

# The impact of commodity dumping on the industrial sector in Iraq

## (An analytical study)

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### **Abstract:**

The research aims to study the impact of the dumping phenomenon on the industrial sector in Iraq, which is one of the most important and sensitive topics among the many problems facing this vital sector, especially after 2003 and the following years after the opening of Iraq's borders to foreign markets, which led to the flow of goods and industrial products on a large scale without any possible conditions or restrictions. As the commercial policy did not receive much attention in terms of managing the commercial sector in Iraq's regional, Arab, and international economic relations, requiring control over the regulation of the movement of goods and products entering the Iraqi market, this resulted in the entry of various types of commodities in an unregulated manner, which had a direct negative impact on the capacity and performance of the national industry, with the background and reality of the industrial sector and the directions of the new economic policy of the state.

**Keywords: (Commodity Dumping, Industrial Sector, Iraq).**

## أثر ظاهرة الإغراق السلعي على القطاع الصناعي في العراق (دراسة تحليلية)

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### الملخص:-

يهدف البحث الى دراسة أثر ظاهرة الإغراق على القطاع الصناعي في العراق والتي تعد أحد اهم المشكلات والمواضيع الحساسة من بين العديد من المشكلات التي تواجه هذا القطاع الحيوي، لا سيما بعد سنة ٢٠٠٣ وما تلاها من سنوات بعد انفتاح العراق على الاسواق الخارجية والتي أدت الى تدفق السلع والمنتجات الصناعية بشكل واسع دون اي شروط او قيود ممكنة، إذ لم تحظى السياسة التجارية باهتمام كبير من حيث إدارة القطاع التجاري على علاقات العراق الاقتصادية الإقليمية والعربية والدولية بحيث تستلزم السيطرة على تنظيم حركة السلع والمنتجات الداخلة إلى السوق العراقية، وهذا أدى بشكل أو بآخر إلى دخول مختلف أنواع السلع بشكل غير مقنن، مما ترك أثراً مباشراً على قدرة وأداء الصناعة الوطنية، وقد رافق ذلك انعدام الرقابة على جودة السلع و المنتجات الصناعية المستوردة، وهذا أدى بدوره الى تكوّن العديد من المشاريع الصناعية الحيوية وتعطيل طاقاتها الانتاجية.لذا جاء البحث ليلسط الضوء على مشكلة الإغراق السلعي بعد سنة ٢٠٠٣ معتمدا على بيانات سنة ٢٠١٨ كسنة اساس لتبين مدى تقاوم هذه المشكلة، وقد تم التركيز على العديد المنتجات الصناعية المستوردة والتي أخذت تنافس المنتجات الصناعية الوطنية مع إيجاد الحلول الكفيلة بمعالجة هذه المشكلة، بحيث تتلاءم ملامحها مع خلفية وواقع القطاع الصناعي واتجاهات السياسة الاقتصادية الجديدة للدولة.

العراق - القطاع الصناعي- الكلمات المفتاحية: الإغراق

### Introduction:

The industrial sector is one of the most important productive sectors with an effective impact on the national economy. Being the most effective and dynamic sector in achieving the requirements of economic development, as the added values achieved by this sector exceed many times the rest of the economic sectors, in addition to its important role in achieving self-sufficiency by increasing and developing its production capacities in order to compensate for imported products, develop exports, and provide more hard currencies, the acquisition of a strong industrial sector makes the economy of the region or country more flexible in facing local, regional, and international political and economic challenges and fluctuations.

Despite the important role of Iraq's industrial sector, which in the past constituted a fundamental and pivotal pillar in the economic development process, we find that the facilities of this vital sector have become plagued by numerous problems and obstacles, which were among the main reasons for the delay in their production operations in light of the difficult political and economic conditions that these facilities face as a result of the wars and sanctions.

Therefore, government plans and programs found that they were unable to advance the reality of these facilities, so that they became unable to fix the delays and stops that hit them as a result of the government's lack of seriousness in restoring its developmental role, especially as it is subject to the influences of some regional and global countries, which prompted those countries to draw up economic policies. In order to revive its national industries at the expense of Iraq and for some of them to establish some industries with poor products and export them to Iraq, it is therefore necessary to find plans to advance the vital and important role of this sector in order to exercise its important role in the process of economic and social development.

#### **Research problem: -**

Did the phenomenon of commodity dumping, in light of Iraq's openness after 2003 to global markets, contribute to the delay and disruption of the industrial sector? Is it possible to develop automated policies that act as treatments that reduce this problem?

#### **Research hypothesis:**

The economic openness of Iraq after 2003 to global markets contributed to the emergence of many problems facing the industrial sector, including the problem of dumping the local markets with imported industrial products, which led in one way or another to the disruption and delay of many of the facilities of the national industrial sector, and thus affecting the national product. With regard to the size and quality of production, and then its price and its ability to compete at the level of trade exchange, this requires the development of strategic policies that work towards supporting and building the national industrial sector in a manner consistent with the needs of the national economy.

#### **Research importance:**

The importance of the research lies in the study of one of the most serious challenges facing the national industrial sector at the current and future stage, which is represented in the emergence of an acute problem, which is dumping the Iraqi market with imported industrial goods and products with low prices, which constituted an accidental barrier that prevented the advancement of the national industrial sector. Putting in place mechanisms to advance this vital sector in the face of the invasion of the Iraqi market by others, and to support and develop one's

own capabilities through the enactment of relevant legislation and laws, with an attempt to reach the most effective solutions to address this problem by adopting the trade policy and its tools to reach the desired goals represented by the regulatory processes for the entry of imported goods and industrial products into the Iraqi market, which affected and affects in one way or another the Iraqi consumer in terms of providing goods with high quality specifications and the same price reasonable.

### **Research goals: -**

1. Statement of the impact of commodity dumping on the national industrial sector in Iraq, given that it is one of the most important sectors that had an effective contribution to the gross domestic product, but it is now passing through a circumstance that requires advancing its acceleration as much as possible, especially in light of the availability of capabilities and experience for the urgent need that exists for it in Nowadays.
2. Developing proposed remedies and solutions that could be sufficient to address this problem and which are commensurate with the requirements of the current and future stage in order to advance this sector and then play its vital role in the gross domestic product through a number of recommendations.

### **Research methodology: -**

In order to achieve the objectives of the research and in the midst of his endeavor to verify the validity of the hypothesis that was drawn for him, he relied on the descriptive approach as a written approach, as well as the use of the analytical approach represented by collecting data and information that the research signed and then analyzing it, which is the basis for identifying the problem and diagnosing its pillars and preparing At the same time, the way to reach appropriate treatments and solutions.

### **Research Structure: -**

The research was divided into three main axes, as well as conclusions, recommendations and a list of sources. The first axis included the definition of trade policies and their tools, while the second axis dealt with the definition of the dumping phenomenon and the indications of its origin, while the third axis showed the impact of the commodity dumping phenomenon on the industrial sector in Iraq.

### **Research limits:-**

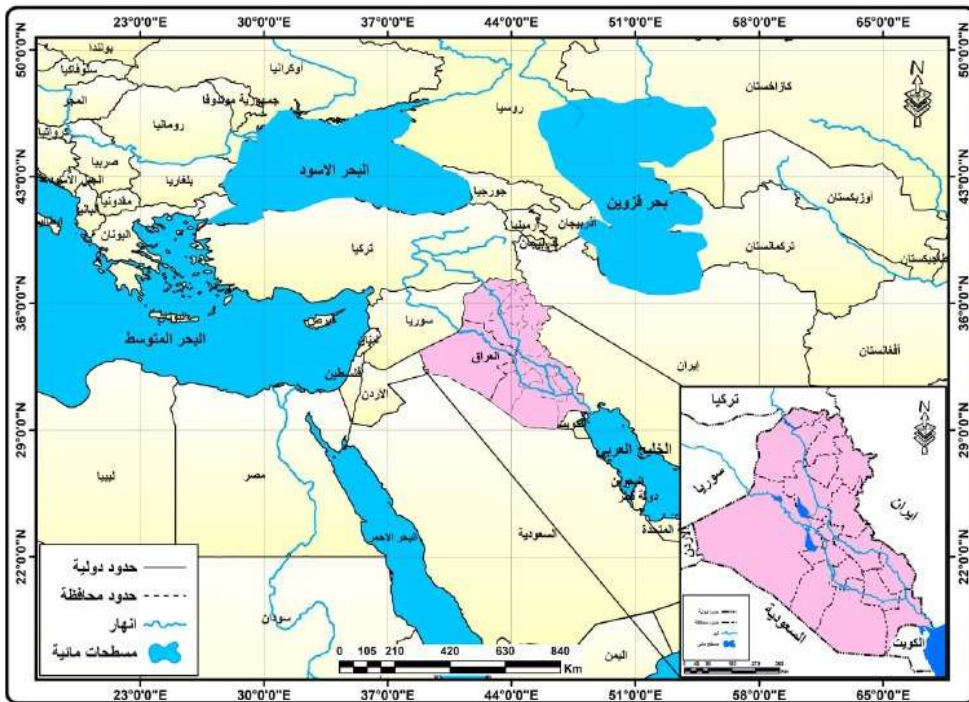
1. The time limits focused on the problem of commodity dumping of imported industrial products and its impact on the national industrial sector, which began to intensify after 2003, relying on



data for the year 2018 as an example that shows the extent of the exacerbation of this problem, focus has been placed on many imported industrial products, which began to compete with national industrial products.

2. Spatial boundaries: The spatial boundaries of the research included an analysis of the problem of commodity dumping of imported industrial products in Iraq, which is located within the Middle East region in the western part of the continent of Asia, occupying the northeastern part of the Arab world, which is confined between two latitudes (27-29 and 23 -37) north, and between longitudes (42-38 and 45-48) east, which is located between latitudes (6-29 and 27-37) north and longitudes (39-38 and 36-48) east, see map (1).

**Map (1) the geographical location of Iraq**



Source: Republic of Iraq, Ministry of Water Resources, General Directorate of Survey, Iraq administrative map, scale 1:1,000,000. 2017.

(The first axis)

### Introducing trade policy and its tools

### **First: The concept of trade policy:**

Trade policies, that is, the means and procedures that are followed, differ from one country to another, according to the circumstances that surround that country, the conditions, the available capabilities, the needs, and many other factors, such as the goals that the country intends to achieve by following the trade policy in question, the nature of the economic system, and the degree of economic development. Trade policy has been defined as (a set of measures that are used in the fields of international economic relations, especially foreign trade) (Khalaf, 2001, p. (Shehab, 2006, p. 197).

There is another definition of trade policy that may be more comprehensive, as it is defined as (those actions taken or laws enacted by the government, in its political capacity, for the purpose of affecting, directly or indirectly, the volume of trade exchange between it and other countries, or affecting the quality of exchange and its trends) (Badawaii, 2010, p. 50) and the last definition may be the most comprehensive and comprehensive understanding of the concept of trade policy.

From the foregoing, we conclude that commercial policies in all their details are a necessary and decisive matter, as choosing and then following a certain type of commercial policy indicates that this policy represents the economic direction of the state, which is either positive and brings benefits to the state, or it may be Negatively, it returns to the country concerned.

### **Second: Trade Policy Objectives:**

We can clarify the objectives of the commercial policy through the following: – (Khalaf, 2001, p. 131)

1. Increasing and diversifying exports.
2. Protecting emerging industries.
3. Improving the rate of trade exchange.
4. Stabilizing the internal and external value of the currency.
5. Achieving economic ties.

### **There are other modern objectives of trade policy as follows:**

1. Increasing the volume of trade with foreign countries.
2. Preserving basic raw materials to encourage the development of local industries.

3. Stimulating exports of certain products, with a focus on increasing production within the country.
4. Preventing imports of certain products for the purpose of granting protection to emerging industries, developing major industries, or preserving the balance of foreign currency.
5. Restricting imports to maintain the diversification of industries and to correct the imbalance in the balance of payments.
6. Encouraging imports of capital goods to accelerate the process of economic development in the country.
7. Entering into trade agreements with foreign countries to achieve stability in foreign trade.

### **Third: Types of Trade Policy:**

#### **The types of trade policy are as follows:**

##### 1- Trade freedom policy:

The policy of freedom of trade is defined as (a system of commercial policy that allows merchants to work and conclude deals without government interference), and this policy was adopted by the industrially developed countries, from whose land the beginning of the industrial revolution was launched, and as a result, the problem of overflow in production appeared, and then It is trying to find a suitable market for it, so it was appropriate for it to advocate this type of politics (Al-Wadi, 2009, p. 287).

As for international institutions, it believes that the policy of trade freedom is represented by (abandoning biased policies against export, adopting neutral policies between export and import, reducing the value of high customs tariffs and limiting the degree of their dispersion, as well as converting quantitative restrictions into customs tariffs, and moving towards Unified System of Customs Tariffs (Wikipedia).

##### 2- Trade Protection Policy: -

Trade protection policy is defined as (government efforts to protect local producers from international competition) (Hashish, 1981, p. 193), and it can also be defined as (protection of national production from competition with similar foreign commodities in the local market, and it also means protecting benefits this is because the trade protection policy is followed by a group of countries, as it imposes high taxes on imported goods or that are similar to national products, or by closing local markets, And work to prevent the entry of those commodities, either permanently or temporarily, in order to protect local products, especially agricultural and industrial ones.

Quotas and other types of government restrictions designed to discourage imports and prevent foreigners from taking over the functions of the domestic market and firms) (Badawi, 2010, p. 51).

There are many arguments on which this policy is based, which are as follows: (Al-Sous, 2008, p. 79)

1. Support for production and employment.
2. Providing cheap labor and foreign competition.
3. Confronting market dumping.
4. Support emerging national industries.
5. Argument Charting Trading Strategies.
6. The argument of the distributional effects of foreign trade.
7. The argument of deficit in the trade balance.
8. The Government Revenue Argument.
9. Reciprocity.
10. Improve exchange rate.

Trade protection policy tools: -

The trade protection policy uses a set of tools, which we can divide into: -

1- Customs tariff: - It is the most common type imposed by the government on goods that are shipped internationally (Daniels, p322, 2009).

**It is possible to distinguish between three types of customs tariffs imposed on imports: -**

**The specific customs tariff:** It is a fee on imports allocated as a fixed cash tax for each tangible unit of imported goods (Appleyard, 2008, p258).

**Value customs tariff:** It is a percentage imposed on the market value of goods when they reach the importing country (Pugel, 2007, p127).

**Compound customs tariff:** These are the tariffs that include the specific customs tariffs in addition to the value customs tariffs (Yusry, 2007, p. 141).



(second axis)

### The concept of dumping and its nature

#### **First: dumping (conceptual framework):**

Before we deal with the concept of dumping, we must give a historical overview of this phenomenon, as the phenomenon of dumping emerged as an economic phenomenon with the establishment of the capitalist system, through which the countries of this system aimed to impede the growth and development of industries in their old colonies, in addition to that they aimed to acquire International markets and settle in the markets of those countries after contributing to the destruction of local national products first, and then accustoming the local consumer to a pattern of good-quality, low-cost goods and products compared to the national product of limited quality and somewhat high cost compared to imported goods secondly (Krugman, 2006m, p131).

There have been many concepts related to the definition of commodity dumping, as some have defined it as selling goods and products locally in foreign markets at prices that are less than the cost of their production or less than the price that is sold in the local market. The Ministry of Foreign Affairs (Shehab, P. 150).

And there are those who define the concept of dumping as a form of price discrimination, stating that (in imperfect competition markets, companies sometimes impose one price for a particular commodity when that commodity is exported and a different price for the same commodity when it is sold in the local market), and that this practice leads to To impose different prices on different customers, which is called price discrimination, and indicates that the most common form of price discrimination in international trade is dumping, which is also a (price practice in which the institution imposes a lower price for its exported goods than it imposes for the same goods sold locally) (Krugman, 1991, p145).

It is also defined as the foreign producer selling the commodity in the market of the importing countries at a price less than the selling price in the market of its domestic production, and through this it aims to be unique in the market of the importing country in order to get rid of competition from others (Saqr, 1999, p. 7)

We note after this brief review of the concept of dumping that there is one view of the content of dumping all pouring into the same meaning of the phenomenon of dumping.

#### **Third: Conditions for Realizing Dumping: -**

It can be said that there are three basic conditions for the occurrence of dumping, which can be summarized as follows:- (Krugman, 1991, p145)

1. The dumping phenomenon occurs if the export price of goods and products is less than the selling price.
2. There is a case of damage to the industrial facilities in the importing country.
3. There is a causal relationship between imports and damage to the local product.

#### **Fourth: The most prominent effects of the dumping policy:**

The phenomenon of commodity dumping causes great losses and threats to the industrial sector in the importing country, as it leads to retardation and decline of this sector, in addition to that it impedes the establishment of new industrial projects, and the economic expansion resulting from this phenomenon, as well as its effects on the exporting country, as this phenomenon is One of the main problems facing the production and export capacities of many countries is if those countries apply the provisions of the World Trade Organization, and on this basis it can be said that the dumping policy has negative effects on both the importing country and the exporting country, and it can be divided accordingly into the following: (Kazem , 2011, p. 187).

a. The impact of dumping on exporting countries: - Here, dumping takes two sides, the positive side is the increase in exports and the rise in foreign currency revenues, as well as the creation of job opportunities generated by economies of scale, and this in turn leads to an increase in income and employment, while dumping mostly negatively affects the economic situation in the exporting country, as the citizens of the exporting country will buy the local commodity at a price higher than the price at which the foreigner buys it. Rather, the producer, in order to compensate for the loss incurred by selling at low prices in the foreign market, may resort to raising the price significantly. Of course, the effect of dumping in this case will depend on whether or not the commodity is flexible. The more flexible the commodity, the less the effect, and vice versa, And also on whether or not there is a monopoly on this commodity.

B. The impact of dumping on importing countries Some may believe that this phenomenon of entering goods and products at a low price is an advantage in all cases and constitutes a positive aspect, but this belief is incorrect, as this phenomenon quickly turns into negative effects and within a short period, because The entry of these commodities at low prices will lead to the elimination of local industries and lead to their decline, and then reduce their competitiveness, especially industries that produce commodities similar to imported commodities and are unable to withstand the competition of these commodities. Likewise, the alleged low prices of imported commodities will lead to a rise in The percentage of disguised unemployment, especially in industries that stop producing, or that they move to other activities that are not efficient and productive.

### **Types of dumping:**

There are many types of commodity dumping, which can be divided as follows: - (Hosni, the year of publication was not mentioned, p. 312)

1. Accidental (sudden) dumping: This type occurs when the exporting country is exposed to emergency conditions and aims to get rid of a specific commodity or product, so that country offers it at low prices, as happened in the Four Asian Tigers in 1997 when prices fell currency exchange.
2. Unintentional dumping (automatic): - It occurs when production costs decrease at a stage of the production process, for example, the prices of inputs to the production process suddenly drop, or the importing country cancels customs duties and taxes.
3. Short-term dumping: - This type of dumping aims to achieve certain goals so that it ends as soon as these goals are achieved, and the most prominent example of that is the temporary reduction of selling prices of goods and products with the intent of opening large markets, so that producers accept the loss in order to achieve these goals, after So they compensate for the losses they suffered as a result of that.
4. Long-term dumping: This type of dumping aims to achieve long-term strategic goals.
5. Excess dumping: - This type occurs when the exporting countries resort to dumping a specific local market from their surplus production, because the local markets of the importing country are not governed by certain controls and conditions, and this is what encourages exports to them at low prices. (Al-Ghazali, 2007, p. 68).
6. Subsidized dumping: This type of dumping occurs when the local market is dumped with imported goods and products that are originally subsidized by the government of the country exporting these goods and products, as the exporting companies enjoy many advantages, including reducing production and transportation costs, taxes and customs fees.
7. Tactical dumping: - in which companies of exporting countries resort to reducing the prices of goods and products so that the prices of imported goods appear more attractive than local goods, and in which the imported product achieves a competitive advantage at the expense of local producers (Nassif, 2008, p. 178).

(third axis)

The impact of commodity dumping on the industrial sector in Iraq

The commodity dumping policy is one of the most important problems and challenges with serious economic and social dimensions facing the national industrial facilities in Iraq, which was one of the main reasons for the cessation and reluctance of the facilities of this sector, especially after the year 2003, as the Iraqi markets witnessed a great openness to industrial products imported from various countries. The world, and the wide openness of the Iraqi market to these products in a chaotic and irresponsible manner for all types of commodities without controls or imposition of customs duties or control over quality and specifications since the American occupation, has led to the cessation of many industrial facilities from production and the reluctance of the other part of them; Because of its inability to compete and sell its products, Many of the industrial products entering Iraq are of poor quality and are sold at low prices, perhaps below the level of the cost of their production in their countries of origin, which raises doubts about the existence of a situation known as dumping, which aims behind it to control the Iraqi market and then the possibility of raising the prices of those goods later.

(Although the dumping situation is prohibited even under the laws of the World Trade Organization, as the member country that is exposed to such a situation has the right to file a lawsuit with the international organization against the party that practices dumping and confront it by imposing customs duties) (Trade Policies Section, reports) unpublished ),2018, p. 3).

However, we find that such a situation continues in Iraq without significant reactions from the concerned authorities, despite the repeated calls by economists, geographers and the management of industrial establishments to confront this situation, but what is surprising is through government statements from time to time with expectations of doubling trade exchange between Iraq and some neighboring countries such as Turkey, Iran, Saudi Arabia and other countries at the global level, as if achieving an increase in the import of industrial products flowing into Iraq represents a great economic achievement, even if it is at the expense of destroying national industrial facilities, increasing the number of unemployed people and depriving the country of opportunities Investment and industrial development, and the suffering of industrial facilities in Iraq is a justification for that.

Even in the case of rehabilitating and operating these suspended facilities in Iraq, this problem continues to threaten these facilities with economic losses and then stop production again unless the state puts in place radical solutions that prevent the flow of these products into the local market.

The open door policy was imposed on Iraq under Resolution No. (54), which was issued by the American Civil Administrator for Iraq, Paul Bremer, in 2004, which included procedures for transitioning from a policy of trade protection to a policy of free trade, as this policy included reducing and unifying customs tariffs on foreign imports. In a unified fee, which includes only (5%) of the value of imported goods, (Free Trade Policy Law No. (4) 2004).



And this low percentage does not provide adequate protection for the products of national industrial establishments, which in turn led to allowing the import of all products, including industrial products, from all countries of the world, as this policy did not restrict the type of origin or the source of goods and goods exported to the local markets, and what calls for Surprisingly, the taxes imposed on raw materials imported by national industries amount to 20%, and this in turn led to an increase in the prices of production requirements in those facilities, which increases the difficulties facing the rehabilitation and operation of these facilities, especially in light of the weak funding government and the difficulty of administrators in these facilities continuing to work on their development and the ability to compete with imported industrial products.

In addition, the research found many reasons that led to the exacerbation of commodity dumping, the most important of which are:

1. We note that the neighboring countries in particular and the industrialized countries in general have found from Iraq after the events of 2003 a wide market to sell their products, especially of poor quality and specifications without being subject to adequate control, so that we find that these products compete with some products of industrial establishments in Iraq .
2. The deliberate and obvious disruption of the oversight bodies with insufficient laboratories equipped with specialized equipment and cadres, which negatively affected the industrial products in those facilities, (as one of the consumer protection statistics indicated that more than (50%) of imported goods are of poor quality. And some of them are unfit for human use). (Consumer Protection Division, 2018).
3. The lack of a tight commercial system through which it is possible to protect the local market of imported products from dumping attempts, especially those practiced by regional countries; This is in light of the weakness of the regulations and laws necessary to deter importers of industrial products, including products similar to the products of industrial facilities in Iraq.
4. The lack of sufficient awareness among the local consumer, which contributes to the persistence of this problem. We often find that these consumers tend to buy imported industrial products, ignoring the quality specifications of these products. This negatively affected some products of industrial establishments in Iraq, which had to delay some of them. Production and some of them stopped.
5. Also, there are many reasons that call for the practice of commodity dumping in Iraq, the most important of which are the following:- (Ghanawi, 2011, p. 21).

#### **1. Competitive reasons: -**

These reasons are embodied in the desire of some international industrial companies that aim to apply the commodity dumping policy to exclude those who compete with them in the target market for the purpose of controlling it, which leads the product to leave the market or leave the commodity in question. Because of the losses he bears as a result, and this applies to what the national industrial establishments faced.

## 2. Political reasons:

This type of dumping results from the attempt of some countries to adopt a policy of dumping industrial products to markets, especially similar to the local product, in very large quantities and at subsidized prices, as these countries aim through this to control and overcome the national industrial product and try to remove it from the market, and then replace his place; Therefore, these countries continue to benefit from the suspension of these facilities.

## 3. Strategic reasons:

This type is considered the most dangerous among the causes of commodity dumping, as the aim of this type is to destroy the national industrial facilities in Iraq and in the long term, through marketing certain industrial products in a target market with a price and specifications that result in the destruction of local industrial production, (Ghanawi, 2011 , p. 21) This is what happened and is still happening in the Iraqi markets through the adoption of some countries, especially those neighboring Iraq, for this type of reason, the aim of which is the continued suspension of industrial facilities, especially the strategic ones.

In this regard, and as a result of the aforementioned reasons and justifications, the management of industrial establishments unanimously believes that one of the most important obstacles and problems that have faced and are still facing the rehabilitation and operation of these establishments is the problem of commodity dumping, as this problem targets industrial establishments directly, and the phenomenon of dumping has become a policy aimed at destroying industry This damage and destruction is represented by the decrease in the sales rates of industrial products in those facilities, which resulted in a decrease in the volume of revenues and an increase in economic losses.

And this is in light of the continued openness of the Iraqi markets to imported products and the non-activation of the customs tariff law, which led to the necessity of managing these facilities to reduce the prices of their products, despite the high production requirements of energy, fuel and raw materials, especially industrial facilities that depend on imported raw materials, with The high level of storage for some years, and the result was a decrease in its contribution to the market share of the local market, and this calls for the continuation of the concerns of the management of these facilities about the continuation of this problem even in the case of rehabilitation and operation of these facilities.

Beneficiaries	Exporting countries	Quantity	Item name
Ministry of Education - private sector	Malaysia - Thailand - Egypt - Saudi Arabia	46,216,343 notebooks	School notebooks
Ministry of Agriculture - private sector	Malaysia - Thailand - China	20,972 pcs	egg dishes
private sector	Netherlands - Jordan - UAE	35,671 tons	cardboard
Ministry of Education - private sector	Malaysia - Thailand - Finland	50,914 tons	Writing and printing paper
Companies of the Ministry of Industry and Minerals	Malaysia - Thailand - Finland	27,628 tons	Zigzag boxes
private sector	Emirates - Saudi Arabia - Jordan	168,136 tons	Tissues and paper towels
Ministry of Industry - the private sector	Iran - Qatar - Turkey - Korea	123,069 tons	plastic granules
Ministry of Agriculture - private sector	China - Korea - Turkey - Iran	13,261 tons	agricultural covers
Ministry of Municipalities and Works - private sector	China - Korea - Turkey - Iran	18,624 tons	waste bags
Oil Ministry	China - Korea - Jordan	16,597 tons	Caustic Soda
The Ministry of Electricity	China - Korea - Jordan - Saudi Arabia	15429 tons	chlorine
Ministry of Oil - Ministry of Electricity	Saudi Arabia - China - Korea	120,721 tons	hypochlorides
Ministry of Agriculture - private sector	Jordan- China	1,647,219 tons	compound fertilizer
Ministry of Agriculture - private sector	Jordan- China	906,835 tons	Super compost
State departments - the private sector	China - India - UAE - Egypt	105,392 tons	Glass panels
Ministry of Health - private sector	China - India - UAE - Egypt	73,163 tons	Glass bottles
private sector	China - India - UAE - Egypt	208,531 tons	Household utensils (glass)
Ministry of Industry - Ministry of Oil	Saudi Arabia - Iran - India	24,253 tons	Sodium silicate
State departments - the private sector	Spain - Italy - India - Iran	37,143,206 tons	Ceramic cache
State departments - the private	Spain - Italy - Iran - India	10,142,047 tons	Sanitary ware

sector			
Ministry of Housing and Construction - private sector	Iran - Pakistan - India - Egypt - Saudi Arabia	69,576,027 tons	cement
Ministry of Industry - Ministry of Oil	Saudi Arabia - Iran - Egypt - Pakistan	11,216 tons	Refractory mortar
Ministry of Industry - Ministry of Oil	Iran - Emirates - Egypt	855,524 tons	Refractory bricks
Ministry of Housing and Construction - private sector	Ukraine - Kazakhstan - Turkey - UAE	11,729,136 tons	Iron and steel
The Ministry of Electricity	Ukraine - China - Saudi Arabia - UAE	228,357 tons	electrical wiring
The Ministry of Electricity	China - Korea - Malaysia - Russia	213,517 tons	copper tubes
Iran - China - Korea - India	State departments - the private sector	14,285,712 pieces	water pumps
China - India - Iran - Turkey	State departments - the private sector	62,857,136 pieces	lighting lamps
China - Korea - Malaysia	State departments - the private sector	287,934 pcs	computers

This is what was noticed by dealing with the added value in the third chapter, in addition to other problems, which led to a decline in industrial production after the decrease in the achieved capacities and the increase in the idle capacities, as is the case in cement facilities, especially the white cement facility, refractories, school supplies and petrochemicals.

The problem did not stop at this point, but rather it was a reason for some industrial facilities to stop production permanently. For its inability to compete against industrial products exported to the local market, as is the case in the two facilities producing electronic devices (computers and laptops) and a refrigerated water pump, This problem is exacerbated by the reluctance of consumers to purchase local industrial products despite the conviction of some of the quality of the approved specifications in national industrial products and their resort to buying imported industrial products similar to local products, due to their low prices despite their poor quality, according to the testimonies of some of these consumers, as well as management establishments, in addition to the certificate of the Central Agency for Standardization and Quality Control, as it is known that the consumer always desires the lowest priced products and the easiest way to obtain them, Especially since some believe that the entry of imported industrial products at a low price is an advantage in all cases, but this belief is incorrect, as the entry of these products at low prices led to the elimination of certain industries, and this is what actually happened to the



industrial facilities in the governorates of the study area that produce Goods and industrial products similar to imported products, which have become unable to withstand the competition of imported industrial products, and we can explain the great danger of dumping from imported industrial products and a statement of its impact on national industrial facilities through the data of Table (1), which shows the huge quantities of industrial products Imported, which has become a serious phenomenon invade the Iraqi market.

**Table (1) Imported industrial products similar to the products of national industrial facilities exported to the Iraqi market, their quantities, the most important exporting countries and beneficiaries for the year 2018.**

Source: Researcher based on the Republic of Iraq, Ministry of Commerce, Department of Imports, data (unpublished) 2018.

**Conclusions:-**

1. The phenomenon of dumping is one of the dangerous phenomena that aims to control foreign markets and weaken the industrial base of the country exposed to this phenomenon.
2. The political, security and economic events that Iraq has witnessed since 2003 and what followed had a negative impact on the industrial sector, despite the lifting of the economic blockade and the increase in oil revenues that could contribute to supporting this sector and then increasing its contribution to achieving added value many times what it was. It was during the conditions of the economic blockade, but the reality of the situation indicates the opposite, as the industrial projects were exposed to many problems that led to a decrease in their production capacities, which in turn led to the achievement of negative added value in many establishments, despite being among the industrial establishments that have The ability to achieve high added values that support the national economy. Foremost among these is the problem of commodity dumping.
3. The failure to activate the laws related to the process of regulating imports and commercial control was one of the main reasons for dumping the Iraqi markets, as preventing dumping is one of the political decisions before it is an economic decision.
4. The effect of dumping in Iraq, despite the absence of large thriving industries, led to the loss of the role that should be played by the rest of the industrial sector, as the cement industry is one of the leading industries in Iraq; Given that Iraq possesses the ingredients for the emergence and prosperity of this industry, which may occupy an important position among other industries, and at the same time this industry is considered a basic and reliable pillar for the housing sector, which in turn constitutes one of the pillars of infrastructure development, which represents the

basis for creating the appropriate investment environment and providing The appropriate climate in which companies can grow.

5. Anti-dumping is a supportive factor for preserving the functioning of the existing national industrial sectors, and at the same time an encouraging factor for the emergence of new industrial projects.

6. The Iraqi ministries and local institutions play an important role in weakening the industrial sector in Iraq, as despite the issuance of Cabinet Resolution No. (290) for the year (2009), which leads to the necessity of contracting with companies affiliated to the Ministry of Industry and Minerals without foreign companies. In order to provide its needs of industrial commodities, we see that the decision is just ink on paper and this decision has not been implemented.

7. The dumping policy has led to high rates of unemployment due to the decline of the national industrial sector and the closure and disruption of many industrial projects.

8. There is a negative role for the Iraqi trader that completely intersects with the directions of building industrial sectors, as the trader contributes to weakening the capabilities of the national industrial sector by importing inferior goods and products from unrecognized global origins and pumping them into the national market, thus contributing to dumping the market.

9. The failure of investment plans, the poor performance of the implementing agencies, and the emergence of the phenomenon of administrative corruption and its reflection on the course of the national economy.

Recommendations:-

1. The need to address this dangerous phenomenon because of its disastrous effects on the Iraqi commodity sectors as a whole and on the industrial sector in particular.

2. Activating the laws to prevent dumping operations, such as imposing taxes, which are regulated by Law (23) of 1984 and its amendments in order to protect national industrial products from unfair competition, as well as activating the Law for the Protection of Iraqi Products issued by Parliament No. (290) of (2009), which aims Building a national industrial base by avoiding the damage caused by harmful practices from the policy of dumping Iraqi markets with national industrial products and unjustified increases in imports, which are supported by exporting countries to Iraq, and this in turn leads to the loss of fair competition conditions between national industrial products and imported products.

3. Work to exempt raw materials and production requirements that are used in national industrial production from customs duties or reduce their percentage in order to support national production, and this in turn leads to a reduction in production costs.
4. Issuing laws that support the national private industrial sector, especially the consumer protection law and the prevention of monopoly, and the laws necessary for the development of industrial projects, as their support enhances the fulfillment of local needs.
5. Work to form specialized control committees at the border crossings to monitor the entry of imported and exported goods and products.
6. The need to protect emerging Iraqi industries and provide everything necessary for their advancement, but on the condition that it be for a temporary period and be consistent with Iraq's transition towards a market economy.
7. That the government intend to activate the work of the laboratory examination system and the Central Agency for Standardization and Quality Control, given their effects on the level of organizing the import process, which is currently suffering from chaos, and on the level of consumer protection from goods with poor specifications, and the activation of the Consumer Protection Law.
8. The need to expand the division specialized in following up on cases of harmful practices, in particular dumping, to a specialized body similar to what exists in developed countries and even some developing countries such as Egypt.
9. The need to take measures that contribute to limiting the dangerous effects of this trend practiced by influential traders, who at this stage pose a real danger that contributes to weakening the country's industrial capabilities, and therefore the relevant authorities are responsible for limiting the destructive effects of the national industry.

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