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Mexico to Investigate Dumping Complaint Against Japanese Company

by LADB Staff

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During March and April, the Trade Secretariat (Secretaria de Comercio y Fomento Industrial, SECOFI) agreed to investigate one complaint of dumping against imports of a foreign product, but declined to investigate or dismissed petitions on four other products. Dumping complaints are frequently filed by Mexican companies that claim that an imported product is being sold in the domestic market at below-market prices.

In mid-April, SECOFI announced that a petition was accepted from copper producer Mexicana de Cobre to investigate whether Japanese companies are dumping sulfuric acid in Mexico at below-market prices. In a decree printed in the Federal Register (Diario Oficial), SECOFI said a full investigation will be conducted because there is some evidence that the imports may be damaging the Mexican industry.

However, SECOFI said preliminary duties will not be imposed against imports from the Japanese companies. The decree did not identify the companies by name. In the same decree, SECOFI announced that dumping complaints against imports of graphite coal from Spain and polybutadiene from the US had both been rejected.

Polybutadiene is a petroleum-based chemical used to produce synthetic rubbers and resins. SECOFI said there was no evidence that the imports were harming the respective Mexican industries. The complaint regarding the Spanish graphite coal, which is used mainly as fuel in industrial ovens, was filed by Carbon Mexicana S.A., while the complaint regarding the polybutadiene imports was requested by Industrias Negromex.

Meanwhile, SECOFI dismissed two other anti-dumping petitions because the items in question are no longer manufactured in Mexico. One case was against imports of phthalic dioxide, a chemical used to produce dyes. The company that manufactures the product in Mexico dropped its complaint after informing SECOFI that a plant producing the chemical will be closed in 1994.

Similarly, SECOFI also ended an anti-dumping investigation against imports of sodium from the US, when the company filing the complaint, Sosa de Texcoco, declared bankruptcy. A federal judge determined that economic factors other than dumping were the main reason for the company's bankruptcy.

In a related matter, Tubos de Acero de Mexico (TAMSA) has asked SECOFI to take steps to block imports of steel tubing into Mexico at below-market prices. According to TAMSA's industrial relations director Francisco Barradas Vista, between 35,000 and 40,000 metric tons of steel tubing are being sold in Mexico annually at below market prices, directly affecting TAMSA and other Mexican

producers of steel tubing. TAMSA officials said the steel imports are on average priced 15% below the cost of production for Mexican steel companies.

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