and quantile regression to remove some other factors that may lead to change the trend that China's seamless steel pipe exported to US. We find that EU antidumping investigation against China's seamless steel pipe has decreased China's exports to US. Namely, the fear effect is obvious. These judgment methods provide technical support for a comprehensive understanding and scientific judgment on the trade effects of antidumping. It also provides possible paradigm for similar situation in international trade and other economic activities.

KEYWORDS

Fear effect; Antidumping; Dummy variable; Quartile regression.



When a country uses the antidumping measures towards another country, it has a great impact on the export volume of dumping goods for the accused country. It has been researched in-depth and systematic method in this area, however, it is relatively not enough for the controlled study on the influence of dumping country in third markets. When James P. Durling and Thomas J. Prusa (2006)^[1] analyzed the effects of antidumping, "fear effect" was mentioned which was researched rarely before. Now this "fear effect" not only affected the export from the non-charged with dumping country to the country on antidumping investigation, but also to the third markets.

In order to more clearly and convincingly validate specific antidumping "fear effect", especially point to whether fear effect exists when accused of dumping country's exports to third markets, more comprehensively and accurately assessment the trade effect of antidumping measures to provide theoretical basis on trade measures for policy responses, this paper first tries to use the representation cases and data to design according to the technical process and methods to determine whether antidumping investigation "fear effect" exists, then provides the reference idea or method for the influence of other trade measures and international economic activities.

THE LITERATURE REVIEW

Around the trade effects of antidumping measures, the existing research mainly concentrates on the following aspects.

Firstly, the research is mainly on antidumping trade restriction effect, which refers to the direct impact of antidumping measures on the exports of the country that was accused of dumping. The researches basically tend to believe that antidumping makes the export from accused of dumping country to antidumping sponsor country decrease significantly. Through empirical research, Zhou Hao and Qi chongjie (2010)^[2] found that the antidumping measures of America resulted in the market share of honey export from China to the US shrinking, and decline of market share result in Chinese honey exporting revenue decrease. Bao Xiaohua(2004)^[3] explained the transfer mechanism of China's antidumping policy on national economic and its influence on industry, trade, FDI and social welfare. By using empirical research methods, Staiger and Wolak (1994)^[4] researched the trade restriction effect of antidumping measures. Through regression analysis of annual data of 1980-1985 America antidumping cases, they discovered that both the antidumping tax and the antidumping investigation would make import of products involved reduce, namely the antidumping measures have trade restriction effect significantly. Vandenbussche, H. and Zanardi, M. (2010)^[5] use the gravity model analysis the impact of antidumping from the general trade flow with 1980-2000 years of data. They found that antidumping have huge "cooling" effect, but the cooling effect varies from sector to sector. Objectively speaking, the majority of conclusions in these researches support that the effect of antidumping trade restriction exist and the effect is very significant.

Secondly, the research is mainly on antidumping trade diversion and trade deflection effect. Trade diversion refers to antidumping makes imported products involved sponsor country by country accused of dumping to other sources of imports. Trade deflection refers to the accused of dumping in export markets by the antidumping sponsor country transfer to other countries of the original after the antidumping measures was implemented. Based on the 1980-1994 years of America all cases (a total of more than 700 pieces), Prusa (1997)^[6] use regression method in seven years of annual observations (initiated anti-dumping three years ago, launched a year and three years later) to analyze the influence of antidumping to the value of imports, import volume and price. At the same time, using the USA all final affirmative dumping products trade data from 1980 to 1988, Prusa found that among the high antidumping tax rate cases, trade diversion was very prominent. Even in the low antidumping tax rate and negative verdict cases, trade diversion effect was also significant. Durling and Prusa (2006)^[1] analyzed the deflection effect in the hot steel antidumping cases from 1996-2001 years, the result reflected that deflection effect was not obvious. Meanwhile, Bown Crowley (2007)^[7] found the deflection effect was obvious when analyzing antidumping cases from America to Japan. Feng Zongxian, Xiang Hongjin (2010)^[8] showed that the antidumping measures of Europe and the United States lead to the import from China decrease, at the same time, it has increased to South Korea, India and other countries of similar products imported. To say the least, trade diversion effect is obvious.

We can say that the research on antidumping effect either in China or other countries can give consideration to both import and export of two directions. This reflects the relatively comprehensive analysis angle. At the same time, it also represents a trend of laying emphasis on empirical and method, which makes the research on antidumping effect increasingly deepening and system. Otherwise, the research trend also reflects the needs of reality that the objective effects of trade measures need to be more scientific and comprehensive understanding. Even so, the influence of the relevant studies on antidumping investigation or anti-dumping measures to the third party accused of dumping in export market is still relatively insufficient. Although some literature have analyzed the diversion effect, obviously it lacks the aspect of the diversion effect analysis with the same fear effect from one source but in the opposite direction, which constitute the necessity of following work and possible value.

METHOD AND DATA

Method

First, through the comparison with the normal trading period, this article will use Chow mutation testing to select the important events that lead to the change of trade volume. And then, using the Granger causality test, Quantile regression and other methods to examine one by one and excluding the insignificant factors. Finally, highlighting the remaining factors that

influence the changes on trade volume and deciding whether there exists antidumping “fear effect” that lead to trade volume decrease with other countries.

In order to make the idea more intuitive and test the applicable of the idea and method, we use EU antidumping investigation on the implementation of Chinese seamless steel pipe in July 2008 as an example. At the same time, a dummy variable regression model is introduced with the analysis requirement.

The specific steps are as follows:

First, taking the EU's seamless steel tube antidumping investigation time in July 2008 as the time dividing point, the occurrence of the investigation of the incident as a dummy variable, and the export volume of Chinese seamless steel pipe to American market as the dependent variables, we establish regression model to test the significance of the dummy variable. If the dummy variable is not significant in June 2008 and previous months, but significant in July 2008 and subsequent months, it indicates that the time of July 2008 is a key breakpoint to when Chinese seamless steel pipe export to US market.

Second, taking the time July 2008 when it break out the subprime crisis into account, EU's antidumping investigation and the subprime crisis are both likely to impact on Chinese seamless steel pipe exports to American market. Separating the subprime crisis factor, namely using Standard & Poor's 500 index represents the overall situation of American economy, preliminary determine the causal relationship between subprime crisis and the change of Chinese seamless steel pipe exports to American market with the methods of Econometrics.

Third, using the quantile regression model with standard & Poor's 500 index and the volume of Chinese seamless steel tube exports to US to measure whether S & P 500 index have significant influence on the volume of Chinese seamless steel tube exports to US on different quantiles. According to the significant status of the relationship between them, we can further determine the role of economic boom in America in the changes of Chinese seamless steel pipe exports changes.

Variables and data

Tinbergen (1962) and Poyhonen (1963)^[9] was the earliest to research international trade volume with the gravity model. They hold that it is proportional with the trade flows between two countries and their economic size, inversely proportional with the distance between two countries. Since then the gravity model have been continuously expanded and improved, population, per capita income, exchange rate, culture, system and other factors were introduced into the model, gravity model has become the main empirical analysis tool of international trade flow. In the analysis of whether trade investigation have significant impact on volume of exporting countries to third market, this article reference the variable selection in the gravity model and establish multiple regression models with dummy variables.

Taking the implementation of EU antidumping investigation on China seamless steel pipe in July 2008 as an example, this paper selects the monthly data from January 2005 to December 2013. Due to only the economic time series data between China and America in this article, distance, culture, system, language and other factors are not included in the index system. The related indicators and sources of data are shown in TABLE 1.

TABLE 1 : Index system of impact on EU antidumping investigation on Chinese seamless steel pipe exports to US market.

Index system	resources
The volume of Chinese seamless steel pipe exports to US market	Cloud terminal of steel union
The price of Chinese seamless steel pipe exports to US market	Cloud terminal of steel union
The growth rate of Chinese GDP	Chinese economic information network
The growth rate of American GDP	Chinese economic information network
The effective exchange rate of RMB	Database of IMF
The PMI of Chinese steel industry	Chinese economic information network
Standard & Poor's 500 Index	Software of wenhua

Notes: Cloud terminal of steel union is regularly published by the Shanghai Steel Union of specialized databases, the source of data is true and reliable. Since the GDP data of Chinese and American are quarterly data, monthly data in this article are obtained by the method of second averaged with Eviews7.0. The real effective exchange rate of RMB is 100 in 2010.

MODEL CONSTRUCTION AND EMPIRECAL ANALYSIS

To analyze whether the “fear effect” that the EU implement the antidumping investigation on Chinese seamless steel tube exists, according to the above ideas we set variables to make regression model. Data processing and regression analyzing are both using Eviews7.0.

Model construction

In reference to the idea of the gravity model, establishing the following regression model.

$$y_i = \alpha_0 + \alpha_1 GDP_{1i} + \alpha_2 GDP_{2i} + \alpha_3 RATE_i + \alpha_4 PMI_i + \alpha_5 P_i + \alpha_6 D + \mu_i \quad (1)$$

Here t is the time, selected in January 2005 to December 2013 as sample period; y_i is the volume of Chinese seamless steel pipe exports America during the month t ; GDP_{1i} represents the Chinese economic growth rate during the month t ; GDP_{2i} represents the American economic growth rate during the month t ; $RATE_i$ is the real effective exchange rate of RMB on the last day of the month t ; PMI_i is on behalf of Chinese steel industry Purchasing Managers' Index during the month t ; P_i is the price of Chinese seamless steel pipe export to America; D is the dummy variable, it represents 0 before July 2008, after that time it represents 1; $\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5$ and α_6 are the estimated coefficients; α_0 is the constant; μ_i is the random disturbance term.

Empirical analysis

Respectively, establishing regression model with dummy variables that tale four months before and after July 2008, namely hypothesis March 2008, April 2008, May 2008, June 2008, July 2008, August 2008, September 2008, October 2008, November 2008 are the breakpoint of the trend change that Chinese seamless steel pipe exports to US. In view of the constant term in the regression results not significant, we get the estimated results after eliminating them. The results show in TABLE 2.

TABLE 2 : Regression results of dummy variable model on each month during March 2008 to November 2008.

variables	GDP _{1i}	GDP _{2i}	RATE _i	PMI _i	P _i	D	R ²
Model 1 (2008.3)	13248***	-9456***	-1962***	-2613***	195***	8491	0.7085
Model 2 (2008.4)	13324***	-9520***	-1972***	-2597***	194***	9592	0.7086
Model 3 (2008.5)	12460***	-9415***	-1889***	-2605***	198***	1495	0.7073
Model 4 (2008.6)	11307***	-9316***	-1736***	-2661***	203***	-9603	0.7087
Model 5 (2008.7)	10470***	-9351***	-1557***	-2737***	204***	-18539	0.7126
Model 6 (2008.8)	8758***	-9390***	-1175***	-2878***	202***	-36509***	0.7279
Model 7 (2008.9)	7203***	-9443***	-818***	-2898***	195***	-51109***	0.7486
Model 8 (2008.10)	6076***	-9323***	-611***	-2778***	186***	-59211***	0.7642
Model 9 (2008.11)	4470***	-8650***	-577***	-2427***	184***	-66164***	0.7790

Notes: *, **, * respectively indicate variables significant at the 10%,5%,1% level.**

It can be seen from the TABLE 2, the coefficient of dummy variable is significant, and the absolute value of the coefficient shows a growing trend. This shows that there is a tendency of mutation effect that Chinese seamless steel pipe exports to US market since August 2008. Put another way, there are some external shocks such as policy, financial crisis making the original trend of Chinese seamless steel pipe exports to US not exist. This external shock reinforced after a few months of August 2008 and the negative effects is growing.

It should be noted that the European Commission announced its decision that EU makes antidumping investigation on Chinese seamless steel pipe exports to the EU in July 9, 2008. It is such a coincidence that makes us suspect EU antidumping investigation leads the trend that Chinese exports of seamless steel tubes to America has changed, resulting the "fear effect" that referred to in James P.Durling and Thomas J.Prusa(2006). However, it is the second half of 2008 when the United States subprime mortgage crisis has accelerated the trend in depth. Therefore, there are scholars believe that the United States subprime mortgage crisis in 2008 led to the deterioration of the American economy and thus makes the demand for Chinese seamless pipe substantially reduced and hence changed the original rapid growth trend of the export volume. Obviously, under the situation of other factors did not dramatic change in the case, the EU antidumping investigation and US financial crisis aggravated in theory are likely to become arch-criminal of trend change that Chinese seamless steel pipe exports to US. So, what is the reason that makes the substantially reduce on the volume of Chinese seamless steel tube exports to US. The key is how to separate and validate this two external impact event. This article will use Granger causality test and quantile regression to analyze the relation between the overall trend of American economy and volume of Chinese seamless steel tube exports to US for a more detailed analysis.

Granger causality test

Granger causality test can be used to test whether the statistical significance of a variable from the variable X helps to explain the future changes of variable Y. A prerequisite of Granger causality is the time sequence must be smooth,

otherwise there may be a problem of spurious regression. Therefore, prior to granger causality test, it will conduct ADF unit root test on the S&P500 index and the volume of Chinese seamless steel pipe exports to US. The results are shown in TABLE 3.

TABLE 3 : ADF test results of the S&P500 index and Chinese seamless steel pipe exports to US.

	The initial situation	First-order difference
LNSP500	-1.0058	-8.1322***
LNY	-1.2931	-13.4926***

Notes: *, **, *** respectively indicate variables significant at the 10%,5%,1% level.

As we can seen from TABLE 3, the S&P500 index and the volume of Chinese seamless steel tubes exports to US are non-stationary series, however, they are both steady after first-order differential, namely first-order single whole sequence. In this case, the first-order differential of the S&P500 index and the volume of Chinese seamless steel pipe exports to US can be tested on granger causality test.

It should be noted that it is very sensitive for granger causality test to choose lag lengths, different lag lengths might get a different test results (Guo Cenzhi, Du Yanjun 2010)^[10]. To determine the lag length, this paper lists eight lag values of AIC, SC and selects the lowest order of them. When the minimum AIC and SC are inconsistent, we need to build LR statistic (likelihood ratio statistic). From the maximum number of the lag periods, comparing the threshold of chi-square and LR at 5% level. When LR chi-square value is greater than the critical value, indicating the critical value is significant, put it another way, it can increase the estimate value of the likelihood function when increase the lag periods (Liu Wei, Chen Zhao 2011)^[11]. The results of LR, AIC and SC show in TABLE 4.

TABLE 4 : Statistical results of LR, AIC and SC

Lag period	LR value	AIC value	SC value
0	—	-2.0326	-1.9801*
1	12.8510	-2.8562*	-1.9283
2	1.2815	-2.0186	-1.7565
3	7.0353	-2.1443	-1.6473
4	7.8422	-2.0261	-1.5487
5	11.493*	-2.0704	-1.4937
6	5.2366	-2.0505	-1.3689
7	2.9606	-2.0049	-1.2185
8	2.6321	-1.9562	-1.0650

Notes: * indicates the selected periods of LR, AIC and SC.

As can be seen from TABLE 4, in the lag 8 statistics, the selected minimum value of AIC and SC is not consistent. Now select the lag 5 as granger causality test lag periods.

Granger causality test is constructed by using F statistics. For example, in the light of the hypothesis that X is not the granger reason, that is for the assumption that the whole lag period of parameter x in the equation of

$$Y_t = \sum_{i=1}^m \alpha_i X_{t-i} + \sum_{i=1}^m \beta_i Y_{t-i} + \mu_t$$

is zero, we can do regression respectively that containing the lag period of parameter x

or not. Signing the residual square of the former RSS_U and the later RSS_R , then calculating the F statistics:

$$F = \frac{\frac{RSS_R - RSS_U}{m}}{\frac{RSS_U}{n - k}} \tag{2}$$

Here m is the number of the lag period of X, n is the sample size, k respects the number of parameters that contain lag period of X in the regression model. If F value is greater than the level of the given F distribution under the corresponding critical value $F_0(m, n - k)$, then reject the null hypothesis, we can conclude that X is the Granger reason of Y.

The first-order differential time series of granger causality results that S&P500 index and volume of Chinese seamless steel pipe exports to US are shown in TABLE 5.

TABLE 5 : The results of granger causality test

Null hypothesis	Observation periods	F value	P value
DLNY is not the reason of DLNSP500	102	1.6717	0.1494
DLNSP500 is not the reason of DLNY		2.4467	0.0398

From the results of granger causality, DLNSP500 is DLNY unidirectional granger, suggesting that changes in the S&P500 index yields caused a change in the volume growth rate of Chinese seamless steel pipe exports to US. However, granger causality test does not give the extent of the changes. Will the volume growth rate of Chinese seamless steel pipe exports to US be different when S&P500 index at different trend (up, down or shock)? This constitutes a key to further determine the explanatory power that the volume changes on Chinese seamless steel pipe exports to US due to yield changes of the S&P500 index. So, then we will use quantile regression model to analyze the relation between yields of S&P500 index and the growth rate of Chinese seamless steel pipe exports to US in more detailed analysis. Examining the relationship between them in different quantile to determine whether the subprime mortgage crisis in 2008 have significant impact on volume of Chinese seamless steel tubes exports to US.

Quantile regression

Ordinary least squares method is the use of the conditional mean of the dependent variable to establish model. By making the minimized sum of the residual squares, it can be obtained the estimate of the regression parameters. However, this method can't obtain other more detailed information, such as the scale or shape of the variables in addition to the mean. To make up for deficiencies in the ordinary least squares regression analysis, Koenker and Bassett (1978)^[12] proposed the idea of quantile regression. It uses conditional quantile of dependent variable to establish models and estimates the regression parameters by minimizing the sum of the absolute value of the weighted residuals. Compared to ordinary least squares, quantile regression can more accurately and comprehensively portray the characteristics of the distribution and the influence of the shape to conditional distribution when analyzing the impact of independent variable X to dependent variable Y.

Since the introduction of quantile regression, much more researchers begin to use it to estimate the effect on the explained variables to the explanatory variables in the overall distribution of different quantiles.

Quantile regression model is linear function on explained variables in different quantiles, the formula is as follows:

$$Y = X' \beta + \varepsilon \quad (3)$$

$$Q_{\theta}(Y|X = x) = x' \beta(\theta), \quad 0 < \theta < 1 \quad (4)$$

Here, Y is the independent variable, X is the explanatory variables, ε is the error disturbance, $Q_{\theta}(Y|X = x)$ represent the value of θ on different quantiles under the condition of $X = x$. The disturbance of error disturbance ε is left skewed.

The estimated results of $\beta(\theta)$ on the quantile of θ can be obtained by minimizing the weighted residual solution of the sum of absolute value:

$$\text{Min} \left\{ \sum_{Y \geq X' \beta} \theta |Y - X' \beta| + \sum_{Y < X' \beta} (1 - \theta) |Y - X' \beta| \right\} \quad (5)$$

If $\theta = 0.5$, the procedure leads to the minimization of the equation above, it is also known as the median regression. Since the median regression is obtained in the quantile $\theta = 0.5$, we can use the same method to obtain other quantile values by changing θ . Therefore, by increasing θ from 0 to 1, we can trace the distribution Y under the condition X and get more relevant information on the effect of explanatory variables to the explained variables.

For this important function and features, we will establish quantile regression model with the level of US economic boom and volume of Chinese seamless steel pipe exports to the US. As a barometer of the economy, S&P500 index can reflect the overall development prospects of the American economy. Therefore, the S&P500 index will be as independent variable and the volume of Chinese seamless steel pipe exports to US as the dependent variable. Taking logarithm and first-order difference on the variables respectively, then the quantile regression model is established as follows.

$$\Delta \ln y_t = \alpha_0 + \alpha_1 \Delta \ln SP500_t + \varepsilon_t \tag{6}$$

Here $\Delta \ln y_t$ represents the monthly growth rate of Chinese seamless steel pipe exports to US; $\Delta \ln SP500_t$ represents the monthly return of S&P500 index; α_1 is the estimated coefficient; α_0 is constant; ε_t is error disturbance. The main quantile of the regression results shows in TABLE 6.

TABLE 6 : The main quantile of the regression results of S&P500 index and volume of Chinese seamless steel pipe exports to US.

	quantiles	coefficient	STDEV	t value	p value
DLNSP500	0.100	-1.559577	1.954804	-0.797818	0.4268
	0.200	0.361945	1.885133	0.192000	0.8481
	0.300	-1.175608	0.883182	-1.331105	0.1860
	0.400	-0.419790	0.860224	-0.488001	0.6266
	0.500	-0.604077	0.827479	-0.730022	0.4670
	0.600	-0.622685	0.809434	-0.769285	0.4435
	0.700	-1.262413	1.006647	-1.254078	0.2126
	0.800	-3.567828	1.908650	-1.869294	0.0644
	0.900	-3.547169	1.766858	-2.007614	0.0473

As can be seen from TABLE 6, the coefficients of the quantile regression on S&P500 index in the 0-0.8 quantile were not significant, however, the coefficient is only gradually significant when the quantile higher than 0.8. This indicates that only when the S&P500 index rises sharply namely the stock market in a major bull market, it has a significant impact on the volume of Chinese seamless steel pipe exports to US. Otherwise, it did not have a significant when the stock in a bear or shock market. Therefore, the subprime mortgage crisis was not the main reason for the volume decline in Chinese seamless steel pipe exports to US.

Thus, combining the foregoing conclusion that August 2008 is the structural breakpoint of Chinese seamless steel and the fact that EU announced it would implement antidumping investigation of seamless steel pipe in July 2008, in the case of the US financial crisis factors have been proved untenable, it can be concluded that EU antidumping investigation on Chinese seamless steel pipe caused the change of original trend of Chinese seamless steel pipe exports to US, leading to a sharp decline in the volume of Chinese seamless steel pipe export to US, and finally formation this “fear effect” of EU antidumping investigation.

In this regard, a reasonable possible explanation is that as one of the world's major economies and traditional antidumping perpetrators, any trade policy or measures of EU will have an important impact on international trade flows and patterns and also produce demonstration or driving effect on third countries. To a large extent these effect inhibited the directed country through trade to circumvent the loss and avoid repetition of similar experiences in other countries.

In the cases analyzed in this paper, when the EU conducted the antidumping investigation on Chinese seamless steel pipe exports to EU countries, it produced a huge “fear factor”. This led to though Chinese seamless steel companies have the ability to increase exports to American market to compensate for the loss in EU market in the short term, taking into account to avoid being the next country on tougher antidumping measures, the companies involved will not do this. In other words, the companies involved worry about profit growth in the short term is likely to lead to greater losses in the long term. In fact, the EU finally ruled that Chinese seamless steel pipe exported to EU countries constitutes a threat of injury to EU industry and decided to levy a 17.7 to 39.2 percent antidumping tax in October 6, 2009. After one day of October 6, 2009, the commerce department of America also announced initiated antidumping and countervailing investigations on imports of seamless steel pipe from China. This fact proves that worry from Chinese enterprises is justified. Of course, it also proves that the “fear effect” of antidumping investigations has its logical basis and facts supporting. In the case of this article, even though Chinese seamless steel companies take the initiative to restrict the export to US market, it has failed to stop the pace of the US antidumping. Obviously, it is another problem.

CONCLUSION AND IMPLACATIONS

These measures, results and analysis above on EU antidumping measures on Chinese seamless steel pipe show that the antidumping investigation not only greatly inhibited the Chinese seamless steel pipe exports to EU market, resulting in a trade restrictive effect on the primary export market, but also had a deterrent on Chinese exports of such products to American market, which produced the so-called “fear effect”. Though this effect is not common in each case, it still shows that international trade in antidumping measures will often inhibit the export of involved products from multiple dimensions

and directions. Only through scientific analysis, can actual impact of antidumping measures be assessed comprehensively and accurately.

Out of the process and results of the case analysis, up to general level, we can easily get inspiration: dummy variable model of the principles of a particular point in time on whether structural changes can be used to judge the effect of an economic policy or measures. Through the integrated use of Chow breakpoint test, granger causality test and quantile regression techniques, we can theoretically judge and isolate the variable of interest and the influence in trade and even the role of broader economic activity, allowing for analysis of the economic effects on related events as accurate and objective as possible. The policy value is that for certain products by the existing case analysis process after necessary adjustments, the impact of such products that may subject to trade or economic measures can be prejudged and assessed in the future. Thus it can be targeted to adjust and optimize the industrial policy and product structure, marketing concepts, competitive strategy prospective, in order to achieve economic trade with long-term, stable and harmonious development.

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