
INTERNATIONAL JOURNAL OF ADVANCED LEGAL RESEARCH

ANTI-DUMPING LAWS IN INDIA- Tamanna Rathee¹**INTRODUCTION**

Dumping can be explicated as exporting goods at lower prices than that of the domestic market prices. In the process of dumping the exporter dumps its product in the domestic industry and sells such product at a cheaper price than that of the similar products². dumping is a business practice with an unfair act because products with the same quality should be sold with the equal price wherever they are selling, however, it would be unusual if the prices are quoted same everywhere. In this world, most of the countries are tightly committed to the principle of free and fair trade between nations, which is the very foundation of the multilateral trade order established by World Trade Organization. While a remarkable step has been initiated by most of the countries especially developing country like India towards setting up a free trade mechanism a long with the elimination of Quantitative Barriers on imports as practice of fair trade needs to be made certain. Owing to the need, countervailing of anti- subsidy, anti-dumping and related preventive measures have been initiated in the past.

All these measures fall under the category of trade remedies, which the indigenous organization could benefit from provided the basic criteria is fulfilled under law. The Indian government has required institutional and legal regime for governing these steps. However, different functional aspects including legal that were included in these schemes had to be understood in the right view point. Unanticipated safeguard steps fall under categories of antidumping, countervailing and safeguard measures.

¹ Student at Amity Law School, Noida

² Aradhna Aggarwal, "Anti-Dumping Law and Practice: An Indian Perspective", Indian Council for Research on International Economic Relations, New Delhi April, 2002, P.23.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

This can be evidenced by the advantage theory proposed by the famous economist David Ricardo. This is a famous economic theory primarily focused on the possible and important [gains from trade](#) for individuals, firms, or nations with different factors process. With respect to this theory in an [economic model](#), an industry or a [country](#) usually has a comparative benefit over another industry or country while producing a particular [good](#) and in case a country is capable of producing that particular good at relatively a lower price, that is at a relative lower [marginal](#) price before trading, it is a good opportunity. When the theory of comparative benefit is considered, it is obtained that under a trade free from barriers; the country shall produce more goods and consume little of the same kind, which has a comparative advantage for the country³.

The comparative advantage theory was advanced by David Ricardo in the year 1817. The primary objective as why this theory was formulated in order to explain how the countries are engaged in international trade, even though that country is good and efficient in producing the same or similar kind of product at domestic level at cheaper rate than that of which imported from another country.

According to David Ricardo that if two countries capable of producing the same products and when they engage in [free trade](#), then both of the countries will increase its overall usage and utilization of the product by exporting the goods for which it has a comparative benefit over the product while importing the different product⁴. The classical theory of comparative benefit was evolved by David Ricardo and it is regarded as one of the most influential theory in the stream of international trade and economics, Ricardo's theory shows that comparative advantage rather than [absolute advantage](#) is main cause for much of international trade.

The concept of free trade has originated mainly from the period of industrialization. Industrialization is the phase of social and economic reorientation that transformed a human being from an [agrarian society](#) into an [industrial](#) one. It is a part of an extensive [modernization](#)

³ AvinashDixit& Victor Norman, "Theory of International Trade: A Dual, General EquilibriumApproach",CambridgeUniversityPress,1980,p. 2.

⁴ WilliamJ&Baumoland, "AlanS. Binder, 'Economics: PrinciplesandPolicyCengageLearning", *CengageLearning* 2011,p.50.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

process, where [economic development](#) and [social change](#) are related to [technological](#) creativity, in particular with the development and production of large-scale [metallurgy](#) and [energy](#) processes. The purpose of [manufacturing](#) is to intensify the organization of an [economy](#). A change in terms of philosophy is observed where people develop a different attitude towards their perception about [nature](#), and a process of universal sociological rationalization is brought about by Industrialization. A vital concept of Laissez-faire has been discovered during the evolving phase of industrialization. Laissez-faire has unfolded to be part of an economic environment in which the transactions by private firms or organizations are free from [tariffs](#), [subsidies](#), invasive restrictions imposed by the [government](#), with effective rules and [regulations](#) to guard [property rights](#)⁵. The term laissez-faire is a [French](#) word and means 'let them do'.

Laissez-faire as a system of thought rests on the following:

- The basic unit of society is the individual.
- Corporations are creatures of the State
- Harmonious and self-regulating is the physical order of nature.
- The individual has a natural right to freedom.

Thus, in one way we can say that industrialization has become first step initiated by the countries to promote industry-based living thereby promoting the economy of the country. But the initial actions of industrialization have only conferred to the developing countries which has led to the exploitation of underdeveloped and developing countries by the developed countries. In a broader way the concept of anti-dumping as a protective measure has got its importance by the New International Economic Order proposed by United Nations.

⁵ GaspardToufick-A, "political Economy of Lebanon; The limits of Laissezfaire", BostonBrillPublishers,2004.P.145.

The New International Economic Order (NIEO) contained series of propositions that were presented by some developing countries during the 1970s via the [United Nations Conference on Trade and Development](#) to stimulate their interests by refining their [terms of trade](#), escalating promotion assistance, reduction in tariff rates, and other means. It implied to be a emendation of the international economic system in the approbation of [Third World](#) countries, after taking the place of [Bretton Woods system](#), and the countries that created it, especially the U.S. had been at an advantageous position.

The main principles of NIEO were:

- The right to control and regulate the operations of [multinational corporations](#) to the developing countries must be provided that operate in their territory.
- There must be freedom to [nationalize](#) or seize foreign [property](#) on the prerequisites that are in their favor.
- There must be freedom to establish associations of primary commodities manufacturers that are close to OPEC. This right must be acknowledged by other states and must abstain from making military, economic, or political decisions.
- International trade should be based on the need to ensure stable, equitable, and remunerative prices for raw material, generalized non-reciprocal and non- discriminatory tariff preferences, as well as transfer of technology to developing countries; and should provide economic and technical assistance without any strings attached.

This new International Economic order thus helped the countries especially the third world that is the then developing and underdeveloped countries to increase the productivity and to establish a stable economic position. Efficiency is a vital factor as it determines the production performance of firms and nations. Escalating national productivity can increase the standards of living as increased income develops people's power to consume goods and services,

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

recreate, progress in education and housing and endow to environmental and social programs. To be more profitable, productivity growth plays a vital role in business⁶.

Currently the [International Development Community](#) ([World Bank](#), [Organization for Economic Co-Operation and Development \(OECD\)](#)), many United Nations departments, and some other organizations endorses development policies like [Co-Operation amongst third world communities](#). A few members of the Economic communities don't believe in recognizing that contemporary industrialization policies are sufficient to be of any advantage in the long term to the [global south](#) which implies to the Third World countries. The main myth is that only [inefficient](#) local industries would be created that would be incompetent in the [free-trade](#) commanding political order.

FACTORS FOR DUMPING

Dumping is an unfair trade practice by using discriminatory pricing. As general norm the price of products with same quality has to be of same wherever they are sold, but it can be of different due to some factors as well. There are various factors which causes the differences in the pricing of a product in the market of a country. They are

- import tariff,
- local taxes,
- market size,
- demand structure,
- supply condition etc.

Dumping is a process where exporting country sells their product at very lower and cheaper rate than that of the same or similar products which are manufactured by the domestic industries of those countries to which the product is being exported. This situation is called as dumping the product to the market of another country.

⁶ SheelaRai, "Anti-Dumping Measures Under GATT/WTO", Eastern Book India Company, 2004, P.129.
For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

The quantum of injury caused by dumping can be analyzed by considering two main factors such as volume effect and price effect of the products which are being dumped imports. While considering the quantum of dumping it is also needed to analyse the magnitude of how much injury is been caused by the dumping to the such domestic industry by analyzing various factors such as magnitude of dumping, decline in sales of the domestic products, selling prices of the domestic and imported products, profits, market share, production, utilization of capacity etc.

As a general view we can say that dumping of product occurs when a country exports their product to a country and sells their product at rate less than the normal value of the product which are being produced by the domestic industries of that country. Dumping does not as such include imports that are being bought at low prices. The rates at which like articles are supplied in the indigenous market of the exporter are considered as the Normal Value of those articles.

THE NORMAL VALUE

Normal value is the benchmark price at which a product is being sold in the home market during the ordinary course of trade. The normal value is being determined by the domestic governing authorities by looking into the domestic sales of that product in question. If the normal value of a product is hard to determine by means of domestic sales two alternative methods can also be used to determine the normal value, they are:

- By comparing the representative export price to another appropriate third country.

That is if the normal value of the any product can be determined also by comparing the value of such imported product with the value of those similar products which has been imported to another third country.

For example, if a specific type of leather is being imported from America to India and such type of leather is not being manufactured in India but such are made in Sri Lanka then its normal value can be ascertained by comparing the price of such Leather in Sri Lanka and those imported from America

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

- Production cost of the product where that product is being manufactured along with certain some other minor factors such as selling and general costs etc.

THE EXPORT PRICE

The export price of goods that are being imported into any country is the price which is paid or is payable for the products by the first buyer. If the goods are not resold as mentioned above or not resold in the same condition as it had been earlier imported, their export price may have to be ascertained on an affordable basis⁸. For example if a country exports a certain product to another country then the basic price without any additional taxes or encumbrances payable to that product by the first person who buys that product from the importer country is considered as the export price of that product. It can be illustrated by a table given below:

1.1 Calculation of export price

	Domestic Sale	Export Sale
Factory price	Rs.100	Rs.100
Domestic freight	Rs.50	Rs.50
Export documentation		Rs.25
Ocean freight and insurance		Rs.100
Import duty		Rs.10
Wholesaler markup	Rs.20	
Importer/distributor markup		Rs.40
Retail markup	Rs.50	Rs.60
Final consumer price	Rs.220	Rs.385

Here the first independent buyer in the importing country has to pay various extra charges for the product such as export documentation, Ocean freight and insurance, Import duty, Importer/distributor markup etc.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

The Export rate of the products that are purported to be dumped into India basically implies the rate at which it was actually exported to India. In general, Insurance, Cost, and Freight value are subtracted from the adjustments on account of insurance, ocean freight, and commission, etc. is applied to arrive at the value at the ex-factory level.

THE DUMPING MARGIN

Dumping margin is interpreted to be the difference between the normal value and the export price of the product of a country where the product has been imported. When export value is lesser than the normal price, it can prima facie be said that there is dumping.

For Example: If the Normal value of a woolen garment produced by one of the domestic industries of India is Rs.100 per piece whereas the Export price of the same woolen garment is Rs.80 per piece it is a clear case of dumping. It can be noted that the normal price is higher than export value. Hence, it can be concluded that the dumping margin in the above case is Rs 30 per piece i.e. 20% of the export price.

This case summarizes that dumping is based on the function of two variables - Normal Value and Export Price. If one intends to know if there is dumping margin or not, both the variables need to be considered and compared at the ex-factory level.

NON-INJURIOUS PRICE AND INJURY MARGIN⁷

Non-injurious Price is spelt out as the fair selling price (notional) of a good imported into a country in comparison to the price of the same product of a domestic manufacturer.

Non-Injurious Price has the ability to reasonably recover the cost of production and profits after negating the severe impacts of those factors of production which could have adversely affected the industry and for which the imports that were dumped could not be held accountable.

⁷ Non-

Injurious Price (NIP) is that level of price, which the industry is, expected to have charged under normal circumstances in the Indian market during the Period defined.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

Leaving aside the calculation of dumping margin, the Designated Authority additionally computes the Injury Margin for the Industry. The Injury Margin is therefore the difference between the Non-Injurious Price and the Landed Value of the dumped imports due to the Indigenous Industry.

According to the *World Trade Organization (WTO)* rules, an organization is said to have indulged in the activities of dumping if it supplies its goods to a foreign country at a price which is below the normal value. It is not important whether a foreign organization sells at a higher or lower rate than the indigenous ones; for as much as the rates charged in the home country is lower than in its own country, the organization can be charged for dumping. Dumping transpires when the Normal Value is higher than the export price of goods imported into a country of like articles which are sold in the home market of the exporter. Imports at cheap prices never show dumping. The domestic industry must be able to prove that dumped imports have caused or threatened to cause material injury to the indigenous industry. That is the domestic company should prove that any such imported product can be sold at a price which is very much lower as compared to the price of same type of products manufactured by the domestic industries. If so it can be considered as dumping. And any such action may cause harmful effects on the domestic industries. Material retardation to start the operation of an industry is also considered as an injury. The threat or material injury cannot be based on mere statement or allegation. The required evidence must be produced to aid the issue of material injury.

DUMPING DUTY – CONCEPT OF ORIGIN

Anti-dumping duty can be interpreted as an advocator of tariff which a domestic government levies on foreign imports and it believes is priced lesser than the fair market value. Anti-dumping duties are levied by the Department of Commerce and they often are found to exceed 100% in the United States. The concept of anti- dumping duty finds its base in the trade habitude of 1930s when most of the countries indulged in the activities of dumping the products at least prices into foreign countries for the purposes of earning foreign exchange. Devious currency practices such as the devaluation of currency, has been very prominent in

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

such countries for the purpose of cost reduction of the produce manufactured and global trading by domestic industries.

The legal implications against dumping at the global level increased by the time nineteenth century came to an end and it was used by different countries as a policy substitute for periodic revision of import tariffs to safeguard their indigenous industries from the harmful effects of dumping. In 1904, Canada was one such country to first launch such measures against firms in America who at concessional prices were involved in steel dumping. Many Commonwealth countries took cognizance and charged dumping duties for the coming ten years on policies of predatory pricing of countries exporting goods. The threat posed by the very perception of predatory pricing ensued in formulation of the first anti-dumping American legislation under the Revenue Act of 1916. Eventually, Australia, New Zealand Great Britain, and the United States implemented advanced statutes regarding dumping in the year 1921. In parallel lines with Canada's original legislation, the above-mentioned nations' legislations served as a base for the introduction of Article VI¹¹ of The General Agreement on Tariff and Trade (GATT), 1947.

The General Agreement on Tariff and Trade (GATT) 1947 was a benchmark that formulated rules administering International Trade and constitute the free trade regime between countries. During the GATT was formed, the advantages and disadvantages of dumping were analyzed which stated that dumping in its form was not a bad practice, it can however encourage the firm to function smoothly. Dumping was discovered to be a place of origin of supplementary revenue to the industries and also would help the consumers by availing the goods at an affordable price. Hence, dumping was not banned under the GATT but, when it was found that dumping was causing any harm or injury to the indigenous industry by the country that was importing, then, as an action, the GATT indicated its signatory Countries to revoke anti-dumping measures to negate the effect of dumping.

The first member nation was U.S.A which to attend to the issue of unfair trade practices with respect to dumping and subsidized exports before the scrutinizers of international trade. A

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

general support against countervailing measures and antidumping, was created though there were differences related to the retaliatory measures rather than duties imposed on anti-dumping activities. The developing countries were in support of a broader definition and intended to include service, price, exchange and social dumping, while the developed countries were in support of a confining definition to abstain the opening up of retaliatory measures. Resolving the issue of retaliatory measures, the process of levying quantitative restrictions was phased out and imposition of antidumping duties were accepted as the right measure to be taken to neutralize dumping margins. Therefore, the first rules and conditions against curbing the activities of dumping under which most countries felt secured in adopting defensive measures, were included in Article VI of the GATT⁸.

The rules and regulations made to curb dumping were furthermore taken up for intense discussions during the Kennedy Round of Negotiations (1946-1967). In [Geneva, Switzerland](#), the sixth session of the Kennedy Round of [General Agreement on Tariffs and Trade \(GATT\) negotiations](#) was held between 1964 and 1967. It was the last GATT round to have reduction of tariff rates as its prime objective. It was however, the first round of GATT to have dealt with the non-tariff issue, such as [dumping](#). It initiated a linear style of talks and negotiations. In contrast, many countries offered cuts of a certain percentage to be given on tariffs of all countries that were participating. The Tokyo Round of negotiations (1973-1979) brought revolutions with respect to the injury criteria. The Tokyo Round had 102 countries participating in it and was held from 1973 to 1979. It continued to make its efforts to effectively reduce tariff rates. The reduction in tariffs existed for over a period of eight years and an element of harmonization which said higher the tariff, the larger the cut, was involved proportionally. Eventually numerous codes were amended in the Uruguay Round of Negotiations which resulted in multilateral commitments that were accepted by all WTO members.

⁸ Inge Nora Neufeld, "Anti-Dumping and Countervailing Procedures Use or Abuse? Implications for Developing Countries", United Nations Conference on Trade and Development Policy Issues in International Trade and Commodities study Series No.9, 2001.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

The provisions of anti-dumping acclaimed visibility and universal acceptance only after the establishment of World Trade Organization (WTO) in 1995. Prior to WTO, there existed zero restrictions on tariffs and subsequently, the effect of dumping was nullified by imposing high tariff rates. Under the reign of WTO, the trade that took place between the members of WTO was relaxing the tariff rates leaving zero scope for the member nations to ignore the bad effects of unfair trade practices by increasing tariff rates and this caused more application of *anti-dumping measures*.

Earlier to the 1980s, regular users like the United States, Canada, Australia, the European Union, and New Zealand were considerably active in ensuing the antidumping actions. After the Uruguay Round the code against dumping was promulgated in the form of an *Agreement on Implementation of Article VI of GATT, 1994*, commonly called the Anti-Dumping Agreement, causing the adoption of antidumping laws by more number of countries and creating an upsurge in the number of antidumping investigations in the last two decades.

CONSEQUENCES OF DUMPING

Poor countries and citizens of these countries are usually benefitted from dumping, with low cost of manufacturing and overheads facilitating selling of goods done at lower prices in the market to an extent. An encouragement of this type of dumping must be done. The only non-acceptable and dangerous form of dumping is predatory dumping, which happens when a foreign firm, sells goods at lower rates or below the manufacturing cost in the indigenous market of the importing country with the aid of subsidies obtained from its Government, in order to gain monopoly by eliminating producers of the domestic country. It can affect the indigenous industry causing reduction in its market share and sales volume, sales price, resulting in downfall in job creation, profitability, inability to run the business and thus leading to monopolistic situations. A case where the dumping firm decides the price to attain monopoly can prove dangerous to the entire society because it will hurt both consumers and indigenous producers. Such a business practice by a huge number of free trade opponents is considered undesirable.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

In some cases, the export price may even be lower than the actual cost of production. Free market supporters support that this practice will prove to be an advantage as it will allow buyers to enjoy the products at reasonable prices. On the other hand, it is considered by the critics that dumping practices only support the negative consequences of free trade. For example, major losses could be suffered by certain local industries in countries where the dumping of products is done. That if a mobile phone is imported from China to India and if that mobile phone is cheaper than that of such mobile phones which are being produced in India then such importation will result in dumping. Because if two same identical products are played into a market then people will always prefer cheaper product. That is, it then such imports will cause high economic loss on the domestic industries. This is reason behind free market critics advocating the establishment of protectionist policies against predatory pricing practices and dumping.

SOLUTIONS BROUGHT UNDER INTERNATIONAL LAW

In 1904, anti-dumping measures were first launched by Canada⁹. Along with the original legislation of Canada, i.e., the Customs Tariff Act, 1897, other legislations also helped to be the base for Article VI of The General Agreement on Tariff and Trade (GATT), 1947. Therefore, the first multinational conditions and regulations against dumping under which countries felt safe in taking defensive steps, were included in Article VI of GATT¹⁰.

Under the WTO Agreement of 1994, dumping is termed unacceptable (but not banned) if it is likely to cause or threatening to cause material injury to an indigenous industry of the importing country.¹⁹ However, where dumping causes the above mentioned injury, the designated authority of that Country shall initiate required action for enquiries and lead to imposition of anti-dumping duties. Though dumping per se which is not prohibited, only condemned causes any injury, the General Agreement on Tariffs and Trade (GATT) provides for a mechanism for the governments to react under Anti-Dumping measures. As a result,

⁹ Dr. VedPrakash, "Anti-Dumping Countervailing and Safeguard Measures in Multilateral Trade Regime", Bookwell Publications, 2007, P. 79.

¹⁰ Inge Nora Neufeld, "Anti-Dumping and Countervailing Procedures Use or Abuse? Implications for Developing Countries", United Nations Conference on Trade and Development Policy Issues in International Trade and Commodities study Series No. 9, New York And Geneva 2001.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

importing countries are free and authorized to implement measures to phase out injurious dumping if they desire, but only subject to the rules and regulations prescribed under the Agreements pertaining to Anti-Dumping on how a reaction can or cannot be given to dumping by the Government. Remedial action taken to curb dumping in general involves imposing an additional import duty on the goods exported from the country to bring its rates nearer to the normal value and removing the injury to the indigenous industry in the country importing the goods.

ANTI DUMPING AND LEVY OF CUSTOMS DUTY

The Customs Authority imposes and collects the Anti-dumping duty; but it is still entirely different from the Customs duties not only in its concept and matter, but also in its purpose and function. The main differences between the two are listed below: -

- Anti-dumping and similar measures are conceptually linked to the notion of fair trade. Their object is to safeguard the situation arising out of practice of unfair trade while the customs duties considered a means of raising revenue and for overall development of the economy.
- Customs duties fall under the trade and fiscal policies of the Government whereas anti-dumping and anti-subsidy measures are existent as remedial measures for controlling trade practices.
- The object of introduction of anti-dumping and allied concepts is to curb the injurious effect of international price discrimination whereas customs duties have implications on the government revenue and for the overall development of the economy.
- Anti-dumping duties do not possess the nature of a tax measure as much as the Authority over it is empowered to suspend these duties in case of an exporter who offers a price undertaking. Therefore, measures of this nature are not always in the form of duties/tax.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

- Anti- subsidy and anti- dumping duties are imposed against exporters / countries those are as much as they are exporter specific and country specific as against the customs duties which are universally applicable to imports not requiring the details of countries' and exporter's origin.

Hence, it is explicit to note that there exist basic conceptual differences between the customs duty and the anti-dumping duty. It is also evident that the anti-dumping duty is levied over and above the normal customs duty.

STATEMENT OF RESEARCH PROBLEMS

The research problems that I will be analysing in this research work are:

- There are various anti-dumping rules in various developing countries and so how far these rules have its effectiveness on their domestic industries of those developing countries.
- what is the importance of anti-dumping rules with respect to developing countries and their role in protecting the domestic industries of such developing countries.
- what are the rules made by UN, WTO and international law in dealing with anti-dumping.
- what is the issue regarding the applicability of international law in their domestic scenario while tackling the problems regarding anti-dumping.
- what are the various steps taken by United Nations and such other national and regional organization for the protection of interest of parties to an international trade. Sixthly how far the laws regarding international trade made by international organization and institutions such as UN, WTO are applicable in the developing countries and least developed countries. Seventhly what are the possible misuses of the anti-dumping laws by the domestic countries for various benefits Anti-dumping duties and import tariffs.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

OBJECTIVES

The key objectives structure this study:

- To analyse the binding legal power of the international laws on anti-dumping for the International exports and imports.
- To determine the role of WTO and such other international and regional organizations in controlling and maintains a liberal trade policy.
- To analyze whether the countries are misusing any of the provisions of anti-dumping law.
- To analyze how far these anti-dumping rules been effective on international trade.
- To know how much anti-dumping has effect for domestic industry.
- To check is anti-dumping a measure of protection for domestic industry?

RESEARCH QUESTIONS

- What is the role of WTO and other trade organization in protection against unfair trade practices and promoting international trade?
- What is the role of anti-dumping dispute settlement mechanism in a free trade system?
- What is the significance of trade remedy measure, such as anti-dumping countervailing and safeguard measure in India?

CONCLUSION

Industrialization in India and across the world has become an important step initiated by countries to promote industry-based living thereby promoting the economy of the country. But the companies that operate businesses in the world face a wide multitude hurdles in conducting business across the borders and the trade hitch ranges from the anti-dumping duties to specific

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

provisions that are applicable to the sector in the entrepreneurs do business. Often, these barriers contravene WTO or other international trade law obligations and commitments. Trade rules of such kind preclude discrimination on the basis of nationality in the case of matters like public tenders and foreign investment; they outlaw customs barriers on the imposed consumer goods for inconsistent reasons of public welfare and well being. Tax discrimination is forbidden, and using trade sanctions and other protectionist measures are totally restricted.

However, when trade laws are stern, many businesses divert their business to resort to the activity of dumping. Dumping is the process where goods are exported and sold at a price lesser than the normal price. Fundamentally, business resort to adopt dumping as the businesses desire to enlarge its market share by subsidizing the export business. It has been found through the study that dumping effects competition. However, to curb dumping, the WTO has formulated anti-dumping legislation. All WTO members are required to be in conformity with the anti-dumping agreement. The WTO agreement ensures that antidumping actions will proliferate. On the one hand, it calls for a significant reduction in tariffs and proscribes or limits other import protections, thereby exposing industries throughout the world to international competition as never before. On the other hand, it requires signatories to ratify legislation consistent with the Antidumping Agreement, becoming consequential to a rampant increase in the number of countries that involve themselves in the activity of dumping. Dumping for most countries has become the most potent tool for import protection. An increase in the antidumping actions is palpable. As more countries target one another, there will be a consequent drag on international trade, particularly in sensitive sectors such as steel, chemicals, textiles and electronics.

The increase in antidumping actions undoubtedly will give rise to calls for reform from multinational corporations that are the frequent targets of antidumping actions, as well as end user industries dependent upon international suppliers, economists and consumer groups. These critics, and their government supporters, will call for further disciplines on initiation of antidumping actions, and the roll-back of the current trend in litigation, forcing the issue onto the agenda of future rounds of multinational trade negotiations, possibly in connection with competition policy. The defenders of the anti-dumping laws will vehemently thwart any anticipated weakening of the Antidumping Agreement. The antidumping laws have served as a

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>

safety valve, arguably assisting in trade liberalization in the sense that they allow Members a political fall-back, enabling them to agree to further tariff reductions. The domestic industries traditionally supporting strong antidumping laws throughout the world tend to be politically powerful and economically significant, thus assuring a constituency for strong antidumping protections in future multinational negotiations.

Since the countries are coerced to reduce tariffs and renounce other trade barriers in order to comply with the WTO rules, it will eventually lead to increase in absolute pivoting on the WTO Antidumping agreement. The WTO has established a new and improved binding dispute resolution procedure, under which a complaining Member may request that a WTO panel render a ruling on whether the laws, practices or decisions of another Member are consistent with WTO obligations and principles. The WTO Antidumping Agreement sets forth special rules for resolving disputes involving antidumping cases. The growing number of activities of antidumping has resulted in establishment of the WTO Dispute Settlement Body ("DSB") in order to speed up the decision making process and resolve disputes. The DSB rules play a significant role because they offer countries meaningful recourse to an objective international tribunal when they believe their exporters were unfairly subjected to dumping measures. Developing countries are especially encouraged by the binding nature of the DSB process, because powerful industrialized countries can no longer block decisions favorable to exporters from developing countries.

For general queries or to submit your research for publication, kindly email us at editorial@ijalr.in

<https://www.ijalr.in/>