



U.S. SENATE COMMITTEE ON

# Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

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For Immediate Release

Friday, April 8, 2005

## Grassley Asks Mexico to Terminate Antidumping Investigation on U.S. Hams

WASHINGTON – Sen. Chuck Grassley, chairman of the Committee on Finance, today asked the Mexican government to terminate its antidumping investigation of U.S. hams. Grassley said the antidumping investigation appears at odds with Mexico's World Trade Organization commitments and raises serious questions as to whether Mexico is willing to abide by its international trade obligations. The investigation is important to U.S. ham and hog producers, including those in Iowa.

The Finance Committee has Senate jurisdiction over international trade. The text of Grassley's letter to the Mexican government follows.

April 8, 2005

His Excellency Fernando Canales  
Secretary of Economy  
Ministry of Economy  
Alfonso Reyes 30  
Col. Condesa  
06140 Mexico, D.F.

Dear Secretary Canales:

On June 1, 2004, the Government of Mexico self-initiated an antidumping investigation on imports of unprocessed hams (pork legs) from the United States. I sent you a letter on August 17, 2004, expressing my concerns regarding this self-initiated investigation.

Given the importance of this investigation to Iowa ham and hog producers, I continue to monitor this case. I was recently informed that Mexico might soon impose preliminary antidumping duties on imports of U.S. hams. For this reason, I am contacting you again.

I have major concerns that Mexico's antidumping investigation on U.S. hams does not comport with Mexico's obligations as a member of the World Trade Organization (WTO). The product under investigation is hams, but the Mexican government is investigating a separate industry, live hogs. For example, the dumping calculation in this investigation incorrectly bases production costs for hams on production costs for live hogs. Similarly, the injury analysis in this investigation focuses

on live hog producers, and not on ham producers. In addition, while the Antidumping Agreement of the WTO provides that government authorities may self-initiate antidumping investigations if “special circumstances” are present, it appears that such “special circumstances” do not exist in this case.

My concerns regarding this investigation are heightened by the fact that the ham investigation was self-initiated by Mexico on the same day that Mexico terminated its antidumping investigation on U.S. pork. Mexican officials apparently admitted in the preliminary determination – issued almost a year and a half after the case was initiated – that the pork investigation was flawed, so that investigation was dropped. But Mexican authorities then turned around and self-initiated the antidumping investigation on U.S. hams, an investigation that appears at odds with Mexico’s WTO commitments. Mexico’s actions raise serious questions as to whether Mexico is willing to abide by its international trade obligations.

For these reasons, I respectfully request that Mexico terminate its antidumping investigation on hams from the United States.

Sincerely,

Charles E. Grassley

cc: His Excellency Javier Usabiaga  
Secretary of Agriculture  
His Excellency Eduardo Sojo  
Office of the President