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Fishery Products

Safeguard Measures Against Imports of Farmed Salmon

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Report Highlights:

Commission Regulation 206/2005 imposes definitive safeguard measures against imports of farmed salmon into the EU. The safeguard measures will operate through a combination of tariff rate quotas and a minimum import price.

Includes PSD Changes: No
Includes Trade Matrix: No
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Safeguard Measures Against Imports of Farmed Salmon

Intro

On February 4, 2005, the European Commission published Commission Regulation 206/2005 imposing definitive safeguard measures against imports of farmed salmon. The safeguard measures will operate through a combination of a tariff rate quota and a Minimum Import Price. The Commission started an investigation in March 2004 in response to a complaint from Ireland and the U.K. that imports of cheap salmon from Norway, the Faroe Isles and Chile were damaging their businesses. Provisional measures were imposed in August 2004 but lapsed in December 2004 after a challenge by Denmark. The definitive safeguard measures entered into force on February 6 and will remain in force until August 13, 2008 unless a member state chooses to challenge them.

The New Scheme

Regulation 206/2005 opens a system of tariff rate quotas (TRQs) for the period February 6, 2005 to August 13, 2008. The TRQs have been calculated on a whole fish equivalent basis and are based on average imports in 2001-2003. Imports of farmed salmon exceeding the TRQ level will be subject to an additional duty.

Tariff Quotas and Additional Duties						
2/6/2005 to 8/13/2005				8/14/2005 to 8/13/2006		
Origin	TRQ (MT)	Additional Duty EUR/MT (non-fillets)	Additional Duty EUR/MT (fillets)	TRQ (MT)	Additional Duty EUR/MT (non-fillets)	Additional Duty EUR/MT (fillets)
Norway	163 649	366	508	369 041	348	483
Faroese	20 173			47 921		
Chile	13 033			36 146		
Other	14 150			39 053		
8/14/2006 to 8/13/2007				8/14/2007 to 8/13/2008		
Norway	405 945	330	458	446 539	314	436
Faroese	52 713			57 984		
Chile	39 760			43 736		
Other	42 959			47 254		

In addition to the TRQ system, a minimum import price (MIP) is being introduced. Imports of farmed salmon, both within and beyond the TRQ, are subject to a MIP that has been set initially at EUR 2,700/MT whole fish equivalent.

The new scheme only applies to fresh, chilled or frozen farmed Atlantic salmon, whether or not filleted (CN codes 03021200, 03031100, 03031900, 03032200, 03041013 and 03042013). Wild salmon is not subject or allocated to the tariff quotas. As the U.S. mainly exports wild salmon to the EU, the safeguard measures will have very little impact on U.S. trade. However, since the tariff lines in the EU Tariff Schedule do not distinguish between farmed and wild salmon, documents accompanying shipments of wild salmon must clearly state that the salmon was caught at sea.

The safeguard measures have been heavily criticized not only by the affected countries but also by EU processors and traders. According to the EU Fish Processors Association, processors depend on imports from third countries because Irish and Scottish salmon

producers can only supply one-third of EU demand. Norway and Chile have requested consultations with the WTO on the safeguard measures. Denmark and Iceland have also expressed strong opposition to the EU's measures.

Background

Safeguard measures can only be taken in case of a risk of serious injury to the EU's industry. The EU's decision to impose safeguard measures against farmed salmon is the result of intensive lobbying by Ireland and the U.K. who claimed that the increasing number of salmon producers going bankrupt was linked to cheap imports from Norway, Faroes and Chile. The European Commission's investigation launched in March 2004 came to the same conclusions.

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