



FACT SHEET

Commerce Preliminarily Finds Countervailable Subsidization of Imports of Certain Frozen Warmwater Shrimp from the People's Republic of China, India, Malaysia, Thailand, and the Socialist Republic of Vietnam and Preliminarily Finds No Subsidization of Imports from Ecuador and Indonesia

- On May 29, 2013, the Department of Commerce (Commerce) announced its preliminary affirmative countervailing duty (CVD) determinations in the investigations of imports of certain frozen warmwater shrimp (shrimp) from the People's Republic of China (China), India, Malaysia, Thailand, and the Socialist Republic of Vietnam (Vietnam). Commerce also announced its preliminary negative CVD determinations in the investigations of imports of shrimp from Ecuador and Indonesia.
- For purposes of CVD investigations, countervailable subsidies are financial assistance from foreign governments that benefit the production of goods from foreign companies and are limited to specific enterprises or industries, or are contingent either upon export performance or upon the use of domestic goods over imported goods.
- In the China investigation, Commerce preliminarily determined that the sole respondent, Zhanjiang Guolian Aquatic Products Co., Ltd. (Guolian) and its cross-owned affiliates (collectively, the Guolian Companies), received a subsidy rates of 5.76 percent. All other producers/exporters in China have also been assigned a preliminary subsidy rate of 5.76 percent.
- In the Ecuador investigation, Commerce preliminarily determined that the two respondents, Sociedad Nacional de Galapagos C.A. and Promarisco S.A. received subsidy rates of 0.70 percent, and 0.39 percent, respectively. These rates are *de minimis*, resulting in a preliminary negative determination that applies to the country as a whole.
- In the India investigation, Commerce preliminarily determined that the two respondents, Devi Fisheries Limited and Devi Seafoods Ltd., received subsidy rates of 10.41 percent, and 11.32 percent, respectively. All other producers/exporters in India have been assigned a preliminary subsidy rate of 10.87 percent.
- In the Indonesia investigation, Commerce preliminarily determined that the two respondents, PT. Central Pertiwi Bahari and PT. First Marine Seafoods, received subsidy rates of 0.81 percent, and 1.22 percent, respectively. These rates are *de minimis*, resulting in a preliminary negative determination that applies to the country as a whole.
- In the Malaysia investigation, Commerce preliminarily determined that the two respondents, Asia Aquaculture (M) Sdn. Bhd. and Kian Huat Aquaculture Sdn. Bhd., received subsidy rates of 10.80 percent, and 62.74 percent, respectively. All other producers/exporters in Malaysia have been assigned a preliminary subsidy rate of 62.74 percent.
- In the Thailand investigation, Commerce preliminarily determined that the two respondents, Marine Gold Products Limited and Thai Union Frozen Products Public Co. Ltd (and its affiliate

Thai Union Seafood Co., Ltd) received subsidy rates of 1.75 percent and 2.09 percent, respectively. All other producers/exporters in Thailand have been assigned a preliminary subsidy rate of 2.09 percent.

- In the Vietnam investigation, Commerce preliminarily determined that the two respondents, Minh Qui Seafoods Co. Ltd and Nha Trang Seaproduct Company, received subsidy rates of 5.08 percent, and 7.05 percent, respectively. All other producers/exporters in Vietnam have been assigned a preliminary subsidy rate of 6.07 percent.
- As a result of the preliminary affirmative determinations, Commerce will instruct U.S. Customs and Border Protection (CBP) to collect cash deposits based on these preliminary rates, except as noted below for India. Cash deposits will not be required on imports of shrimp from Ecuador or Indonesia.
- The petitioner for these investigations is the Coalition of Gulf Shrimp Industries (MS).

The members of the Coalition of Gulf Shrimp Industries are: Bayou Shrimp Processors, Inc. (LA); Bluewater Shrimp Company, Inc. (LA); Carson & Co., Inc. (AL); C.F. Gollott & Sons Seafood, Inc. (MS); Dean Blanchard Seafood, Inc. (LA); Dominick Seafood (AL); Fisherman’s Reef Packing Plant (TX); Golden Gulf Coast Pkg. Co., Inc. (and Gollott’s Oil Dock & Ice House) (MS); Graham Fisheries, Inc. (AL); Graham Shrimp, Inc. (AL); Gulf Crown Seafood Co., Inc. (LA); Gulf Fish Inc. (LA); Gulf Island Shrimp & Seafood, LLC (LA); Gulf Pride Enterprises, Inc. (MS); Hi-Seas of Dulac, Inc. (LA); Indian Ridge Shrimp Co. (LA); JBS Packing Co., Inc. (TX); Lafitte Frozen Foods Corp. (LA); M&M Shrimp (Biloxi Freezing and Processing) (MS); Ocean Springs Seafood Market, Inc. (MS); Paul Piazza & Sons, Inc. (LA); R.A. Lesso Brokerage Co., Inc. (MS); Sea Pearl Seafood Co., Inc. (AL); Smith and Sons Seafood (GA); Tidelands Seafood Co., Inc. (LA); Tommy’s Seafood (LA); Vincent Piazza & Sons Seafood, Inc. (LA); Wood’s Fisheries (FL); Mariah Jade Shrimp Company LLC (LA); David Chauvin’s Seafood Company, LLC (LA); and Rountree Enterprises, Inc. (d/b/a Leonard & Sons Shrimp Co. and R&R Fisheries) (SC).

- The products covered by the scope of these investigations are certain frozen warmwater shrimp and prawns, whether wild-caught (ocean harvested) or farm-raised (produced by aquaculture), head-on or head-off, shell-on or peeled, tail-on or tail-off,¹ deveined or not deveined, cooked or raw, or otherwise processed in frozen form, regardless of size.
- The frozen warmwater shrimp and prawn products included in the scope, regardless of definitions in the Harmonized Tariff Schedule of the United States (HTSUS), are products which are processed from warmwater shrimp and prawns through freezing and which are sold in any count size.
- The products described above may be processed from any species of warmwater shrimp and prawns. Warmwater shrimp and prawns are generally classified in, but are not limited to, the *Penaeidae* family. Some examples of the farmed and wild-caught warmwater species include, but are not limited to, whiteleg shrimp (*Penaeus vannamei*), banana prawn (*Penaeus merguensis*), fleshy prawn (*Penaeus chinensis*), giant river prawn (*Macrobrachium rosenbergii*), giant tiger

¹ “Tails” in this context means the tail fan, which includes the telson and the uropods.

prawn (*Penaeus monodon*), redspotted shrimp (*Penaeus brasiliensis*), southern brown shrimp (*Penaeus subtilis*), southern pink shrimp (*Penaeus notialis*), southern rough shrimp (*Trachypenaeus curvirostris*), southern white shrimp (*Penaeus schmitti*), blue shrimp (*Penaeus stylirostris*), western white shrimp (*Penaeus occidentalis*), and Indian white prawn (*Penaeus indicus*).

- Frozen shrimp and prawns that are packed with marinade, spices or sauce are included in the scope. In addition, food preparations (including dusted shrimp), which are not “prepared meals,” that contain more than 20 percent by weight of shrimp or prawn are also included in the scope.
- Excluded from the scope are: (1) Breaded shrimp and prawns; (2) shrimp and prawns generally classified in the *Pandalidae* family and commonly referred to as coldwater shrimp, in any state of processing; (3) fresh shrimp and prawns whether shell-on or peeled; (4) shrimp and prawns in prepared meals; (5) dried shrimp and prawns; (6) canned warmwater shrimp and prawns; and (7) certain “battered shrimp” (see below).
- “Battered shrimp” is a shrimp-based product: (1) That is produced from fresh (or thawed-from-frozen) and peeled shrimp; (2) to which a “dusting” layer of rice or wheat flour of at least 95 percent purity has been applied; (3) with the entire surface of the shrimp flesh thoroughly and evenly coated with the flour; (4) with the non-shrimp content of the end product constituting between four and 10 percent of the product’s total weight after being dusted, but prior to being frozen; and (5) that is subjected to individually quick frozen (IQF) freezing immediately after application of the dusting layer. When dusted in accordance with the definition of dusting above, the battered shrimp product is also coated with a wet viscous layer containing egg and/or milk, and par-fried.
- The products included in the scope of these investigations are currently classified under the following HTSUS subheadings: 0306.17.00.03, 0306.17.00.06, 0306.17.00.09, 0306.17.00.12, 0306.17.00.15, 0306.17.00.18, 0306.17.00.21, 0306.17.00.24, 0306.17.00.27, 0306.17.00.40, 1605.21.10.30 and 1605.29.10.10. These HTSUS subheadings are provided for convenience and for customs purposes only and are not dispositive, but rather the written description of the scope is dispositive.
- These investigations cover the same products as the current antidumping duty (AD) orders on certain frozen warmwater shrimp from Brazil, China, India, Thailand, and Vietnam, including the revised scope language for the AD orders that was the result of litigation concerning “dusted shrimp.”
- In 2012, imports of certain frozen warmwater shrimp from China, Ecuador, India, Indonesia, Malaysia, Thailand, and Vietnam were valued at an estimated \$101.9 million, \$499.7 million, \$551.2 million, \$634 million, \$142 million, \$1.1 billion, and \$426.2 million, respectively.

NEXT STEPS

- Commerce is scheduled to announce its final determinations on August 13, 2013.
- If Commerce makes affirmative final determinations, and the U.S. International Trade Commission (ITC) makes affirmative final determinations that imports of certain frozen warmwater shrimp

from China, Ecuador, India, Indonesia, Malaysia, Thailand, and and/or Vietnam, materially injure, or threaten material injury to, the domestic industry, Commerce will issue CVD orders. If, for a specific country, either Commerce's or the ITC's final determination is negative, no order will be issued.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE*
CHINA	Zhanjiang Guolian Aquatic Products Co., Ltd. (Guolian) and its cross-owed affiliates (collectively, the Guolian Companies)	5.76%
	All Others	5.76%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE*
ECUADOR	Sociedad Nacional de Galapagos C.A.	0.70% (<i>de minimis</i>)
	Promarisco S.A.	0.39% (<i>de minimis</i>)
	All Others	<i>de minimis</i>

* *de minimis* = less than 1% for developed countries, less than 2% for developing countries.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE	CASH DEPOSIT RATE*
INDIA	Devi Fisheries Limited	10.41%	6.10%
	Devi Seafoods Ltd.	11.32%	5.72%
	All Others	10.87%	5.91%

*Due to the termination of certain subsidy programs prior to this preliminary determination, Commerce applied adjusted subsidy rates of 6.10 percent to Devi Fisheries Limited, 5.72 percent to Devi Seafoods Ltd., and 5.91 percent to all others.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE*
INDONESIA	PT. Central Pertiwi Bahari	0.81% (<i>de minimis</i>)
	PT. First Marine Seafoods	1.22% (<i>de minimis</i>)
	All Others	<i>de minimis</i>

**de minimis* = less than 1% for developed countries; less than 2% for developing countries.

PRELIMINARY SUBSIDY RATES:

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
MALAYSIA	Asia Aquaculture (M) Sdn. Bhd.	10.80%
	Kian Huat Aquaculture Sdn. Bhd.	62.74%
	All Others	62.74%

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
THAILAND	Marine Gold Products Limited	1.75% (<i>de minimis</i>)
	Thai Union Frozen Products Public Co. Ltd (and its affiliate Thai Union Seafood Co., Ltd)	2.09%
	All Others	2.09%

**de minimis* = less than 1% for developed countries; less than 2% for developing countries.

COUNTRY	EXPORTER/PRODUCER	SUBSIDY RATE
VIETNAM	Minh Qui Seafoods Co. Ltd.	5.08%
	Nha Trang Seaproduct Company	7.05%
	All Others	6.07%

CASE CALENDAR:

EVENT	CVD INVESTIGATION
Petitions Filed	December 28, 2012
DOC Initiation Date	January 17, 2013
ITC Preliminary Determinations	February 11, 2013
DOC Preliminary Determinations	May 28, 2013
DOC Final Determinations†	August 12, 2013
ITC Final Determinations*	September 26, 2013
Issuance of Orders**	October 3, 2013

NOTE: Commerce preliminary and final determination deadlines are governed by statute. For CVD investigations, the deadlines are set forth in sections 703 and 705 of the Tariff Act of 1930, as amended. These deadlines may be extended under certain circumstances.

†Where the deadline falls on a weekend/holiday, the appropriate date is the next business day.

*This will take place only in the event of final affirmative determinations from Commerce.

**This will take place only in the event of final affirmative determinations from Commerce and the ITC.

IMPORT STATISTICS:

CHINA	2010	2011	2012
Volume (in metric tons)	25,000	19,000	14,000
Value (USD)	167,770,000	153,657,000	101,948,000
ECUADOR	2010	2011	2012
Volume (in metric tons)	64,000	73,000	72,000
Value (USD)	402,204,000	523,563,000	499,690,000
INDIA	2010	2011	2012
Volume (in metric tons)	30,000	48,000	65,000
Value (USD)	298,930,000	511,739,000	551,245,000
INDONESIA	2010	2011	2012
Volume (in metric tons)	57,000	67,000	71,000
Value (USD)	469,136,000	667,654,000	634,008,000
MALAYSIA	2010	2011	2012
Volume (in metric tons)	24,000	29,000	19,000
Value (USD)	147,826,000	206,222,000	142,001,000
THAILAND	2010	2011	2013
Volume (in metric tons)	188,000	170,000	122,000
Value (USD)	1,412,195,000	1,593,349,000	1,087,958,000
VIETNAM	2010	2011	2012
Volume (in metric tons)	46,000	41,000	38,000
Value (USD)	497,458,000	493,157,000	426,153,000

Source: U.S. Census Bureau, accessed through Global Trade Atlas. (HTSUS 0306.13.0003, 0306.13.0006, 0306.13.0009, 0306.13.0012, 0306.13.0015, 0306.13.0018, 0306.13.0021, 0306.13.0024, 0306.13.0027, 0306.13.0040, 0306.17.0003, 0306.17.0006, 0306.17.0009, 0306.17.0012, 0306.17.0015, 0306.17.0018, 0306.17.0021, 0306.17.0024, 0306.17.0027, 0306.17.0040, 1605.20.1010, 1605.20.1030, 1605.21.1030, and 1605.29.1010). Some HTSUS subheadings are basket categories and may cover both subject and non-subject merchandise.

Note: Prior to 2012, subject merchandise was classified under HTSUS 0306.13.0003, 0306.13.0006, 0306.13.0009, 0306.13.0012, 0306.13.0015, 0306.13.0018, 0306.13.0021, 0306.13.0024, 0306.13.0027, 0306.13.0040, 1605.20.1010, and 1605.20.1030. HTSUS subheadings for 2011 and previous years do not differentiate between warmwater shrimp (subject merchandise) and coldwater shrimp (non-subject merchandise). Therefore, import statistics in the above table may include significant amounts of non-subject merchandise.