



## THE IMPACT OF TRADE LIBERALIZATION AND DUMPING ON LOCAL INDUSTRIES IN NIGERIA

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### Abstract

*Trade Liberalization and Dumping have a complex and often contradictory relationship in international trade. While Trade Liberalization has been the cornerstone of international trade policy, aiming to reduce barriers and increase economic cooperation among nations. However, the reduction of tariffs and quotas has also led to concerns about unfair trade practices, such as dumping, its impact on domestic industries and the role of international organization in regulating these practices. Dumping occurs when company exports goods to another country at a price that is lower than the normal value of the goods, often causing harm to the domestic industry of the importing country. Anti-dumping measures such as tariffs and quotas can be used to protect domestic industries from unfair trade practices. The WTO provides a framework for countries to address trade disputes and ensures that practices are fair and transparent. This paper adopted doctrinal research methodology where primary and secondary sources of law were evaluated. This paper concluded inter alia that the relationship between trade liberalization and dumping is paradoxical. While the former seeks to foster open markets, it can also create an environment where the later becomes a more attractive and effective business strategy. This, in-turn, can lead to the implementation of anti-dumping measures, which, if misused can become a new form of protectionism, ultimately counteracting the spirit of free trade. The paper recommended among others that countries should implement effective anti-dumping measures that are consistent with WTO rules.*

**Keywords:** Trade liberalization, dumping, anti-Dumping, domestic industries

### 1. Introduction

Trade liberalization has become a central feature of modern global economic policy, driven by the belief that removing barriers to trade enhances economic growth, competitiveness, and consumer welfare. It involves the systematic dismantling of tariffs, quotas, subsidies, and other trade-restrictive measures to promote the free movement of goods and services across borders. This process has been formalized through international institutions such as the World Trade Organization (WTO), as well as through regional and bilateral agreements. While the benefits of liberalized trade are well documented, the practice also presents serious challenges, particularly in the form of unfair trading practices such as dumping.

Companies engage in dumping when they sell their products abroad for less than what they would typically charge at home, often even less than their manufacturing costs. Businesses in the country that imports the goods are put under international legal scrutiny when this kind of underpricing harms or threatens to harm their businesses. The WTO addresses this concern through the Agreement on Implementation, which provides that anti-dumping measures may be adopted following a thorough and fair investigation process.<sup>1</sup>

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<sup>1</sup> General Agreement on Tariffs and Trade 1994, Art.VI.

Although trade liberalization is generally associated with positive economic outcomes, it must be pursued alongside regulatory safeguards to avoid undermining domestic industries and employment.<sup>2</sup> Similarly, while trade liberalization fosters long-term efficiency, it may also cause short-term economic shocks and expose weaker economies to market distortions, including dumping.<sup>3</sup> In this context, dumping poses a major concern for developing countries, which often lack the institutional capacity and economic resilience to withstand the pressures of foreign competition.

Historically, countries have responded to dumping through national legislation and institutional frameworks designed to impose corrective tariffs-known as anti-dumping duties-on offending imports. For instance, Nigeria regulates such practices under the Customs and Excise Management Act (CEMA),<sup>4</sup> while the European Union enforces its rules through Regulation (EU) 2016/1036, which details the conditions and procedures for investigating and remedying dumped imports.<sup>5</sup> Despite these mechanisms, developing economies continue to struggle with the adverse impacts of dumped goods, particularly in vital sectors such as agriculture, manufacturing, and textiles.<sup>6</sup>

This paper examines the relationship between trade liberalization and dumping, analyzing the legal frameworks that govern both concepts and exploring the economic consequences of their interplay. It argues that while liberalized trade can yield substantial benefits, unchecked dumping undermines the very principles of fair competition and economic sovereignty. The study highlights the importance of strong anti-dumping laws, institutional preparedness, and international cooperation in ensuring that the gains from trade are equitably shared and sustained.

## **2. Trade Liberalization**

Prior to the establishment of GATT (General Agreement as Tariffs and Trade) there was in existence a system of protectionism. This involves in protection of trade conducted within borders of a nation. Even the principle national treatment was accorded only to nationals within a border. The establishment of GATT opened the door to international trade which subsequently gave rise to be growth in the world economy. Countries as such began to open their borders, remove barriers to trade such as import quotas, taxes, and licensing rules. As borders became open, bilateral, multilateral or plurilateral trade agreements become the order of the day.

The process of trade liberalization entails lowering or eliminating obstacles to the unrestricted interchange of products between countries. Tariff (duties and surcharges) and non-tariff (license regulations, quotas, and other requirements) barriers should be eliminated or reduced. The promotion of "free trade" frequently refers to the loosening or elimination of this constraint. As a policy, it ensures that the government does not impose tariffs on imported goods or quotas on exported goods, nor does it interfere with exports in any way. The policy permits trading partners to mutually benefit from trade of goods and services in accordance with the legislation of corporative advantage.<sup>7</sup>

Liberalizing trade has far-reaching consequences that touch every aspect of society, from the economy to politics to the environment to culture and religion. Countries do not embrace trade liberalization equally. The developed countries are better placed to gain from trade liberalization due to the advantage in the process of production and capital flow. Some countries are not

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<sup>2</sup> J Bhagwati, *Free Trade Today* (Princeton University Press, 2002) 121.

<sup>3</sup> P R Krugman and M Obstfeld, *International Economics: Theory and Policy* (8th edn; Pearson Education, 2009)

<sup>4</sup> Customs and Excise Management Act, Cap C45, Laws of the Federation of Nigeria, 2004.

<sup>5</sup> Regulation (EU) 2016/1036, on protection against dumped imports from countries not members of the European Union, Official Journal of the European Union.

<sup>6</sup> A Oyejide, 'Trade Liberalization and Dumping in Developing Countries: A Perspective from Sub-Saharan Africa', African Economic Research Consortium, 2001.

<sup>7</sup> C C Wigwe, *International Economic and Trade Law* (Chrismacus Chambers 2023)56-57

adequately equipped to completely liberalize their markets as is suggested by proponents of trade liberalization.

The interests and needs of the developed world have primarily pushed trade liberalization, as is to be expected given the nature of the issue. This has some bearing on the reality that trade liberalization processes, rather than economic dynamics, have become the defining features of global development.

The global arena where trade liberalization lays dominance operates on the perception of state equality, expecting state to jump into the concept without reservation. It does not seem that the concept made any provision for the weaker states within its parameters. The poor states are left to create their safety nets in the process which unfortunately are in adequate in catching them in the event of the black lashes' incidental to trade liberalization.<sup>8</sup>

The principles enshrine in Article 2(7) of the UN Charter is regarded as the foundation of modern states relations. The concept allows states to make their own decisions on matters within their own jurisdiction. This foregrounds the concept of equality of states and gives confidence to weaker states to deal with more powerful states without the fear of being overrun. The right to determination and non-intervention is not without exception.<sup>9</sup>

## **2.1 The Impact of Trade Liberalization on Domestic Industries**

Reducing obstacles to international commerce, a process known as trade liberalization, may affect local businesses in both good and bad ways. The result may be greater competition, which in turn may motivate homegrown businesses to up their game in terms of efficiency and innovation. Consumers may also gain from easier access to wider markets and lower import prices. On the other hand, it may open up local industries to more competition from international companies, which might reduce output and lead to job losses.<sup>10</sup>

### **Positive Impact of Trade Liberalization on Domestic Industries**

- i.** Increased Efficiency and Productivity: Trade liberalization can encourage domestic firms to adopt new technologies and improve their production processes to compete with foreign companies. This can lead to increased productivity and lower costs for consumers.<sup>11</sup>
- ii.** More Goods and Services Available to Buy: As a result of more competition and fewer trade barriers, consumers may enjoy a greater range of goods and services, which might lead to cheaper costs.<sup>12</sup>
- iii.** Economic Growth: By promoting specialization and efficiency, trade liberalization can contribute to overall economic growth and development.<sup>13</sup>
- iv.** Greater Export Opportunities: Domestic firms may find new markets for their products, leading to increased export opportunities and revenue.<sup>14</sup>
- v.** Innovation and Technology Transfer: Increased competition can drive innovation and the adoption of new technologies, as firms strive to stay ahead of their rivals.<sup>15</sup>

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<sup>8</sup> Ibid 59-60

<sup>9</sup> Ibid 61-62

<sup>10</sup>J O Aiyedogbon and B O Ohwofasa, 'Effect of Trade Liberalization on Economic Development in Nigeria, 1980-2013 [2016] (4)(2) *International Developing and Emerging Economics* 15-27 <<http://www.eajournals.org/wp-content/uploads/Effect-of-Trade-Liberalization-on-Economic-Development-in-Nigeria-1980-2013.pdf>> accessed 4 August 2025

<sup>11</sup> ibid

<sup>12</sup> ibid

<sup>13</sup> ibid

<sup>14</sup> ibid

<sup>15</sup> ibid

### Negative Impact of Trade Liberalization on Domestic Industries

- i. Increased Competition: Some domestic industry may see reduced output and job losses as a result of struggling to compete with more established international enterprises.<sup>16</sup>
- ii. Vulnerability to External Shocks: Increased reliance on international trade can make domestic economies more vulnerable to global economic fluctuations and disruptions.<sup>17</sup>
- iii. Potential for Job Losses: Some domestic industries may face significant challenges in the face of increased competition, potentially leading to job losses and social unrest.<sup>18</sup>
- iv. Impact on Specific Industries: Certain industries, particularly those that are less competitive or rely on outdated technologies, may be negatively impacted by trade liberalization.<sup>19</sup>
- v. Income Inequality: While trade liberalization can benefit some, it may also exacerbate income inequality, as some workers and industries may be left behind.<sup>20</sup>
- vi. Environmental Concerns: Trade liberalization can lead to increased production and consumption, potentially resulting in greater environmental damage.<sup>21</sup>

The impact of trade liberalization is complex and multifaceted. While it can bring significant benefits in terms of economic growth, efficiency, and consumer welfare, it also carries the risk of job losses, increased inequality, and vulnerability to external shocks. A country's economic development, sector structure, and institutional performance are some of the distinct characteristics that define the exact repercussions of trade liberalization.<sup>22</sup>

### 3. Dumping

Dumping occurs when one nation sells its products to another at a price lower than what it sells them in its own market. Dumping was described by GATT as the practice of introducing foreign goods into another country's trade at a price below their usual worth. Dumping makes locally made items compete unfairly. Because it discourages the manufacturing of the dumped products, which causes importers to close their businesses, it damages the domestic market of an importing state.<sup>23</sup> The practice of selling a product abroad at a discount below its "normal value" in the home market of the exporting nation is known as "dumping" in international law. The export price is often compared to the selling price in the exporter's home market or in a third nation for the same goods. The importing nation may take anti-dumping action if the export price is far lower than the market price, which is known as dumping.<sup>24</sup>

Ideally, the product's price in the exporter's home market would establish the usual value. The usual value may be determined by looking at the product's price in sales to a third nation if local sales are

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<sup>16</sup> *ibid*

<sup>17</sup> M Diallo, 'Impact of Trade Liberalization Policy on Investment and Developing Countries' [2024](9)(2) *Journal of Poverty Investment and Development* 45-55 <[http://www.researchgate.net/publication/381766434\\_Impact\\_of\\_Trade\\_Liberalization\\_Policies\\_on\\_Investment\\_and\\_Development\\_in\\_Developing\\_Countries](http://www.researchgate.net/publication/381766434_Impact_of_Trade_Liberalization_Policies_on_Investment_and_Development_in_Developing_Countries)> accessed 4 August 2025.

<sup>18</sup> D O Odejimi and M O Odejimi, 'Impact of Trade Liberalization on the Nigerian Labour Market' [2015](3)(4) *International Journal of Economics, Commerce and Management* 1-11 <<https://ijecm.co.uk/wp-content/uploads/2015/04/3415.pdf>> accessed 4 August 2025.

<sup>19</sup> O E Adekunle and S. O Akinwale, 'Trade Liberalization in the Manufacturing Industry' [2020](6)(3) *Academic Journal of Economic Studies* 90-96 <[https://www.researchgate.net/publication/353039008\\_Trade\\_Liberalization\\_and\\_Manufacturing\\_Sector\\_in\\_Nigeria](https://www.researchgate.net/publication/353039008_Trade_Liberalization_and_Manufacturing_Sector_in_Nigeria)> accessed 4 August 2025

<sup>20</sup> J T Andohol and Others, 'Trade Liberalization, Non-Oil Export and Economic Growth in Nigeria' [2020](15)91 <*CBN Journal of Applied Statistics* 53-115 <<https://dc.cbn.gov.ng/cgi/viewcontent.cgi?article=1260&context=jas>>> accessed 4 August 2025.

<sup>21</sup> C I Onwachukwu and Others, 'The Casual Effect of Liberalization on the Environment' [2021] (318) *Journal of Cleaner Production* <<https://doi.org/10.1016/j.jclepro.2021.128615>> accessed 4 August 2025.

<sup>22</sup> (n 18) Odejimi and Odejimi

<sup>23</sup> (n 7) 129 C C Wigwe

<sup>24</sup> C Wigwe and IF George, 'Dumping and Anti-Dumping in International Trade: The International Economic Law Perspective' [2017] (9) (1) *The Journal of Jurisprudence and Contemporary Issues* 22-31 <[https://www.researchgate.net/profile/Dr-Christian-Wigwe/publication/331522606\\_DUMPING\\_AND\\_ANTI-DUMPING\\_IN\\_INTERNATIONAL\\_TRADE\\_THE\\_INTERNATIONAL\\_ECONOMIC\\_LAW\\_PERSPECTIVE/links/5c7e39e5458515831f84177a/DUMPING-AND-ANTI-DUMPING-IN-INTERNATIONAL-TRADE-THE-INTERNATIONAL-ECONOMIC-LAW-PERSPECTIVE.pdf](https://www.researchgate.net/profile/Dr-Christian-Wigwe/publication/331522606_DUMPING_AND_ANTI-DUMPING_IN_INTERNATIONAL_TRADE_THE_INTERNATIONAL_ECONOMIC_LAW_PERSPECTIVE/links/5c7e39e5458515831f84177a/DUMPING-AND-ANTI-DUMPING-IN-INTERNATIONAL-TRADE-THE-INTERNATIONAL-ECONOMIC-LAW-PERSPECTIVE.pdf)> accessed 5 August 2025.

uncertain or nonexistent. Adding the manufacturing cost, selling expenditures, and a fair profit margin may be used to generate normal value in the absence of local or third-country pricing.

**Determining the Dumping Margin:** The gap between the export price and the "normal value" is known as the margin of dumping. Typically, a percentage is used to compute this margin. There may be anti-dumping investigations triggered if the margin is more than a certain de minimis limit, for example, 2%.

**Finding Out Whether Dumping Causes Harm:** The burden of proof shifts to the importing nation in the event of dumping, which still has to show that the dumping is hurting or will hurt its domestic sector. The damage to the local industry and the dumping of imports must be directly related. The importing nation has the right to levy anti-dumping levies on imported products if it determines that dumping is harmful. The goal of these tariffs is to compensate for the unfair pricing advantage and ensure that local manufacturers are on an equal footing. Determining dumping essentially entails comparing prices, evaluating harm, and maybe imposing actions to prevent unfair pricing.<sup>25</sup>

### 3.1 Impact of Dumping on Domestic Industries

In the nation that imports the commodities, domestic industries may take a major hit when items are dumped, or exported at a cheaper price than what is sold domestically. Businesses in the area may see a drop in investment, employment, and competitiveness as a result. The influx of cheap imports can undermine domestic production, potentially leading to business closures and economic instability.<sup>26</sup> Some of these negative impacts are:

- i. Job Losses: When domestic industries can't compete with the lower prices of dumped goods, they may be forced to reduce production or even shut down, resulting in job losses for workers in those industries<sup>27</sup>.
- ii. Reduced Investment: The uncertainty and unfair competition created by dumping can discourage investment in domestic industries, hindering future growth and development.<sup>28</sup>
- iii. Decreased Competitiveness: Dumping can erode the competitiveness of domestic industries, making it harder for them to compete in both domestic and international markets.<sup>29</sup>
- iv. Market Share Erosion: Dumping can allow foreign companies to gain a larger share of the domestic market, potentially leading to a situation where they can later raise prices once domestic competitors are weakened,<sup>30</sup>
- v. Economic Colonization: In some cases, dumping is seen as a form of economic colonization, where powerful industrialized nations use it to undermine the industrial base of developing countries, according to the International Journal of Humanities and Social Science.
- vi. Loss of Revenue and Spending: Reduced production and sales for domestic industries can lead to a decline in revenue, which can then negatively impact overall consumer spending and economic activity.<sup>31</sup>
- vii. Impact on Specific Sectors: The effects of dumping can be particularly severe on industries that are considered vital to a nation's economic well-being and national security.<sup>32</sup>

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<sup>25</sup> ibid

<sup>26</sup> T A F Obalade, 'Analysis of Dumping as a Major Cause of Import and Export Crisis' [2014] (4)(5) *International Journal of Humanities and Social Science* 233-239 <[https://www.ijhssnet.com/journals/Vol\\_4\\_No\\_5\\_March\\_2014/25.pdf](https://www.ijhssnet.com/journals/Vol_4_No_5_March_2014/25.pdf)> accessed 5 August 2025.

<sup>27</sup> ibid

<sup>28</sup> S Lee, 'The Economics of Dumping: Analyzing the Impact of Dumping on global Markets and Economies' <<https://www.numberanalytics.com/blog/economics-of-dumping-in-global-trade>> accessed 5 August 2025

<sup>29</sup> ibid

<sup>30</sup> Obalade (n26)

<sup>31</sup> ibid

<sup>32</sup> T R Howell and D Ballantine, 'Dumping: Still a Problem in International Trade' <<https://nap.nationalacademies.org/read/5902/chapter/28>> accessed 5 August 2025.

Consumers may benefit in the short term from dumping's cheaper pricing, but local businesses and the economy as a whole might suffer serious and long-term damage.

### **3.2 Anti-Dumping Measures**

The government has implemented anti-dumping measures in an effort to put a halt to dumping. When it comes to international commerce, anti-dumping is a remedy for dumping. Only in cases specifically mentioned in Article VI of the GATT<sup>33</sup> and after investigations have been launched and carried out in compliance with the anti-dumping agreement's terms may an anti-dumping action be implemented<sup>34</sup>. Many nations use anti-dumping duties, which are basically taxes on dumped imported products, to mitigate the harmful impacts of dumping. The goal of these responsibilities is to safeguard local industry and provide a fair playing field.<sup>35</sup>

In Nigeria, anti-dumping measures are primarily governed by the Customs Duties (Dumped and Subsidized Goods) Act of 1958<sup>36</sup>. In cases when items are suspected of being dumped or subsidized, this Act and the Customs and Excise Management Act deal with the regulation of imports. To safeguard local industry from unfair competition, the Act permits the application of special customs taxes on dumped products. The SON was also established with the duty of ensuring that both domestically produced and imported goods meet certain quality standards.<sup>37</sup>

As with other countries involved in international commerce, Nigeria might be vulnerable to the negative impacts of dumping. The level of damage it does to a nation, however, depends on how severely the government deals with the problem. There have been insufficient anti-dumping measures implemented by the Federal Government and its agencies, such as the Nigeria Customs Service, SON, and NAFDAC. Strict sanctions, including the punishment of corrupt public officials, should be imposed on importers who bring in substandard products.<sup>38</sup>

In order to prevent dumping and safeguard the country's emerging industries, some operational concerns should be taken into account. Prior to the establishment of anti-dumping regulations, it is crucial to raise awareness among local industry. The government of a nation that imports goods will initiate an inquiry into dumping practices when a local industry requests it. When local businesses learn that regulations exist to shield them against low-quality imported goods, they will be more likely to put such rules into practice.<sup>39</sup>

### **4. The Nexus Between Trade Liberalization and Dumping**

Reducing trade barriers like tariffs makes it easier and cheaper for foreign goods to enter a country's market.<sup>40</sup> This increased competition can put pressure on domestic industries, potentially leading to lower prices and reduced sales for local producers.<sup>41</sup>

Dumping occurs when a company exports goods to a foreign market at a price below their production cost or below the price in their domestic market.<sup>42</sup> Trade liberalization, by increasing import

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<sup>33</sup> GATT 1994, Art. VI.

<sup>34</sup> Wigwe (n 7).

<sup>35</sup> (n 32) T R Howell and D Ballantine.

<sup>36</sup> C48 LFN 2004.

<sup>37</sup> Standard Organization of Nigeria Act, 2015

<sup>38</sup> J Adeyemi, 'Panaceas: Dumping and Trade Remedies in Nigeria' <<https://www.mondaq.com/nigeria/export-controls-trade-investment-sanctions/947900/panaceas-dumping-and-trade-remedies-in-nigeria>> accessed 5 August 2025.

<sup>39</sup> *ibid*

<sup>40</sup> C Banton, 'Trade Liberalization, Definition, How it Works and Example' <<https://www.investopedia.com/terms/t/trade-liberalization.asp>> accessed 5 August 2025.

<sup>41</sup> The Investopedia Team, 'Dumping: Price Discrimination in Trade, Attitude and Examples' <<https://www.investopedia.com/terms/d/dumping.asp>> accessed 5 August 2025.

<sup>42</sup> *ibid*

competition, can create an environment where dumping becomes more likely, as foreign companies may try to gain market share by undercutting local prices.<sup>43</sup>

Imported products that are discovered to be dumped and are harming or might harm domestic industries can be subjected to levies as anti-dumping actions. In an ironic twist, governments may resort to anti-dumping levies more often after trade liberalization in an effort to safeguard their sectors against what they see as unfair trade practices, such as dumping.<sup>44</sup> The relationship between trade liberalization and dumping is not straightforward. Some research suggests that trade liberalization can actually encourage the use of anti-dumping measures, especially in countries with smaller domestic markets or initially high tariff levels<sup>45</sup>. Other studies show that the substitution effect between tariffs and anti-dumping measures is not always clear-cut.<sup>46</sup> In essence, trade liberalization can create an environment where dumping becomes more likely, and this can, in turn, lead to the implementation of anti-dumping measures as a form of protectionism.

### **5. The Role of International Organizations in Regulating Trade Liberalization and Dumping**

International organizations play a crucial role in regulating trade liberalization and addressing dumping practices. They establish frameworks, negotiate agreements, and resolve disputes to foster fair and transparent trade among nations. These important organizations comprise of the World Trade Organization (WTO), the International Monetary Fund (IMF), World Bank (WB) etc. are involved in actively shaping global trade policies and practices.<sup>47</sup> The role of institutions in liberalizing trade includes:

**Promoting Trade Liberalization:** International organizations encourage trade liberalization by reducing trade barriers like tariffs and quotas, facilitating the movement of goods and services across borders.<sup>48</sup>

**Establishing Trade Rules:** The World Trade Organization Agreements serve as a framework for member nations' trade policies and procedures, and they are drafted and overseen by this organization.<sup>49</sup>

**Resolving Trade Disputes:** To avoid trade conflicts and encourage collaboration, organizations such as the World Trade Organization (WTO) provide procedures for settling trade disputes between nations.<sup>50</sup>

**Supporting Developing Countries:** To better engage in the global economic system and tackle the difficulties of trade liberalization, international organizations provide developing nations with financial and technical aid.<sup>51</sup>

**Regulating Dumping:** When dumping (selling products below cost to gain market share) causes significant harm to local businesses, international organizations like the WTO have accords like the Anti-Dumping Agreement (ADA) that enable nations to take steps against it.<sup>52</sup>

Dumping can undermine the benefits of trade liberalization by creating unfair competition for domestic industries. International organizations like the WTO provide a framework for countries to address

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<sup>43</sup> *ibid*

<sup>44</sup> The Investopedia Team (n 41)

<sup>45</sup> H Makunoki, 'Trade Liberalization and Incentive to Implement Antidumping Protection' [2021] (72)(3-4) *International Review of Economics and Finance* 422-437 <<https://www.sciencedirect.com/science/article/pii/S1059056020302835>> accessed 5 August 2025

<sup>46</sup> *ibid*

<sup>47</sup> L Juijanto and S M N Sipayung, 'The Role of International Trade Organizations in Enhancing Cooperation and Trade Between Countries' [2025](3)(2) *International Journal of Economic Literature* 513-525 <[https://www.researchgate.net/publication/388779507\\_THE\\_ROLE\\_OF\\_INTERNATIONAL\\_TRADE\\_ORGANIZATIONS\\_IN\\_ENHANCING\\_COOPERATION\\_AND\\_FREE\\_TRADE\\_BETWEEN\\_COUNTRIES](https://www.researchgate.net/publication/388779507_THE_ROLE_OF_INTERNATIONAL_TRADE_ORGANIZATIONS_IN_ENHANCING_COOPERATION_AND_FREE_TRADE_BETWEEN_COUNTRIES)> accessed 5 August 2025.

<sup>48</sup> *ibid*

<sup>49</sup> *ibid*

<sup>50</sup> *ibid*

<sup>51</sup> *ibid*

<sup>52</sup> O Onuoha, 'Appraising the Current Legal Framework for Regulating Dumping into Nigeria: Need for Legislative Reforms and Intervention' [2020] (8)(5) *Global Journal of Politics and Law Research* 64-80 <<https://ejournals.org/gjplr/vol-8-issue-6-december-2020/appraising-the-current-legal-framework-for-regulating-dumping-into-nigeria-need-for-legislative-reforms-and-intervention/>> accessed 5 August 2025.

dumping through anti-dumping measures, such as imposing duties on dumped goods.<sup>53</sup> However, the implementation of anti-dumping measures can also be seen as a form of protectionism, and international organizations play a role in ensuring that these measures are applied fairly and transparently.<sup>54</sup> Examples of International Organizations:

**World Trade Organization (WTO):** The WTO is the major international agency responsible for regulating commerce between states, managing trade agreements, and settling trade disputes.<sup>55</sup>

**International Monetary Fund (IMF):** The IMF offers financial support and policy guidance to nations, often promoting trade liberalization within its comprehensive economic reform initiatives.<sup>56</sup>

**World Bank:** When it comes to trade liberalization and trade infrastructure, the World Bank helps developing nations out.<sup>57</sup>

**United Nations Conference on Trade and Development (UNCTAD):** For poor nations in particular, UNCTAD is a focal point for trade and development concerns.<sup>58</sup>

International organizations are essential for promoting trade liberalization while also ensuring that trade is conducted fairly and sustainably. They play a crucial role in establishing rules, resolving disputes, and providing support to developing countries as they navigate the complexities of the global trading system.<sup>59</sup>

## 6. Conclusion

Trade liberalization has been a significant driver of economy growth and development, promoting increase trade, investment, and competition. However, it has also led to concerns about the impacts of trade on domestic industries, particularly in cases where foreign companies engage in unfair trade practices such as dumping. Damage to domestic industries from dumping may be substantial, resulting in lost jobs, lower profitability, and less competitiveness. The success of anti-dumping measures in safeguarding domestic industries from unfair trade practices is contingent upon a number of criteria, such as the accuracy with which their normal values can be ascertained and the level of dumping that has taken place.

The World Trade Organization (WTO) and other international organizations play an essential role in regulating trade practices and preventing dumping, which is a difficult issue related to trade liberalization. In order to combat dumping and safeguard local businesses, member states of the World Trade Organization have established norms and agreements, such as the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994.

## 7. Recommendations

1. Government should implement anti-dumping measures that align with WTO rules to protect domestic industries from unfair trade practices, promote competitiveness and innovation in domestic industries to help them compete with foreign industries and encourage transparency in trade practices and ensure that all stakeholders have access to relevant information.
2. The WTO should strengthen its rules and agreements to prevent dumping and protect domestic industries, provide technical assistance to countries to help them implement effective anti-dumping measures and promote cooperation among countries to address dumping and other unfair trade practices.
3. Domestic industries should invest in research and development to improve their competitiveness and innovation, diversify their products to reduce dependence on a single or product and engage with government to advocate for effective anti-dumping measures and other forms of support.

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<sup>53</sup> *ibid*

<sup>54</sup> Makunoki (n 45).

<sup>55</sup> Onuoha (n 52)

<sup>56</sup> *ibid*

<sup>57</sup> *ibid*

<sup>58</sup> M Hang, 'International Organization Function in Developing Trade Policies' [2025] (153) (1) *Advances in Economics Management and Political Sciences* 206-211 <<https://ejournals.org/gjplr/vol-8-issue-6-december-2020/appraising-the-current-legal-framework-for-regulating-dumping-into-nigeria-need-for-legislative-reforms-and-intervention/>> accessed 5 August 2025.

<sup>59</sup> *ibid*