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## **Inconsistency on Zeroing Could Harm Shrimp Industry**

*Tarpon Springs*—The United States this week submitted a proposal to the World Trade Organization (WTO) to correct the Appellate Body’s rulings regarding offsets for non-dumped comparisons in antidumping proceedings, often referred to as “zeroing.” Almost simultaneously, the U.S. Department of Commerce preliminarily determined it would implement an erroneous WTO ruling by recalculating the antidumping order on shrimp from Ecuador without the use of zeroing. The move threatens to revoke antidumping orders on shrimp imports from Ecuador. John Williams, executive director of the Southern Shrimp Alliance made the following statement on the U.S. government’s actions:

The U.S. shrimp industry strongly supports the U.S. government’s calls for negotiations to make clear that zeroing is permissible under the WTO’s Antidumping Agreement.

The U.S. government should suspend the implementation of any WTO zeroing rulings until international negotiations resolve this issue. In particular, Commerce should not recalculate the dumping margins for Ecuadorian shrimp pending conclusion of those negotiations. It would be hypocritical for the U.S. government to simultaneously challenge and capitulate to these erroneous WTO dispute settlement rulings on zeroing.

If Commerce abandons zeroing in its final calculation of dumping margins for shrimp imports from Ecuador, the antidumping duty order on Ecuador could be terminated this summer. This would harm U.S. shrimpers by allowing shrimp from Ecuador—15 percent of all shrimp imports—to enter the U.S. market free of constraints on dumping.

### **Background**

On May 31, 2007, the Department of Commerce preliminarily re-calculated dumping margins for shrimp imports from Ecuador without the use of zeroing in response to the WTO ruling. The dumping margins were *de minimus*, meaning antidumping duties would not be used to offset the unfair trade.

Imports of shrimp from Ecuador have increased in recent years and now comprise 15 percent of all shrimp imports to the United States. In 2001, shrimp imports from Ecuador totaled 57 million pounds worth \$223 million. By 2006, imports rose to 128 million pounds worth \$332 million, according to data from the U.S. census bureau.

The ruling does not affect antidumping duties on shrimp imports from Brazil, China, India, Thailand, and Vietnam.

On June 4, 2007, the U.S. Trade Representative requested consultations with the WTO’s Negotiating Group on Rules to adopt clear, precise rules permitting the use of zeroing in both investigations and administrative reviews. The United States has previously stated its strong objections to recent dispute settlement rulings by the WTO Appellate Body regarding zeroing.

SSA is a non-profit alliance of members of the shrimp industry in eight states committed to preventing the continued deterioration of America's domestic shrimp industry and to ensuring the industry's future viability.

**Editors Note:**

The June 4, 2007 press release issued by USTR on its proposal regarding zeroing can be found at [http://www.ustr.gov/Document\\_Library/Press\\_Releases/2007/June/US\\_Proposes\\_to\\_Address\\_Zeroing\\_in\\_World\\_Trade\\_Organization\\_Negotiations.html](http://www.ustr.gov/Document_Library/Press_Releases/2007/June/US_Proposes_to_Address_Zeroing_in_World_Trade_Organization_Negotiations.html)

The U.S. government position paper on zeroing submitted to the WTO can be found at [http://docsonline.wto.org/gen\\_searchResult.asp?searchmode=simple&collections=&restriction\\_type=&synopsis=&subjects=&organizations=&products=&articles=&bodies=&types=&drsday=&dreday=&meet\\_date=&dpsday=&dpeday=&mh=&c2=%40meta\\_Symbol&c3=%40meta\\_Title&c4=%40Doc\\_Date&o4=%3E%3D&c5=%40Doc\\_Date&o5=%3C%3D&c6=%40meta\\_Serial\\_Num&c8=%40Derestriction\\_Date&c9=%40Derestriction\\_Date&q0=&q4=2007%2F06%2F05+00%3A00%3A00&q5=2007%2F06%2F05+23%3A59%3A59&q8=&q9=&q2=TN%2FRL%2FW%2F208&q3=&q6=&countries=&q1=&ddsday=05%2F06%2F2007&deday=05%2F06%2F2007&multiparts=on&scndformat=off&ct=DDFEnglish%2CDDFFrench%2CDDFSpanish&search=Search&searchtype=simple](http://docsonline.wto.org/gen_searchResult.asp?searchmode=simple&collections=&restriction_type=&synopsis=&subjects=&organizations=&products=&articles=&bodies=&types=&drsday=&dreday=&meet_date=&dpsday=&dpeday=&mh=&c2=%40meta_Symbol&c3=%40meta_Title&c4=%40Doc_Date&o4=%3E%3D&c5=%40Doc_Date&o5=%3C%3D&c6=%40meta_Serial_Num&c8=%40Derestriction_Date&c9=%40Derestriction_Date&q0=&q4=2007%2F06%2F05+00%3A00%3A00&q5=2007%2F06%2F05+23%3A59%3A59&q8=&q9=&q2=TN%2FRL%2FW%2F208&q3=&q6=&countries=&q1=&ddsday=05%2F06%2F2007&deday=05%2F06%2F2007&multiparts=on&scndformat=off&ct=DDFEnglish%2CDDFFrench%2CDDFSpanish&search=Search&searchtype=simple)

Background information on the practice of zeroing can be found at <http://shrimpalliance.com/Press%20Releases/12-15-04%20Zeroing.pdf>

For more on the shrimp antidumping duties and the effects of dumping on U.S. shrimpers, contact Deborah Long at 785.539.5218.