ANTI-DUMPING DUTY IN INDIA: A CRITICAL ANALYSIS OF ITS EFFECTIVENESS IN PROTECTING DOMESTIC INDUSTRIES WHILE PROMOTING FAIR INTERNATIONAL TRADE

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ABSTRACT

This research mainly focuses on the concept of Dumping which is an unfair trade practices under the international trade. It also focuses on the Anti-Dumping Duty imposed in India to prevent unfair trade practices. Due to Globalization, the imports and exports between the countries are increasing. In this situation, the import of foreign goods at low price may threatens the domestic manufacturers. The concept of importing foreign goods at lower price is known as Dumping. Therefore, Anti-Dumping Duty acts as a tool to protect the domestic producers. This research examines the legal framework related to Anti-Dumping Duty in India, its implementation and the role of Directorate General of Trade Remedies (DGTR). This research particularly examines the India's legal framework regarding Anti-Dumping Duty based on the Customs Tariff Act,1975, the related Anti-Dumping Rules and the WTO Anti-Dumping Agreement which is applicable internationally. The main objective of this study is to critically examine to what extent the Anti-Dumping Duties are successful in protecting the competition of domestic markets in India. Anti-Dumping Duty can be a shield to the domestic producers in preventing unfair price competition by foreign companies in India. At the same time, Anti-Dumping Duty may raise the price of the imported goods. As a result, the consumers, importers, import reliant businesses are financially get affected. Eventhough the Anti-Dumping Duty protects the fair trade, there is a possibility for the excessive use or misuse of this can become a trade barrier. Because of this, the balance between the protection of domestic industries and free international trade becomes important. This study compares the benefits and drawbacks of Anti-Dumping Duty on the consumers, domestic producers and global trade. This study covers both legal framework of Anti-Dumping Duty and practical effectiveness in India. This study also examines how the Anti-Dumping Duty is effective in protecting domestic industries and at the same time examines whether the Anti-Dumping Duty supports international trade or restricts it. This research studies how the anti-dumping duty works practically, the problems faced while implementing this duty and the pros and cons of the anti-dumping duty. Finally, this research looks whether the balance can be maintained between the protection of domestic industries and avoiding adverse effects on consumers and international trade.

Keywords: Anti-Dumping Duty, Globalization, International trade, Domestic Industries, Consumers.

INTRODUCTION:

Due to Globalization, economic and trade relationship between the world countries have been increasing significantly. Goods produced at one country can be easily sold at one country as a result of the expansion of the international trade market. The growth of import and export between the countries generates economic growth, industrial growth, employment and investment opportunities for the word Nations. Likewise, international trade gives the opportunity to the consumers to choose different types of products from various countries. But, the competition between the countries and companies in international trade increases makes the trade activities not to take place in a fair manner. Some companies may sell their goods in lower price in another countries which is considered to be an unfair trade practice. This can become a challenge for the domestic producers which threatens their market and financial health. So, the maintenance of free and fair trade is important.

Dumping is one of the important unfair trade practices under international trade. If a foreign company or manufacturers sell their products in another country at a price lower than the price it normally charges on its own home market, it is known as Dumping. Sometimes, the goods can also be sold less than the manufacturing price. As a result of this, the goods sold by the foreign industries can be available in lower price than the same goods sell in the local market. This benefits the consumers for short term by getting goods at lesser price. But this type of continuous imports can affect the price of the products produced by the domestic manufacturers and it leads to decrease in their income. Because of this there arises a situation that the domestic producers either want to reduce the price of the goods or to reduce the production of the goods. If this kind of exports continued for longer period, it may results in closing of the domestic industries, decrease in employment opportunities and decrease in domestic market competition. Therefore, dumping should be seen as important international trade problem that can affect the fair competition of domestic industries rather than seeing it as selling goods at lower price.

To prevent from the effect of dumping by foreign countries, Anti-Dumping Duty is deployed.

The main object of this measure is to reduce the unfair competition faced by the domestic producers. Anti-Dumping Duty should be viewed as a trade remedy used to correct the unfair pricing and protect fair competition rather than viewing as a penalty imposed against the foreign companies engaging in Dumping. However, it is imposed not only because of the goods are sold at low price. It should be imposed only after a proper investigation regarding whether the dumping is actually happened, whether it affects domestic industries and whether there is a connection between the injury and the dumping. By this measure, the domestic industries get necessary protection and it also creates a situation to the foreign industries to involve in fair price competition. Therefore, Anti-Dumping Duty is used as a tool to protect domestic industries and to establish fair international trade.

India have also created a legal framework regarding Anti-Dumping Duty to protect the domestic industries and to create fair international trade. In India, Anti-Dumping Duty is imposed based on the Customs Tariff Act, 1975 and Anti-Dumping Rules created under this Act. If it is believed that domestic industries are getting affected due to dumping of foreign goods, an investigation can be made by proper complaint and evidence. This investigation helps to analyses key details such as whether dumping has been happened, the extent of damage occurred to the domestic industries due to dumping, and whether the injury is caused due to dumping. In this process Directorate General of Trade Remedies (DGTR) plays a major role. DGTR gives recommendations based on the investigation report. After that legal action should be undertaken. India's anti-dumping measures should have harmony with the international trade rules particularly with WTO's was anti-dumping agreement. By this means, in one hand India aims to protect domestic industries and on other hand fair competition in international trade.

Eventhough anti-dumping duty is a measure to protect domestic producers, there is necessary to examine its true effectiveness. In one side it protect the domestic industries from unfair price practices. But on the other side, imposition of anti-dumping duty results in increase in price for the imported goods. This may affect the consumers who use that products and also affects the import oriented industries. Further, if the anti-dumping measures are taken in excessive manner or in improper manner, instead of preventing unfair trade practices there is a possibility to become a trade barrier. So, there is a need to critically analyze the extent to which anti-dumping duty actually protect the domestic industries in India, challenges faced in its practical implementation and how it affects the fair international trade. This research mainly focuses on assessing whether there is proper balance between the protection of domestic industries, consumer welfare and fair international trade.

RESEARCH OBJECTIVES:

1. To evaluate the Legal framework governing anti-dumping duty imposed by India and its implementation.

2. To assess what extent the anti-dumping duty is useful in protecting the domestic producers from dumping.

3. To critically examine whether the anti-dumping duties are able to strike a balance between protecting the interests of domestic industry and promoting fair trade internationally.

RESEARCH QUESTIONS:

1. Whether anti-dumping duty truly preventing the unfair import competition arises for the domestic industries?

2. How the anti-dumping duty balance outs consumer welfare and damage caused to the import-dependent industries while protecting domestic industries?

3. Whether present anti-dumping measures in India strikes a balance between protecting the domestic industries and fair international trade?

RESEARCH METHODOLOGY:

This study adopts a descriptive and doctrinal research design and is primarily based on secondary sources. It examines relevant Indian statutes, rules, WTO agreements, government notifications, judicial decisions, books, research articles, and other academic publications relating to anti-dumping duty. The descriptive approach is used to explain the concept, legal framework, and procedure of anti-dumping duty in India, while the doctrinal approach is used to analyse the relevant legal provisions and judicial interpretations.

REVIEW OF LITERATURE:

A. Bhumika Billa (2018) on *Strategising Protectionism: An analysis of India's regulation of anti-dumping duty circumvention*

This paper not merely focuses on the general analysis on anti-dumping duty but mainly focuses on circumvention method that avoids anti-dumping duty and also focuses on the legal framework that controlling it. The author researches on anti-circumvention framework in India, its WTO consistency and principles derived from EU jurisprudence. Particularly, this paper debates on circumvention methods like transhipment, minor alteration and assembly operations. This paper points out that there are some loopholes in India' s legislative framework and also says that sometimes there may a chance for restricting fair trade in the name of protectionism. This research fails to analyse the balance between domestic industry protection and fair international trade. The present research will fill the gap by analysing whether the anti-dumping measures in India strikes a balance between protecting the domestic industries and fair international trade.

B. Vini Jain (2024) on *"Effectiveness of Antidumping Measures in Protecting Indian Industries"*

This paper mainly evaluates whether anti-dumping measures are useful in protecting India's domestic industries from dumping, particularly focuses on the effect of anti-dumping duty on the steel and textile sectors. This paper concludes by stating that anti-dumping measures are useful but there should be a need of balance between immediate protection and long-term competitiveness. But, the effect on consumers, importers and fair international trade is not analyzed by the author. The present paper fill this gap by evaluating the effect of anti-dumping duty on consumers, importers and fair international trade.

C. Radhika Joshi (2006) on *Anti-Dumping Regulations – A Boon or Bane*

This paper analyses the objectives of anti-dumping duty in India, and its legal procedure, application and its economic consequences in India. This paper explains that anti-dumping duty is a remedial measure that protects domestic industries from unfairly low-priced imports. At the same time, its excessive use can leads to higher prices for consumer and additional costs for downstream industries. In India Anti-dumping protection is mainly availed by chemical, petrochemical and pharmaceutical sectors. This paper concluded by suggesting that stricter criteria and sliding scale application should be used to control the anti-dumping measures. This paper does not focuses on the anti-dumping legislative framework in India, its enforcement mechanisms and its recent developments in India. The present research fill this gap by addressing all this.

D. Maniratnam Bhati (2023) on *A Critical analysis of India's Anti-Dumping Law vis-à-vis Competition Law*

This paper compares the objective, approach and practice of anti-dumping law and competition law in India. This paper states that anti-dumping law mainly focuses on the protection of domestic industries while competition law focuses on market competition and protection of consumer welfare. Eventhough the both laws overlap on price discrimination and injury, their legal objectives are different. This paper concludes by stating that anti-dumping law patially protects competition but competition law directly and broadly focuses on protecting competition. This papes does not analyses the practical effectiveness on anti-dumping law in India. The present paper make an analysis on legal framework and practical effectiveness of anti-dumping law in India.

E. Abhishek Karwasra, Dr. Rajiv Bhalla (2024) on *An Appraisal of Anti-Dumping laws in India*

This paper examines the legal framework, implementation and judicial interpretation of anti-dumping laws in India. Particularly, examines the Customs Tariff Act, 1975 and Custom Tariff Rules, 1995 and role of DGTR. This paper discusses on how Indian framework functions on dumping, injury determination, investigation procedure and anti-dumping duty imposition. This paper concludes by suggesting that to address the procedural delays, injury determination and conflict that arises with WTO obligations, it is necessary to have a lesser duty rule and faster investigations. There is gap in this paper that is this paper ignores the broader effectiveness if anti-dumping duty. The p;resent paper analyses that what extent the anti-dumping duty is effective in protecting domestic industries and at the same time critically analyses its effects on consumer's interest and fair competition.

INDIA'S LEGISLATIVE FRAMEWORK AND PROCEDURAL MECHANISMS OF ANTI-DUMPING DUTY:

In India, due to the increase of the international trade, the anti-dumping activities become important. There arises a situation that the foreign industries started to sell their goods in India at lower price than the normal values. This leads to unfair competition in local market in India. To prevent this India has brought anti-dumping measures in its trade policy. In 1992, PVC Resin manufacturers Association claims for investigation regarding export of PVC resin by foreign industries at lower price than local market price. After that in 1993 for the first time India imposes anti-dumping duty on some foreign industries. Then, anti-dumping investigations has been initiated against many products and many foreign countries.

India's anti-dumping laws are closely connected with international trade rules. Article VI of General Agreement on Tariffs and Trade (GATT) is an international basis for dumping and actions against dumping. Following the Uruguay Round negotiations, the rules related to anti-dumping is clearly developed through GATT in 1994. After this, anti-dumping agreement was made in WTO framework. The basic idea is the anti-dumping is not simply a measure to stop imports; it is trade remedy to the injury happened to domestic industries because of dumping. According to this international framework, India brought its domestic Anti-Dumping laws.

The legal basis for imposing anti-dumping duty in India is the Customs Tariff Act, 1975. Particularly, Sections 9A, 9B and 9C of the Customs Tariff Act, 1975. Under Section 9A, it is considered to be dumping when the products are exported to India at lower price than its normal value. It's purpose is not to punish the foreign company. It is to correct or to compensate the injuries that are made to the domestic industries through dumping. So, dumping cannot be seen as penalty; it should be viewed as a trade measure to correct the unfair pricing. It is important here to determine the normal value. To determine the normal value of the product, we should look into the selling price of the same or similar product in the exporting country. If the selling price of the product in exporting country is not able to be analyzed, we can examine the price by comparing with the exportable price to the third country. If this is also not possible, we can determine the normal value by adding the selling expenses and reasonable profit to the production cost. Through this we can determine whether the product is truly exported to India at the lower price than the normal value.

Exporting goods at lower price to India by foreign companies cannot be a sole reason to impose anti-dumping duty on them. But we should look into whether dumped products caused any material injury to domestic industries or whether it will cause any threat to domestic industries or whether it affects the growth of the domestic industries to impose anti-dumping duty. So besides dumping margin, injury determination is also important in investigation. Therefore, selling goods at lower price should not only be a reason to impose anti-dumping duty; there should be a true injury to the domestic industries.

Customs Tariff (Identification, Assessment and Collection of Anti-Dumping Duty on Dumped

Articles and for Determination of Injury) Rules, 1995 has been brought for the purpose of implementing this legal provision. This rule provides the procedure for identifying dumping, determining dumping margin, calculation of injury caused to domestic industries and collecting & assessing anti-dumping duty; that is, Custom Tariff Act gives legal power to impose anti-dumping duty while rules provide procedure to implement it practically.

In India anti-dumping investigations are mainly handled by Directorate General of Trade Remedies – DGTR. DGTR examines the evidence related to dumping and its effects on domestic industries after receiving complaint from the domestic industry. It looks into the factors like export price, normal value, dumping margin, import volume, domestic prices, production and domestic industry's economic condition. It conducts investigation by collecting information from exporters, importers and domestic producers. After completion of investigation, it comes to findings whether there is a true injury or dumping. If they found that dumping is happened; then they recommend to impose anti-dumping duty. Then, the necessary steps are taken by the Central Government to impose duty on the foreign industry. Therefore, the process is investigation is simply complaint → investigation → evidence examination → dumping determination → injury determination → recommendation → duty imposition. Therefore, the objective of the India's anti-dumping law is not giving protection to domestic industries at all time. There should be a establishment of connection between dumping and injury. So, anti-dumping duty is an evidence-based trade remedy. At the same time, it tries to strike a balance between the protection of domestic industries from unfair import competition and conforming trade remedy system with international trade rules.

EFFECTIVENESS OF ANTI-DUMPING DUTY IN PROTECTING DOMESTIC INDUSTRIES:

The main objective of anti-dumping duty in India is to reduce the impact of dumping by foreign industries on the domestic industries. Due to dumped imports, the domestic industries may not be able to sell their products at the competition price. In this situation, if the anti-dumping duty is imposed to reduce the unfair price advantage between the price of dumped products and price of domestic products. Through this, the domestic industries are able to compete in the market in India. To measure the effectiveness of the anti-dumping duty, we should first look into the impact it made on the dumped imports. After imposing duty there is a chance either for increasing the price of the imported goods or its import volume can be decreased. As a result, the advantage by selling the goods in lower price by the foreign companies reduces. This leads to reduce the immediate competitive pressure on the domestic producers and increases the chance for them to protect their market position. The research of Mahajan, Chand and Pasumarthi found out that anti-dumping duty is partially effective in reducing the dumped imports of goods[1]

Domestic market stability is its next important effect. If the dumped goods are continuously sold in India, it can become a difficulty for the domestic producers to maintain their production and pricing decisions. Thus, anti-dumping duty reduces this unfair pricing pressures. Due to this there arises a market stability for the domestic producers. And it also make a situation to continue production, to undertake investment and improve competitiveness of domestic industry in future. In this way, anti-dumping measures acts a mechanism for reduce the market disruption caused due to dumped products in addition to providing protection to domestic industries.

But we cannot only look into the positive sides of anti-dumping duty. If protection continues to be provided, some domestic industries are likely to become dependent on that protection. When foreign competition is low, industries may feel less pressure to improve their efficiency, innovation, and cost competitiveness. Due to this, anti-dumping duty can affect the self-reliance and competitiveness of the domestic industry. We should therefore assess the effectiveness of anti-dumping protection not only in terms of immediate import reductions, but also whether it creates long-term industrial competitiveness.[2] Further, anti-dumping investigation cannot be easy for all domestic industries. Particularly, providing necessary information, evidence and injury assessment to small firms can become an administrative burden. In Sterlite Industries (India) Ltd. v. Designated Authority, 2003 (158) E.L.T. 673 (S.C.), the court held that proper evidence and injury assessment is important in anti-dumping proceedings.[3] Therefore, if you want the anti-dumping duty to be an effective mechanism, then besides the protection of domestic industries the fairness in investigation, evidence-based determination and procedural transparency should be certain.

[1] Ashwani Mahajan, Phool Chand & Harsha Vardhan Pasumarthi, An Analysis of Impact of Anti-dumping Duties on India–China Trade, 22 Foreign Trade Review 219 (2021)
[2] Vini Jain, Effectiveness of Antidumping Measures in Protecting Indian Industries, 2024.
[3] Sterlite Industries (India) Ltd. v. Designated Authority, 2003 (158) E.L.T. 673 (S.C.).

ECONOMIC IMPACT OF ANTI-DUMPING DUTY AMONG CONSUMERS, IMPORTERS AND DOMESTIC MARKET:

While imposing anti-dumping duty it directly benefits the domestic industries. At the same time, it can affect the consumers and importers also. There the consumers have the chance of getting goods at lower price when the dumped products sold at low price. But after imposing duty the landed cost of that dumped product may increases. Due to this if the importers change their additional cost to the consumers, the market price of that product may increases. Therefore, there is a need to strike a balance between protection of domestic industries and proving affordable price to consumers. Bhasin's study suggests that eventhough anti-dumping measures aims to protect domestic industry, it should not be used for general economic protection.[4]

Anti-Dumping Duty creates an additional burden to the importers. Since imported goods have to pay taxes, their overall cost will increase; this may reduce the profit margin of importers or they may have to pass on the increased cost to the end customers. Particularly, if there is no necessary local alternatives for the specific raw materials or for intermediate goods, anti-dumping duty may increases the production cost for the downstream industries who are using that imported products. As a result, eventhough anti-dumping duty give protection to some particular industries it creates a possibility of additional cost to the other industries in the same supply chain. The research on "The Role of Anti-Dumping Duties and Its Impact on Chennai Industrial Sector" also analyses that anti-dumping duty may creates challenges such as disruption in supply chain operations and reduction of market competitiveness.[5]

While evaluating the effectiveness of the anti-dumping duty, its effect on the consumers is important. Imposing anti-dumping duty on imported products may decrease the availability of cheaper alternatives for consumers. Particularly, the anti-dumping duty may results in increase of market price because there is no enough competition between the domestic products and imported products. Therefore, the success of anti-dumping duty cannot be determined merely by analysing the protection to the domestic industries, the price effect on consumers shoud also be taken into account. Eventhough anti-dumping measures are the legitimate trade remedy to

[4] Rahul Bhasin, Anti-Dumping Duties and Trade Remedial Measures: The Case of Dumping of Chinese Goods in India, 5(2) VISION: Journal of Indian Taxation 104, 104–112 (2018).
[5] Dr. Reshma Soman N. & Rithika Shree K., The Role of Anti-Dumping Duties and Its Impact on Chennai Industrial Sector: An Analytical Study, 19(2) Journal of Contemporary Research in Management 13, 13–20 (2024).

address the unfair imports, it is not to provide blanket protection to domestic industry.[6]

At the same time, it also able to create a positive economic effect on the domestic market. If the domestic industries continuously losing its market share due to dumped products, the employment may get affected and some industries can eliminate from the market. In this situation, anti-dumping duty can reduce the unfair market competition and helps to prevent the domestic production and employment. Thus, while the economic impact of anti-dumping duty creates costs for consumers and importers on one hand, it also creates an opportunity to protect domestic production and employment on the other.

IMPACT ON FAIR INTERNATIONAL TRADE AND COMPETITION:

One of the main objectives of anti-dumping duty is protecting fair competition in international trade. When the foreign industry sells their products at another country at lower price than normal value, these industries get some unfair price advantage. Because of this the domestic producers who are manufacturing the same products may not able to compete on equal level. Thus, anti-dumping duty is imposed to fix this situation. This reduces the unfair price difference between dumped product and domestic product. This gives everyone a fair chance to compete in an international business.

Anti-Dumping Duty cannot be simply viewed as a restriction against free trade. Under Article VI of the Anti-Dumping Agreement permits the member states to take anti-dumping measures against material injury caused to domestic industries by dumping. The purpose of this is not to impose taxes to protect a country's domestic industry from foreign competition. Rather, its basic purpose is to the harm caused by unfairly low-priced imports. Therefore, the anti-dumping duty acts as a trade remedy to strike a balance between the free international trade and protection of domestic industry.

But if the anti-dumping duty is imposed in an excessive manner or for a longer period, there is a possibility to acts as a trade barrier instead of promoting fair trade. As foreign competition diminishes after domestic industry gains protection, domestic manufacturers may be less pressured to improve their efficiency, innovation, and cost effectiveness. At the same time, continuous imposition of anti-dumping duty may restrict the imports and may create the higher costs to consumers and import dependent industries. Therefore, anti-dumping duty may be

[6] Bhasin, supra note 4.

imposed based on evidence regarding dumping and injury to domestic industries.

While using anti-dumping measures in international trade, there is a possibility to form trade disputes with exporting countries. If one country is continuously imposing anti-dumping duties on another country's products, that country can use the WTO dispute settlement mechanisms against the continuous imposition or can be carried out the similar trade measures. Because of this anti-dumping duty may be able to affect the international trade relations beyond a acting as a domestic remedy. Therefore, it is important to conduct the anti-dumping investigations more transparent, on the basis of objective evidence and should consistent with WTO rules.

In total, if the anti-dumping duty is imposed in fair and adequate manner, it can act as an important trade remedy to protect the fair international competition by controlling unfair pricing. But if it is imposed in excessive manner with the objective to protect domestic industries, it may become a barrier to free trade and measure to reduce international competition. Therefore, in India it is important to maintain a balance between domestic industry protection and free international trade in Anti-Dumping mechanism.

CHALLENGES, LIMITATIONS AND NEED FOR REFORM IN INDIA'S ANTI-DUMPING MECHANISM:

Although Anti-Dumping Duty is an important trade remedy in protecting domestic industries, there are certain shortcomings and challenges in its practice. Firstly, Anti-Dumping investigation is a complex process that requires examining various economic and technical information. Since many factors such as normal value, export price, dumping margin, injury and causal link have to be determined, the investigation process is likely to take a long time. Because of this, a situation may arise where the domestic industry cannot get protection immediately. In particular, if dumped imports continue to enter the market, domestic producers may be affected during the very period until the investigation is completed.

Another important issue relates to transparency and procedural fairness. In Anti-Dumping investigations, information and evidence are obtained from many parties, namely exporters, importers and domestic producers. Since some commercial information is confidential, a situation may arise where all the information cannot be fully given to the parties concerned. At the same time, the information on the basis of which the injury or dumping determination has been made must be sufficiently clear. In the case of Sterlite Industries (India) Ltd. v. Designated

Authority, procedural issues relating to confidentiality and relevant information disclosure in Anti-Dumping proceedings gained importance. This shows the need for both transparency and fairness to be equally protected in Anti-Dumping investigation.

Another challenge in the Anti-Dumping mechanism is the dependency of the domestic industry. If Anti-Dumping protection is received continuously, some domestic producers may feel less pressure to face foreign competition. Because of this, there is a possibility that sufficient attention may not be paid to production efficiency, technological development, innovation and cost reduction. The ultimate purpose of giving protection is not to protect the domestic industry permanently; it should be to give that industry the opportunity to develop itself and compete in fair competition. Therefore, it becomes important that Anti-Dumping Duty should be used as temporary protection, and that its effectiveness should also be evaluated on the basis of long-term competitiveness.

Moreover, when Anti-Dumping Duty is imposed, an impact may occur not only on the domestic industry but also on consumers, importers and downstream industries. If there is high dependency on imports for particular raw materials or intermediate products, production costs may increase due to Anti-Dumping Duty. Because of this, a measure that protects one industry may create an additional burden on another industry. Therefore, when imposing Anti-Dumping Duty, it is necessary to consider not only the domestic industry's injury but also the economic impact on consumers and the wider market. This shows that an approach that takes broader economic interest into consideration is needed in the Anti-Dumping mechanism.

To address these challenges, certain reforms are needed in the Anti-Dumping mechanism. The investigation process should be more time-bound and efficient; dumping and injury determination should be made on the basis of clear and reliable evidence; procedural transparency should be increased. Similarly, the duties imposed should be reviewed at specific intervals, and it should be evaluated whether the domestic industry truly still needs protection. It is also important that unnecessary protection does not continue for a long time. Finally, Anti-Dumping Duty should act in a way that balances not only protecting the domestic industry but also consumer interest, market competition and international trade obligations.

SUGGESTIONS:

1. Strengthening protection for small domestic industries:

It is difficult for the small and medium sized industries to handle the anti-dumping process than the large-scale industries because they may not have adequate resources to gather the documents and prepare the necessary evidence. Therefore, simple guidance and basic support can be given to them to present their cases. This will ensure that anti-dumping protection is not limited only to large-scale industries.

2. Balancing Domestic Protection with Industrial Interests:

It is essential to ensure that whether the imported product is used as a raw material by another domestic industry before imposing anti-dumping duty. Because sometimes protection to one industry may become a barrier to another industries. Therefore, before imposing duty effect on both industries should be considered.

3. Fast and transparent anti-dumping investigations:

Investigation process should be time bound and transparent without taking longer period of time. Dumping, injury and casual connection should be determined based on prper evidence.

4. Use a simple “before and after” check:

The effect of Anti-Dumping Duty can be understood by comparing the situation of the domestic industry before and after the duty was imposed. Factors such as production, imports, market share and employment can be compared. This will help to determine whether the duty has actually benefited the domestic industry instead of considering the imposition of duty itself as a success.

5. Remove the duty when its purpose is achieved:

When the domestic industry becomes stable and the problem caused by dumped imports is reduced, the Anti-Dumping Duty should not continue unnecessarily. The need for the duty should be examined based on its original purpose, and it should be reduced or removed when that purpose has been achieved. This will protect domestic industries when necessary while avoiding unnecessary restrictions on international trade.

CONCLUSION:

Anti-Dumping Duty is not merely a shield for domestic industries; it is a test of how India balances protection with fair international trade. This study establishes that Anti-Dumping Duty plays an important role in protecting domestic industries from the adverse effects of unfairly priced imports. When imported goods are sold in India at prices lower than their normal value and cause injury to domestic producers, anti-dumping measures can reduce the unfair price advantage enjoyed by foreign exporters. In this way, the measure provides domestic industries with a reasonable opportunity to compete and maintain their position in the Indian market.

The study also shows that the effectiveness of Anti-Dumping Duty should not be understood only in terms of whether it protects domestic producers. Its wider economic consequences are equally important. The imposition of duty may increase the price of imported goods and may therefore affect consumers and importers. Industries that depend on imported raw materials may also face higher production costs. Therefore, while considering the protection of domestic industries, the possible effects on consumers, import-dependent industries and the wider market should also be taken into account.

Another important finding of the study is that Anti-Dumping Duty should not become a permanent source of protection for domestic industries. The protection provided through anti-dumping measures should give industries sufficient time to improve their production capacity, technology, quality and efficiency. Domestic producers should gradually become capable of competing with foreign producers on their own strength. In this sense, Anti-Dumping Duty should function as a temporary support mechanism rather than a permanent shield against international competition.

The study further highlights the importance of maintaining a proper balance between domestic protection and free international trade. Anti-Dumping Duty is not intended to completely stop imports or prevent foreign competition from entering the Indian market. Its purpose is to address the unfair advantage created by dumping and to restore conditions of fair competition. Therefore, the imposition of duty should be based on proper investigation, reliable evidence of dumping and injury, and a clear connection between the dumped imports and the harm suffered by the domestic industry.

At the same time, the Anti-Dumping mechanism can be made more effective through practical improvements. Small domestic industries should receive appropriate support in dealing with the investigation process, while the impact of duties on industries using imported raw materials should be carefully considered. The actual effect of a duty can also be understood by comparing the position of the domestic industry before and after the duty was imposed. Such an approach would help determine whether the measure has genuinely achieved its purpose rather than treating the imposition of duty itself as an indication of success.

In conclusion, Anti-Dumping Duty remains a necessary and valuable trade remedy for India, but its effectiveness ultimately depends on its proper and balanced application. It should protect domestic industries where genuine dumping and injury exist, without creating unnecessary burdens for consumers, importers or other industries. If anti-dumping measures are applied for a justified purpose, supported by evidence, and reconsidered when their purpose is achieved, they can protect Indian industries while also allowing India to remain committed to fair and competitive international trade.

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