

US Investigates Shrimp Dumping by Brazil

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Investigators from the Department of Commerce of the United States are in Brazil as a result of accusations of dumping. They will visit Brazilian shrimp exporters, NortePesca, Netuno and Cida, which are all located in northeastern Brazil. The US recently slapped a 37% surtax on their exports following complaints by American shrimp industries.

The Brazilian government has announced that if the Americans decide to maintain the surtax Brazil will appeal to the World Trade Organization's dispute settlement panel.

Brazil says it is not dumping shrimp; on the contrary, it is just more efficient and productive due to favorable climatic conditions and can sell shrimp cheaper.

According to the Brazilian Ministry of Foreign Relations, "the government regrets the decision, as it regrets all measures that limit the access of Brazilian products to international markets."

The Ministry informed that the Brazilian shrimp industry presents a high standard of quality and competitiveness due to favorable natural circumstances, modern production techniques, and lower relative capital costs.

The Special Secretariat of Aquiculture and Fishing released a note underscoring the government's concern over the American decision in light of the importance of shrimp production to Brazil and the importance of the United States to the Brazilian trade balance.

The Secretariat informed that it will meet with representatives of the Brazilian Shrimp Breeders' Association, in the city of Recife, to formulate strategies of access to alternative markets.

Brazilian shrimp production is basically concentrated in the Northeast, a region of Brazil in which the activity has an important social impact, in providing jobs and income to the population, and 37% of Brazilian exports are destined for the United States.

Last year Brazil exported 21.7 tons of shrimp to the US, for which it earned US\$ 96 million, according to the Special Secretariat of Aquiculture and Fishing.

Since 2003 American producers have been accusing Brazil of selling canned and frozen shrimp for less than it costs to produce, which constitutes the practice of dumping.

Besides Brazil, import surcharges have also been imposed on Ecuador, India, and Thailand. The United States also decided to place tariffs on shrimp imports from China and Vietnam. The six countries whose sales are being taxed supply 75% of the shrimp consumed in the United States

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