

Expando manufacturers



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International Business Law This paper encompasses a discussion of WTO International Law rules concerning tariffs and duties imposed by Customs Service. More specifically, it will address the issue of a court appeal regarding the Customs Service refusal to impose duties in a particular situation.

Facts of the Case:

The parties involved are the Expando Co. Expando manufacturers of wristwatch bands, Flexo Co. manufacturers of similar watchbands and Customs Service. The question that needs to be answered is: does Flexo have grounds to appeal and if so will the court overrule the decision of Customs Service The answer is yes. The situation was that the Expando Co. in State A received a wide variety of general subsidies from the State A government (including tax breaks, low interest financing, and technical assistance) that State A offers to all domestic enterprises within its territory. It is important to keep in mind that these breaks are offered in domestic situations. However, Expando manufactures began to market their wristwatch bands in State B and when this occurred the disagreement began..

Legal issues:

The Flexo Co. in State B manufactures similar watchbands to those manufactured and marketed by Expando. Flexo Co. began to lose some of its market share to Expando and they became concerned over the loss. State A and State B are both WTO member states. While the market loss for Flexo ensued, there were some further issues that Flexo to take into consideration. Included was Their desire that State B impose a countervailing duty to offset the subsidies received by Expando from State A, and Flexo asked the State B

Customs Service (which is responsible for imposing such duties) to do so.

Law concerning situation:

the reason that the question the question at hand was answered yes is because of the codes stipulating international business conduct for WTO members. According to these laws specifically Countervailing Duty Laws. This law states " unfair foreign pricing and the use of export and production subsidies distort trade and adversely impact U. S. businesses and industries. U. S. antidumping and countervailing duty legislation is designed to mitigate the effects of unfair foreign pricing and trade distorting subsidies the, 2002) at result in a " dumping" of low-cost products into the U. S. marketplace" (Code of Federal Regulations

In addition Part 205 of the Federal Regulations state " Investigations To Determine the Probable Economic Effect of Modifications of United States Duties or of Any Barrier to (or Other Distortion of) International Trade on Domestic Industries and on Consumers " (Part 205) This lends support to answering yes to the question being discussed.

For the reasons discussed and upon investigation of the codes and regulations that encompass the circumstances of the case being discussed the answer to the question concerning Flexo has appealed to a court. Should the court overrule the decision of Customs Service is yes.

References

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