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Salinas Administration Announces Assistance For Importers Affected By Duties Imposed On China

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On May 13, following a meeting with a group of business leaders, the administration of President Carlos Salinas de Gortari announced a set of measures to help businesses affected by the recent imposition of anti-dumping duties against China. However, the government stopped short of granting requests by importers that exemptions be made to US$250 million in transactions which had been arranged before the duties were announced in mid-April (for previous coverage see SourceMex, 04/21/93 and 05/05/93). According Enrique Rios Lopez, a businessman from Baja California Sur state present at the meeting, Salinas told the business representatives that it would be difficult to make any exceptions to the ruling because the decision was made as a "national policy." Alfredo Payan Burgos, president of a federation of chambers of commerce from three northwestern states, said the principal form of assistance offered by President Salinas and Trade Secretary Jaime Serra Puche came in the form of new loans through the government's foreign trade bank (Bancomext). With the loans, Mexican importers will be able to resell some of the Chinese products in other countries. "This was not the solution that we needed, although this will be helpful to some importers," said Payan. The administration also extended until June 30 the deadline for importers to prove that the Chinese products being brought into the country were either not being sold at below market prices or were not being manufactured in Mexico. The previous deadline was April 16, the day the anti-dumping duties against China were implemented. Meanwhile, in an interview with La Jornada daily newspaper, Jose Angel Gurria director of Mexico's foreign trade bank (BANCOMEXT) rejected a proposal that the government alert importers of pending trade actions, because leaks of such information to sources in the affected country could result in a flood of exports in the interim. He described the anti-dumping duties as "part of the normal cost of international competition." The Chinese government has threatened retaliation against imports of Mexican products, but has not yet taken any action. The anti-dumping duties appear to have had the most effect on Chinese products imported through ports of entry in southern Mexico. According to the private sector Business Coordinating Council (Consejo Coordinador Empresarial, CCE), imports through Chetumal, Quintana Roo state, and other ports near the borders with Belize and Guatemala have dropped by 80% since the duties were imposed in April. The CCE explained that Chinese products are often brought in through Panama, where they are combined in shipping containers with goods from other origins before being shipped to Mexico, mostly via Belize. The process of transferring the non-Chinese goods out of these shipping containers after the anti-dumping duties were announced in mid-April has been long and costly, also delaying their import into Mexico. Meanwhile, Central American businesses have offered to purchase the Chinese goods currently stranded in Belize. However, according to Felipe Barquet Armenteros, president of the Quintana Roo chapter of the National Chamber of Commerce (Cámara Nacional de Comercio, CANACO), Mexican importers have declined most of these offers because the Central American buyers are proposing to pay significantly lower prices than the original cost of the goods. Among the products most affected by the trade action duties were clothing, which received a countervailing duty of 533% While the clothing industry welcomed the government action, the National Clothing Industry...
Chamber (Camara Nacional de la Industria del Vestido, CANAIV) on May 15 asked SECOFI to extend the same restriction to other countries that allegedly dump apparel in Mexico, such as the Philippines, Honduras, Pakistan and India. (Sources: La Jornada, 05/11-13/93; Notimex, 05/15/93, 05/17/93, 05/20/93, 05/22/93, 05/23/93; Agence France-Presse, 05/24/93)

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