



January 7, 2005

U.S. BUSINESS NEWS

U.S. Panel Clears Way for Tariffs On Shrimp Imports

Associated Press
January 7, 2005

NEW ORLEANS -- The U.S. International Trade Commission on Thursday cleared the way for tariffs to be imposed on shrimp imports from six Asian and South American countries, but the body expressed concern that tariffs could burden tsunami-ravaged countries.

The commission upheld last February's preliminary finding that imports had injured, or were likely to injure, U.S. shrimp processors and fishermen. The panel reaffirmed with a 6-0 vote that frozen shrimp have hurt the U.S. industry, but the group voted 4-2 to scrap tariffs on canned imports, which make up about 0.4% of imports.

The ruling was the last major step before tariffs on imports from Brazil, China, Ecuador, India, Thailand and Vietnam become final.

SCAMPI SCUFFLE?

• **Page One:** [Along Indian Ocean's Coast, Waves Wash Away a Livelihood](#) ¹
01/04/05

• **Page One:** [As Shrimp Industry Thrives in Vietnam, Trade Fight Looms](#) ²
10/21/04


"Overall, the case is done. The vast majority of the decisions, final. It is a great weight off of the shoulders of shrimpers," said Deborah Long, a spokeswoman for the Southern Shrimp Alliance, an eight-state group of shrimp processors and fishermen that organized the antidumping petition.

She said there are only a few minor questions that still need to be resolved.

While upholding its decision on frozen shrimp, the commission left open the possibility of revoking tariffs on India and Thailand. The commission will review how badly the shrimp industries there have been damaged and decide if the tariffs should be lifted.

"The shrimp industry in these countries is the economic engine, in particular for Thailand. And do you want to place tariffs on one of the most important exports of these countries after they've been hit with this economic devastation?" said Paul Nathanson, a spokesman for a group of importers who oppose the tariffs.

DOW JONES REPRINTS

 This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers, use the Order Reprints tool at the bottom of any article or visit: www.djreprints.com.

- [See a sample reprint in PDF format.](#)
- [Order a reprint of this article now.](#)

"It is the absolutely worst time to be placing more taxes on the shrimp industry. Together with the tsunami, there are real questions of the viability of the Thai shrimp industry," said Brian Wynn, president and chief executive of Los Angeles-based Rubicon Resources, a major importer of Thai shrimp.

Ms. Long of the Southern Shrimp Alliance disagreed. "While the tsunami has had devastating effects on human life, the shrimp infrastructure is relatively sound and we don't think it will change the legal case before the ITC."

Mr. Wynn said shrimp farms in Thailand were mostly spared but that mangroves and hatcheries where shrimp are bred were seriously damaged. "It will have an immediate price impact."

A preliminary report on the tsunami's damage by the United Nation's Food and Agriculture Organization reported widespread damage to shrimp hatcheries and operations and the loss of thousands of fishing vessels.

The yearlong case was brought by Southern shrimpers, who claimed that imports were being dumped on the U.S. market at unfair prices and driving U.S. shrimpers out of business.

At almost every stage, federal regulators have sided with U.S. shrimpers and found that dumping occurred and that imports had injured, or threatened to injure, the domestic industry.

Duty rates for the six countries range between 2.3% and 112.8%.

Brazil faces duties between 9.6% and 67.8%; China between 27.8% and 112.8%; Ecuador between 2.3% and 4.4%; India between 5% and 13.4%; Thailand between 5.7% and 6.8%; and Vietnam between 4.1% and 25.7%.

Dumping occurs when a product is sold in the U.S. at a price below a producer's sales price at home or at a price lower than the cost of production.

From the beginning, shrimp importers and exporters have fought the dumping case, claiming that there was no evidence of dumping and that duties would do little to fix the underlying problems in the domestic industry.

"Ninety percent of all shrimp consumed in the U.S. is imported. Families across this country have been able to enjoy shrimp dinners in their homes and at restaurants at record levels. These duties will do nothing to make the domestic shrimpers more competitive," said Wally Stevens, president of the American Seafood Distributors Association.

"What it is going to result in is an increase in price for the American consumer," Mr. Wynn said.

The case pits American fishermen who still catch shrimp in boats and the booming overseas shrimp farms.

American fishermen have struggled with overcapitalization, rising fuel prices and overseas competition. But they argue that massive subsidies to shrimp farms and the blocking of shrimp imports by Japan and the European Union set up unfair conditions.

"When poor quality and antibiotic-laced pond-raised shrimp is rejected by other countries, it's diverted here and unloaded at whatever price they can get," said John Williams, a Tarpon Springs, Fla., shrimp fisherman with the Southern Shrimp Alliance. "The illegal practice of dumping has turned our shrimp towns into ghost towns throughout the Southeast."

Besides the trade action, U.S. shrimpers are embarking on a marketing campaign to brand their shrimp as "American wild caught" and better-tasting than farm-raised foreign shrimp.

Copyright © 2005 Associated Press

URL for this article:

<http://online.wsj.com/article/0,,SB110505446222619407,00.html>

Hyperlinks in this Article:

(1) <http://online.wsj.com/article/0,,SB110478663454515630,00.html>

(2) <http://online.wsj.com/article/0,,SB109831535754351344,00.html>

Copyright 2005 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.