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Trade Authorities Considered More than 200 Dumping Cases in 1991-1996

by LADB Staff

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According to statistics released by the Secretaria de Comercio y Fomento Industrial (SECOFI), the Mexican government conducted more than 200 anti-dumping investigations against imports of foreign products between 1991 and 1996. Alvaro Baillet Gallardo, director of the SECOFI trade-investigations division (Unidad de Practicas Internacionales, UPI), said a large percentage of the complaints involved imports from the US, China, and Brazil. According to Baillet, three of every five complaints presented to SECOFI during the five-year period were filed by companies involved in the metal or chemical industries.

Lower caseload reported thus far in 1997

Despite the large number of complaints investigated by SECOFI in the five-year period, the number appears to be down this year. Baillet said SECOFI has initiated only seven anti-dumping investigations during 1997, involving imports of such products as US apples, Greek peaches, and steel products from Russia and the Ukraine. According to Baillet, the Mexican business sector has learned to determine better what constitutes a dumping complaint. "

At one time, Mexican industries were using the system as a protection tool to compensate for their lack of competitiveness," said Baillet. Despite the success of the UPI, some importers are pushing the government to create an independent agency separate from SECOFI to investigate anti-dumping complaints. One proponent is former deputy trade secretary Luis Bravo Aguilera, who wants to create a Mexican agency similar to the US International Trade Commission (ITC). "SECOFI's primary mission is to protect Mexican industry," said Bravo. "How can the agency issue impartial resolutions to anti-dumping complaints?"

Some industries seek alternate resolutions to import cases

On the other hand, a few industries have pushed the government to take actions outside the normal dispute-resolution process. For example, in December 1996, SECOFI retaliated against a US decision to raise import taxes on Mexican brooms by imposing tariffs on nine US products. SECOFI took the action without resorting to dispute-resolution mechanisms available under NAFTA (see SourceMex, 12/18/96).

In a more recent case, the Secretaria de Hacienda y Credito Publico (SHCP) agreed to a request from the toy industry to monitor shipments from overseas more closely for illegal imports of toys. According to the Asociacion Mexicana de la Industria del Juguete (AMIJU), several retailers and importers in Mexico have bypassed customs regulations to import toys at low cost, primarily from China, and then sell them at inflated prices in the Mexican market. As part of its move against illegal toy imports, the SHCP authorized the AMIJU to monitor customs shipments. AMIJU president Arnoldo Amador Arevalo said the tighter controls could reduce illegal imports by about 50% this year.

On a related matter, according to a publication produced by the Instituto de Investigaciones Juridicas at the Universidad Nacional Autonoma de Mexico (UNAM), Mexican businesses are more likely to take advantage of the dispute- resolution panels available under the North American Free Trade Agreement (NAFTA) than their US counterparts. The authors of the study, Sergio Lopez Ayllun and Hector Fix Fierro, said US businesses and industry groups are more likely to file complaints through existing US mechanisms, such as the ITC, where the results are more predictable. The study said the Mexican companies that have resorted to a NAFTA dispute- resolutions panel have generally encountered positive results. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Aug. 27, reported at 7.74 pesos per US\$1.00] (Sources: El Universal, 08/12/97, 08/19/97; El Economista, 08/01/97, 08/04/97, 08/11/97, 08/12/97, 08/25/97)

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