



Gide Loyrette Nouel



AD/ CVD investigation against imports of portion size trout from Turkey

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Introduction

- Anti-dumping and anti-subsidy instruments aim at providing a remedy to unfair trade practices by foreign producers and exporters
 - ↳ Rules are provided by WTO agreements and implemented in European legislation

- What is dumping?
 - ↳ Sales of a product on a foreign market at a price below its domestic price
 - ↳ In this case, the investigation aims at verifying whether Turkish producers are selling trout in the EU market at prices lower than prices offered in their domestic market

- What is a countervailable subsidy?
 - ↳ A financial contribution by a government, or by a private body entrusted or directed by the government, which confers a benefit and which is specific to certain companies/sectors

Initiation of the investigation and product scope

- Lodging of two complaints on 3 January, 2014 on behalf of the EU industry
 - ↳ against Turkish subsidies
 - ↳ against dumping practices

- Anti-dumping and anti-subsidy investigations have been initiated 15 February

- The product scope of the investigation is rainbow trout:
 - ↳ live weighing 1,2 kg or less each, or
 - ↳ fresh, chilled, frozen and/or smoked:
 - in the form of whole fish (with heads on), whether or not gilled, whether or not gutted, weighing 1,2 kg or less each, or
 - with heads off, whether or not gilled, whether or not gutted, weighing 1 kg or less each, or
 - in the form of fillets weighing 400 g or less each.

The complaint : main claims

- Sharp increase of Turkish imports of portion size trout
 - ↳ Increase of 78% in volume and of 101% in value between 2009 and 2012
 - ↳ Turkish imports represent 80% or more of total EU imports since 2010

- Turkish imports are dumped and subsidized
 - ↳ Dumping margins between 8,9% and 25,5% of the unit price
 - ↳ Subsidy margins between 13,5% and 32% of the unit price

- Injury: dumped/subsidized Turkish imports are the primary cause of material injury to the EU industry :
 - ↳ Decrease in production and market share (from 91% in 2009 to 79.5 % in 2013)
 - ↳ Low profitability and reduction of investments
 - ↳ Without dumping and subsidization of US imports, the EU industry would make profits and secure a larger share of the EU market

The investigation phase

- During this phase the Commission verifies the existence of dumping, subsidization and injury to EU producers

- Not all trout producers were investigated:
 - ↳ sample of EU producers
 - ↳ sample of Turkish producers

- EU producers sample based on size and geographical location:
 - ↳ Aqualande SAS (France)
 - ↳ Danaqua (Denmark)
 - ↳ Danforel(Denmark)
 - ↳ Kongeaaens Dambrug ApS (Denmark)
 - ↳ Erede Rossi Silvio (Italy)
 - ↳ Grupo Tres Mares S.A (Spain)
 - ↳ Lafo Forellen GmbH and Hofer Forellen GmbH (Germany)
 - ↳ Zaklad Hodowli Pstraga w Zaporze - Mylof Sp. z o. o. (Poland)

Potential outcome : Imposition of duties

- The conclusions of the investigation will determine whether duties are imposed or not and at what level: a crucial phase for the case

- The Commission will recommend that the EU Council imposes duties if the investigation concludes that :
 - ↳ Imported products were actually dumped and/or subsidized (investigated in the EU and in Turkey) during the investigation period
 - ↳ Dumped/subsidized exports caused injury to the EU industry over the last three years
 - ↳ Imposition of import duties is in the interest of the EU

- Duties are imposed for 5 years and calculated on the basis of the dumping and subsidization found during the investigation period.
 - ↳ This 5 year period can be renewed if the EU industry demonstrates the risk of injury in case of withdrawal of duties

Current status

- The Commission has circulated its report with recommendations on the CVD investigations to the Member States in the EU
 - ↳ The document is still confidential for the industry
 - ↳ Discussions with the Commission and Member States on potential outcome
 - ↳ Potential recommendations as regards the dumping investigations

- Meeting of the Trade Defense Committee next October 15
 - ↳ Decision on the imposition of duties on the case
 - ↳ Duties shall be imposed by the EU Council after consultation with the Committee
 - ↳ Political aspect – at this stage Lobbying by interested EU Member States is most useful

Overview : Timeline of the investigation

- Launch of the investigation : 15 February 2014
- Reply to questionnaires: 25 April 2014
- On spot verification : 12 May - 6 June 2014
- Maximum deadline for imposition of provisional duties: 15 November 2014
- Maximum deadline for imposition of definitive duties:
 - ↳ Anti-dumping: 15 May 2015
 - ↳ Anti-subsidy: 15 March 2015



Contacts

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