

Dumping (international trade) research paper samples

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The theme of non-tariff methods of protectionism is still being actual nowadays with the methods of antidumping, subsidy and the methods of hidden protectionism because they obviously can protect the domestic markets from the unfair pricing of the trade with foreign suppliers, which can cause unsatisfactory impact on the domestic economy. The topic of this research is how dumping is presented in real economic life of the specific country and how the Government fights with it.

The country of my research is Vietnam and this country is quite interesting in its dumping and antidumping procedures. Obviously, there are much more antidumping investigations against Vietnam from different countries because of its low prices on a variety of goods, which are widely spread through all over the world and are chosen by many consumers because of their cheapness despite of the low quality of these goods.

Let`s describe the antidumping actions against Vietnamese goods in more details. The first imposition of antidumping measures to Vietnam was in 1994, done by Columbia, on the item “ Rice”, nevertheless there was “ No evidence of injury to Columbia industry” according to the notes of Trade Remedies Council - VCCI. From that date there was 52 such cases from different countries on different goods till the August 2013. The majority of antidumping investigations comes from EU, it`s 11 cases according to the latest data provided by VCCI, United States of America is on the second position with 9 times of antidumping initiations, the third place is divided between Turkey and Brazil – they have 6 investigations with Vietnam each. That`s why we need to note that the threat not only comes to European and American high-income markets to which the goods from Vietnam are

generally imported, but to the low-income markets of India, Peru and other countries.

If we talk about the main products on which the antidumping investigations have been opened, we should mention the next cases. First of all, the country is the fourth worldwide leather shoe manufacturer and is the one of the top ten exporters of footwear. Though there was 6 cases of antidumping initiations from different countries claiming that importing of Vietnamese footwear could cause injuries to the domestic markets and domestic manufacturers, but they were never fully satisfied – even when there has been any case of the antidumping tax implication, the rejection of it usually came within the nearest time. The reason of it is quite simple, usually Vietnamese footwear doesn't have the ability to compete with Chinese manufacturers of shoes and the Western manufacturers also. It is cheap due to the low quality and it's always up to customer which item to choose – the cheap or the qualitative one, that's why the Vietnamese shoes have quite fair pricing.

The next vital part of Vietnamese export is the trade of shrimps. Let's describe how this section of the Vietnam's seafood market suffered from the United States' protectionism measures which started on the 31st of December 2003, when an association of the biggest US shrimp manufacturers in eight states opened the antidumping petition against 6 importing countries, among which Vietnam also was. This countries possessed 74% of US shrimps imports with the amount of imported shrimps significantly decreasing within the 2 years period (2000 – 2002 years) from 466 million Lb. to 650 million Lb. The prices on them had also fallen down by

28% in this period also. Vietnam has always been in the top 5 of shrimp manufacturers and is the second-large exporter of shrimps to the United States after Japan . Obviously, this situation injured the Vietnamese exporters of shrimps dramatically, decreasing the amount of exports of the item. In addition to this situation, there was no protection from WTO as Vietnam will only become the member of it on the 11th of January 2007. But at the 11h of July 2011 WTO issued a report that consisted of two of three positions in Vietnam`s pretension that US increased the estimation degree on Vietnam`s dumping on US markets using the acceptable by international trade rules methods. This granted the protection to Vietnamese exporters of shrimps from the US antidumping methods.

With the Vietnamese open market, the exporters are faced by the new challenges from non-tariff barriers and methods of hidden protectionism as we have some examples above illustrating these situations. On the contrary, the cooperation with WTO brings many advantages to the Vietnam`s exporting policy as it can achieve the foreign markets with the status of Most Favored Nation and Nation Treatment granted by GATT agreement and the dispute mechanism of WTO against unfair dumping is much helpful as we have also seen above.

Nevertheless, returning back to the EU dumping initiation regarding Vietnamese footwear till the 1st of April 2011, we can exactly state how terrible the impact of antidumping mechanisms of EU was. Theoretically we know, that such measures injure badly the domestic labor market with the reduction of salaries of workers, which made the footwear and the majority of workers, participating in this industry are females. In addition, leather

imports and the imports of footwear decreased drastically. After the denial of antidumping taxes on Vietnamese footwear, the exports continued to fall down much further, approximately on 61% in May 2011, compared to the same period of last year.

With the terrible impact on the Vietnam labor force welfare, this situation influences badly on the whole economic system of the country. The items from Vietnam can freely become the subject of antidumping investigations for several reasons. The first one is that the country generally exports unfinished products and raw materials comparatively cheap. The second is that such products are brought to Vietnam to escape the antidumping measures from the foreign countries. That`s why Vietnamese exporters should be very careful with their pricing with the control from the Vietnamese authorities.

We have to say some words on the use of antidumping measures by Vietnam against foreign importers. Vietnam Chamber of Commerce and Industry fixed only one case of unfair importing of old-rolled stainless steel from four countries: China, Malaysia, Indonesia and Taiwan on the 2nd of July 2013 . Still these statistics seem to be insufficient and unreliable for the world antidumping authorities and these issues are just treated like the evidences of smuggling and/or border trade. Such inability to keep deep and precise control on country`s imports can be a great challenge for Vietnamese native manufacturers to initiate an antidumping case. This leaves the domestic producers unprotected against dumping from the foreign importers with the obvious impact on the native labor force, the GDP and the population welfare.

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