Shrimpers Hail Finding of Dumped Shrimp from China and Vietnam

Washington, DC - The U.S. Department of Commerce today announced that China and Vietnam are violating U.S. trade laws by dumping shrimp in the United States. Commerce set preliminary duties ranging from 7.67% to 112.81%\(^1\) to offset the free trade violations in response to petitions filed December 31 by the Ad Hoc Shrimp Trade Action Committee. Commerce also issued a determination that the duties will be 90 days retroactive for certain Chinese exporters. Decisions regarding dumping by exporters in Brazil, Ecuador, India, and Thailand are expected on July 28.

“The U.S. industry commends the Commerce Department for its fair and reasoned preliminary decisions. These rulings confirm what the industry is painfully aware of,” said Southern Shrimp Alliance President Eddie Gordon, “shrimp from China and Vietnam is being dumped. These affirmative rulings today are a critical step on the road to recovery for tens of thousands of fishermen, farmers and processors devastated by the massive volume of dumped Chinese and Vietnamese shrimp.”

Warmwater shrimp is America’s number one seafood and the most valuable U.S. fishery, generating 20% of the three billion earned by all U.S. fisheries in 2000. The industry directly employs over 70,000 people thereby contributing billions in revenue and taxes to thousands of coastal communities and has assets totaling in the billions with 20,000 vessels and over a hundred processing plants, as well as related docks and suppliers. Yet this once vibrant, proud and independent industry is fighting for survival and on the brink of extinction from the tidal wave of dumped foreign shrimp. From 2000-2003, shrimp import volumes from the six countries under investigation surged 71 percent, rising 466 million pounds to a record 795 million pounds while import prices plummeted 32 percent. “That’s no productivity miracle -- that’s dumping,” Gordon observed.

“Looking back at the last four years,” Gordon says, “you clearly see conditions that created a perfect storm to dump shrimp.” For several years overseas expansion of farmed shrimp has grown dramatically, often brought about by government intervention and subsidies that distort the market by creating vast overcapacity. However, because the United States has no tariffs on shrimp and suffers from lax enforcement of safety standards, the oversupply comes here, especially when tougher safety standards in the EU and Japan limit shrimp from entering those markets.

Gordon also notes, “Consumers have not benefited from dumped shrimp prices, which the International Trade Commission recognized when finding imports caused the industry injury.” While import prices have plummeted to record lows, consumer prices are up as much as 28 percent. “The only U.S. groups benefiting from dumped shrimp are the middlemen.” says Gordon. “Groups like the American Seafood Distributors Association feel threatened because they have reaped enormous profits from dumped imports and would rather that our industry be destroyed than see their ever-expanding profit margins interrupted, having extracted $4.2 billion above normal profits from U.S. consumers in 2002. This is as old as the scriptures -- it’s pure greed -- plain and simple.” Gordon wants consumers to know the real U.S. shrimp industry is fighting back and fighting for consumers too, by ensuring country of origin labeling, more import inspection, and a continued supply of safe and delicious American wild-caught shrimp.

\(^1\) Zhanjiang (a Chinese exporter) received a de minimis dumping margin in the preliminary determination.
SSA is an alliance of the U.S. warmwater wild shrimp fishery from eight states: North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas. For more information on the SSA or the recent rulings and studies on shrimp imports, please visit www.shrimpalliance.com.