

SPECIFICITY OF ANTI-DUMPING REGULATION FOR TRANSITION COUNTRIES

Since the anti-dumping regulation mechanism in transition economies is a specific instrument for promoting competition, the anti-dumping should be viewed as a very important part of the trade policy. The basic criteria traditionally used in the determination of the normal price of a product should be adapted to the realities of organic production in the transition period.

As a rule, dumping is quite common in the international trade practice. Dumping is considered for the sale of goods at a price below the selling price of the domestic manufacturer. Introduction of antidumping measures is possible only when a certain industry complains against the importing country and a special investigation is conducted. As a result of this investigation, the existence of dumping practices causing material damage to a national industry has been proved. The use of the instruments of domestic market protection is an important factor in protection of national producer's interests from the negative effects of foreign competition. The state can apply antidumping duties, including temporary anti-dumping ones, or adopt exporter pricing obligations.

Within the framework of the Customs Union of the Republic of Belarus, the Republic of Kazakhstan and the Russian Federation, a unified mechanism was created to apply special safeguard, antidumping and countervailing measures on imports from third countries.

The above mentioned measures should be applied after the Board of Eurasian Economic Commission investigates the case and makes an appropriate decision. In particular, most measures which were used on the territory of the members of the Customs Union at a national level have been extended to the common customs territory of the Customs Union (countervailing measures do not apply in Belarus, Russia and Kazakhstan).

On the whole, the main problems faced by transition countries are connected with the ignorance of the antidumping legislation and relevant procedures. The determination of dumping existence is basically a judicial procedure, during which exporters have the opportunity to provide evidence justifying their positions. Often non-market countries are unable to provide detailed cost and price information in a particular requested format. Therefore, the issue is solved by voluntarism in order to identify the existence of dumping practices. If a certain economy has a non-market reputation, than it is almost impossible to recognize a particular company-exporter. In practice, transition

countries face obvious discrimination in determining normal prices. During anti-dumping investigations, the utilization of the ‘choice of the analogue country’ method in normal value determination, jeopardizes exports, increases the risks of arbitrariness and attracts biases from the part of officials. In the absence of strict regulatory rules, a transition country faces the threat of adverse selection of the country analogue and it can be vulnerable to unjustified price changes. Pricing in third countries to determine the dumping margin encounters enormous difficulties.

To sum up, to prevent possible anti-dumping sanctions against domestic exporters, institutional reforms in transition economies are needed. There is a stringent need to follow the dynamics of the anti-dumping policy, to identify key trends, issues, and change possibilities of the forms and methods of its application. This will help the transition from anti-dumping mechanisms pronged treatment to comprehensive understanding of policies in order to protect the interests of exporters.

Kachura, J.
Scientific tutor Vasilevskaya, L.
BSEU (Minsk)

SPECIAL ECONOMIC ZONEZ: ‘ISLETS’ OF THE WORLD ECONOMY

A Special Economic Zone (SEZ) is designated area in a country that possesses different from other areas in the same country special economic regulations. The economic laws for businesses in SEZ are more liberal and typically regard investing, taxation, trading, quotas, customs and labor regulations.

Even since the first SEZs were established more than fifty years ago, they have become an increasingly prominent feature of the world economy. In the mid-1980s, they began to spread rapidly, especially in developing countries. If in 1986 there were only 176 such zones recorded in 46 countries, today more than 3,000 SEZs are known to exist in some 135 countries. It is estimated that, collectively, they account for over \$500 billion in global trade, and employ more than 70 million people. There are also various types of SEZs in the world, the functions of which are slightly different.

While other policy tools exist, SEZs can be particularly effective by concentrating activities in one area, exploiting economies of scale in provision of public infrastructure and facilitating cluster development. They can potentially promote private investment, industry and export growth by offering quality infrastructure, streamlined business regulations and incentives to investors and businesses.

The new SEZs quickly attract foreign investment and become boomtowns, with rapidly expanding light and consumer-goods industries and growing populations – as for example, Shenzhen’s population (China) grew from some 30,000 in 1979 to more than 1,000,000 by the beginning of the 21st century.