

Dumping

Dumping is a situation of international price discrimination, where the price of a product when sold in the importing country is less than the price of that product in the market of the exporting country.

Types of Dumping are as follows:-

1. Predatory Dumping
2. Persistent Dumping
3. Sporadic Dumping

Predatory Dumping:

- Monopolist sale his product below or lower the cost in foreign market.
- Main aims to drive out competitors from the market.
- Once competitors element from market, he raised prices.

Persistent Dumping:

- Monopolist sale his product at higher prices in the domestic market.
- Monopolist sale his product at lower prices in foreign.
- Domestic demand of product is inelastic.
- Foreign demand of product is high elastic.

Sporadic Dumping:

- It's occasions sale of products either below cost or lower prices in foreign market.
- Main aims to getting rid of inventory stocks e.g. festivals offers, diwali sale.