



The necessity of anti-dumping measures in international trade exchanges in the Islamic Republic of Iran

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Abstract

In international economic law, when the exporters sell their products below the market price of the country of importation, the dumping occurs. This causes damage to the domestic industry of the same product manufacturer. The purpose of this study is to explain the necessity of anti-dumping measures in international post-sanctions trading in the Islamic Republic of Iran. The type of research method is descriptive-analytical and in terms of applied purpose. The research results show that anti-dumping measures are applied in the form of tariffs or anti-staggered tariffs. In addition to being able to prevent the exporter from continuing unfair trading, the imposition of these complications would be in the interest of the domestic industries of the importing country. Anti-dumping measures are one of the things that will be activated not only after the accession of Iran to the World Trade Organization, but also due to the fact that Iran is on the path to accession to the World Trade Organization.

Keywords: Dumping, anti-dumping, international trade, post-sanctions.

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Introduction

The fight against dumping is possible for non-member countries of the World Trade Organization through compensatory taxes. The General Agreement on Tariffs and Trade (GAT) has agreed to neutralize the effects of dumping on special import duties and taxes, provided that this action is carried out (Article 6 of the Agreement) in Iran in the implementation of article 33 of the Law of the Fourth Development Plan, the Cabinet of Ministers, on the recommendation of the Ministry of Commerce and the Concurring Opinion, shall provide compensatory and anti-dumping measures and measures to protect domestic producers, one From the old demands of traders and producers (it was dealt with in the year 2006) In 2007, the Cabinet of Ministers has established a working group consisting of the Chamber of Commerce, Cooperatives, Industries, Agriculture, Customs, Banks and the Standard Organization for this purpose, which if this working group A report is based on a tool for concern about the existence of a commodity at an unrealistic rate with the intention of dumping, in order to combat price

fragmentation. Since Iran is not a member of the WTO, and customs administrations are not required to accept the true value of the goods, when it is felt that the price of the goods is lower than the actual price, the customs are in accordance with the provisions of Articles 11, 10 and 121 of the Customs Code and the Code Executing it and taking into account the market and the criterion of placing the price of the similar goods in the market, it receives those customs duties and customs duties and in part compensates for the losses caused by dumping.

1. Generality of study

1.1. Statement of the problem

Today, free trade has become one of the most important international trade issues worldwide, and countries are willing or unwilling to integrate with this inclusive wave. Nonetheless, adherence to the principle of free trade and the reduction of tariff barriers has put many countries at risk of increasing dumping. Dempping, as one of the negative outcomes of free trade, is an instrument for the illegitimate competition that a number of companies use to expand the foreign market,

which in some cases destroys the domestic manufacturing sectors of the importing countries. Although the economic structure of Iran has largely ruled out the possibility of realizing dumping, given that our country is obliged to accept the free trade system and, consequently, to reduce tariffs in some cases, in line with the official accession to the WTO, this policy, though not in some cases, our country's industries face dumping risks. Meanwhile, the most comprehensive law on the fight against dumping is the 1997-year-old Cabinet of Ministers resolution of the year, which is in breach of the WTO Anti-Dumping Agreement. The legal system of Islam is based on business based on spirituality and virtue, and jurisprudential books are usually emphasized on business based on justice and justice, because the goal of the trade is to provide general welfare facilities in the religious community. Dumping, which is regarded as unfair trading practices, is based on certain legal rules such as the rule of law, the rule of abuse of rights and disturbance in the economic system, so that the prohibition can be deduced from the legal argument. [1]

1.2. Importance of Research

Setting global trade rules by the World Trade Organization and gradually reducing tariff rates and competition in export markets and the domestic market, along with its benefits, have brought about problems and dangers for countries. One of these risks is the unfair competition of dumping and the payment of computers to export products. To counteract this unfair approach, the organization was determined to create rules. The WTO anti-dumping agreement has been approved for this purpose. Although the rules of the anti-dumping agreement have many strengths, they also have weaknesses.

[2] New bilateral or multilateral treaties and agreements were approved by ratification in Iran and the creation of a positive political climate and the resumption of international trade relations between Iran and other countries. Countries that want to establish ties with Iran by entering their products and importing them to Iran have found a good market for selling their products and investments in Iran. This can be seen as a positive development in the boom of the Iranian economy, but on the other hand, it should not be forgotten about the resistance economy and the lack of control of foreigners to the Islamic Republic of Iran. Especially in the postwar era, the topic of the dumping in Iran should be more and more special attention.

1.3. Research Purposes

- *main purpose* :

Expression of the necessity to apply anti-dumping measures in international trade exchanges in the Islamic Republic of Iran.

- *Sub Goals* :

- A. Express the concept of dumping and anti-dumping.
- B. The expression of the types of dumping.
- C. Explaining ways to deal with dumping.

1.4. Questions of the Study

- *Main Question* :

A. What is the need for anti-dumping measures in international trade exchanges in the Islamic Republic of Iran?

- *Sub Questions*:

- A. What is dumping and anti-dumping?
- B. What types of dumping are?
- C. What is the way to deal with dumping?

1.5. Hypotheses

- *main Hypotheses*:

Considering the issue of resistance economics, the lack of foreign domination of Muslims and support for domestic production, it is necessary to apply anti-dumping measures in international trade exchanges in the Islamic Republic of Iran.

- *sub Hypotheses*:

- A. Dumping; selling an item in a foreign market at a price lower than the final cost of producing that product in the supplier country and calling anti-dumping measures anti-dumping.
- B. Tipping can be categorized in a variety of ways, such as duration, support, and works
- C. Investigating, handling proceedings (temporary measures and price commitment), demanding dope requests, tackling fraudulent misconduct and ... are among the ways to deal with dumping.

2. Theoretical Foundations and Research Literature Introduction

Tipping means exporting an item to another country at a price below the domestic price. Tipping on the market can have many negative and positive effects. What are the positive and negative effects of this pricing strategy in the exporting and importing country?

2.1. Concept of dumping

The word "dumping" that has entered the world's economic literature, from the root of the "dumper" means below the sale price. In general, from dumping, there are several definitions of the domestic law of the countries and the WTO, which are discussed in this paper. Some have meant it for deliberate price cutting [3]. Another has made it marketable, breakthrough, breaking down in the market. [4] Others have made sense of arbitrary competition or price discrimination in foreign trade. Some experts, the Persian equivalent, regard

this term as "destructive competition." In Persian language, it has sometimes been suggested that such terms as "arbitrary competition", "price discrimination", "destructive competition" and "price breakdown" for dumping, none of which are the exact translation of the word dumping, since, for example, The "destructive competition" has some examples other than dumping, or "fragmentation" sometimes has positive aspects and effects, while dumping does not have this feature and always has a negative charge. [5]

In Iranian laws and regulations, the word "dumping" has been used. Article 7 of the Customs Law, adopted in 1350, stipulates: "Whenever a commodity at a disproportionate price offers unusual facilities from a country to enter Iran (dumping), and this practice is considered unhealthy for the country's economy, the Council of Ministers can at any time At the suggestion of the Ministry of Economy to enter the goods from that country, it will make special commercial profits. In any case, the word "dumping" is considered a term well known in international trade, which has a certain meaning. [6] Tipping in some foreign dictionaries means "the sale of foreign goods within the country is lower than the normal value." [7] Jacob Weiner described it as a price discrimination between national markets. [8] Under Article 6 of the GATT 1994, as well as Article 21 of the Anti-dumping Agreement, when dumping goods worth less than its normal value into another country's trade, dumping takes place. Therefore, when the goods are sold in a dumping case, "the export price is lower than the ordinary value of that commodity; the corresponding price of that commodity in the ordinary course of trade of the market is less than the price of a similar product produced for consumption in the exporting country"[9].

2.2. Types of dump

Tipping can be categorized in a variety of ways, such as duration, support, and works. Tipping is divided into short and long term categories in terms of duration. Occasionally, large manufacturing companies are trying to stabilize the goods in the business cycle, with the incentive to expel their competitors from foreign markets, for a short time selling their products at a lower price than selling them on domestic markets in foreign markets. In short-term dumping, the volume of imports in a short time is very high. In the long-term dumping, the dumping will continue continuously and in the long run. This kind of dumping is usually carried out in the case of goods that are the product of a massive investment, that is, goods that, by increasing its production, reduce the final cost of production, and the manufacturing company finds that its product is at a price below

the domestic price Sell abroad [9]. Tipping, in terms of support, is divided into two categories of government-sponsored and government - sponsored dumping. Tipping from government support occurs when government action involves direct transfer of funds such as grants, loans, capital investments, or direct transfers of funds or obligations. These contributions, if damaged to the domestic industries of the country of importation, are responsible for the governments. In these cases, tolls are set to neutralize and prevent dumping, which is called compensatory compensation. Governments, for the most part, are doing this for political reasons or improving the balance of foreign payments. In dumping without government support, as the name implies, dumping practice is carried out without state intervention, and manufacturers are taking such action for competitive reasons. [5] The dempsey is divided into two destructive and non-destructive categories. Destructive dumping (plunder) is a common example of dumping, which is also prohibited in the WTO Anti-dumping Agreement. In this category, the domestic manufacturer must prove the occurrence of a harm or serious risk of occurrence and the causality relation between the arrival of the goods and the occurrence of the damage. In fact, dredging that has destructive effects and damages the industry of the importing country is called a "destructive dumping" (loot). In non-destructive dumping, there is no harm to the domestic industry, and the amount of dump is modest or the tipping margins are negligible. [10].

2.3. the effects of dumping

Negative Impact: Rich countries export artificial goods to their markets and export them to world markets, which will undermine the competitiveness of goods from underdeveloped countries. This does not have the result of an increase in poverty in underdeveloped countries. In the previous example, French TV producers simply can not compete.

Positive effects: Consumers will get a product at lower prices, which will save their money. Tipping can make foreign markets (importers) more competitive and innovative. If they believe that dumping may continue for a long time, then there's no choice but to try to reduce costs and improve product quality. In any case, this will be in the interest of the consumer. Good income, more jobs and better wages for employees in the exporting country. [11].

2.4. Anti dumping

Anti-dumping anti-dumping measures are called. Under the WTO Agreement do the dumping ban has been declared and the state allows that if dumping is proved, to the imported goods and

services, resulting in losses untold damage to domestic industries, the rules apply and Defend your industries. Therefore, the purpose of anti-dumping is to correct the confounding effects of trade and fair trade. [4]

3. Proceeds of anti-dumping measures in international trade exchanges in the Islamic Republic of Iran

The ultimate goal of the multilateral negotiations is to liberalize trade by eliminating quantitative and qualitative restrictions, such as the gradual elimination of tariffs, which will increase trade and increase the welfare of more nations. Observance of the principles of Uruguay Round Agreements leads to a fair competition. Dumping is a situation in which a commodity in a foreign country is sold below the fair value or the normal price of that commodity. This is an unfair and unlawful anti-competitive act that could harm the domestic industry of the importer of dumped goods. However, basically, any dumpiness is not illegal and no damage is possible. To counteract this, both the 1994 GATT Agreement and the Anti-dumping Agreement have been designed to comply with a series of principles and rules. One of the most important of these measures is the imposition of definitive anti-dumping duties and taxes, which is at most equivalent to the dumping margin. Other measures, such as a commitment to increase the cost of repairing it, or stopping the export of dumped goods to the importing country at a previous price. Applying these coping methods is only up to the time of the occurrence of harm, and if it is eliminated and no other danger to the locale for their actions. Applying these practices requires extensive and different investigations and investigations of the domestic laws of the countries. Since the implementation of any rules and regulations in the implementation phase creates disagreements and problems, due to the regularity of the Anti-dumping Agreement with the WTO Agreement and the settlement of the dispute settlement system contained in the Memorandum of Understanding on all agreements The WTO, including the anti-dumping agreement, should also be considered more carefully. [12]

3.1. The most important goals of the use of dumping

1. Eliminating foreign competitors and gaining market monopoly even with short-term losses
2. Reducing the temporary surplus of commodity reserves in order to prevent the domestic prices from falling and, consequently, producers' income
3. Obtaining a share of the relevant product market
4. Reducing losses for non-competitive goods and sales

It should be noted that the low price of imported goods relative to domestic prices or

export prices does not necessarily mean risk at the same price as domestic consumption. [12]

3.2. Anti-dumping policies in international trade

Dumping is the sale of goods by a country in global markets at a price below the price of that commodity, in order to eliminate or weaken rival countries in the global market for products. According to the rules of the trade organization. One of the most prominent examples of dumping (price breakdown) of commodities in world markets is the dumping of agricultural products by the United States and Western European countries, which causes a large difference between the country and the third world countries that are the main exporter of agricultural products. These disagreements were heavily debated at the Doha summit and continued at the Kohonung summit in Mexico and is one of the key issues in the trade negotiations of the WTO's periodic meetings. Other important examples of China's actions in the price of breaking goods such as clothing and footwear in global markets can be noted that almost the industries concerned with these goods in Europe, the United States and many other countries, including Iran, have turned to bankruptcy and shutting down.

According to the World Trade Organization (WTO), the major countries that are involved in dumping in various commodities include the United States, China and Turkey. Dumping will break the market mechanism, eliminating healthy competition in the production of goods, and, in general, will result in economic inefficiencies. For a country like Iran, which, according to the 20-year vision document, should become the first economic power in the region, the adoption of anti-dumping measures and measures is very necessary. Also, in accordance with article 33 of the fourth development plan law, the government is required to adopt and enforce effective protective, compensatory, and anti-dumping measures and measures in respect of goods imported into the country with unusual conditions and with significant concessions. In this way, the government is obligated to provide reasonable support to domestic producers. This is also in accordance with WTO rules. In this regard, the government should, as soon as possible, prepare and enforce a law on anti-dumping measures and laws and, if needed, approve the Islamic Consultative Assembly, prepare and propose a relevant bill. Also, in bilateral or multilateral trade agreements with other countries, it is imperative to clearly identify the measures required to meet the dumped terms and agree on compensatory and safeguard measures. These measures may be temporary or prolonged to require the donor party to comply with its obligations. Measures such as

the quantitative limitation of the entry of goods from the country of importation or the specific commercial benefit, equivalent to the amount of dumped imports, can be made. Also, if the amount of import of a commodity increases to a degree that would put domestic producers at risk of closure and serious damage, safeguard measures can be carried out in the form of special commercial profits and the like, or quantitative restrictions on the import of the product in question. The Iranian government must support domestic producers with reasonable and appropriate support, and the actions of some countries that seek to profligate and harm Iran's domestic production by creating dampening conditions. [13]

3.3. Ways to deal with dumping

Research: Countries must initiate a series of investigations and investigations to counter the risk of damaging, as well as legal proceedings, in order to prove that the dumping has occurred. 2. Trial proceedings (temporary measures and price undertakings): The adoption of the final decision on dumping will require full investigation. However, anti-dumping lawsuits are not always streamlined, and sometimes during the course of the proceedings, there are issues that the prosecution authority is required to make a decision on. The final decision on the state of affairs and the amount of duty is with the authorities of the country of importation. The rule is that the amount of anti-dumping salary payments does not exceed the dumping margin, while encouraging the use of less-than-usual tariffs. Then decide on how to deal with it and what kind of compensatory measures should be routine. 3. Dealing with dumping: After a thorough investigation and demonstration of the occurrence of dumping, the suffering country of dumping can demand to deal with dumping. Anti-dumping agreement of the World Trade Organization defines ways to deal with dumping. One of these ways is to provide a framework for national anti-dumping laws in member countries. On the one hand, and national interests on the one hand, and national interests on the other hand, have led to the existence of anti-dumping laws, and governments are attempting to establish effective and WTO-compatible national regulations. 4. Counterfeit Misconduct: One of the problems that may arise after the end of treatment and the anti-smoking effects is "misleading". Avoid deception by circumventing and avoiding antipumping complications through fraudulent practices such as importing and assembling parts (assembling a product), or introducing minor changes to the product or changing the source of the product by multinational companies and the like, based on, An

exporter, for the purpose of avoiding anti-dumping complications, experiences an exported product in place of a headquarters in the form of a hybrid product, into different parts and exports the same product in a different manner; for example, instead of exporting it in several stages, through the issuance of parts Imports into foreign countries. [14]

3.4. Anti-dumping measures during the post-sanctions period in the Islamic Republic of Iran

The elimination of non-tariff barriers and the creation of a suitable framework for European markets and the generalization of customs exemptions for Iranian goods for entry into European markets and the removal of all tariffs for Iranian goods should be one of the most important goals of post-conflict sanctions. The policy of supporting domestic industry and striving for continuous planning for the competitiveness of the domestic industry, in a long-term and strategic plan, should be at the top of the new government's agenda, while taking care of the domestic steel market as one of the Middle Eastern market-oriented markets by imposing tariffs Controlling and compensating and anti-dumping, especially in the area of steel imports from the northern parts of Iran, including China, Russia and Ukraine, simultaneously reforming the structure of the country's steel industry, whether by state or private, through the application of supportive policies and the granting of tax exemptions and penalties and the provision of low-cost facilities. Use of technology The day of the world and efforts to reduce the price of manufactured goods should be at the forefront of the country's future industry plans. Based on the approval of the Iranian government, in 1395, a research team will be set up to represent the Ministry of Industry, the Ministry of Economy and Agricultural Jihad in order to investigate the implications of under-priced imports or subsidized exports to domestic producers. This act applies anti-price measures or measures of the substance (7) to (9) of this enactment, which are designed to counteract the negative effects of imports of goods priced below their normal value. Also, the anti-subsidy measures are based on the subject matter of articles 7 to 9 of this bill in order to counteract the negative effects of subsidies granted on goods exported to the Iranian market. [15]

Results Discussion

Mohsen Islami and Faramarz Nasri (2014), in a research titled "Dropping" and its strategy to counter it, state that most countries are applying supportive policies and encouraging consumers to use domestic goods, as well as the obligation for manufacturers to use raw materials and force The

domestic work has tried to prevent the bankruptcy of domestic manufacturers from providing the conditions for transition from this crisis at a minimum cost. [16]

Van Den Bossche Peter,(2005) in his research on the economic damage to the domestic industry with the flow of dumping, states that the entry of damages involves cases of disturbances in the formation of the domestic industry and the creation of a new domestic industry. Slowness or significant delay. To confirm such an event, definitive evidence, such as plans and maps available for the creation or development of the industry concerned, documentation for the ordering of equipment and machinery, should be taken into account. [17]

These researches are consistent with the results of the research.

Conclusion

Dumping means exporting an item to another country at a price below the domestic price. Dumping dump means breaking the price. It's a bit hard to understand, but the dumping is happening around us. Steel used to build buildings, solar panels, fruits and agricultural products can all be imported through dumping. Tipping occurs when a country exports its products below the domestic price or the cost of making the product to a foreign country. For example, if a television producer in the United States offers his TVs at home to \$ 500 (and spent \$ 300 each), they will sell these TVs in France for 250, which is a dipping Considered to be. The dumping of the nineteenth century has always been used in international trade and poses a threat to a regular market system. What is highly regarded is the economic and commercial situation of the Islamic Republic of Iran in the post-war environment and the growing presence of foreign rivals and processes. Join Iran in the World Trade Organization. In the context of explaining the importance of the issue, it can be noted that in the industry there is a waste of imports from China, which could exclude competition from domestic companies. Despite the slowdown in China's economic growth and the downturn in construction projects, steel production is growing at a rate of 5%. Moreover, due to the cheap labor and the lower price of oil, it will reduce the price of a small portion of it into the country. The steel industry will be paralyzed. . A more objective example is the country's major exports, ie agricultural products. According to the Iranian raisin news website, Turkey has faced dumping from Turkey, and the merchants razed their raisins by reducing their raisins by \$ 500. Dumped exports are one of the unfair trade practices by which an

exporter sells a product in the importing country's market at a price below its reasonable value. Therefore, it is essential for the Chamber of Commerce to protect the private sector and the full support of the government in removing barriers to production and business prosperity, to legislate its legal and regulatory mechanisms to systematize anti-dumping measures that have so far remained in the legal system of the country, To offer.

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