Recommendation on rainbow trout is upheld

On Tuesday 30 November, the Secretary of State for International Trade announced that the TRA's recommendation on imports of Turkish rainbow trout will be upheld and that the trade remedy measure on these goods will remain in place. You can read the TRA's final determination on this case on its public file.

This measure covers trout which are live, fresh, chilled, frozen or smoked, in the form of whole fish, gutted and as fillets. The TRA's report recommends that the existing UK trade remedy measure on these imports be extended for five years, extending protections to UK rainbow trout farms which could otherwise be damaged by subsidised imports from Turkey.

As part of its assessment, the TRA found that dropping the measure could threaten local jobs due to competition from Turkey causing some firms to exit the market. Concentrated rainbow trout production sites can be found in Northern Ireland, in north and south England, and in Scotland.

Industry responds to initial findings

On 25 June, the TRA published a Statement of Essential Facts, setting out initial findings on the measures. UK and overseas industries had 30 days to review and comment on the findings before the TRA made its recommendation to the Secretary of State. Some important submissions were made at this stage.

TRA Chief Executive Oliver Griffiths commented: "The majority of UK rainbow trout producers are small businesses and we provided generous extensions to help them provide the necessary evidence during a difficult time for UK industry. We also provided extensions to participating overseas exporters. Nevertheless, I'm pleased that we succeeded in completing a comprehensive review of the measures and that the Secretary of State has agreed with our conclusions."

Background

About the TRA and trade remedies

The <u>Trade Remedies Authority</u> (TRA) is the UK body that investigates whether trade remedy measures are needed to counter unfair import practices and unforeseen surges of imports.

The TRA is an arm's length body of the Department of International Trade (DIT) and launched on 1 June 2021. Before its launch, the organisation operated as the Trade Remedies Investigations Directorate (TRID) of DIT.

Countervailing measures are one of the three types of trade remedies allowed

by the World Trade Organisation (WTO). They are used when goods imported into a country are benefiting from certain types of subsidy. The other two types of measure are anti-dumping measures (which are used when goods are being dumped in a country at prices below what they would be sold for in their home country) and safeguard measures, which address unforeseen surges of imports.

When the UK left the EU, it transitioned across 43 trade remedy measures which were of interest to UK industries into UK law. The TRA was then required to carry out a review of each measure. This is because the measures were originally put in place based on data from across all the EU member states. If the UK is to keep them, it needs to demonstrate that they are needed to protect against unfair trade practices which are damaging or could damage UK industries.

About the transition review of UK measures on imports of Turkish rainbow trout

This review concerned a countervailing measure applying to certain rainbow trout originating in Turkey. The review was initiated on 4 March 2020 and the investigation covered the period from 1 January 2019 to 31 December 2019. In order to assess injury, we have examined the period from 1 January 2016 to 31 December 2019.

The measure covers rainbow trout (Oncorhynchus mykiss) that are either live, fresh, chilled, frozen or smoked whether in the form of whole fish (with heads and gills on), gutted, weighing 1.2kg or less each, or with heads off, gilled or gutted (weighing 1kg or less each), or in the form of fillets (weighing 400g or less each) originating in Turkey.

The review found that many of the subsidy programmes run by the Turkish government are still in place, and that if the measures were removed, subsidised imports would be likely to harm the UK trout industry.

As part of its review, the TRA conducted an Economic Interest Test to consider:

- the injury caused by the importation of subsidised rainbow trout to the UK industry and the benefits to the UK industry in removing that injury
- the economic significance of affected industries and consumers in the UK
- the likely impact on affected industries and consumers in the UK
- the likely impact on particular geographic areas and groups in the UK
- the likely consequences for the competitive environment and the structure of the UK market in these goods.