

UAE introduce anti-dumping duty on GCC imports for the first time

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In brief

Following a decision of the GCC Industrial Cooperation Committee the UAE has imposed an anti-dumping duty on GCC imports of car batteries originated in or exported from South Korea with effect 25 June 2017. This is the first anti-dumping duty imposed by the UAE after the issuance of Federal Law (1) of 2017 on Anti-Dumping, Countervailing and Safeguards Measures on 21 May 2017. The UAE Ministry of Economy announced earlier this year that the new legal framework allows the UAE Government to protect national industries, businesses and markets from imports of goods that are either “dumped”, subsidized or require to be temporarily limited.

In detail

Generally, an anti-dumping duty is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value. Dumping is a process where a company exports a product at a price lower than the price it normally charges on its own home market. To protect local businesses and markets, many countries impose anti-dumping duties on products they believe are being dumped in their national market.

Anti-Dumping in light of the World Trade Organization (WTO) rules

Part of the WTO mandate is the international regulation of anti-dumping measures. The WTO does not regulate the actions of companies engaged in dumping. Instead, it focuses on how governments can or cannot react to dumping. In

general, the WTO agreement allows governments to act against dumping where there is genuine, material injury to the competing domestic industry. In other cases, the WTO intervenes to prevent anti-dumping measures. This intervention is justified to uphold the WTO's free market principles.

UAE anti-dumping duties on car batteries originated in or exported from South Korea

Further to the decision of the GCC Industrial Cooperation Committee, and pursuant to UAE Federal Law (1) of 2017 on Anti-Dumping, Countervailing and Safeguards Measures, a final anti-dumping duty is now imposed on all GCC imports of car batteries originated in or exported from South Korea under HS code 8507.10.00. The rates vary depending on the manufacturer and range

from 12% up to 25% of the Cost, Insurance, Freight (CIF) value of the batteries imported into the UAE.

The mentioned anti-dumping is applicable with effect 25 June 2017 and has been recently communicated by Dubai Customs through the Customs Notice 5/2017 dated 2 October 2017. The measure will remain effective for five years as of the date of implementation.

In theory, following the decision of the GCC Industrial Cooperation Committee, this anti-dumping duty (and potentially others in the future) could be applied by other GCC member states.

The takeaway

UAE importers and manufacturers are required to monitor the potential introduction of additional measures by the UAE based on the recently issued UAE Federal Law (1) of 2017 on Anti-Dumping, Countervailing and Safeguards Measures to ensure appropriate planning is put in place to avoid unexpected additional costs in their supply chain. Importers in other GCC countries are also advised to monitor these developments in their respective territories.

Let's talk

For any question or clarification, please do not hesitate to contact us:

PwC Middle East Customs & International Trade

Jeanine Daou
Middle East Indirect Tax Leader
Tel: +971 (0)4 304 3744
E: jeanine.daou@pwc.com

Carlos Garcia - Director
Middle East Customs & International Trade,
UAE
Tel: +971 (0) 4 304 3936
E: c.garcia@pwc.com

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