

Action

According to the U.S. Department of Commerce, both Turkey and Russia are classified as Market Economies, which means that they theoretically operate on market principles of cost and pricing structures. What is not known is if the firearms manufacturers in these countries who make foreign like products are the beneficiaries of government subsidies that allow them to “dump” product on the U.S. home market. The prices of these firearms suggest an unfair advantage when compared to normal values, but as yet there has been no determination on whether dumping is taking place as defined by Title VII of the Tariff Act of 1930.

One remedy is to file a petition with both the Import Administration and the United States International Trade Commission. If an industry believes that injury is taking place due to unfair competition through subsidization or dumping of a foreign product, it may request the imposition of antidumping or countervailing duties through this petition. To ensure that there is sufficient support by domestic industry for the investigation into the alleged injury, the petitioner(s) must represent at least 25% of domestic production. Remington alone fits the bill here, as it represents between 28% and 29% of the domestic shotgun market. Remington will therefore explore this remedy as a means of redress in 2003-2004.

To help protect Remington’s 870 Express business from threats of this kind, cost reduction efforts that are reflected in price will be necessary in addition to an honest estimation of overall pricing strategy in this category. The feasibility of wholesale price reduction to drive volume or the introduction of cash rebates will be evaluated for 2004.