



# ***“EFFECT OF DUMPING TRADE ON MICRO SMALL MEDIUM ENTERPRISE IN INDIA”***

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***Abstract***- This study “**Effect of Dumping trade on Micro Small Medium Enterprises in India**” has been undertaken to impact of dumping trade practice done by foreign countries which destroying the Micro Small Medium Enterprises in India due to this they continuously getting sick as their product badly bitten by foreign traders also this study focused to make attention toward the “Demonstration effect” working behind the dumping trade practices. Secondary data taken from “Directorate General of Trade and Remedies-Annual report-2018-19” to prove as the number of dumping cases leading to the increases the sickness of Micro Small Medium Enterprises in India.

**Key word:** *Dumping, Indian traders, Anti-dumping, MSME*

## **1.Introduction**

Dumping can be defined as the international price discrimination, Exporter selling a product in foreign market at very low price, but same product sold at higher price in the home country.

Article VI of the General Agreement on Tariffs and Trade (GATT), ‘Anti-dumping duties and countervailing duties. Article VI of GATT recognizes dumping ‘to be when products of one country are introduced into the commerce of another country at less than the *normal value* of products. The signatories of GATT condemn such dumping which ‘causes or threatens material injury to an established industry in the territory of contracting party or materially retards the establishment of domestic industry’. Therefore, the contracting party imposes.

Anti-dumping duties (ADDs) to prevent injury to the domestic industry. The legal framework for Anti-dumping duties (ADDs) in India is provided by Section 9 of the Customs Tariff Act of 1975 (as amended in 1995) and the Custom Tariff (Identification, Assessment and Collection of Countervailing Duty on Subsidized Articles and for Determination of Injury) Rules, 1995. The previously mentioned laws are in accordance with the WTO framework.

India’s trader and Micro Small Medium industries facing the issue of Dumping. It is forcing people to adopt imported product, no doubt that product is available for the people at cheaper cost it does not mean that its increasing India’s wealth and prosperity.

India is developing country already going through the demonstration effect (It is the tendency of underdeveloped and developing countries to follow the consumption pattern and style developed countries) due to this India’s importing goods from western and other countries. It also encouraging foreign exporter to crate market in India.

On the other hand, It is destroying the Micro small medium enterprises entry in the market because of products value is cheaper than the cost includes in the production.

India under the huge trade deficit with China as China has duping the goods in India due to this India’s product is badly losing the market as they could not compete with highly cheaper Chinese product. This trade practice is treated as unfair internationally by all the countries.

India's exports to China during 2022-23 stood at USD 15.3 billion while imports stood at USD 98.5 billion, leaving a trade deficit of USD 83.2 billion

General trade and tariff and World trade organization applying the anti-trade investigating the many cases, one of the WTO members report on anti-dumping.

activity.

WTO  
22 April 2002

NEWS: 2002

PRESS

RELEASES,

Press/287

China, with 25 investigations on its exports, is at the top of the list of countries subject to anti-dumping investigations in 2001.

Indonesia, Korea, and Japan each had 8 investigations initiated on their exports in the second semester of 2001.

Brazil, Chinese Taipei, Thailand, and the United States were next, each with 9 investigations initiated on their exports in the second semester of 2001.

The United States initiated 33 out of its 35 investigations on base metals products, while India initiated the majority (28) of its investigations on chemical products. Turkey initiated 12 out of its 13 investigations on products in the plastics sector.

India has decided to impose anti-dumping duties on three Chinese products, namely wheel loaders, gypsum tiles, and industrial laser machinery. The purpose of these duties is to protect local manufacturers from the influx of cheap imports from China. The imposition of these duties follows the recommendations made by the Directorate General of Trade Remedies (DGTR), which is the investigation arm of the commerce ministry. These investigations are shows that India is trying to stop the unfair trade practices but to eliminate the dumping at the bottom level need break the demonstration effect which is mostly follow by the Indian people.

## 2. Need for the Study:

Growth rate of India economy is dependent of industrial development. All types of industries play vital role in the economic expansion of the country and have vast approaching for employment generation. Increasing small scale, medium scale and large-scale sector also results in decentralized industrial development, better distribution of wealth and investment with entrepreneurial excellence. But the main problem that arises here is sickness of companies. It is a dangerous problem to the growth of the nation. The major thrust of this study is to explore the effect of dumping on the industrial sector. This paper may give accurate reasons behind the sickness of companies in India.

## 3. Review of literature

- **International Economics (Book) 11<sup>th</sup> edition:** This book is written by **Dominick Salvatore Fordham University**, United state of America. I review this book for study of dumping related issue and aggregate.
- **Indian Economy by Ramesh singh 10<sup>th</sup> edition:** I review the chapter no.9 “industry and infrastructure, chapter no.16 “international economics organization and India.”
- **New Industrial policy 1991:** Overall, the literature on the New Industrial Policy of 1991 reflects a diverse array of perspectives, ranging from assessments of its economic impact to discussions on liberalization and privatization and globalization and the ongoing challenges and opportunities for India's industrial development.
- **An Analysis of Impact of Anti-dumping Duties on India:** Article in South Asia Economic Journal · August 2021, DOI: 10.1177/13915614211035052 by three authors Ashwani Mahajan (PGDAV Collage University of Delhi), Phool Chand (PGDAV Collage University of Delhi), Harsh Vardhan pashumarathi (PGDAV Collage University of Delhi).
- **The Economic time article** Last Updated: Jan 10, 2024, 03:46:00 PM IST.

**In this article** India has decided to impose anti-dumping duties on three Chinese products, namely wheel loaders, gypsum tiles, and industrial laser machinery. The purpose of these duties is to protect local manufacturers from the influx of cheap imports from China. The imposition of these duties follows the recommendations made by the Directorate General of Trade Remedies (DGTR), which is the investigation arm of the commerce ministry.

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- **Aardhna Aggarwal (April 2022)** : “ANTI DUMPING LAW AND PRACTICE: AN INDIAN PERSPECTIVE” working page no. 85 published by Indian council for research on international economic relations.
- **Abid Hussain committee (1997)** : in his study titled, “ Report of the committee on small enterprises” examined and suggested institutional arrangements, policy of specific and programs for long term and short term requirement of the small scale industries, also define the injuries from the dumping.
- **Sardar Gugloth**: “Sickness of Micro, Small and Medium Enterprises in India”, International Journal of Business Management, Eco.Res., Vol 2(6),2011,345-351

## 4. Chapterization

### 4.1 Importance of MSME in Indian economy

Micro, Small, and Medium Enterprises (MSMEs) play a significant role in the Indian economy for several reasons:

1. **Employment Generation**: MSMEs are major contributors to employment generation in India, provides more than 110 million job opportunities in the country, particularly in rural and semi-urban areas. They provide livelihood opportunities to a large section of the population, including skilled and unskilled workers.
2. **Contribution to GDP**: MSMEs contribute significantly to India's GDP, The MSME sector in India makes a contribution of around 30% to the nation's GDP. Although individually small in scale, collectively they make a substantial contribution to the overall economy, especially in sectors like manufacturing, services, and trade.
3. **Promoting Entrepreneurship**: MSMEs foster entrepreneurship and innovation by providing a platform for small business owners to start and grow their ventures. They encourage self-employment and support the spirit of entrepreneurship, which is crucial for economic growth and development.
4. **Regional Development**: MSMEs are often located in rural and backward areas, contributing to the economic development of these regions. They help in reducing regional imbalances by decentralizing economic activities and creating opportunities outside of urban centers.
5. **Export Promotion**: MSMEs play a vital role in promoting exports from India. Many small and medium enterprises engage in export-oriented activities, contributing to foreign exchange earnings and enhancing India's presence in the global market. MSMEs' contribution to the exports from India was recorded at 42.67% by August 2022
6. **Ancillary Industries and Supply Chain**: MSMEs form the backbone of the supply chain ecosystem, providing goods and services to larger industries. They serve as suppliers of raw materials, components, and services, supporting the operations of larger enterprises and industries.
7. **Adaptability and Innovation**: MSMEs are known for their agility and ability to innovate. They are often more flexible and responsive to market changes compared to larger corporations. This adaptability allows them to quickly seize new opportunities and address emerging challenges.
8. **Financial Inclusion**: MSMEs promote financial inclusion by providing access to credit and financial services to small entrepreneurs and businesses. Government initiatives and policies aimed at supporting MSMEs often include provisions for easier access to credit and financial assistance.

### 4.2 Main cause of Dumping

**Demonstration effect**: This is the main cause of dumping in India, due to this people are adopting the taste and habits of other developed countries and providing market to sale the product in India. Indian people are becoming habitual to serve these goods they feel that they are modern, they don't know that unknowingly they are destroying the Indian traders and industries product. for example till the time of independence Indian people used to wear dhoti and kameez (Kurta) as the time passed people adopting the western wear and now generation is completely influence by western culture and following developed country costumes. due to this automatically crating the market for other foreign country and other countries did not want to lose this type of opportunity to grow their business they use dumping strategy.

**In inefficient anti-dumping measures:** Inefficient anti-dumping measures refer to policies or actions taken by governments to counteract dumping practices by foreign companies, but which fail to effectively address the underlying issues or achieve their intended goals. Dumping occurs when a company exports goods to another country at a price lower than what it charges in its home market, often with the aim of gaining a competitive advantage or driving competitors out of the market.

### **4.3 Roll of Directorate General of Trade Remedies (DGTR)**

Liberalization has opened up world trade to free competition. However, there have been instances of unfair pricing/ countervailable subsidies by some exporters/ exporting countries, necessitating action under trade remedial measures by the importing country. Since India is one of the largest growing economies with a huge demand base, it has become a frequent target of such unfair practices by trading partner countries. DGTR has been making efforts to provide a safety net to insulate the domestic industry from threats arising out of trade liberalisation and to create enabling environment for the Indian domestic industry to tackle challenges and avail opportunities arising out of globalisation and economic liberalisation.

Trade remedy investigations often involve products that are critical to the growth of the Indian economy. Timely completion of investigations are necessary to relieve the domestic industry of the uncertainties generated by trade distortive practices, especially since fast-changing technology can make products obsolete in just a few years. Therefore, adherence to timelines and fair investigations become very important.

The steps taken by DGTR can have significant impact on competitive conditions, profitability, and employment in affected domestic industries as well as related downstream and upstream industries. Therefore, it needs to be understood that any protection to one industry may involve higher costs of inputs for downstream user industry. In view of above, any final decision by the Government has to take into consideration the public interest also in the form of overall interest of the country.

DGTR has also been entrusted with the responsibility of defending India's interest in trade remedial actions initiated by other countries against Indian entities. Therefore, DGTR has a very critical role in filing the submissions on behalf of Government of India, particularly because Indian exporters (especially MSMEs) are many a times unaware of the procedures, timelines and complexities of long drawn investigations, which render them vulnerable to higher intensity of measures due to minor avoidable lapses.

### **4.4 Trade Remedy Investigations by INDIA**

India is one of the major users of trade remedial measures. Major product categories for which trade remedy measures were applied to protect the injured. domestic industry pertains to chemicals & petrochemicals, pharmaceuticals, steel & other metals, textiles/fibres etc. The countries /customs territories involved in alleged trade distortive practices in their exports to India were mainly China PR, European Union, Korea RP, Chinese Taipei and Thailand.

India has initiated 652 trade remedy investigations since its inception in 1992 till 31<sup>st</sup> March 2019 consisting of 600 Anti-Dumping cases (287 original investigations & 313 review investigations), 9 Countervailing and 43 Safeguards investigations. These statistics include the number of investigations initiated by erstwhile DGAD, DG (Safeguards) and DGTR. This is irrespective of number of subject countries involved in each of these initiations. WTO data, as per practice, considers each subject country as a separate initiation and counts original investigations only while collating initiations/impositions, the details thereof can be seen in the previous section.

**Total investigations initiated by India (1.1.1992 –31.3.2019\*)**

AD Investigations	CVD Investigations	Safeguard	Total
600 (including 313 reviews)	9	43	652

\* Source: Estimated Archived Data

As on 31.03.2019, the measures in force imposed by India against other countries are 139 anti-dumping measures, 2 countervailing measures and 2 safeguard measures. Based on WTO methodology, country-wise measures in force are 274 AD measures with highest number of measures against China (99 measures) followed by Korea (20 measures), Thailand (19 measures), Taiwan (18 measures), European Union (16 measures), Malaysia (13 measures) and Indonesia (11 measures). Detailed list of all existing measures by India is available at Annexure I – A, B and C.

The Directorate received 75 applications during 2018-19 requesting relief against alleged dumping, subsidization, or surge in imports of various products by the exporters / exporting countries causing injury to the domestic industry. The applications included 52 Anti-Dumping, 15 countervailing, 7 Safeguard cases and 1 refund application. After detailed scrutiny, the Authority initiated 29 investigations, consisting of 24 Anti-Dumping and 5 Countervailing Duty Investigations based on the merits of each case. The number of investigations were *prima-facie* lesser on account of intensified scrutiny at pre-initiation stage primarily to optimise the resources of the Authority thereby eliminating those applications found lacking in sufficient supporting evidence or documentation, at the initial stage itself.

#### Year-wise total number of investigations initiated by India.

	Original	MTR	NSR	SSR	AC	CVD	SG	Total
2008-09	3	3	0	4	0	1	1	12
2009-10	15	3	2	6	0	0	10	36
2010-11	15	8	4	16	0	0	1	44
2011-12	9	7	2	9	0	0	1	28
2012-13	10	2	3	13	0	0	3	29
2012-14	18	3	0	17	0	0	3	41
2014-15	12	2	0	17	0	1	7	39
2015-16	19	5	1	9	2	0	2	38
2016-17	29	0	2	13	0	1	1	46
2017-18	21	1	5	14	2	1	1	45
2018-19	6	2	4	11	1	5	0	29

Source: DGTR \* DG, Safeguard (merged with DGTR on 17.5.2018)

(Original-Original AD Investigation; MTR-Mid-Term Review Investigation; SSR- Sunset

Review Investigation; NSR- New Shipper Review Investigation; AC-Anti Circumvention

Investigation: CVD- Countervailing Duty Investigation)

#### List of Number of Large-Scale Companies register under BIFR to declare Sick due to anti-Dumping:

S.No	Year	No of Companies
1	1991	155
2	1992	177
3	1993	152
4	1994	193
5	1995	115
6	1996	97

7	1997	233
8	1998	370
9	1999	413
10	2000	429
11	2001	463
12	2002	559
13	2003	430
14	2004	399
15	2005	180
16	2006	118
17	2007	78
18	2008	57
19	2009	64
20	2010	72
21	2011	73
22	2012	80
23	2013	92
24	2014	91
25	2015	175
26	2016	103
27	2017	82
28	2018	66

Source: Board of industrial and financial reconstruction Website

From 1991 to 2006 the large-scale companies were more in sickness. But from 2007 to 2011 the number came down. But in 2012 to 2015 again it is in increasing way. If we observe in three segments like small, medium, and large-scale sectors the sickness India is vast in size, and it shows adverse effect on country economy. For this we need to take preventive measures as well as restart sick units in terms of revival and rehabilitation of these sick units.

## Original Investigations

An original anti-dumping investigation is a legal and administrative process conducted by a government authority to determine whether imported goods are being sold in the domestic market at prices lower than their normal value (often termed as "dumped"). The purpose of such investigations is to protect domestic industries from unfair competition and to ensure a level playing field in international trade.

In the investigation, authorities typically examine various factors including the pricing practices of the exporting country, the impact of the dumped imports on the domestic industry, and the potential harm caused to domestic producers. If it is found that dumping

is occurring and is causing injury to the domestic industry, anti-dumping duties may be imposed on the imported goods to offset the unfair advantage gained by the foreign producers through dumping.

## New Shipper Reviews (NSR)

New Shipper Reviews (NSRs) are conducted within the context of anti-dumping duties on the New foreign exporter. However, there are instances where new exporters or producers from the exporting country enter the market, and they may not have been part of the original investigation that led to the imposition of anti-dumping duties. New Shipper Reviews provide these new exporters or producers an opportunity to demonstrate that they are not dumping their products or that they qualify for lower dumping margin compared to the existing duty rates. Essentially, NSRs allow new market entrants to establish their own dumping margins based on their own pricing data and circumstances.

## Mid Term Review (MTR)-

A mid-term review refers in the context of an anti-dumping investigation to an assessment conducted during the investigation to evaluate the continued necessity and effectiveness of anti-dumping duties or measures imposed on imported goods.

During a mid-term review, authorities examine various factors such as changes in market conditions, the impact of the anti-dumping measures on domestic industries and consumers, and whether the dumping practices by foreign exporters persist. Based on this review, authorities may decide to adjust, maintain, or terminate the anti-dumping duties or measures.

The purpose of a mid-term review is to ensure that anti-dumping measures remain appropriate and are not unnecessarily burdensome on importers or consumers while still providing adequate protection to domestic industries.

## Sunset Review (SSR)-

In the context of anti-dumping measures, "Sunset Review" (SSR) refers to a specific process for reviewing and potentially extending or terminating anti-dumping duties imposed on imported goods. Review investigations are generally undertaken against a specific written application from domestic industry filed prior to expiry of the measure.

## Anti-Circumvention Investigations (AC) -

The Authority considers application where evidence is brought before it to show that imposed measures are being circumvented. The circumvention can be of various types and follows the discipline mentioned in the Rules. It may be noted that neither the Anti-Dumping Agreement nor any other legal instrument under WTO has any provision concerning anti-circumvention of ADD. Nonetheless, many countries apart from India, such as the European Union, the United States, Australia, and Canada have their own anti-circumvention provisions within their domestic anti-dumping frameworks. In India, the provisions concerning anti-circumvention were introduced vide Section 58 of the Finance Act, 2011, accordingly, Section 9A(1A) was inserted in the Act. These provisions act as a deterrent for circumventing the measures imposed. There have been very few investigations of Anti-Circumvention world over including in India.

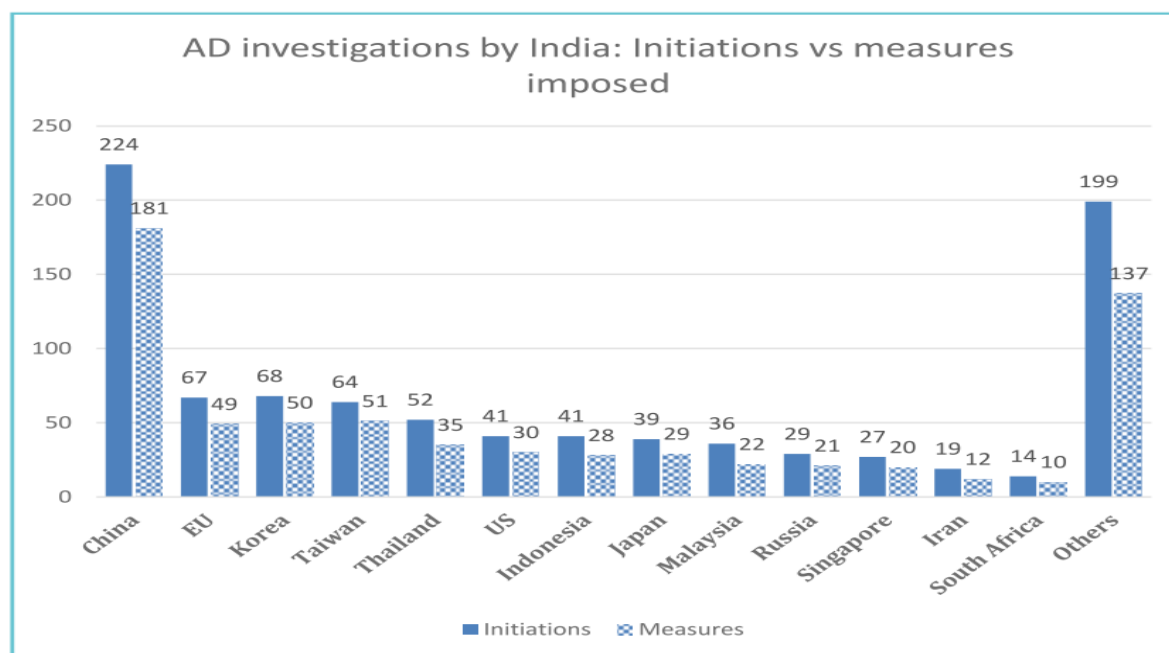
## Countervailing Investigations by India (CVD) -

The Subsidies and countervailing measures (SCM) Agreement allows imposition of Countervailing Duties (CVDs) and prescribes the provisions for such imposition with a view to increase and improve the GATT disciplines relating to the use of both subsidies and countervailing measures. CVDs are applicable when a government in the exporting country provides subsidies or assistance to a local industry which could be in the form of subsidized loans, tax exemptions, indirect payments, etc. The assistance provided enables these foreign suppliers and manufacturers to potentially export and sell the goods for a price less than that at which domestic companies of the target member country can reasonably sell. Countervailing Duties are meant to neutralize the adverse effects of the subsidies allowed for a particular product in the exporting country, on the same industry in importing country. The subsidies create an unfair advantage to the exporting producer and distort fair trade. Therefore, member countries are becoming very wary of these practices and globally there is an increasing trend in number of CVD investigations, as can be seen in the previous table chart.

# Safeguard Investigations (SI)

Safeguard measures are defined as “emergency” actions to address serious injury to the importing Member’s domestic industry and is used as temporary relief when imports of a particular product suddenly increase to a point that they cause or threaten to cause serious injury to domestic producers of like or directly competitive products. Safeguard duties give domestic producers a period of grace to become more competitive vis-à-vis imports. Thus, safeguard measures, unlike anti-dumping and countervailing measures, do not require a finding of an “unfair” practice (generally) and are applied on MFN basis i.e. they are applicable against all the countries with uniform rate of duty unlike the anti-dumping duties.

## The country wise imposition of ADD by India are as under:



*\*Estimated based on WTO data 01.01.1995- 31.12.2018*

## 5. Research Objective

- Make attention towards “Demonstration effect” which encouraging foreign exporter to crate market in India.
- Behind this study another moto is to declare a clarity about dumping is not suitable for the Indian market. It acting as poison for Indian traders which slowly -slowly destroying our Micro Small Medium industries.

## 6. Research methodology

Research methodology is purely based on the collection of data. This project “**Effect of Dumping on Micro Small Medium Enterprises in India**” is completely based on **secondary data source** taken from Annual report of General of Anti-Dumping and Allied Duties (DGAD), Anti-dumping investigation report of Directorate general of trade remedies (DGTR), WTO report, different kinds of textbooks and newspapers and journals. Different kinds of websites are taken as the reference for this paper.

### Type of research

“**Effect of Dumping on Micro Small Medium Enterprises in India**” this project is **descriptive** in nature and an analytical study, this study has quantitative data of time series.

### Study area.

This study covers the country India and some other foreign exporter counties.

### Data analysis

Data analysis is done by the appropriate statistical tools and technique. I run the correlation between both variable (Anti-dumping case initiation data and sick industry data).

## 7. Research hypothesis

**H<sub>0</sub>:** If Dumping case increase it do not effect on MSMEs

**H<sub>a</sub>:** If Dumping case increase effect on MSMEs

**H<sub>0</sub>:**  $\beta = 0$

**H<sub>a</sub>:**  $\beta \neq 0$

**Y= Intercept=AD initiation case + Ut (error term)**

Where “y” is dependent variable.

**Y=  $\alpha + \beta * Ut$**

**Y=43.97524664+(1.217757) AD Initiation case**

**P = (0.048905865)**

## 8.Hypothesis testing and data analyses

### Regression matrixes.

SUMMARY OUTPUT								
0								
Multiple R	0.380073601							
R Square	0.144455942							
Adjusted R Square	0.049395491							
Standard Error	31.45098543							
Observations	11							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	1	1503.156005	1503.156	1.519621892	0.048905865			
Residual	9	8902.480359	989.16448					
Total	10	10405.63636						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	43.97524664	36.02501279	1.2206865	0.253220127	-37.51899408	125.4694874	-37.51899408	125.4694874
AD initiations case	1.217757848	0.987854918	1.2327294	0.048905865	-1.016925231	3.452440926	-1.016925231	3.452440926

## Interpretation

When interpreting a p-value, it's crucial to understand its significance in the context of hypothesis testing. The p-value represents the probability of observing a test statistic (or more extreme) under the assumption that the null hypothesis is true. Here's how to interpret a p-value of 0.0489:

**Comparison with Significance Level ( $\alpha$ ):**

The standard practice is to compare the p-value to a predetermined significance level ( $\alpha$ ), commonly set at 0.05.

If the p-value is less than or equal to  $\alpha$  ( $p \leq \alpha$ ), typically 0.05, it suggests that the observed result is statistically significant, and we reject the null hypothesis in favor of the alternative hypothesis.

If the p-value is greater than  $\alpha$  ( $p > \alpha$ ), it indicates that the observed result is not statistically significant, and we fail to reject the null hypothesis.

**Interpretation:**

In this case, with a p-value of 0.0489, if we use a significance level of 0.05, since  $0.0489 > 0.05$ , we will reject the null hypothesis at the 0.05 level of significance.

This suggests that there is insufficient evidence to conclude that the observed result is statistically significant. In other words, the data does not provide convincing evidence to reject the null hypothesis.

We will reject the null hypothesis based on the given p-value and significance level. This does not necessarily mean that the null hypothesis is true; rather, it suggests that the data does not provide enough evidence to support the alternative hypothesis at the chosen level of significance.

**Considerations:**

It's essential to interpret p-values alongside other relevant information, such as effect size, sample size, and practical significance, to provide a comprehensive understanding of the results.

Additionally, the choice of significance level ( $\alpha$ ) may vary depending on the context and the consequences of making Type I or Type II errors in the specific hypothesis test.

In summary, a p-value of 0.0489 indicates that the observed result is statistically significant at the commonly used significance level of 0.05. Therefore, we do reject the null hypothesis based on this p-value.

**Conclusion:**

Finally, we can say Regression test run to show the Impact of increasing antidumping cases on the MSMEs.

P-value is 0.048905865 which is less than the 5 percent of significant value it means our Null hypothesis ( $H_0$ ) Is rejected and Alternative hypothesis ( $H_a$ ) is accepted.

And after the testing of this hypothesis, the finding is that the Increasing antidumping cases are leading to the sickness of MSMEs.

## **9.Suggestions to stop dumping trade practice**

Stopping the dumping trade practice in India requires a multifaceted approach involving both policy and regulatory measures. Here are some suggestions:

- **Anti-Dumping Regulations:** Strengthen existing anti-dumping regulations and enforcement mechanisms to effectively identify and counter dumping practices. This includes imposing tariffs or duties on imported goods dumped below fair market value.
- **Monitoring and Surveillance:** Enhance monitoring and surveillance systems to detect instances of dumping early on. This could involve improved data collection, analysis, and collaboration between government agencies and industry stakeholders.
- **Transparency and Information Sharing:** Increase transparency in trade practices by providing clear guidelines and information on anti-dumping measures to domestic industries. This can help them understand their rights and take necessary actions to protect their interests.
- **Capacity Building:** Build the capacity of domestic industries to compete effectively in the global market. This could include providing support for research and development, technology upgrades, and skills training to improve productivity and competitiveness.

- **International Cooperation:** Work with international organizations and trading partners to address dumping practices through bilateral and multilateral agreements. This includes engaging in dialogue, sharing best practices, and advocating for fair trade principles on the global stage.
- **Legal Remedies:** Ensure that domestic industries have access to legal remedies to challenge unfair trade practices. This may involve providing support for trade dispute resolution mechanisms and facilitating access to legal assistance for affected industries.
- **Market Diversification:** Encourage diversification of export markets to reduce dependence on any single trading partner. This can help mitigate the impact of dumping practices originating from specific countries or regions.
- **Promote Fair Trade Practices:** Advocate for fair trade practices at the international level and support initiatives aimed at promoting ethical and sustainable trade. This includes raising awareness among consumers and businesses about the importance of fair trade and responsible sourcing.

By implementing these measures in a coordinated manner, India can work towards preventing and addressing the negative impacts of dumping trade practices on its economy and domestic industries.

## 10. Conclusion

This study “Effect of Dumping on Micro Small Medium Enterprises in India” makes the attention toward the dumping trade practices happening in the India which done by the foreign countries exporter to create market and generate monopoly in India’s market. This means India is not only badly losing the market, but also Indian product is offensively beaten by exporter countries cheaper product in the own India’s biggest market.

In other hand MSME industry are not only contributing in National income also generating employment on ground level and absorbing the access labor from agriculture sector and many more importance in the Indian economy. Due to the dumping injury and its unhealthy practice destroying the MSME of India.

Growth rate of India economy is dependent of industrial development. All types of industries play vital role in the economic expansion of the country and have vast approaching for employment generation. Increasing small scale, medium scale and large-scale sector also results in decentralized industrial development, better distribution of wealth and investment with entrepreneurial excellence. But the main problem that arises here is the sickness of companies. It is a dangerous problem to the growth of the nation.

The major thrust of this study is to explore the effect of dumping on the industrial sector. This paper may give accurate reasons behind the sickness of companies in India is “*Dumping trade practice*” and main cause of dumping is the “*Demonstration effect*” which only can be eliminate by producing self-made product and for producing own good need to support MSMEs by giving basic precures like financial assistance, providing market, subsidy support and infrastructure development etc.

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