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In early October, the Trade Secretariat (Secretaria de Comercio y Fomento Industrial, SECOFI) reduced countervailing duties on five categories of products imported from China. The duties were originally imposed in mid-April at the request of Mexican manufacturers who claimed that Chinese exporters were selling certain products in Mexico at a lower price than in the domestic Chinese market (for previous coverage see SourceMex, 04/21/93). Immediately after the duties were imposed, business organizations led by the Confederation of National Chambers of Commerce (Confederacion de Camaras Nacionales de Comercio, CONCANACO) launched a campaign to have the duties reduced, charging that the SECOFI action had caused hardships for Mexican retailers. At first, the Salinas administration balked at the request, instead consenting to provide special assistance to the affected retailers (see SourceMex, 05/05/93, 05/26/93). However, the administration later changed its stance, agreeing to review the duties. As a result, rates were reduced for five of the original eight product categories in early October. In a decree published in the Oct. 1 issue of Diario Oficial (federal register), SECOFI announced a lowering of the duties for bicycles, inner tubes and tires; footwear and shoe parts; toys; electrical machinery; and clothing. The duties for bicycles and parts were reduced to between 40.11% and 87.12%, compared with a previous rate of between 144% and 594%. The rate for toy imports was lowered to between 16.15% and 41.30%, compared with 351% previously. For imports of Chinese clothing (which originally carried a duty of 379% to 533%), duties were removed from 27 products, and reduced to between 21.39% and 47.10% on 10 other items. At the same time, however, the original duties imposed in April were retained on 32 items. In addition, SECOFI announced a reduction of duties for heavy machinery to 51.4% from the original 129%. However, duties were retained at 312% for hand tools, at 54% to 501% for textiles, and at 673% for organic chemicals. The reduction in import duties for components used in shoe manufacturing is expected to benefit subsidiaries of foreign companies that produce athletic shoes in Mexico using Chinese components. These include Nike de Mexico, Foot Locker de Mexico, Le Coq Sportif de Mexico, Dorothy Gaynor, and Arica Sport. But the ruling was not as well received by Mexican shoe producers in Guanajuato, Jalisco and Mexico states, who appealed the decision to SECOFI. Jorge Succar, president of the Guanajuato state Shoe Industry Chamber (Camara Zapatera) admitted that the reduction in duties will benefit Mexican consumers, but warned that the action will bankrupt many Mexican shoe manufacturers. On a related matter, SECOFI released a report confirming that the most frequent violations to Mexico's import regulations involve merchandise imported from China. Among the most serious violation is falsification of papers regarding the country of origin, aimed at circumventing the anti-dumping duties imposed against the Chinese products. (Sources: Notimex, 10/06/93; La Jornada, 09/29/93; 10/02/93, 10/08/93)

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