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SSA Comments on Extension of Preliminary Ruling on Shrimp Case

Washington, DC— The Department of Commerce announced today an extension in the preliminary antidumping determinations regarding shrimp imports from six countries. The Department extended its preliminary antidumping determinations from June 8, 2004 to no later than July 2, 2004 for China and Vietnam and no later than July 28, 2004 for Brazil, Ecuador, India, and Thailand. The Department of Commerce determined that the shrimp investigations are “extraordinarily complicated,” which allows the Department to take up to a 50-day extension without the approval of petitioners.

“It is important that the Department of Commerce fully analyze the information before it as quickly as possible due to the harm dumped shrimp imports inflict on the U.S. shrimp industry,” said Eddie Gordon, President of the Southern Shrimp Alliance. “U.S. shrimpers are paying 2004 costs, but are only receiving 1960s prices for our high quality shrimp due to the market distortions of dumped shrimp imports. The longer U.S. fishermen and processors are forced to compete against subsidized and dumped shrimp, the more job losses we will experience.”

In February, the International Trade Commission unanimously found shrimp imports materially injured the domestic shrimp industry in a preliminary determination. The National Marine Fisheries Service (NMFS) data supports the allegations of market distortion and injury, showing a 33% drop in dockside shrimp prices and the declining value of the domestic harvest from \$690,453,000 to \$460,878,000 as low-priced imports flooded the market between 2000 and 2002. The Associated Press (3/11/04) reports that the shrimpers' average daily wage fell from \$117 to \$68, tens of thousands of shrimpers and deckhands left the fishery and on-shore processors cut their work force by 41 percent between 2000 and 2002.

A variety of financial incentives provided by national governments and international institutions over a number of years have saturated the market with farm-raised shrimp production in these countries. This overproduction, coupled with import tariffs, enforcement of health standards, and occasional shrimp import bans by the European Union means that ever-increasing volumes of foreign shrimp are entering the open U.S. market at ever-lower prices.

What is most baffling is why the glut of low-priced, dumped shrimp imports has resulted in consumers paying more for shrimp. Food Beat Inc., which tracks menu prices, reports that shrimp prices in grocery stores and restaurants rarely decreased for any type of shrimp item between 2000 and 2003. Shrimp entrees at Landry's Seafood House increased up to 28 percent (over \$3); a Red Lobster shrimp salad jumped from \$8.99 to \$10.13 last year. In an attempt to protect their profits, importers, distributors and retailers of foreign dumped shrimp are working with the targeted countries to oppose the trade action through legal, lobbying, and media campaigns.

“For every U.S. job that depends on access to dumped shrimp imports, there are over six U.S. jobs being destroyed by violations of the free trade laws. American consumers have not benefited from the dumped shrimp imports. Thousands of U.S. shrimpers, hundreds of companies, and coastal communities throughout eight southern states are relying upon strong and prompt enforcement of established antidumping laws,” concluded Gordon.