

Norway takes salmon dispute to the WTO

22/02/2006 - Norway has taken its dispute with the European Union over salmon to the World Trade Organisation.

Cheaper [salmon](#) supplies from [Norway](#) were blocked last month after the European Union's main decision body voted on a minimum price on imports from the country. The price measure means processors will continue to scramble for another source for their salmon supplies, or pay higher prices for imports from Norway.

In an explanatory note published yesterday the European Commission defended its actions, saying it determined the minimum price based on production costs in Norway.

The Commission set a minimum price level last month at €2.80 per kilogram for farmed salmon originating in Norway after accusing the country of dumping its product on the EU market. A provisional minimum import price was set on 30 June 2005.

The minimum price level aids Scottish and Irish salmon farmers, who were facing tough competition from Norway.

"These measures are a response to unfair pricing, and in particular selling under cost of production, and will guarantee that Norwegian salmon is not exported to the EU at below its true value," the Commission stated yesterday. *"The minimum price means that European producers are no longer subject to unfair competition from Norwegian products imported below cost or at prices lower than those on the domestic Norwegian market."*

Current market prices at February 2006 are well above the minimum import price, the Commission said in explaining the EU's position.

The Commission said the EU producers, processors, and Norwegian exporters should participate in monitoring the market monitoring so that the minimum import price continues to fulfil its function of providing stability on the market.

Farmed salmon imports to the EU have been a disputed issue for a number of years. Intermittent trade defence measures have been in place since 1996. Provisional duties imposed by the Commission from 27 April 2005 to 4 July 2005 took the form of ad valorem duties ranging between 6.8 per cent and 24.5 per cent. The duties have since been removed.

Norway is the world's biggest producer of farmed salmon. EU countries import about €1bn worth of salmon a year from the country. Norwegian salmon accounts for 60 per cent of the EU's imports of the fish.

The US recently confirmed existing anti-dumping and anti-subsidy measures against farmed salmon originating in Norway.

The EU has one of the world's highest trade deficits in fish and fishery products. The poor state of certain EU fishery stocks and the reduction in annual catch quotas make the EU's processing sector more and more dependent on imports from third countries for supplies.