

## US Taxes Brazilian Shrimp. Brazil Reacts Cheerily.

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Brazilian shrimp are subject to a 10.4% surcharge on exports to the United States, in compliance with a decision by the US Department of Commerce. American fishermen were originally asking for a surcharge of approximately 60%.

According to Brazil's Minister of the Special Secretariat of Aquiculture and Fishing, José Fritsch, despite the harm, the decision represented a victory for Brazilian fishermen.

"Our advantage is that a 55% surtax was imposed on China, and, basically, the shrimp China exports to the United States are medium-sized, similar to Brazilian shrimp," Fritsch pointed out.

The Minister explained that, during the period in which Brazilian companies were consulted by the United States, Brazil set out to seek other markets.

In his view, this brought positive results for shrimp production in Northeast Brazil. "Now we have the European market, which assigns even greater worth to Brazilian shrimp," he said.

According to information from the Spécial Secretariat of Aquiculture and Fishing, Minister José Fritsch believes that the surtax rate, which is far below what many Brazilian producers expected, is mainly the result of efforts made by the Secretariat, together with the Ministry of Foreign Relations and the Ministry of Development, Industry, and Foreign Trade, to convince the American government that the low production cost of cultivated Brazilian shrimp is chiefly due to favorable environmental conditions and the relatively low cost of labor.

The Secretariat informed that the surcharge will only be contested if Brazilian producers decide to question it.

Translation: David Silberstein  
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