



August 28, 2007  
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### **U.S. Department of Commerce Unnecessarily Terminates Antidumping Duties on Shrimp from Ecuador; SSA Denounces Failure to Enforce U.S. Trade Laws**

*Tarpon Springs, FL*--The Department of Commerce ("Commerce") announced last week that it was terminating the antidumping duties on shrimp from Ecuador as of August 15, 2007. Although not required by U.S. or international law to terminate the duties, Commerce was reacting to a dubious World Trade Organization ("WTO") decision restricting the manner in which the United States could measure the dumping of imports. Although it had alternative calculation methods available that would have both comported with the WTO decision and preserved the duties, inexplicably, the action Commerce chose to take was the most adverse to the U.S. shrimp industry and most favorable to the Ecuadorian shrimp exporters.

The termination of trade relief from unfairly traded shrimp from Ecuador, the second largest supplier of shrimp imports to the United States, was made despite the Administration's own strongly-stated position that the WTO's finding was unjustified and lacked a legal basis. The Southern Shrimp Alliance, which represents the U.S. shrimp industry in the trade dispute, expressed outrage that Commerce chose to terminate the duties and failed to enforce U.S. trade laws.

"Commerce's decision to terminate relief from dumped imports is extremely troubling. This industry proved that Ecuadorian shrimp was dumped in our market and that the domestic industry was injured by these unfairly traded imports," noted John Williams, executive director of the Southern Shrimp Alliance. "In fact, earlier this year Commerce found yet again that Ecuadorian shrimp had been dumped and in some cases at even higher rates. By terminating duties in the face of viable alternatives, it appears that Commerce is sacrificing America's most valuable fishery for political purposes."

In terminating the duties, Commerce did not claim that alternative calculation methods were WTO-inconsistent but instead simply noted that its preference was to revoke the antidumping order. Commerce's removal of relief will occur earlier than the deadline for action under the WTO dispute settlement process, resulting in a further windfall benefit to Ecuadorian exporters.

The early revocation of the antidumping orders occurred despite expressions of support for the domestic industry from a number of United States Senators and Representatives. SSA thanks those who have worked with the domestic shrimp industry on this and other important issues.

“Unfortunately, at a time when dockside prices of shrimp remain at historic lows, we must also brace ourselves for an increase in shrimp imports from Ecuador, which are now free of any discipline on their unfair trade and have unfettered access to our market,” explained Williams. “It is sickening to think that after all we went through to obtain the duties, thousands of companies are now back where we were four years ago. Commerce is removing our protection under the law without a change in behavior by Ecuadorian shrimp exporters.”

The elimination of antidumping relief on shrimp imports from Ecuador means that imports entering the United States on or after August 15, 2007 will not be subject to the 2.48 to 4.42 percent antidumping duties that have been in place since February 2005. Ecuador was the second largest source of imported shrimp in 2006 accounting for 128 million pounds (worth \$332 million) or 16 percent of all imports. The volume of Ecuadorian shrimp imports has continued to increase each year from 57 million pounds in 2001 to 128 million pounds in 2006 even as average Ecuadorian shrimp import prices have fallen steadily each year from \$3.93 per pound in 2001 to \$2.59 per pound in 2006. The trend continued in the first half of 2007 with Ecuadorian shrimp import prices falling further to \$2.37 per pound. Termination of the duties will likely put further downward pressure on the price received for domestic shrimp and will mean that duties collected on future imports of shrimp from Ecuador will not be paid to members of the domestic industry injured by the unfair trade.

“We are grateful for all of the efforts of our supporters in seeking to prevent the agency from taking this action. At the same time, we are extremely disappointed at Commerce’s refusal to enforce our trade laws,” stated Williams. “However, members of the domestic industry should rest assured that the Southern Shrimp Alliance will continue to explore each and every option available to address unfair trade and, despite the agency’s actions, will continue to advocate that Commerce administer our antidumping laws in a fair and objective manner, consistent with its international obligations.”

The Southern Shrimp Alliance 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.

**CORRECTION:** This version corrects that the Commerce ruling was made last week, not this week as previously reported.