Trade Remedies Authority

Recommendation to the Secretary of State

Case TS0002

Transition review of countervailing measures applying to certain rainbow trout originating in Turkey

04 August 2021

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SECTION A: Introduction

1. This section briefly summarises the legal framework for the Recommendation and its main findings. The background to the review and further detail on all aspects are explained more fully in the remaining sections.

2. This document sets out our recommendation and the essential facts on which we have based our recommendation. It should be read in conjunction with other public documents available for this case on the public file. Its purpose is to set out the details of the analysis forming the basis of our recommendation to the Secretary of State.

3. For further guidance and information regarding transition reviews please see our public guidance.

A1. Legal framework

4. This recommendation is made pursuant to regulations 100(1) and 100(2)(a)(i) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (D&S Regulations). In accordance with regulation 100(2)(b), this recommendation includes:

- a description of the goods to which the recommendation relates;
- the names of overseas exporters or, where impracticable, the exporting countries or territories;
- a summary of the review; and
- the reasons for the recommendation.

In addition, in accordance with regulation 100A(2) of the D&S Regulations, when making a recommendation to vary the measure, we must:

- show that we are satisfied that the Economic Interest Test (EIT) is met;
- have had regard to the current and prospective impact of the countervailing amount; and
- include the following information:
    - the countervailing amount;
    - the goods to which the countervailing amount applies; and
    - the period for which the countervailing amount is to apply.

A2. About the review

5. This recommendation is in respect of a transition review of a United Kingdom (UK) trade remedies measure under regulation 97 of the D&S Regulations. The UK measure gave effect to the measure imposed by the European Union (EU) and set out in EU Commission Implementing Regulation (EU) 2015/309 of 26 February 2015.[1]

6. The review concerned a countervailing measure applying to certain rainbow trout originating in Turkey. The review was initiated on 4 March 2020 and our notice of initiation (NOI) was published on that date. [2]

7. The Period of Investigation (POI) was 1 January 2019 to 31 December 2019. In order to assess injury, we examined the period from 1 January 2016 to 31 December 2019.

[1] (EU) Commission Implementing Regulation (EU) 2015/309 of 26th February 2015. Available on: https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32015R0309
[2] Notice of Initiation. (Case TS0002). Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/3087908c-b98b-4c21-9a72-ad78029fb8f6/

SECTION B: Summary and findings

B1. Findings

B1.1 - Interested parties

8. The following interested parties provided a full questionnaire response:

- Romsey Trout Farm, a domestic producer
- Selcoth Fisheries, a domestic producer
- Dawnfresh Farming, a domestic producer
- Selina Balık İşleme Tesisi İthalat İhracat Ve Ticaret Ltd. Şti. (Selina Balık), a Turkish producer and exporter
- Özpekler İnşaat Taahhüt Dayanıklı Tüketim Malları Su Ürünleri Sanayi ve Ticaret Ltd. Şti. (Özpekler Group), a Turkish producer and exporter
- Ministry of Trade of the Republic of Turkey

9. Further relevant submissions were made by other producers, exporters, departments/ministries and trade bodies. Not all interested parties were able to participate further. For a full list of participants and their status, please see **Section C3.3 - Information from participants in the review**.

B1.2 - Scope assessment

10. The NOI set out the scope of the measure that was transitioned as: Rainbow Trout (*Oncorhynchus mykiss*) 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.

11. To ensure the relevance of any recommended measure to the UK, we assessed the scope of this review in accordance with regulation 99A(2)(a)(ii) of the D&S Regulations. We established that the UK industry produce goods which are classified under the commodity codes of the measure transitioned, as set out in the NOI. Therefore, we took the decision not to vary the scope of this transition review.

B1.3 - Consideration of whether the countervailing amount is necessary or sufficient to offset the subsidisation

12. Under regulation 99A(1)(a)(i) of the D&S Regulations, in a transition review we must consider whether the application of the countervailing amount is necessary or sufficient to offset the importation of the relevant subsidised goods into the UK (this is called the “necessary or sufficient assessment”).

13. There were no imports from Turkey of the goods subject to review during the period of investigation and low levels of imports from Turkey of the goods subject to review over the injury period. The low levels of imports demonstrated that the current measure is sufficient to offset the importation of the relevant subsidised goods into the UK. This means the measure is working at the levels it is currently set at.

14. We also considered whether the measure is necessary to offset the importation of the relevant subsidised goods. This required us to consider whether the continued application of the measure was needed. We do this by either recalculating the countervailing amount or establishing that this is not possible. Due to low levels of imports from Turkey of the goods subject to review, for the purposes of this specific consideration under regulation 99A(2)(a)(i) of the D&S Regulations, we were unable to substantively determine whether the continued application of the measure is necessary to offset the importation of the relevant subsidised goods.

15. To determine whether the measure should be varied or revoked, we therefore considered the likelihood that importation of the relevant subsidised goods and injury would occur if the measure no longer applied.

B1.4 - Likelihood of subsidised imports assessment

16. In accordance with regulation 99A(2)(a)(iii) of the D&S Regulations, we assessed the likelihood that importation of the relevant subsidised goods would occur if the measure were no longer applied (the “likelihood of subsidised imports assessment”).

17. We determined that importation of the relevant subsidised goods would be likely to occur if the countervailing amount were no longer applied.

B1.5 - Likelihood of injury assessment

18. We were required under regulation 99A(1)(b) of the D&S Regulations to consider whether injury to the UK industry in the relevant goods would occur if the countervailing amount were no longer applied (the “injury likelihood assessment”).

19. We determined that injury would be likely to occur if the countervailing amount were no longer applied.

20. Having considered all of the evidence presented by each of the interested parties and all of the factors listed in the legislation, we concluded that the application of the countervailing amount, varied as recommended, meets the Economic Interest Test (EIT).

B2. Recommendation

21. Our recommendation is therefore to vary the application of the countervailing amount under regulation 100A of the D&S Regulations. As it has not been possible to recalculate the countervailing amount due to insufficient data, we recommend maintaining that amount at between 1.5 – 9.5% in accordance with regulation 100A(4)(b) of the D&S Regulations and applying the measure for a period of five years from 30 January 2021. For the avoidance of doubt, this is the date that the current measure would have expired had a transition review not been initiated.

22. We have made this recommendation on the grounds that:

- It is likely, on the balance of probabilities, that the importation of the relevant subsidised goods from Turkey would occur if the countervailing amount were no longer applied;
- It is likely, on the balance of probabilities, that injury to UK industry would occur from the importation of the relevant subsidised goods from Turkey if the countervailing amount were no longer applied;
- The current measure is considered sufficient to offset the subsidisation; and
- The application of the countervailing amount meets the EIT.

23. In reaching this recommendation we considered the current and prospective impact of the countervailing amount.

SECTION C: Background

C1. Initiation of the transition review

24. The UK chose to maintain certain trade remedy measures once it was outside the EU's common external tariff. The Department for International Trade (DIT) identified which measures were of interest to the UK following a call for evidence.

25. For each of these measures, the Secretary of State for International Trade (the Secretary of State) published a Notice of Determination, under regulation 96(1) of the D&S Regulations, setting out the decision to transition the corresponding EU trade remedies measure, and a Taxation Notice, on replacement of EU trade duty. We conduct transition reviews to determine if these measures should be varied or revoked in the UK.

26. On 28 February 2020, the Secretary of State published a Notice of Determination regarding the countervailing duty on certain rainbow trout originating in Turkey.[3] In accordance with the D&S Regulations and this Notice, the Trade Remedies Authority (TRA) was required to conduct a transition review of the original EU measure imposing this countervailing duty.

27. On 4 March 2020, the Secretary of State published a NOI to initiate a transition review of the relevant EU trade remedies measure in relation to certain rainbow trout originating in Turkey. This NOI had the effect of initiating the transition review.[2]

C2. Previous measures in place

28. The European Commission (the "Commission") imposed countervailing duty on imports of certain rainbow trout originating in Turkey by Implementing Regulation (EU) No 2015/309 of 26th February 2015.[4]

[3] Notice of Determination. Available on: https://www.gov.uk/government/publications/trades-remedies-notice-countervailing-duty-on-certain-rainbow-trout-originating-in-turkey/notice-of-determination-countervailing-duty-on-certain-rainbow-trout-originating-in-turkey

[4] Regulation (EU) No 2015/309 of 26th February 2015. Available on: https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32015R0309

C2.1 - EU reviews conducted since the original measure

29. Since the original investigation, the Commission has undertaken two partial interim reviews. A third interim review is ongoing. The Commission initiated an expiry review on 27 February 2020 and this was concluded on 20 May 2021[5].

30. The first interim review (July 2017 – June 2018) was initiated at the request of the Aegean Exporter's Association after a change in one of the subsidy types resulted in a reduction in certain payments. It did not result in any change in the measure, as the Commission determined that the legislative changes did not justify revising the countervailing duties to all rainbow trout producers in Turkey.

31. The second interim review (May 2019 – May 2020) was initiated at the request of an exporter ('BAFA Su Ürünleri Yavru Üretim Merkezi Sanayi Ticaret AŞ', part of the Kiliç Group), based on the outcome of the first interim review, as they argued that the legislative changes were of a lasting nature in so far as the applicant was concerned. This resulted in a reduction in duties from 9.5% to 1.5% for the exporter. This exporter did not come forward as part of our review.

32. A third interim review (February 2021 – Ongoing), was initiated at the request of an exporter ('Selina Balık'), as in the original investigation they had been part of a company group. Their relationship with the group ('Ternaeben') has since terminated, and Selina Balık argue this is a change of a lasting nature. Selina Balık is one of the interested parties that took part in our transition review.

C3. Our transition review process

C3.1 - The transitioned measure and subsidy rates

33. The Commission initiated an expiry review on 27 February 2020. The measure remained in place pending completion of that review. In accordance with the Taxation Notice, the continuing measure took effect as a UK measure on replacement of EU trade duty. Under regulation 97C of the D&S Regulations, this measure will continue until the Secretary of State publishes a notice accepting (or setting out the reasons for deciding to reject) our recommendation following a transition review to vary or revoke the application of the countervailing amount.

34. The transitioned measure applies to certain rainbow trout originating in Turkey and being exported to the UK. The rate of countervailing duty which currently applies to the goods produced by the relevant companies is summarised in Annex 1.

[5] (EU) Commission Implementing Regulation 2021/823 of 20 May 2021, available on: http://data.europa.eu/eli/reg_impl/2021/823/oj

C3.2 - Information from participants in the review

35. 12 pre-sampling questionnaire responses were received. Of the 12, two came from devolved administrations, six from producers, two from companies involved in processing and sales, one from a company involved in production and processing and a response from the British Trout Association (BTA).

36. The selection of producers and exporters for the sample was based on the highest production volumes of the goods subject to review. A notice was placed on the public file on 20 April 2020 confirming this. [6]

37. Questionnaire responses were received from the four sampled domestic producers.

Party	Submission	Status
Romsey Trout Farm	Submission received 17 June 2020	Unable to participate
Selcoth Fisheries	Submission received 25 August 2020	Cooperative[7]
Dawnfresh Seafoods	Submission received 06 August 2020	Unable to participate
Dawnfresh Farming	Submission received 06 August 2020	Found not to have produced the goods subject to review during the POI

38. Questionnaire responses were received from the three sampled Turkish exporters and the Ministry of Trade of the Republic of Turkey.

[6] Notice of sampling. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/112e7410-ce5a-440c-a1de-3dc7fbcdfbaf/

[7] 'Cooperative' means that an interested party has supplied all information requested throughout the investigation.

Party	Submission	Status
Selina Balık	Submission received 23 June 2020	Cooperative[7]
Özpekler Group	Submission received 18 December 2020	Cooperative[7]
Kemal Balıkçılık İhracat LTD. ŞTİ (Kemal Balıkçilik)	Submission received 12 June 2020.	Unable to participate.
Ministry of Trade of the Republic of Turkey	Submission received 22 June 2020	Cooperative[7]

39. None of the sampled Turkish exporters exported the goods subject to review to the UK during the POI.

C3.3 - Information from other parties

40. Contributor Registration forms were issued which permitted additional information to be provided. These forms were completed by the Scottish Government, Department for the Economy Northern Ireland and the British Trout Association.

41. Members of the upstream industry and downstream users were contacted. No company from the upstream industry or downstream users responded to our request to complete upstream/downstream questionnaires.

C3.4 - Verification of data

42. On-site verification visits could not be conducted during this review due to travel restrictions caused by the COVID-19 pandemic. All verification activity took place remotely via email and video conferencing.

43. Submissions were checked for consistency and completeness. During these checks, deficiencies were identified relating to inadequate responses. All deficiencies were adequately resolved before verification work started.

44. An initial verification meeting was held with Romsey Trout Farm on 4 November 2020. Additional information was requested from this meeting regarding company operating procedures and sales transactions. No further communication was received from Romsey Trout Farm.

45. Verification meetings were held with Selcoth Fisheries on 11 February 2021, 4 March 2021, 16 March 2021 and 23 March 2021. Additional information was requested to explain some data, and source documentation relating to injury factors was checked before and during these meetings.

46. Verification meetings were held with Selina Balık and their representatives on 4 September 2020, 16 October and 25 January 2021. Additional information was requested and source documentation relating to sales transactions was checked before and during these meetings.

47. Verification for Özpekler Group was conducted through several e-mail exchanges. These e-mail exchanges were between members of Özpekler Group and their representatives. Information submitted in the questionnaire and relating to subsidies was checked. These e-mail exchanges took place on 23 March 2021 and 26 March 2021.

48. Verification reports for Selcoth Fisheries, Selina Balık and Özpekler Group can be found on the public file.

49. In addition to information provided by the interested parties, secondary information was used in accordance with the D&S Regulations. This secondary information was treated with special circumspection and, where practicable, verified using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets.

50. Following verification, we were satisfied that we could reasonably treat the data relied on as complete, relevant and accurate for the purposes of our review.

C3.5 - Statement of Essential Facts (SEF)

51. We published the SEF on 25 June 2021 pursuant to regulation 62 of the D&S Regulations. This included:

- our intended recommendation;
- a summary of the facts considered during the transition review;
- details of the analysis forming the basis of our intended recommendation.

52. Interested parties were invited to make submissions within 30 days of the publication. We received submissions from the following parties;

- Özpekler Group
- Selina Balık

53. We received comments on the SEF from Özpekler Group on 13 July 2021 regarding the injury period and the period of investigation considered during our review. Özpekler Group commented that we had not examined the period covered by the initial EU investigation, nor did we examine the periods before or after our stipulated injury period.

54. In a transition review, the injury period is defined by regulation 30(4) of the D&S Regulations as including the POI taking into account developments

in the three 12-month periods preceding the POI, unless the TRA considers it is appropriate to use an alternative period. When initiating this transition review, we did not consider it appropriate to use an alternative period. The POI is defined by regulation 2 of the D&S Regulations as a period of at least one year ending as close as possible to the date of the initiation of the investigation or such other period as the TRA considers appropriate. The POI used in this transition review corresponds to the definition set out in the D&S Regulations. We did not consider it appropriate to use an alternative period for the POI in this transition review.

55. Özpekler Group also commented that changes to Turkish subsidy schemes were not taken into account by the TRA as part of our transition review. Özpekler Group requested that if the TRA is unable to calculate a countervailing amount, the TRA impose a countervailing amount of 3.2%. Özpekler Group comments that they will be making similar representations to the Commission in relation to a future partial interim review.

56. As set out at **Section F2** of this document, we considered it inappropriate to recalculate the countervailing amount during our transition review because of the lack of data and the low levels of imports into the UK during the POI. For the purposes of this transition review, we did not consider it appropriate to take into account representations made to the Commission regarding EU measures. Our guidance provides information about the transition review process.

57. Özpekler Group's comments on the SEF noted that they made a request via email on 30 April 2021 for us to calculate an individual countervailing amount. This request and accompanying documents can be found on our public file.

58. Having reviewed the documents provided on 30 April 2021, we found there was insufficient information to alter our decision in respect of recalculating the countervailing amount and, as such, we were unable to provide Özpekler Group with a revised individual countervailing amount. Details of our decision regarding recalculation of the countervailing amount and amount of subsidy can be found in **Section F2. 'Necessity test: recalculating the countervailing amount'** of this document.

59. Furthermore, we also took the decision under regulations 99A(2)(b)(i) and (ii) of the D&S Regulations not to reassess the amount of subsidy or the injury margin, due to insufficient data as a result of low levels of imports of the goods subject to review into the UK, during the period of investigation and injury period. This meant it was not appropriate to recalculate the countervailing amount.

60. We received comments on the SEF from Selina Balık on 25 July 2021.

61. Selina Balik commented that we have not properly carried out the necessary and sufficient assessment under regulation 99A of the D&S Regulations. Selina Balik do not consider that low levels of imports into the UK during the POI prevents us from recalculating the amount of subsidy.

62. In conducting the necessary and sufficient assessment under regulation 99A(1)(a)(ii) of the D&S Regulations, we have acted in accordance with the requirements of the D&S Regulations and applicable principles of WTO law, and in accordance with the methodology set out in our publicly available guidance. Our guidance provides further information about the transition review process.

63. Selina Balik also commented that the injury assessment set out in the SEF is flawed because it is not properly supported by positive evidence, and because we did not carry out a non-attribution analysis.

64. In conducting the injury assessment under regulation 99A(1)(b) of the D&S Regulations, we have conducted a forward-looking assessment of injury, taking into account evidence provided by the parties and evidence from secondary sources. Our injury assessment was conducted in accordance with the provisions of the D&S Regulations and the methodology set out in our guidance.

65. In addition, Selina Balık have requested that we calculate an individual countervailing amount in accordance with the requirement set out in regulation 100A(3)(b) of the D&S Regulations.

66. As set out at **Section F2** of this document, due to the lack of data and the low levels of imports into the UK during the POI, we did not consider it appropriate to recalculate the countervailing amount during this transition review. This approach is consistent with the provisions of the D&S Regulations and our guidance. In the SEF, we recognised that Selina Balık was no longer part of Ternaeben Gida ve Su Ürünleri Ithalat ve Ihracat Sanayi Ticaret AŞ (Ternaeben). This meant Selina Balık would not receive the 8.0% countervailing duty allocated to Ternaeben and were initially allocated the rate applicable to all other overseas exporters (i.e. the residual amount) of 9.5%. However, having reviewed Selina Balık's submissions on this point, and in recognition of Selina Balık's cooperation during this transition review, this has been revised to the rate applicable to non-sampled cooperating exporters of 7.6%, in accordance with the Taxation Notice, Annex 2.

SECTION D: The goods

67. ‘Goods subject to review’ are defined in regulation 2 of the D&S Regulations as: ‘the goods described in the notice of initiation of a review.’

The goods subject to review in this transition review are defined in the Notice of Initiation (NOI) as:

‘Rainbow trout (*Oncorhynchus mykiss*) 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 NOI set out the commodity codes (CCs) for these goods as follows:

- 0301 91 90 11,
- 0302 11 80 11,
- 0303 14 90 11,
- 0304 42 90 10,
- 0304 82 90 10,
- 0305 43 00 11.

D1. Assessment of the goods

68. Turkey and the UK both produce the goods subject to review. During the POI Turkish companies exported goods under all six CCs included in the description of the goods.

69. Prior to initiating the transition review we considered whether the description of the goods subject to review should be varied. No submissions were received from exporters regarding varying the description of the goods subject to review. Therefore, the description of the goods was not varied.

70. During the transition review we considered whether the goods produced in the UK and Turkey all have the same basic physical and technical characteristics and the same basic uses. When compared at identical stages of processing or preservation these goods are capable of acting as substitutes for one another.

71. Taking these considerations into account, we determined that the relevant goods produced in Turkey and the UK are comparable and fall within the description of the goods subject to review and that therefore we would not recommend a variation of the description of the goods subject to review.

SECTION E: The UK industry and market for this transition review

E1. Overview

72. The four sampled domestic producers were selected based on highest reported production volumes of the relevant goods. Their data was used to represent the UK industry for this transition review.

73. The status for three of these producers changed during the review as detailed in **Section C3.2** above. Secondary sources were used in line with regulation 45(5) of the D&S Regulations to supplement and corroborate primary data, in order to make determinations with regards to the UK industry and market.

E2. Scope of the UK industry

74. The rainbow trout industry is a sector within the larger aquaculture industry. This transition review concerns freshwater rainbow trout. Saltwater rainbow trout is harvested at weights exceeding 1.3 kg and therefore falls outside the goods subject to review. Most of the UK's rainbow trout production remains freshwater.

75. The scope of UK industry includes producers, as well as companies who process rainbow trout into any of the goods subject to review, whether part of a domestic producer business or not.

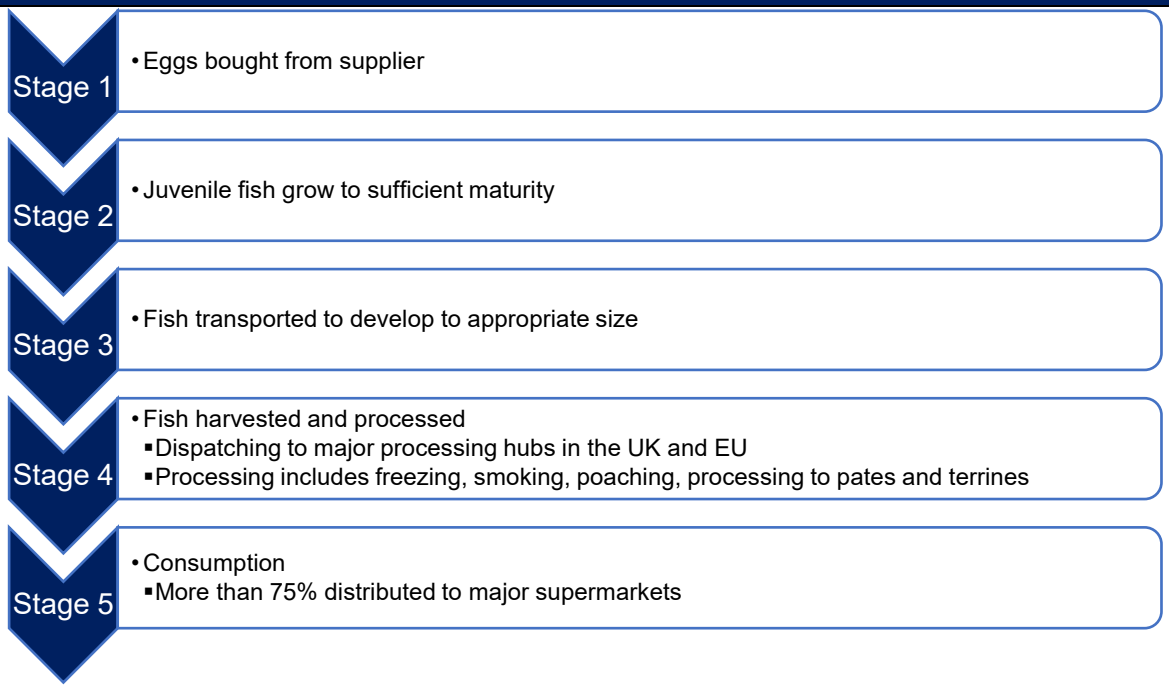
76. Aquaculture Production Businesses (APB) in England and Wales are authorised by the Centre for Environment, Fisheries and Aquaculture Science's (CEFAS) Fish Health Inspectorate (FHI) under the Aquatic Health (England and Wales) Regulations 2009. CEFAS is an executive agency, sponsored by the UK Government Department for Environment, Food & Rural Affairs (DEFRA). Similar businesses in Scotland are authorised by the FHI based at Marine Scotland under the Aquatic Animal Health (Scotland) Regulations 2009.

E2.1 - Production processes

77. Figure 1 provides a simplified value chain for rainbow trout. Hatcheries produce ova which are then sold to producers for on-growing, either into fish sold directly for consumption "table trout" or for supply to fisheries "restocking". Table trout producers in turn provide fish to processors. Some farms may undertake several of these business activities and in addition may have a shop, a smokery or processing unit, and/or a fishery (where anglers can fish in artificially stocked lakes).[8]

78. UK producers and processors of the goods subject to review are largely involved in Stages 2 to 4 of the value chain in Figure 1 below.

Figure 1: Simplified rainbow trout value chain



79. The British Trout Association Ltd (BTA) is the main trade body that represents the UK rainbow trout farming industry.[9] It helps to ensure the industry has a reasonable legislative framework within which to operate, encourages research and development, and promotes generic marketing activities within the industry.

[8] Trout Farming in the UK: https://britishtrout.co.uk/about-trout/trout-farming/. Note: This article is primarily concerned with rainbow trout but also discusses farmed varieties including brown trout and golden trout.
[9] The British Trout Association: https://britishtrout.co.uk/about-us/

E2.2 - Market size

80. The UK rainbow trout market is dominated by retail sales where over 75% of production ends up in major supermarkets.[10] Whilst there are some other routes to market, such as farmers' markets, smaller retail outlets, and hospitality establishments, the supermarket dominance means changes in their consumer market can significantly affect upstream UK industry.

81. Sales of rainbow trout form a small part of the UK retail market for fish and were valued just over £35 million in the 52 weeks to 15 June 2019. This represented less than 1% of overall UK fish sales (£3.8 billion). By contrast, salmon, cod, tuna, prawns and haddock account for over 70% of total sales for the same period.[11]

82. **Section H** of this report 'Likelihood of injury' addresses relevant market trends in detail as part of our injury assessment.

E2.3 - Sources of supply

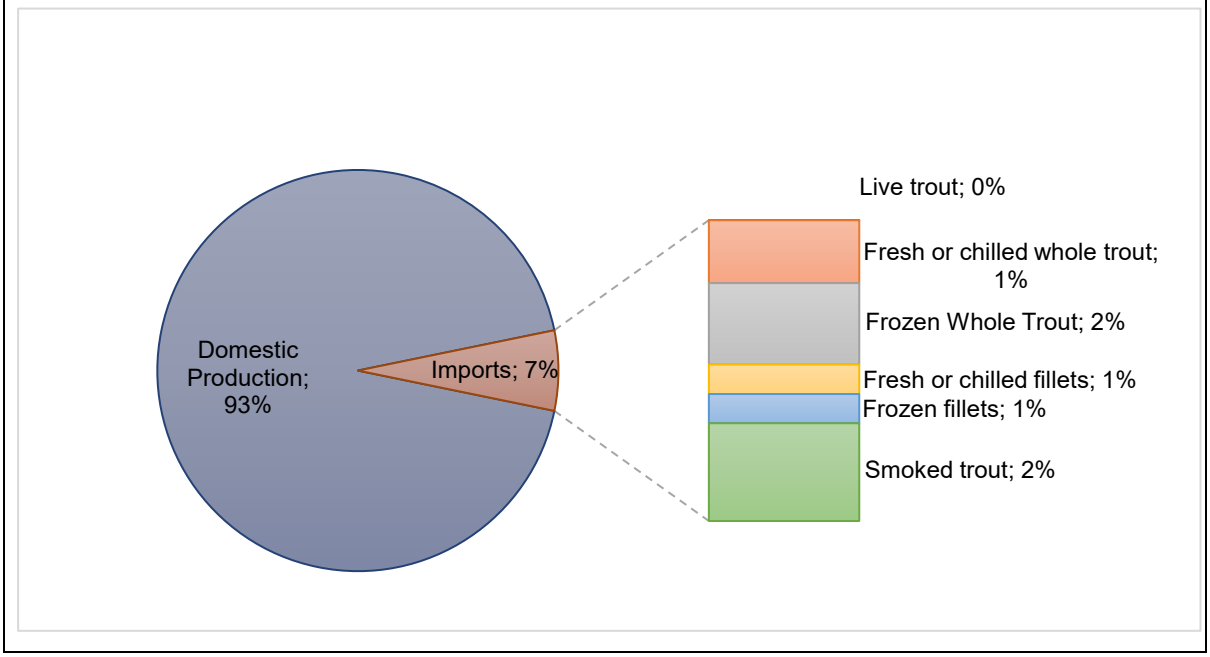
83. The domestic producers and the BTA indicated that domestic production focuses on fresh produce, although this can be processed into frozen and smoked rainbow trout.

84. Figure 2 indicates that imports of rainbow trout into the UK from all sources during the POI were small in comparison to domestic production, and that all presentations, apart from live rainbow trout, featured prominently.

[10] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/. Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

[11] Seafish, *Market Insight Factsheet – Seafood in multiple retail (2019 update)*, 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/ Note: This report only refers to 'trout' and includes varieties other than rainbow trout. This said, the Seafish report 'Aquaculture in England, Wales and Northern Ireland' (2019) referenced above, makes it clear that farmed rainbow trout represents the overwhelming majority of the finfish production for England, Northern Ireland and Wales.

Figure 2: Imports vs. domestic production of rainbow trout in 2019



Source: Eurostat 'EU Trade Since 1988 By CN8' and 'Production from aquaculture excluding hatcheries and nurseries (from 2008 onwards)'. Note these figures have been adjusted using the EUMOFA/CEFAS CF methodology

E3. Competition in the market

85. The UK table trout business is highly centralised and controlled by a handful of production and processing companies with only 21 businesses engaged in "trout on-growing for table".[12] Competition already exists between these domestic producers who compete on quality and price, where capacity currently outstrips demand.

86. Whilst Figure 2 shows that imports from all countries was only 7% of production during the POI, imports are showing an upwards trend (see Table 4).

87. The relative popularity of other fish that dominate the retail fish market (salmon in particular) creates further competition for the UK rainbow trout industry.

[12] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/ Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

88. Evidence from UK industry and secondary sources indicate that several UK rainbow trout producers have either moved to, or are moving towards, the production of larger rainbow trout.[13] This trend is relevant because large rainbow trout can be processed into fillets less than 400g that fall under the definition of goods subject to review.

E4. Conclusions

89. We have determined that UK producers produce the goods subject to review, that they are wholly produced in the UK, and that there is an existing UK market for the relevant rainbow trout products. Turkish rainbow trout products imported into the UK would compete with UK industry, and this point is addressed in **Section H** 'Likelihood of injury'.

90. Comparing UK production of rainbow trout in Table 4 to other countries in Table 2, shows that UK industry is relatively small compared to many of its European counterparts. Turkey is significantly larger and produced over nine times more than the UK during 2018. The likelihood of injury caused by subsidised Turkish imports, regardless of preservation stage, is detailed in **Section H** 'Likelihood of injury'.

[13] Large rainbow trout refers to rainbow trout with heads on and gills on, gutted, weighing more than 1,2 kg each, or with heads off, gilled and gutted, weighing more than 1 kg each, and is out of scope of the measure.

SECTION F: Necessary or sufficient assessment

91. Under regulation 99A(1)(a)(i) of the D&S Regulations, in a transition review we must consider whether the application of the countervailing amount is necessary or sufficient to offset the importation of the relevant subsidised goods into the UK (this is called the “necessary or sufficient assessment”).

92. This requirement was addressed in two parts:

- The sufficiency of the measure was assessed by analysing the amount of imports of the goods subject to review into the UK.
- Whether the continued application of the measure is necessary to offset the import of subsidised goods is assessed by recalculating the countervailing amount if appropriate, or, if not, explaining why it was not appropriate.

F1. Sufficiency test: current levels of imports

93. Direct imports are shipments or sales directly from one country to an importer located in the UK. Table 1 (below) shows the direct imports of rainbow trout into the UK at the CC8 level according to the HMRC database.

Table 1: Direct imports of rainbow trout into the UK across the Injury Period				
tonnes	**2016**	**2017**	**2018**	**2019**
Belgium	5	0	0	0
Denmark	138	118	148	204
France	26	49	108	141
Germany	110	9	12	4
Irish Republic	21	47	12	109
Italy	1	2	0	0
Netherlands	67	58	69	95
Poland	1	1	0	2
Portugal	2	2	3	2
Romania	0	0	0	0
Spain	0	0	0	0
Sweden	32	115	65	65
Total EU	**403**	**401**	**418**	**622**
Iceland	13	3	1	2
USA	0	0	0	0
South Africa	0	0	0	0
Norway	0	0	0	0
Turkey	3	0	41	0
Total Non-EU	**16**	**3**	**42**	**2**
TOTAL	**419**	**404**	**460**	**624**

Source: UKTradeInfo: https://www.uktradeinfo.com/trade-data/ots-custom-table/ *(downloaded on 24 June 2021)*

Note: UKTradeInfo returns trade data to CC8 level.

94. While it is a possibility that Turkish rainbow trout is being imported into the UK via an EU partner country, which would mean that the imports would not register as coming from Turkey on UKTradeInfo, we consider it unlikely that this has occurred in significant quantities (see paragraph 96 and 97 below).

95. Annex 2 shows the amount of imports coming into all European countries in 2018. Table 2 below shows the amount of rainbow trout produced in European Union member states that Turkey has exported to in the past 4 years, as well as in Turkey itself. The UK's production volume is discussed separately in **Section H**.

Table 2: Freshwater production volumes (tonnes live weight) of rainbow trout				
	2016	**2017**	**2018**	**2019**
Albania	600	600	1,850	1,759
Austria	1,220	1,303	1,358	1,417
Bulgaria	3,092	2,956	4,793	3,830
Croatia	454	367	336	365
Cyprus	40	44	41	50
Czechia	364	507	784	649
Denmark	20,393	7,204	17,608	21,664
Estonia	680	702	704	n/a
Finland	2,009	1,827	2,061	2,423
France	33,645	33,005	33,150	34,540
Germany	8,514	8,376	7,835	7,768
Greece	1,644	1,989	2,127	1,898
Hungary	67	54	72	76
Ireland	n/a	n/a	n/a	608
Italy	34,307	34,407	32,826	36,656
Latvia	82	92	113	50
Lithuania	328	106	111	177
Netherlands	n/a	n/a	n/a	n/a
Poland	13,730	13,808	14,902	15,395
Portugal	n/a	n/a	380	655
Romania	1,109	1,840	2,251	n/a
Serbia	793	918	1,876	n/a
Slovakia	1,080	1,024	1,014	993
Slovenia	833	737	964	937
Spain	17,209	16,829	16,002	15,914
Sweden	9,123	8,505	6,716	6,786
Turkey	99,712	101,761	103,192	n/a
United Kingdom	10,092	9,559	8,496	n/a

Source: Eurostat 'Production from aquaculture excluding hatcheries and nurseries (from 2008 onwards) dataset; downloaded on 23 June 2021. Available on: https://ec.europa.eu/eurostat/web/products-datasets/-/fish_aq2a

Note: These figures are given in live weight kg, which refers to the weight of the fish after being caught/harvested. No direct conclusions can be drawn from 'n/a' entries.

Note: Eurostat returns trade data to CN8 level.

96. Cross referencing Annex 2 and Table 1 shows that the main export destinations for rainbow trout from Turkey are not the main places that export to the UK. Table 2 and Annex 2 show that the countries that do export to the UK have large domestic production facilities, as the largest exporters in 2019, Denmark and France, are also two of the largest EU producers of rainbow trout.

97. It is possible that transhipment is occurring via the Netherlands. However, Annex 2 shows the total amount of imports from the Netherlands is 94,557 kg, and it is unlikely that these goods are entirely Turkish in origin. Therefore, it is unlikely that this trade flow is significant.

98. There were no direct imports from Turkey of the goods subject to review during the POI and low levels of direct imports from Turkey of the goods subject to review over the injury period. The low levels of imports demonstrate that the current measure is sufficient to offset the importation of the relevant subsidised goods into the UK. This means the measure is working at the levels it is currently set at.

F2. Necessity test: recalculating the countervailing amount

99. We also considered whether the measure is necessary to offset the importation of the relevant subsidised goods. However, due to low levels of imports from Turkey of the goods subject to review, for the purposes of this specific consideration under regulation 99A(2)(a)(i) of the D&S Regulations, we were not able to substantively determine whether the measure is necessary to offset the importation of the relevant subsidised goods.

100. In light of the low levels of imports of the goods subject to review from Turkey, we have used our discretion to conclude that it was not appropriate to recalculate the countervailing amount under regulation 99A(2)(a)(i) of the D&S Regulations.

F3. Conclusion

101. The low levels of imports from Turkey indicated that the current measure is sufficient to offset the subsidised imports.

102. We were unable to conclude whether the measure is necessary to offset the subsidised import of rainbow trout from Turkey using the preferred method of recalculating countervailing amounts.

SECTION G: Likelihood of subsidised imports assessment

G1. Introduction

103. We considered whether the importation of subsidised goods was likely to occur if the measure were revoked. This was assessed by looking at:

- whether subsidised imports to the UK have continued whilst the measure has been in place;
- whether exporters have previously or habitually circumvented the effects of the trade remedy measure;
- whether subsidy programmes are still in place or likely to be put in place in the exporting country;
- whether relevant subsidised goods are exported to third countries; and
- whether the UK market is attractive to exporters.

104. We conducted this assessment to inform our determination as to whether the measure should be varied or revoked. The assessment of the likelihood of subsidised imports occurring was concluded on the balance of probabilities.

G2. Have subsidised imports continued whilst the measure has been in place?

105. The possibility of direct imports coming into the UK has been discussed in **Section F1** and establishes that whilst the measure has been in place there has been no history of direct imports consistently coming to the UK from Turkey. We also considered the possibility that Turkish rainbow trout were being imported into the UK via an EU partner country.

G2.1 - Conclusion

106. Overall, the data shows that there is no significant history of direct imports into the UK during the injury period. Further, it is unlikely that significant amounts of Turkish rainbow trout were being indirectly exported to the UK during the injury period.

G3. Whether exporters have previously or habitually circumvented the effects of the trade remedy measure?

107. None of the UK producers alleged an issue of circumvention, and as discussed in **Section 'C2.1 -',** no circumvention reviews have been initiated by the Commission since the imposition of the original EU measure. No other trade remedies authorities have put measures on the goods subject to review from Turkey.

108. Due to the goods definition, there is the possibility of subsidised Turkish rainbow trout being initially imported as large rainbow trout, which is out of scope, and processed into smaller fillets that fall under the goods subject to review.

109. This would be seen by an increase in imports either from Turkey, or an EU nation such as the Netherlands, France or Germany that is geographically close to the UK in relation to Turkey.

110. Annex 6 below shows that there is an increase in the importation of large rainbow trout from the EU, which is mainly attributable to Sweden. Whether the goods subject to review are being initially imported as large rainbow trout via Sweden is unknown, but considered unlikely, due to Sweden having their own domestic production.

G3.1 - Conclusion

111. No evidence has been identified to suggest that companies previously or habitually circumvented or absorbed the effects of the trade remedy measure.

G4. Are Subsidy programmes still in place or likely to be put in place in the exporting country?

112. Questionnaires were sent to the Ministry of Trade of the Republic of Turkey and the sampled exporting producers, requesting details on the subsidies shown in Table 3, as can be seen below. The Ministry of Trade of the Republic of Turkey detailed the structure of the subsidies as well as listing the recipients of those subsidies in their response.

Table 3 – Subsidy programmes		
No.	**Subsidy name**	**Subsidy type**
1	Direct subsidies to producers of trout (*Decree No. 2019/1691*)	Grant
2	Direct subsidies to organic producers of trout	Grant
3	Specific support for juveniles' scheme	Grant
4	Subsidised discarding fishing vessels scheme (*Article 4 paragraph (9) of the Decree No. 2012/36*)	Grant
5	Subsidised insurance scheme	Grant
6	Subsidised consultancy scheme	Grant
7	Subsidised loans scheme	Loan
8	Subsidised fuel scheme (*General Communique on Special Consumption Tax Serial No.6 of 31 December 2003*)	Tax exemption
9	Investment incentive certificate: • Tax related incentives scheme	Tax exemption
10	Investment incentive certificate: • Social Security Premium Support (SSP) programme	Grant
11	Investment incentive certificate: • Interest support for interest rates paid credit	Loan guarantee
12	Investment incentive certificate: • Land allocation scheme	Provision of goods and services

Source: Copy of table sent out to interested parties in questionnaires

G4.1 - Programme 1 – Direct subsidies to producers of trout

113. Programme 1 operates as a production subsidy giving producers of rainbow trout support per kilo of rainbow trout produced. Each year companies apply for support for their production during that year.

114. Programme 1 is administered by the Ministry of Agriculture and Forestry (MAF). Support is granted in the form of direct financial contribution, with the amounts granted being revised yearly. For 2019, Presidential Decree No. 2019/1691 set the amount for the period of investigation as 0.75 TL/kg for production up to 350 tons/year.[14] [15] This programme has been

[14] Equivalent to 0.11 £/kg or 0.12€/kg according to the conversion rates provided by HMRC. Available on: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/877346/Average-for-the-year-to-December-2019.csv/preview

[15] Ministry of Trade of the Republic of Turkey Questionnaire Response, page 15. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/3f6a6227-797e-422d-a2e5-7d612fb75795/ Also available in Official Gazette No 30928/24.10.2019 as Presidential Decree 2019/1691 on the agricultural subsidies in 2019.

in place since 2003 and the Ministry of Trade of the Republic of Turkey reported that "There is no anticipated changes in programme".[16]

115. Özpekler Group and Selina Balık are in receipt of this subsidy.

116. This programme is very likely to continue.

G4.2 - Programme 2 – Direct subsidies to organic producers of trout

117. According to the Ministry of Trade of the Republic of Turkey, the last payment of this subsidy was in 2016, as the programme ended in 2015.[17]

118. Selina Balık and Özpekler Group both wrote that this subsidy was not applicable to them.

119. Considering the evidence from the Ministry of Trade of the Republic of Turkey and interested parties, this subsidy is not relevant to this review.

G4.3 - Programme 3 – Specific support for juveniles

120. This programme has not been operational since 2013. According to the Ministry of Trade of the Republic of Turkey, the last payment of the subsidy was in 2014.[18]

121. Selina Balık and Özpekler Group both wrote that this subsidy was not applicable to them.

122. Considering the evidence from the Ministry of Trade of the Republic of Turkey and the interested parties this subsidy is not relevant to this review.

G4.4 - Programme 4 and 8 - Subsidised discarding fishing vessels scheme and subsidised fuel scheme

123. The Ministry of Trade of the Republic of Turkey reported that to be eligible for this programme, the company needed to be involved in fishing activities. Rainbow trout production, whether inland or in marine waters, falls under the category of 'aquaculture production' and does not involve fishing.[19]

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[16] Ministry of Trade of the Republic of Turkey Questionnaire Response, Page 17. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/3f6a6227-797e-422d-a2e5-7d612fb75795/

[17] Ministry of Trade of the Republic of Turkey Questionnaire Response, Page 21. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/3f6a6227-797e-422d-a2e5-7d612fb75795/

[18] Ministry of Trade of the Republic of Turkey Questionnaire Response, Page 21. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/3f6a6227-797e-422d-a2e5-7d612fb75795/

[19] Ministry of Trade of the Republic of Turkey Questionnaire Response, Page 35. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/3f6a6227-797e-422d-a2e5-7d612fb75795/

124. Considering the evidence from the Ministry of Trade of the Republic of Turkey and interested parties, this subsidy is not relevant to this review.

G4.5 - Programme 5 – Subsidised insurance scheme

125. Programme 5 offers aquaculture producers reduced insurance premiums for aquaculture products grown in seas and inland waters. Losses in fish stock due to natural disasters, diseases, and other similar incidents are covered. Agricultural Insurance Law No. 5363 and Decree No. 2018/380 outline how this programme operates.

126. This subsidy is claimed by Özpekler Group and the subsidiary of Selina Balık, Selina Fish.

127. This programme has existed since 2007 and the Ministry of Trade of the Republic of Turkey has not indicated that there are any changes expected in the future.

128. This programme is likely to continue.

G4.6 - Programme 6 – Subsidised consultancy scheme

129. This programme doesn’t provide benefit directly to companies, but rather provides benefit to individuals and institutions which then provide agricultural consultancy services to agricultural enterprises. This programme has been in operation since 2004.

130. Considering the evidence from the Ministry of Trade of the Republic of Turkey and the interested parties, this subsidy is not relevant to this review.

G4.7 - Programme 7 – Subsidised bank loans

131. This programme has two elements, low interest loans and export credits.

132. The first element provides agricultural support through low interest loans to agricultural companies in Turkey through TC Ziraat Bankası and the Agricultural Credit Cooperatives (ACC). The Ministry of Trade of the Republic of Turkey was not able to provide a list of recipients due to confidentiality agreements with the bank and the ACC. This programme has been in operation since 2004.

133. Özpekler Group confirmed they are in receipt of both elements of this programme.

134. Considering how long these subsidies have been in place and in absence of any evidence to the contrary, we consider this programme is likely to continue.

G4.8 - Programme 9-12 – Investment encouragement certificate

135. The Ministry of Trade of the Republic of Turkey reported that schemes 9 – 12 are part of one programme but contains four separate sub-schemes: “Regional Investment Incentive Scheme” (RIIS), “Large Scale Investment Incentive Scheme” (LSIIS), “Strategic Investment Incentive Scheme” (SIIS), and “General Investment Incentive Scheme” (GIIS). Eligible companies can apply for an investment incentive certificate, entitling them to certain support measures during the specified period. These measures include VAT exemptions, tax reductions, interest rate supports and other similar means. These programmes are administered by the Ministry of Industry and Technology.

136. These programmes have been in place since 2012, and the Ministry of Trade of the Republic of Turkey has reported no intention of ending or changing the program.

137. These programmes are very likely to continue.

G4.9 - Conclusion

138. The sections above demonstrate that there are numerous agricultural subsidy programmes in operation in Turkey. On the balance of probabilities, it is likely that these programmes will continue into the future.

139. The TRA also acknowledges that there are also a number of active agricultural subsidy programmes in operation in Turkey that are not considered relevant to this review.

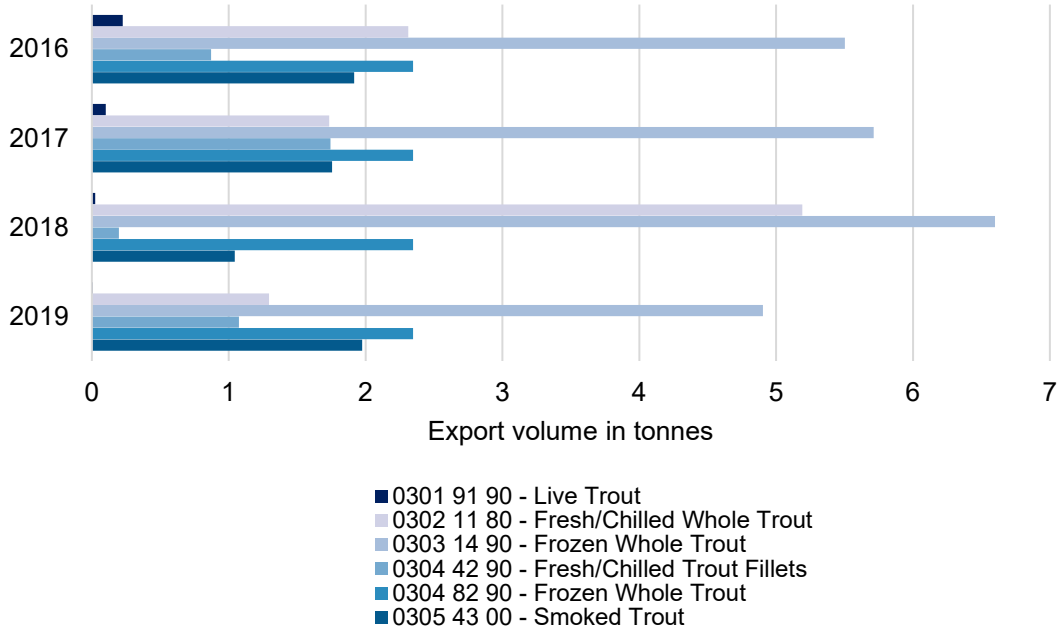
G5. Are relevant subsidised goods exported to third countries?

140. This factor relies on data and information contained within the questionnaire submissions from the sampled exporters. This information can be used to understand the company’s core business and sales strategies, and therefore their likely future behaviour.

141. The data for both sampled overseas companies shows their businesses are primarily based around export. The turnover for both companies was almost entirely attributable to the export of rainbow trout, with a minority of their overall production being sold domestically. This suggests that their primary business is the production and export of rainbow trout.

142. Figure 3 (below) and Annex 2 show a high level of exports from Turkey over a sustained period. This indicates that exports would likely continue into the foreseeable future. Figure 3 also shows that Turkish exporters export across all six commodity codes, with the largest codes being frozen whole rainbow trout and fresh/chilled whole rainbow trout.

Figure 3: Turkish export of rainbow trout to all countries across the six CN8 codes



Source: Türkiye İstatistik Kurumu (TÜİK) (Turkish Statistical Institute) data. Available on: https://www.tuik.gov.tr/

G5.1 - Conclusion

143. The probability of Turkish companies continuing to export subsidised goods to third countries in the future is high.

G6. How attractive is the UK market to exporters?

144. This factor relies primarily on secondary data, as it involves assessing the UK market in comparison to other markets. This information can be used in conjunction with exporter submissions to discuss whether it is likely that companies have the ability and interest to sell on the UK market.

G6.1 - Market size and growth

145. Apparent consumption is calculated as the amount of trout being produced and imported less exports. This is an approximate calculation which does not take wastage or unsold stock into account. Table 4 below shows this calculation for the UK.

146. The import and export figures have been adjusted based on the Eurostat/CEFAS analysis guidelines. At every stage of production, progressive removal of blood (at slaughter), guts, head, scales, fins, skeleton, etc results in weight loss. Eurostat/CEFAS therefore adjust the later stages of production upwards, in order to make a fairer comparison between the live weight of the production figures, and the weight of the import/export figures.

Table 4: Apparent consumption of rainbow trout in the UK[20]

Tonnes	**2016**	**2017**	**2018**	**2019**
Imports	419	404	460	625
Exports	317	609	220	1,682
Production	10,092	9,559	8,496	9,383
Consumption	10,194	9,354	8,736	8,326
Imports as a % of Consumption	4%	4%	5%	8%

Source: Eurostat 'EU Trade Since 1988 By CN8' and 'Production from aquaculture excluding hatcheries and nurseries (from 2008 onwards)' datasets.

147. The reduction in overall consumption reported by Eurostat is reflected in Annex 3's report of the overall sales across 2017 to 2019 which reports a 21.3% decrease in consumption between 2009 to 2019. Consumption is discussed further in **Section H2.1 - Actual and potential decline in consumption.**

148. Table 4 shows that despite consumption for rainbow trout falling in the UK imports into the UK are showing an upwards trend. It is likely that Turkish imports would follow this trend, especially as they would be able to compete on price and have the capacity to export.

[20] Production figures and import percentage for 2019 have been estimated as the official statistics have not yet been published. The production figure represents an average of the previous three years. Estimated numbers have been shown in red.

149. Against an increase in exports in 2019, the verified companies' export sales declined. The increase in exports is therefore attributable to companies whose products fall outside the scope of this transition review, and therefore this data has not been verified. This export activity can be largely attributed to Dawnfresh Seafoods, which is one of the largest rainbow trout companies in the UK, who have reportedly sought to increase exports in the face of a decline in the domestic market.[21]

G6.2 - Market accessibility

150. This factor considers whether the UK market can be accessed by Turkish companies.

151. The history of imports coming into the UK from Turkey, set out in Annex 2, suggests that while imports have generally been low, it has been possible for Turkish exporters to export into the UK.

152. Annex 7 shows imports of large trout from Turkey during the injury period. It shows that Turkish exporters exported smoked and fresh trout in 2016 and fresh, whole trout and fillets to the UK in 2017. This demonstrates that Turkish exporters are able sell a variety of similar goods to the UK.

153. Although these goods are out of scope, they do show the ability of Turkish exporters to export trout to the UK, as the regulatory regime in the UK is the same for large and smaller trout.

G6.3 - Intensity of the competition

154. This factor considers whether the competition in the UK would deter new entrants.

155. Competition exists between domestic producers in the UK who compete on quality and price. The UK rainbow trout industry is significantly smaller than the Turkish industry which has the ability to provide substantive volume, as shown by Table 2, and at lower prices. This would give Turkish exporters a strong ability to compete on the UK market.

156. Imports into the UK are showing an upwards trend as discussed in **G6.1 Market size and growth.**

[21] Fish Farming Expert, 'Export boost drives Dawnfresh Performance' available on: https://www.fishfarmingexpert.com/article/export-boost-drives-dawnfresh-performance/. Note: This article concerns a single producer and does not explicitly refer to rainbow trout.

157. The competitive environment for rainbow trout is most heavily shaped by the routes to market, as 75% of the UK's rainbow trout's production ends up in major supermarkets. [22] This gives significant power to supermarkets as they are able to drive down prices. This increases competition around price between producers. If Turkish imports came in at lower prices, this could disrupt the UK market.

158. Another area of competition comes from the popularity of other fish including salmon production which is more established in the UK.

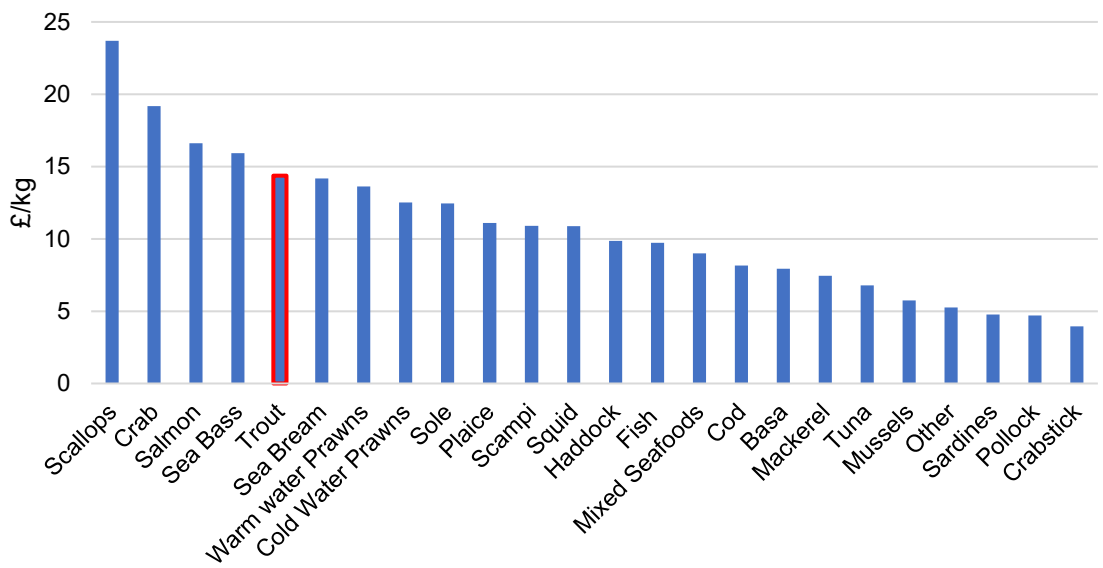
159. In conclusion, there is competition in the UK rainbow trout market among domestic producers, as well as between those producers and imports. The competitive environment gives considerable power to the supermarkets to dictate prices, meaning a new low-price entrant would be likely to gain market share at the expense of UK suppliers and other imports.

G6.4 - Pricing (current and trends)

160. This factor is focused on considering whether Turkish imports could compete on the UK market, as well as other sales considerations.

[22] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016 Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/. Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

Figure 4: Average Seafood Prices in the UK, 2019



Based on Annex 3: Source: Seafish, Market Insight Factsheet – Seafood in multiple retail (2019 update), 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/

Note: This report only refers to 'trout' and includes varieties other than rainbow trout. This said, the Seafish report 'Aquaculture in England, Wales and Northern Ireland' (2019) referenced above, makes it clear that farmed rainbow trout represents the overwhelming majority of the finfish production for England, Northern Ireland and Wales.

161. Figure 4 shows the UK market price per kilo of the various fish species on the market, with rainbow trout ranking at an average of 14.37 £/kg.

162. Seafish's report does note that the rainbow trout sector is suffering from "flat or declining demand, and very slim margins".[23]

[23] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016, Pp 120. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/
Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

163. Analysis of the selling prices of rainbow trout by Turkish exporters and UK industry indicates that Turkish exporters would be able to compete on the UK market effectively. **Section G6.3 – Intensity of the competition** introduced that the market structure means that low priced imports would be able to gain market share rapidly, due to the power of supermarkets to control access to the market. Turkish exporters' ability to provide substantive volume at lower prices would give them a strong ability to compete on the UK market.

164. This analysis is expanded on in **Section H3 – Would imports undercut or undersell the UK industry?**

G6.5 - UK vs other export markets

165. For exporters to consider exporting more rainbow trout to the UK, they have to consider expanding into the UK market as preferable to other export markets.

166. With the evidence available, whether the sales prices in the UK market is favourable in comparison to other export markets cannot be fully considered.

167. However, we are able to assess whether the Turkish exporters have the capacity and interest to export to the UK.

168. Evidence provided by the Turkish exporters indicates that they have substantial spare capacity, with the maximum capacity utilisation recorded during the injury period still being less than 55%.

169. Özpekler Group, by far the largest sampled producer, wrote that "If there is an opportunity, Özpekler Group will export to UK in the future".[24] Kemal Balıkçilik also expressed interest in exporting to the UK if there was an advantage to so do.

170. If the UK were to revoke the measure, it is likely to become more attractive as an export destination, particularly in comparison with the EU, which has recently conducted an expiry review resulting in a decision to extend the measure for another five years[25].

171. Turkish exporters have both the capacity to export, and the interest to do so, suggesting that they would choose to export to the UK.

[24] Özpekler Group questionnaire response, page 30. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/1a92f8e9-a80a-477a-850f-5c132433daef/
[25] Definitive Measures of the EU expiry review, available: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0823&from=EN

G6.6 - Conclusion

172. We consider that Turkish exporters would be able to export trout to the UK in future, as they have done so in low amounts in the past.

173. The pricing analysis indicates that Turkish exporters have the ability to compete on the UK market due to the price advantage. The analysis of the intensity of the competition shows that the majority of UK's rainbow trout's production ends up in major supermarkets. In a market with downward pressure on prices from UK supermarkets, this means that should Turkish rainbow trout be exported to the UK it would have advantages compared to trout produced in the UK.

174. Despite the current low profitability of the UK industry, this may not be a major deterrent to Turkish exporters. It is likely that Turkish exporters would see the UK market as profitable due to the cost advantage they have as a result of subsidies. The UK industry cannot compete with the cost advantage of subsidised imports and would not be able to increase efficiency in the face of strong competition from new market entrants. Since Turkish exporters have substantial spare production capacity, they may export to the UK to increase their capacity utilisation and efficiency.

175. Overall, the evidence indicates that the UK would be an attractive market for Turkish exports should the measure be revoked.

G7. Conclusion

176. Our analysis indicates that Turkey is likely to continue to provide subsidies to Turkish rainbow trout producers. The analysis also indicates that Turkey is likely to continue to export significant quantities of rainbow trout to other countries.

177. Turkish exporters have explicitly stated that they wish to import to the UK. These exporters have the spare capacity to expand without having to do so at the expense of other export markets, and could make use of, or make amendments to, existing distribution channels without significant cost. Cost and price analysis indicate that the Turkish exporters would be able to compete on the UK market. Analysis of historic imports indicates that Turkey is able to export to the UK across multiple goods variants including fresh, frozen, and smoked.

178. Considering these factors, we consider it likely that were the measure no longer applied there would be imports of the relevant subsidised goods.

SECTION H: Likelihood of injury assessment

H1. Introduction

179. We were required under regulation 99A(1)(b) of the D&S Regulations to consider whether injury to the UK industry in the relevant goods would occur if the countervailing amount were no longer applied (injury likelihood assessment).

180. We first considered the current state of the UK industry, then whether Turkish producers would be able to export quickly and at scale to the UK, then whether they would be able to undercut UK prices and thus cause injury to UK industry.

H2. What is the current state of the UK industry?

H2.1 - Actual and potential decline in consumption

181. We have calculated UK consumption of rainbow trout by adding UK production to imports, and then subtracting exports.

182. Table 4 shows that UK consumption of rainbow trout is in decline.

183. Imports have increased their market share, having doubled to 8% of consumption in just two years between 2017 – 2019. This shows that imports can still impact the UK industry even in a declining market.

184. The shrinking market in rainbow trout is corroborated by Annex 3, which shows that in the 10 years from 2009 to 2019, the value of all trout sales decreased 21.3% alongside a 47.4% decrease in the volume of sales. In one year alone from 2018 to 2019 sales volume for trout has reduced by 17.3%.

185. Supermarkets dominate the majority of the UK market and this gives them the ability to exert downward pressure on prices, especially when consumption is declining and there is increased competition from imports.

H2.2 - Actual and potential decline in output

H2.2.1 - Production

186. Table 4 shows UK production made up 93% of UK rainbow trout consumption during the POI. But as Table 2 shows, UK production during the injury period is significantly less than many European counterparts and less than Turkish production of 103,192 tonnes during 2018.

187. The verified companies' production of the goods subject to review grew during the injury period. This stands in contrast to an overall decline shown in the consumption section above. It may be because one of the largest producers of rainbow trout of any size in the UK, reported that it has entirely shifted production from portion trout to large rainbow trout over the injury period. Some of the remaining UK industry may have benefited from this producer's exit from the portion trout market.

188. This producer's shift from portion trout production mirrors a wider trend towards the production of large rainbow trout which is important given they can be processed into fillets <400g in any form, which would bring them within the definition of the goods subject to review. The processing of rainbow trout is becoming more important as retail consumers move away from whole/fresh rainbow trout in favour of smoked, frozen, and other pre-packaged products.

189. This trend is supported by Marine Scotland's annual survey of the Scottish aquaculture industry (Table 5). [26]

Table 5: Scottish fish farm production

	2016	2017	2018	2019
Production of fish weighing <900g (tonnes)	2,677	2,544	1,026	571
Index	*100*	*97*	*39*	*22*
Production of fish weighing >900g (tonnes)	4,810	4,453	4,848	6,335
Index	*100*	*93*	*101*	*132*
Total	7,437	6,997	5,874	6,906

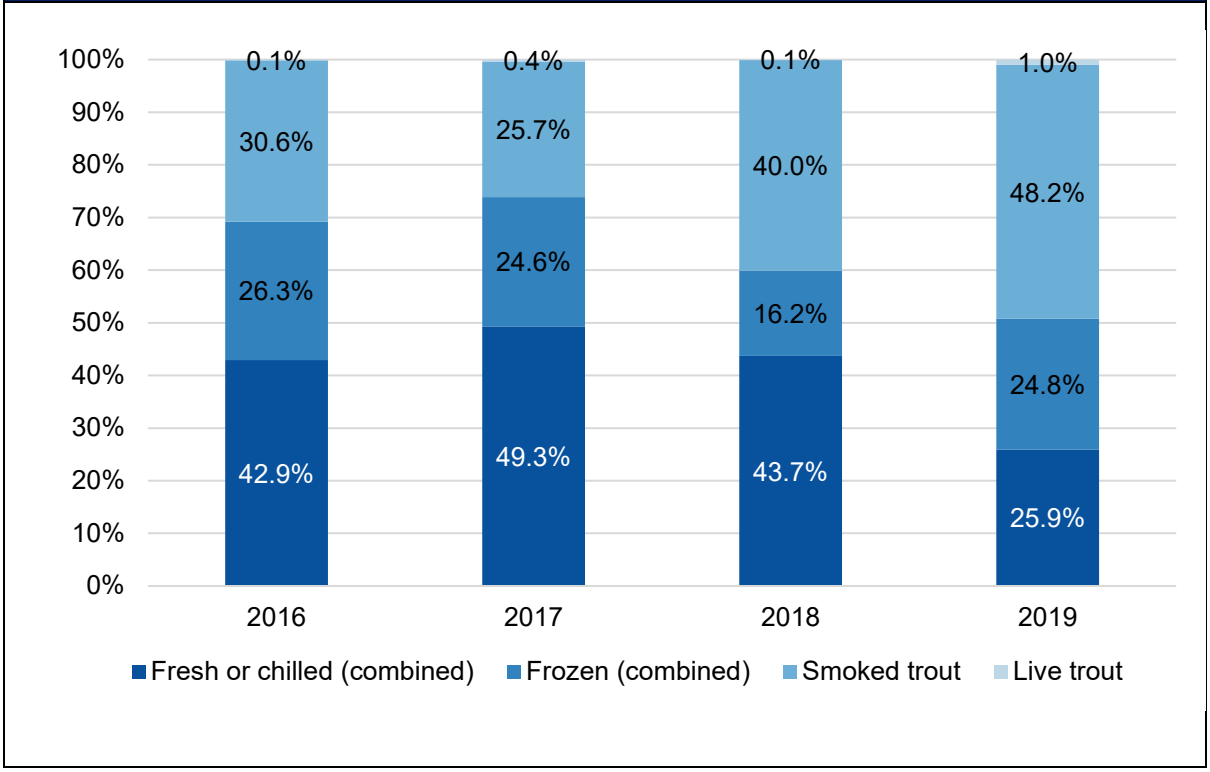
Source: Marine Scotland Science, Scottish Fish Farm Production Survey, 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/

Note: This report's data refers specifically to rainbow trout.

[26] Marine Scotland Science, *Scottish Fish Farm Production Survey*, 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/ Note: This report's data refers specifically to rainbow trout.

190. Competition is therefore increasing in the area of frozen and smoked fish, including fillets, with imports of these goods increasing as a percentage when compared to fresh/chilled fish (see Figure 5). Processed and pre-packaged goods subject to review (including smoked and frozen fillets) are easier to import from Turkey than fresh or chilled portion rainbow trout, and they would compete on price against UK industry for retail market share. It is likely supermarkets would switch to these cheaper imports, increasing the probability of injury to UK processors as demand for their products dropped.

Figure 5: UK's global import shares by £ value preservation type for 2016 to 2019



Source: UK Trade Info: Available on: https://www.uktradeinfo.com/trade-data/ots-custom-table/
Note: Fresh or chilled (combined) consists of CN codes 03021180 and 03044290, and Frozen (combined) consists of CN codes 03031490 and 03048290.

191. UK processors would find it hard to source cheaper fresh/chilled rainbow trout suppliers and/or alternative outlets for their processed products. Portion trout orders to UK producers would decline, given producers do not have an ability to compete with Turkey on price. On the balance of probabilities, demand for domestic rainbow trout from UK processors would decline, in turn causing injury to UK producers.

192. The trend towards larger fish production and an increasing consumer preference for processed products makes it easier for imports to compete with UK industry. Frozen and smoked rainbow trout can be transported longer distances, and therefore it is easier for Turkish processed products to compete with domestically produced equivalents than it is for imports to compete in markets for fresh fish.

H2.2.2 - Sales volume and market share

193. The verified companies' sales volume and market share showed similar growth to the production data during the injury period. We consider it likely that this growth was attributable to demand for portion trout being drawn from a smaller pool of companies, for reasons explained in the production section above.

H2.3 - Actual and potential decline in profitability

194. The verified companies' financial data showed a decline into negative cash flow across the period. Whilst profitability initially increased in the early part of the injury period, it then showed a decline for the POI into a loss-making position.

195. This was explained by one of the parties as being due to "increases in spending and cost of production and fall in turnover from 2018 to 2019".[27] This drop in turnover is reflected indirectly in the declining cash flow. This increase in spending was alleged to predominately be due to stockpiling in anticipation of Brexit and a dry summer resulting in higher feed costs. We expect to see these trends in the wider industry.

H2.4 - Actual and potential decline in employment and productivity

196. Verified company data shows that productivity increased by 22% across the injury period, which can be linked to the increase in production. Whilst productivity increased employment remained static. This can be explained by the decline in cash flow and profitability.

H2.5 - Competitive pressures in the market for trout

197. Only 21 businesses in the UK are engaged in "trout on-growing for table".[28] Among those companies, capacity outstrips demand, giving rise to competition.

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[27] Selcoth Injury Data Submission: Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/1179e5ac-a5e9-45fc-8af7-142ad31fc6a2/

[28] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016 Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/ Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

198. Moreover, rainbow trout forms a small proportion of the UK market for fish. Annex 3 shows rainbow trout sales represented less than 1% of overall fish sales of £3.8 billion in 2018-19. Salmon, cod, tuna, prawns and haddock dominate the retail fish market controlling over 70% of total sales for the same period. Salmon in particular is seen as an alternative to rainbow trout by consumers and has a stronger reputation. There are also some economic advantages for producers to producing salmon, as freshwater grown rainbow trout in ponds has a 30-35% fillet yield compared with 48% for salmon. Competition from salmon and other fish may therefore inhibit expansion for the UK rainbow trout industry.

199. The majority of UK rainbow trout output is ultimately sold via supermarkets. Given their market dominance, supermarkets are in a position to exert pressure on domestic industry prices by buying or threatening to buy imported products. Retailers could, for example, increase reliance on imported rainbow trout as a constituent ingredient of packaged or processed food products which would directly compete with UK sourced products currently available to consumers. The analysis above suggests that UK producers have limited scope to cut costs or prices to compete with imports while still remaining profitable.

H2.6 - Other considerations

200. Producers mentioned the potential for Brexit to cause injury. However, since the period of investigation extends only to 31 December 2019, the impact of leaving the European Union on the UK aquaculture industry fell outside the scope of this review.

H2.7 - Conclusion

201. Analysis across all factors above, including a severe downturn in cash flow and profitability, show that UK industry is in a vulnerable condition. Imports are an increasing source of competition and are gaining market share at the expense of UK industry.

202. Supermarkets are in a position to exert pressure on UK industry prices, and domestic industry has little scope to cut costs or prices in reaction to subsidised imports.

203. Expansion of the rainbow trout market is unlikely given the dominance of other fish, unless supermarkets make sustained efforts to alter consumer preference on the back of cheaper prices.

204. There is a consumer trend to move away from fresh/chilled fish towards processed products that are easier to import and can be produced from larger fish, which would add further competition to UK industry.

205. On the balance of probabilities UK industry would continue to lose market share to cheaper Turkish imports, given they have little margin to reduce prices further. UK industry is in a vulnerable position, which is evidenced by one of the largest UK producers having already exited the portion trout market to ensure their long-term viability.

H3. Are the Turkish exporters able to export to the UK quickly and at volume?

206. **'Section G6 – How attractive is the UK market to exporters?'** established that the Turkish exporters would have an interest in exporting to the UK should the measure be revoked. However, their ability to cause injury is proportional to their ability to export to the UK at volume. Having established Turkish exporter's interest and ability to export subsidised goods, this factor looks at the feasibility of them doing so in the short (> 1 year) and medium term (1-2 years) without significant investment to increase their capacity

H3.1 - Inventories

207. The factor most affecting exports in the short term is the quantity of stock companies hold.

208. Data submitted by sampled Turkish exporters show collective annual rainbow trout inventories in excess of 40 tonnes between 2016 and 2019. For context, this volume represents over 10% of total rainbow trout imports to the UK from all countries during the same period.

209. As fish stocks are naturally transitory, Turkish exporters would be both able and have an incentive to direct much of this stock towards the UK in the short term if it were economically advantageous for them to do so.

H3.2 - Spare capacity

210. The factor most affecting exports in the medium term is the ability of exporters to utilise existing capacity to increase production should market situations change.

211. Data submitted by verified Turkish exporters shows substantial collective spare capacity, with aggregated, annual capacity utilisation below 60% between 2016 and 2019. For context, sampled Turkish exporters could have produced a volume of rainbow trout greater than the UK's total import volume utilising only spare capacity during that period.

212. This indicates that Turkish exporters would be able to increase production quickly and without substantial investment in capacity, allowing an increasing volume of exports to the UK in the medium term if it were economically advantageous for them to do so.

H3.3 - Conclusion

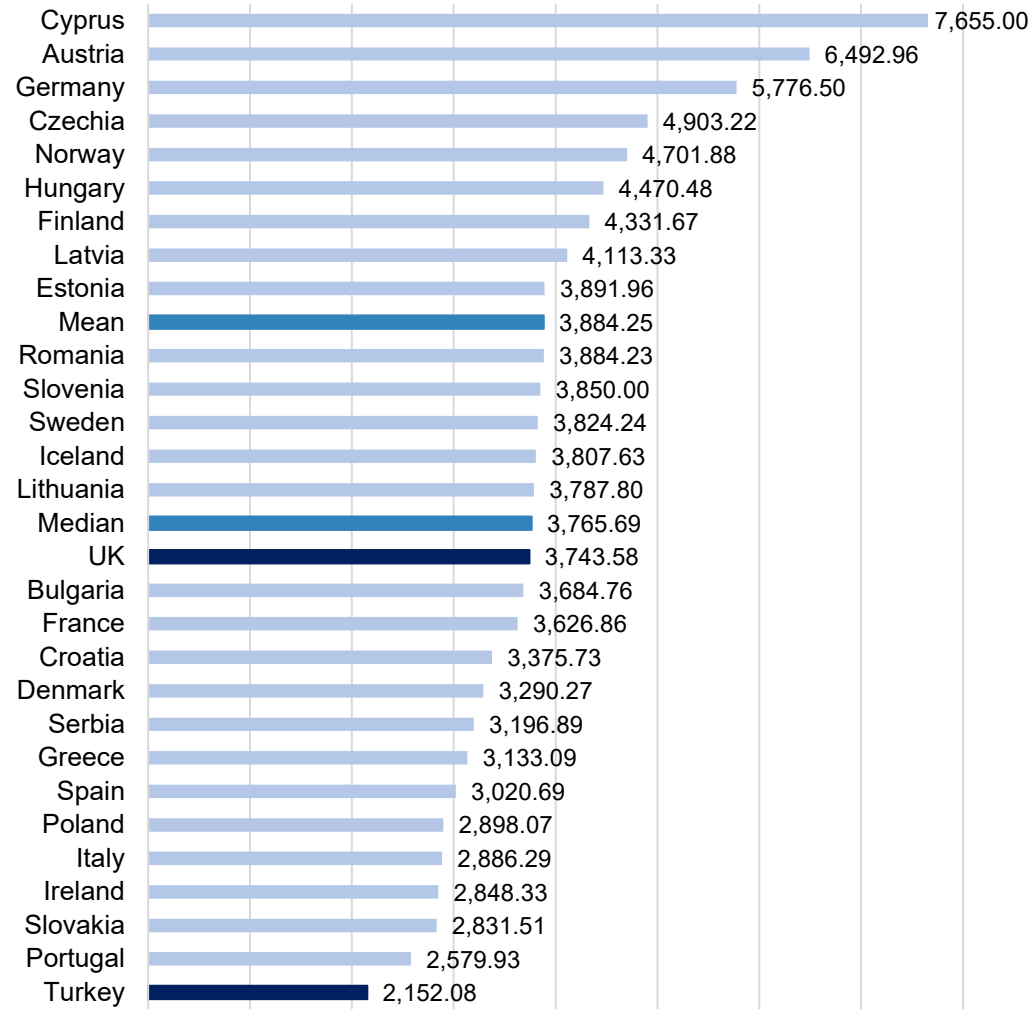
213. This indicates that the Turkish producers would be able to export to the UK in volume, both in the short term and medium term, without significant investment or changes in the structure of their businesses.

H4. Would imports undercut or undersell the UK industry?

214. In order to show the potential for price suppression, the Turkish goods must be able to meaningfully compete on the UK market. There has been insufficient data to construct an export price, therefore we have used secondary information as appropriate to examine this issue.

215. Figure 6 shows that Turkish production companies have substantially lower prices for all presentations of rainbow trout, while compared with the UK average and mean for the EU as a whole. While the UK does appear below the mean for the EU, the UK's average sales price data is 4% below the mean, whilst the Turkish sales price data is 45% below the mean for the injury period.

Figure 6: Euro per tonne (average) sales value for freshwater rainbow trout over the injury period[29]



Source: Eurostat production from aquaculture excluding hatcheries and nurseries [fish_aq2a] averaged across the injury period. Available: https://ec.europa.eu/eurostat/web/products-datasets/-/fish_aq2a
Note: Eurostat returns trade data to CN8 level.

[29] Notes: Figure includes data on 28 countries. Prices reflect the production data at first sale for human consumption (excluding hatcheries and nurseries) in tonnes live weight.

216. However, this may be an overestimate of the price differential. Non-tariff barriers (NTBs), which include not only international transport costs, but also other direct and indirect costs associated with the administration of trade, such as differences in languages, currencies and import or export procedures, can add significantly to international trade costs. According to data provided by the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) and the World Bank, these NTBs constitute a significant portion of the overall bilateral trade costs between the UK and Turkey and can add as much as 120% to domestic sales costs.[30] Since the data are for "agriculture, hunting, forestry; fishing", we do not know the exact extent to which NTBs apply to rainbow trout, and drive up the trade cost between the UK and Turkey but NTBs may explain why Turkish imports are currently so scarce despite the apparent price differential. In their questionnaire responses, Turkish exporters told us that they would look to export to the UK if the tariff were revoked[31], suggesting that in the absence of a countervailing duty, Turkish exporters could export profitably at a price that undercuts domestic prices.

217. Revoking the countervailing measures will reduce the total trade cost and make the UK a relatively more appealing export destination compared to EU counterparts. Consequently, revoking the countervailing measures could prompt Turkish producers to deflect their exports to the UK (and away from the EU), particularly since the Commission chose to maintain its countervailing measures on certain rainbow trout originating in Turkey.[32]

218. This indicates on a balance of probabilities that Turkish subsidised imports could undercut the UK market.

H5. Likelihood of injury conclusion

219. Analysis suggests that the UK industry is in a vulnerable state. Consumption, sales and profits have all declined in recent years.

[30] UN ESCAP available from: https://www.unescap.org/resources/escap-world-bank-trade-cost-database (accessed 24th June) and https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/b351b53f-922e-4b21-8367-1a2ee1a7a0da/

[31] Özpekler Group questionnaire response, page 30. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/1a92f8e9-a80a-477a-850f-5c132433daef/

[32] See the Official Journal of the European Union (L 183/5) here: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0823&from=EN.

220. The UK market appears to have very little potential for growth. If the countervailing amount were revoked, supermarkets would have the opportunity and the incentive to source cheap imported rainbow trout from Turkey, and we consider it likely that they would. Relevant subsidised goods from Turkey would be directly competing with UK production as a cheaper substitute. Reports from Seafish and the UK producers indicate that domestic producers' ability to lower costs and prices further is extremely limited. So Turkish imports have the potential to undercut the UK industry and build market share. While we cannot be wholly sure at whose expense that market share would be gained, it is likely that at least some would be at the expense of UK producers, either directly or because UK processors lose market share to imported processed products and provide less of a market for UK producers.

221. Considering these factors, on the balance of probabilities, the likelihood of injury being caused to the domestic industry by subsidised imports originating in Turkey would be high if the current protective measure were to be revoked.

SECTION I: Economic Interest Test

I1. Introduction

222. The aim of the Economic Interest Test is to determine whether the implementation of a countervailing amount on the goods subject to review imported from Turkey is in the wider economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

223. In accordance with paragraph 25 of Schedule 4 to the Act, the Economic Interest Test is met in relation to the application of an anti-subsidy remedy if the application of the remedy is in the economic interest of the United Kingdom.

224. Being satisfied that the application of the countervailing amount meets the Economic Interest Test in accordance with regulation 100A(2) of the D&S Regulations, we recommend varying the measure under regulation 100A(1) of the D&S Regulations.

225. In line with paragraph 25 of Schedule 4 to the Act, the Economic Interest Test assessment focuses on:

- the injury caused by the importation of subsidised goods to the UK industry, and the benefits to that 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, or particular groups, in the UK;
- the likely consequences for the competitive environment, and for the structure of markets for goods, in the UK; and
- such other matters as we consider relevant.

I2. Supply chain overview

226. Figure 1 (above) showed rainbow trout's simplified value chain covering five stages. In stage 1, eggs are bought from suppliers and under stage 2, the juvenile fish grow to sufficient maturity. Once sufficiently mature, the fish are transported to develop to the appropriate size under stage 3. Stage 4 includes harvesting, processing and dispatching of the fish and stage 5, the consumption thereof. Apart from eggs that are typically imported, the UK's domestic value chain is integrated. Across the value chain, Dawnfresh and Trafalgar are two of the largest companies in the UK, and feed is the major cost driver.

227. UK producers of the goods subject to review are largely involved in Stages 2 to 4 of the value chain.

228. Four UK parties submitted questionnaire responses relevant to the EIT:

- Romsey Trout Farm Ltd, UK producer;
- Selcoth Fisheries Ltd, UK producer;
- Dawnfresh Farming, UK producer;
- Dawnfresh Seafoods Limited, UK processor/sales.

229. Alongside these questionnaire responses, we received limited information from the BTA, Scottish Government, Northern Ireland Department of the Economy, Test Valley Trout (processor/sales), Padworth Trout (producer), Kames Fish Farming (producer/processor) and Wessex Fish Farms (producer).

230. We complemented these questionnaire responses with background research and collated additional information. We also conducted research relating to parties that did not participate in this review, including importers and downstream industries.

231. In turn, the sections that follow assess each of the EIT factors.

I3. Injury caused by subsidised imports, and benefits to the UK industry in removing that injury

232. The injury likelihood assessment concluded that there would be further injury to the UK industry, were the measure to no longer apply. This is due to the vulnerability of the UK industry, injury already suffered from other causes, and the likelihood of future undercutting.

233. The expected benefits to UK producers from varying the measure are explored under the impacts on affected industries and consumers.

234. **Section H** establishes that the UK industry is in a vulnerable condition. Furthermore, Turkish goods would be able to meaningfully compete on the UK market and could undercut the UK market. Our analysis of Eurostat's available pricing data (covering the European Economic Area plus four potential enlargement countries, including Turkey) for freshwater rainbow trout shows that Turkish prices were 45% below the mean Euro per tonne over the injury period. In the analysis already presented, these low prices stem from Turkish companies realising much lower production costs for the primary input material for all presentations of rainbow trout, when compared with the UK average and mean for the EU.

235. Finally, our analysis in **Section H** determined that Turkish producers would be able to export to the UK in volume, both in the short-term and the longer term, without significant investment or changes in the structure of their business. Therefore, we believe the UK industry would experience injury if the measure subject to review were revoked. Consequently, the benefit to varying the measure as recommended, is the prevention of this injury to an already vulnerable sector.

I4. Economic significance of affected industries and consumers in the UK

236. This section sets out the relative size and significance of the relevant industries and consumers. From the available evidence, the following UK groups have been identified as potentially being affected by the measure:

- **Upstream industry**, comprising suppliers of feed, fish fry, hatcheries, medication and aquaculture equipment;
- **UK producers of rainbow trout** (including the growers and processors owing to a high degree of integration);
- **Rainbow trout importers**;
- **Downstream industry** including distributors and supermarkets; and
- **Consumers**.

I4.1 - Upstream industry

237. The upstream portion of the rainbow trout supply chain includes suppliers of feed, fish fry, eggs, hatcheries, medication and aquaculture equipment. We believe upstream producers fall into one of two categories. The first category consists of producers that are reliant on rainbow trout, whereas the second category consists of more generic producers that are potentially more reliant on salmon, which dominates sales performance (see Table 8**:** below). Considering, however, that we received no questionnaire responses from upstream producers, and the high level of integration within rainbow trout's value chain, we cannot quantify their economic significance. Publicly available data sources were not able to provide anything further.

I4.2 - UK producers of rainbow trout

238. The economic output of the fishing and aquaculture sector (that comprises marine fishing, freshwater fishing and fish farming) amounted to £446 million in 2019 in terms of Gross Value Added (GVA), representing 0.02% of the UK's total GVA.[33] UK aquaculture production is dominated by Atlantic salmon (82% of all aquaculture production in 2018), followed by blue mussels and then rainbow trout.[34] In value terms, Atlantic salmon also dominates: in 2018 its production was valued at around £878m compared to around £27m for rainbow trout. Data collected from CEFAS and Eurostat for the injury period records production levels for freshwater rainbow trout fluctuating around 10,000 tonnes, valued between £25 and £30 million.[35]

[33] House of Commons Library, *UK Fisheries Statistics (#2788) Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/*
Note: This report contains data regarding the broader aquaculture sector in the UK, with only limited references to trout production and no specific references to rainbow trout.
[34]Seafish (2021): Aquaculture production scales. Available on: https://www.seafish.org/insight-and-research/aquaculture-research-and-insight/aquaculture-production-scales/ Note: This report contains data regarding the broader aquaculture sector worldwide, with no references to specific types of fish.
[35]. CEFAS data submitted under Reg (EU) 2017/1004 to the EC's Joint Research Centre. Please see 'Note to File – Secondary Data Sources' *Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/*
Note: This data refers to rainbow and other types of trout, as well as both freshwater and seawater trout.

239. Most aquaculture businesses in the UK are 'small to medium-sized enterprises' (SMEs). The latest available CEFAS data for trout (while dominated by rainbow trout, the data includes some producers of other trout species) covering 2018, shows that 136 enterprises directly engaged in trout farming in 2018, employed 557 persons across the UK. Table 6**:** shows their size distribution. Despite having 136 enterprises, the table trout business in the UK is highly centralised and controlled by a handful of production and processing companies. In a 2016 report prepared for Seafish, the authors calculated that there were only 21 businesses engaged in "trout on-growing for table".[36] These 21 businesses had a combined income of £13.8 million and employed 105 people.

Table 6: Size of enterprises involved in trout aquaculture

Size of enterprises	Proportion of total
5 or fewer employees	80.9%
6-10 employees	14.0%
Over 10 employees	5.1%

Source: CEFAS data, submitted under Reg (EU) 2017/1004 to the EC's Joint Research Centre for 2018. Please see 'Note to File – Secondary Data Sources' *Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/*

Note: The "trout" segment is dominated by rainbow trout but includes some producers of other trout species.

240. From our list of sampled producers, we calculated that Romsey Trout and Selcoth, both small producers, contributed less than 5% to the UK's total sales volume over the injury period. These producers buy rainbow trout eggs/ova and then sell the mature fish to processing companies.

241. A top-down GVA estimate suggests that the rainbow trout sector contributed around £4.5 million in 2019. Being a top-down estimate, the figure captures more than simply rainbow trout producers. We calculated this estimate using the annual low-level aggregates of UK output GVA on a constant-price basis,[37] in conjunction with data from Seafish on retail value sales for the 52 weeks ending June 2019.[38] After calculating

[36] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016 *Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/.* Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

[37] ONS [Online], series KL4Y accessed on 12 May 2021. Available on: https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/ukgdpolowlevelaggregates

[38] Seafish, *Market Insight Factsheet: Seafood Consumption (2019),* 2020 Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report contains data regarding seafood consumption in the UK, with only limited references to trout production and no references to rainbow trout specifically.

rainbow trout's share of total sales value for the period, we multiplied this share by the aggregate fishing and aquaculture GVA estimate to obtain our estimate specifically for rainbow trout.

I4.3 - Rainbow trout importers

242. No UK importers have participated in this transition review. We have looked at publicly available HMRC data on importers but have not been able to identify any importers at broader 8 or 6-digit commodity codes. This could suggest there are a small number of importers because HMRC suppresses data to protect confidential information.[39]

I4.4 - Downstream industry

243. 75% of UK rainbow trout production ends up in major supermarkets. A small amount may also be sold at local markets. Supermarkets' retail sales performance in the 52 weeks ending June 2019 totalled £3.81bn.[40]

244. Trafalgar (the biggest trout producer in England, Wales and Northern Ireland) processes their own fish and sells directly to Waitrose. Dawnfresh Farms processes rainbow trout, typically selling on to M&S, Tesco and Sainsbury's. Smaller farms producing table trout either sell locally, or supply the likes of Dawnfresh, or the Edinburgh Salmon Company.[41] Table 7 provides supermarkets' shares of seafood retail sales. Tesco is currently the largest seafood retailer, followed by Sainsbury's, Aldi, Morrisons and Asda. Considering the available consumption data, as well as our recognition that the UK's rainbow trout sector has faced declining consumption, it is probable that rainbow trout's share of retail sales in Table 7: *Supermarkets' shares in seafood retail sales* is small.

[39] See more on UK Trade Info's suppression here: https://www.uktradeinfo.com/trade-data/suppressions-policy/

[40] Seafish, *Market Insight Factsheet – Seafood in multiple retail (2019 update)*, 2019 Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report contains data regarding seafood consumption in the UK, with only limited references to trout production and no references to rainbow trout specifically.

[41] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016 Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/.* Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

Table 7: Supermarkets' shares in seafood retail sales

	% share of total grocery	% share of seafood sales, Dec 19	Seafood prices £/kg
Aldi	8.7	11.5	6.77
Lidl	6.6	7.7	7.42
Waitrose	4.3	7.8	14.86
Coop	5.1	2.9	10.78
M&S	3.4	6.7	13.66
Iceland	2.4	3.9	6.27
Morrisons	9.9	9.3	9.06
Tesco	27.2	21.6	9.11
Sainsbury	14.9	14.3	10.62
ASDA	14.0	8.3	7.92

Notes: % shares do not sum to 100% since smaller supermarkets not listed.
Source: Seafish, Market Insight Factsheet: Seafood Consumption (2019), 2020 Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/

Note: This report contains data regarding seafood consumption in the UK, with only limited references to trout production and no references to rainbow trout specifically.

I4.5 - Consumers

245. With data available from 2017 to 2019, Table 8**:** provides a sample of sales performance for the period compared to other selected seafoods. As the 16th most popular seafood choice over this period, trout sales have been declining in volume and value, and trout sales were dwarfed by those of salmon and tuna. Trout accounted for around 1% of the total value of seafood sold between 2017 and 2019.[42]

[42] Seafish, *Market Insight Factsheet – Seafood in multiple retail (2019 update)*, 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/. Note: This report only refers to 'trout' and includes varieties other than rainbow trout. This said, the Seafish report 'Aquaculture in England, Wales and Northern Ireland' (2019) referenced above, makes it clear that farmed rainbow trout represents the overwhelming majority of the finfish production for England, Northern Ireland and Wales.

Table 8: Sales performance for selected seafoods over 2017 to 2019

	£ ('000)	2017	2018	2019	2018-19 % change	Ave 2019 price/kg
Value	**Salmon**	£1,018,725	£1,057,303	£1,069,358	1.1%	£16.62
	Tuna	£374,779	£400,658	£403,371	0.7%	£6.78
	Trout	£35,677	£39,146	£35,385	-9.6%	£14.37
	Sole	£32,553	£30,213	£29,360	-2.8%	£12.45
	Scallops	£17,300	£16,650	£17,538	5.3%	£23.69
Tonnes	**Salmon**	67,725	62,059	64,347	3.7%	
	Tuna	65,436	61,804	59,507	-3.7%	
	Trout	2,983	2,977	2,463	-17.3%	
	Sole	2,748	2,470	2,358	-4.5%	
	Scallops	816	784	740	-5.6%	

Source: Seafish, Market Insight Factsheet – Seafood in multiple retail (2019 update), 2019. *Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2*

Notes: Trout's sales performance data includes types of trout outside of scope.
These sales figures differ to the earlier production figures because:

- *There is some reduction in sales volume due to processing;*
- *These figures exclude other sales routes, e.g. on farm, farmers' markets, other (non-multiple) retail establishments, hospitality establishments;*
- *Some production intended for sale is not purchased by consumers;*
- *Some trout production is processed into smoked and paté products.*

246. Seafish consumer data shows that rainbow trout was the 16th most popular aquaculture product over the 52 weeks to June 2019, accounting for less than 3% of the UK retail value market share for total seafood. Regular fish consumption increases with age: 23% of 18-24 year olds eat fish at least twice a week, compared to 42% for those aged over 55 years. Similarly, Nielsen, who analyse retail trends within the seafood industry, identify seafood shoppers' demographics as predominantly affluent.[43] For rainbow trout specifically, we do not have any data on consumer characteristics.

[43] Seafish, *Market Insight Factsheet – Seafood in multiple retail (2019 update)*, 2019. *Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report only refers to 'trout' and includes varieties other than rainbow trout. This said, the Seafish report 'Aquaculture in England, Wales and Northern Ireland' (2019) referenced above, makes it clear that farmed rainbow trout represents the overwhelming majority of the finfish production for England, Northern Ireland and Wales.

247. In summary of the economic significance factor, 136 enterprises engage in trout farming (including species other than rainbow trout) but only about 21 businesses engage in “trout on-growing for table”. Over the injury period, these businesses produced approximately 10,000 tonnes of rainbow trout annually, valued between £25 and £30 million. The sector employed 557 persons across the UK in 2018 but the 21 businesses engaged in “trout on-growing for table” employed only 105 people and had a combined income of £13.8 million.

248. We were unable to source publicly available information on upstream producers or importers and received no primary data from these stakeholders. Rainbow trout’s retail sales in volume and value are small compared to salmon and in terms of volume and value, rainbow trout retail sales declined between 2017 and 2019, suggesting rainbow trout is not popular with consumers. Therefore, we conclude that rainbow trout is a comparatively small industry.

I5. Likely impact on affected industries and consumers

249. Within this section, we assess prices and quantities of rainbow trout along the supply chain and how these might change in two possible scenarios: if the measure were varied as recommended, and if the measure were revoked. This is followed by an assessment of the net impact of the measure by comparing the outcome between the two scenarios for affected industries and consumers.

250. We have not been able to quantify these impacts because of the limited amount of data and quantifiable evidence available, but we have assessed the impacts as comprehensively as possible based on the evidence available to us. We have also considered the factors outlined in the Secretary of State’s guidance on the EIT.[44]

[44] Further information on the Economic Interest Test is available here: https://www.gov.uk/guidance/trade-remedies-investigations-directorate-trid-dumping-and-subsidisation-investigations-guidance/economic-interest-test.

I5.1 - Prices and quantities if the measure were revoked

251. If we revoke the measure, it would make Turkish imports relatively cheaper to buy than before, probably by an amount equivalent to the applicable countervailing duty. Therefore, we would expect more of the relevant subsidised goods to enter the UK market from Turkey alongside existing imports from other countries. Furthermore, considering Turkey's likely comparative advantage in rainbow trout production, alongside the Turkish sector's subsidies, we expect trout to enter the market at a lower price than can be achieved by domestic producers.[45] According to Eurostat pricing data, Turkish prices are roughly 45% lower than the mean Euro per tonne over the injury period, see Figure 6 and paragraph 216. This means that UK producers or third country exporters could lose market share although the extent of this is uncertain. We suspect producers would lose market share rather than reduce their prices because profit margins are already minimal. However, since (i) supermarkets maintain pricing power, (ii) wealthier people tend to buy fish, and (iii) demand is inelastic, we do not think that the first order price reduction will be passed on to consumers.

252. We also note that while frozen Turkish imports will likely compete with UK-produced rainbow trout that is generally sold fresh or chilled, they may not be perfect substitutes which would lessen the potential impacts on UK producers if the measure were revoked. The closer the goods are as substitutes, the more direct the competition and thus the potential impacts. Available data sources were unable to provide insights to the substitutability of the goods and consequently, we cannot determine the extent to which Turkish imports might take market share from (a) UK producers or (b) other import partners. However, as Annex 7 shows, Turkey can and has exported fresh trout to the UK, albeit as large trout. Turkey also widely exports across all the commodity codes for the goods subject to review, see Figure 3.

253. If UK rainbow trout producers were to lose market share, there would be less demand for upstream goods because local producers would require fewer inputs to their production. Producers of feed might be most affected because feed is the largest cost input to trout production. While limited information is available, we expect feed producers would supply other markets in addition to rainbow trout and so overall a marginal decrease in demand is expected for upstream producers.

[45] Comparative advantage refers to Turkey's ability to produce rainbow trout at lower cost than the UK. See the WTO's definition here: https://www.wto.org/english/res_e/reser_e/cadv_e.htm

254. A reduction in the UK market price for rainbow trout combined with an increase in imports from Turkey may mean an increase in sales for UK importers. However, they could also experience some substitution away from suppliers in other countries.

255. Retailers may face reduced costs if there are more Turkish imports. They can choose to pass these cost savings onto consumers or absorb them. Given the supermarket sector is fairly price competitive, they may choose to pass on these cost savings. The full extent of this likely depends on the relationship between frozen and fresh produce sales in supermarkets, but we do not have any evidence regarding supermarket sales to draw definitive conclusions. We expect the price effect to be small because rainbow trout contributes relatively little to retail sales.

256. Previous research suggests that demand for fish is relatively insensitive to price fluctuations but is sensitive to economic conditions.[46] This suggests that overall demand for trout might not change significantly if the measure were revoked. Owing to the price insensitivity, access to cheaper Turkish imports, as well as any wider price reductions resulting from these imports, may result in insignificant changes in demand. Again, owing to price insensitivity, we expect most changes to relate to quantities and market share.

257. Table 9 summarises the possible effects of revoking the measure on prices and quantities with all other forces remaining constant. We expect that the direct impacts would be marginal because our consumer evidence shows that consumers prefer quality.[47] However marginal these effects may be, any further injury to the UK's vulnerable rainbow trout market could result in farm closures and job losses stemming from the inability to compete on prices. In turn, this would lead to bigger changes in the patterns of consumption and in market share.

[46] Government Office for Science, *Future of the Sea: Trends in Aquaculture,* 2019. Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report contains data on a range of aquacultural products but refers to both sea trout and rainbow trout specifically and the 'trout industry' more broadly.
[47] Seafish, *Market Insight Factsheet: Seafood Consumption (2019),* 2020 Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report contains data regarding seafood consumption in the UK, with only limited references to trout production and no references to rainbow trout specifically.

Table 9: Expected impacts on prices and quantities of affected goods if the measure were revoked (all else remaining constant)		
	Prices	**Quantities**
UK upstream producers	Small decrease for those more dependent on rainbow trout.	Decrease, but impact will depend on upstream producers' rainbow trout dependency.
UK rainbow trout producers	No change because profit margins are already minimal.	Decrease, because producers may lose some market share to Turkish imports, but likely to be small, given UK consumers' preference for higher quality trout.
UK rainbow trout importers	Decrease, because of option to import at lower prices from Turkey.	Increase, because of lower price import option from Turkey that may capture import market share from other suppliers.
UK rainbow trout retailers	Decrease, but likely to be small because rainbow trout contributes relatively little to retail sales.	No change because demand for rainbow trout is price insensitive, whilst increased Turkish market share would compensate for decreased UK/EU market share.
UK consumers	Decrease, but likely to be small because most consumers prefer quality.	No change, as demand relatively insensitive to changes in price.

I5.2 - Prices and quantities if the measure were varied as recommended

258. We expect no significant changes to prices or quantities if we vary the measure as recommended, i.e. by varying the application of the countervailing amount between 1.5% and 9.5% and extending the measure to 2026.

259. If the historic import patterns hold true, varying the measure is likely to maintain Turkish rainbow trout imports at low levels. The UK only imported rainbow trout from Turkey in 2016 and 2018, with Turkish imports representing 0.34% and 5.55% of total UK rainbow trout imports by value in these years.

260. The COVID-19 pandemic and EU exit have resulted in reduced production and demand, as well as higher costs in the UK. In their March 2020 response, one sampled producer mentioned that group sales were noticeably down on pre-COVID levels and another, that demand, and therefore production, has fallen substantially short of capacity, resulting in lower prices. This has occurred within an already challenging context for producers. According to a 2016 report prepared for Seafish, a UK public body for the seafood industry, "*Continuing downward pressure on market price is the main risk since margins have been squeezed to the minimum in the table trade. There remain very few wholesalers, and supermarkets have near monopolistic power as well as very demanding requirements, and there appears to be a general lack of interest by large retailers in trout product promotion and innovation*".[48] We have no evidence for whether there may be any long term impacts on prices and quantities from the pandemic and EU exit.

261. Table 10 summarises the expected effect of varying the measure on prices and quantities with all other forces remaining constant. Since there is no change in policy from the current situation and no evidence of the impacts of long-term trends or exogenous shocks, we would expect prices and quantities to be broadly unaffected if the measure were varied as recommended.

Table 10: Expected impacts on prices and quantities of affected goods if the measure were varied as *recommended* (all else remaining constant)

	Prices	Quantities
UK upstream producers	No change	No change
UK rainbow trout producers	No change	No change
UK rainbow trout importers	No change	No change
UK rainbow trout retailers	No change	No change
UK consumers	No change	No change

I5.3 - Likely impacts on affected businesses and consumers

I5.3.1 - UK upstream industries

262. If the measure were varied as we have recommended, it is likely that upstream industries would not be impacted.

[48] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/. Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

263. If the measure were revoked and there was a marginal decrease in UK rainbow trout producers' output, a small negative impact on upstream industries is expected. Impacts are likely to be less for those industries that are also involved in the salmon supply chain (which is much more significant than the UK trout industry). From the limited information available it is not known how much of the upstream industries are dependent on trout production.

I5.3.2 - UK producers

264. If the measure were varied as we have recommended, it is likely that UK producers would not be impacted.

265. As established within the discussion above, it seems probable that revoking the measure could lead to higher imports from Turkey and that this may add some downward pressure on domestic prices. However, owing to the pressures already exerted by supermarkets, domestic producers may not easily be able to accommodate price decreases owing to their financial positions. It is possible that some may exit the domestic market, thereby causing changes in the patterns of consumption and in market share.

I5.3.3 - Importers of rainbow trout

266. If the measure were varied as we have recommended, it is likely that importers would not be impacted as their circumstances would not change significantly.

267. Considering rainbow trout imports have grown by 92.1% over the injury period, revoking the measure may result in importers choosing to import from Turkey rather than existing suppliers, which could result in savings. However, considering that UK consumers prefer quality and that supermarkets retain significant buying power, the overall impact is uncertain.[49]

I5.3.4 - Downstream industries

268. If the measure were varied as we have recommended, it is likely that distributors and supermarkets would not be impacted.

[49] Seafish, *Market Insight Factsheet: Seafood Consumption (2019),* 2020. Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report contains data regarding seafood consumption in the UK, with only limited references to trout production and no references to rainbow trout specifically.

269. If the measure were revoked, there could be a small reduction in costs for downstream industries. However, considering how small a proportion of total retail sales are of trout, as mentioned within **Section I4.5**, and considering that seafood sales contributed an average of 9.7% of total grocery sales across supermarkets (see Table 7), this would be unlikely to represent a significant impact for these businesses.

I5.3.5 - Consumers

270. If the measure were varied as we have recommended, it is likely that consumers would not be impacted. There has been strong growth in recent years for consumers' demand for pre-packaged seafood (including trout).[50] There are also opportunities related to the local food movement insofar as there are rising numbers of high street fishmongers, together with farmer's markets and farm gate sales, together offering a significant opportunity for relatively small-scale "local" trout farmers.[51]

271. If the measure were revoked, it is probable that supermarkets would not pass on lower prices to consumers because consumption is relatively insensitive to prices and because consumers with higher incomes tend to buy fish. Therefore, consumers are unlikely to experience any benefits but those consumers preferring Turkish imports will continue paying slightly more than if the measure were revoked. Table 11 summarises the expected impacts across the different groups.

[50] Seafish, *Market Insight Factsheet – Seafood in multiple retail (2019 update)*, 2019. Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report only refers to 'trout' and includes varieties other than rainbow trout. This said, the Seafish report 'Aquaculture in England, Wales and Northern Ireland' (2019) referenced above, makes it clear that farmed rainbow trout represents the overwhelming majority of the finfish production for England, Northern Ireland and Wales.

[51] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on: *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

Table 11: Expected impacts on affected groups if the countervailing measure were to be extended rather than revoked	
Group	**Expected impacts**
UK upstream producers	Negligible.
UK rainbow trout producers	Positive impact for individual SMEs that are able to remain in the market; small positive impact overall.
UK rainbow trout importers	Potential small negative impact overall and on individual businesses.
UK rainbow trout retailers	Potential small negative impact overall and on individual businesses.
UK consumers	Negligible impact overall, but potentially a small negative impact for some consumers.

I6. Likely impact on particular geographic areas, or particular groups in the UK

272. In order to estimate the impacts on particular geographic areas, and on particular groups in the UK, we look across the supply chain to identify any particular areas or groups that might be affected. However, with limited respondents and data, it was not possible to do a comprehensive assessment. Nonetheless, where information was available, we considered key economic indicators and wider evidence for areas identified and particular groups but found no disproportionate impacts upon any particular geographical areas or groups within the UK.

I6.1 - Likely impact on particular areas

273. Based on our sampled producers, we considered three particular geographic areas:[52]

- South Lanarkshire,
- Dumfries and Galloway, and
- Hampshire.

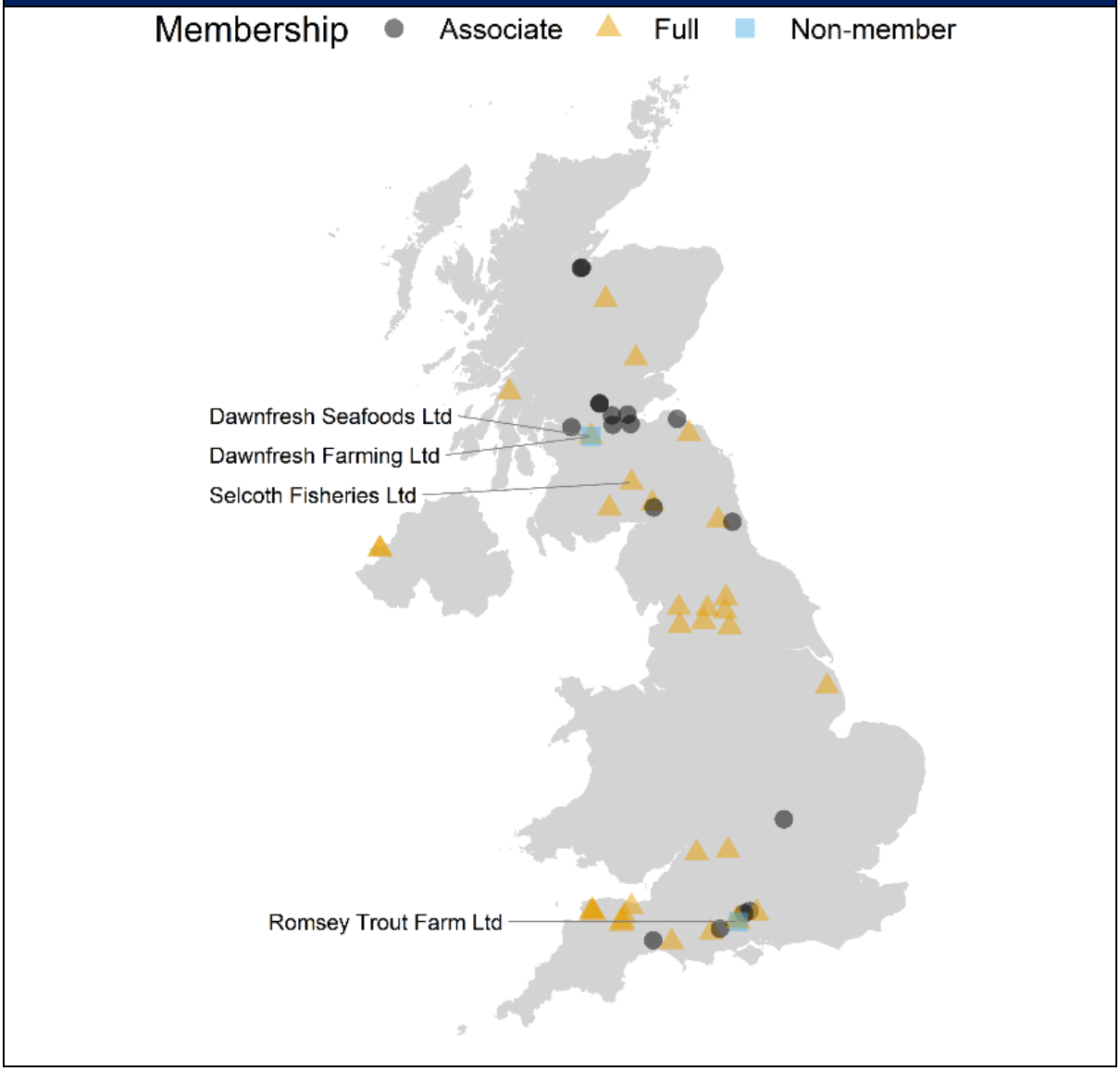
[52] Since Dawnfresh and Selcoth's farms are in South Lanarkshire and Dumfries and Galloway council areas, we chose Hampshire in England because Scottish council areas are equivalent to unitary authorities in England. Available on: https://geoportal.statistics.gov.uk/documents/ons::local-authority-districts-counties-and-unitary-authorities-april-2019-map-in-united-kingdom/explore

274. If we vary the measure as recommended, the market is expected to continue as it has done under the current measure. By revoking the countervailing duties, imports from Turkey may increase which would put domestic producers under additional strain and some may exit the market. Since most local producers are SMEs, some local jobs could be at risk, but without specific evidence provided to us through the questionnaire responses on how producers could be impacted, we cannot estimate possible impacts on jobs, nor the extent to which impacts could be a result of the measure being revoked rather than the already challenging market conditions.

275. Figure 7 provides the distribution of sampled producers and the BTA's associate and full members, showing the clustering of trout-related businesses in northern and southern England, as well as a cluster in Scotland. Figure 7 shows locations by company addresses which may differ to physical production sites and includes companies from different stages of the value chain. There is a density of trout farms around the loughs and estuaries within Northern Ireland, whilst northern England is important for trout production for restocking, with some production of table fish.[53] On the other hand, southern England is important for table trout production for the national market and includes table trout production for local sales and smokeries. Figure 8 shows the geographic distribution of table trout production sites in England, Wales and Northern Ireland (left), and of active rainbow trout sites in Scotland (right).

[53] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on*:* *https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/* Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

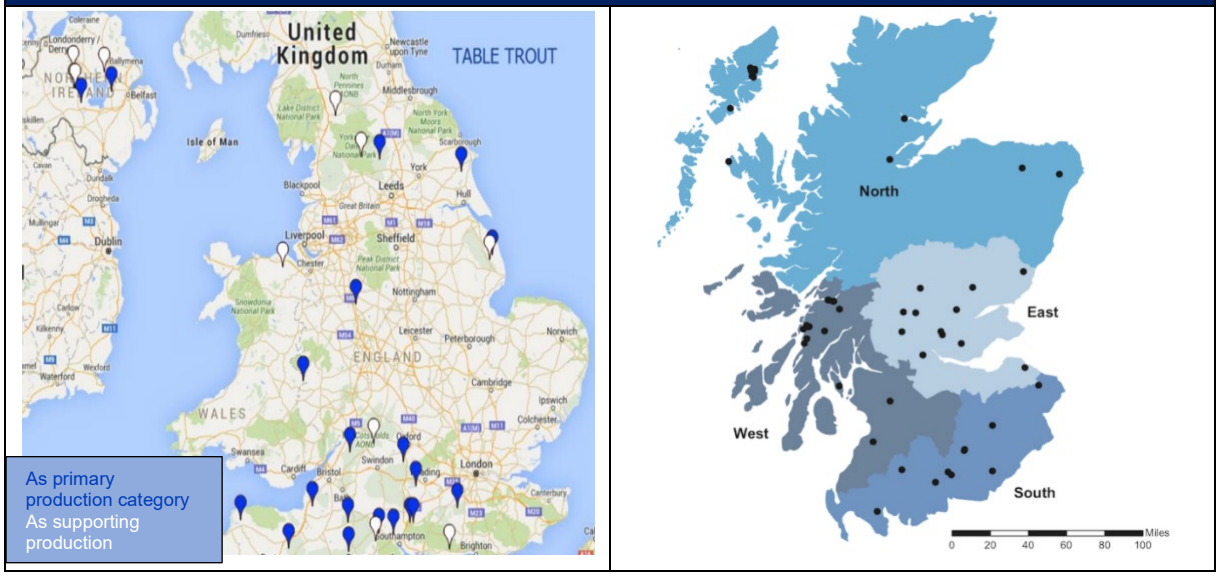
Figure 7: Geographic distribution of sampled producers and BTA members by company address



Sources: British Trout Association members and questionnaire responses.
Contains National Statistics data © Crown copyright and database right [2020]
Contains OS data © Crown copyright and database right [2020]

Notes: Only names of sampled producers displayed. Locations are based on company addresses which may differ from production sites.

Figure 8: Geographic distribution of trout production sites



Source: Seafish, Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species, 2016. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/ and Marine Scotland Science, Scottish Fish Farm Production Survey, 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/

Notes: Left - distribution of table trout producers in England, Wales and Northern Ireland in 2016. Right - Scotland's regional distribution of active rainbow trout sites in 2019.

276. Questionnaire responses suggest that, should the measure be revoked, Billingsgate (Fish) Market and ports such as Grimsby could be affected positively by importing cheaper Turkish rainbow trout and thereafter, that retailers could be approached by large scale trout processors who do not farm their own fish, but who have the opportunity to procure inexpensive rainbow trout from Turkey. Additionally, given that many trout farms are in rural areas, revocation of the measure might be disproportionally felt across these rural areas. For example, while Selcoth is a small business, it is a large contributor to the small rural economy of Moffat and claims to be the largest and most significant business and employer within the Moffat Water Valley. We cannot confirm these claims and we are unable to assess the likelihood or scale of these possible impacts.

277. With information from two SMEs, there is insufficient data to appropriately compare across the council areas and unitary authorities. Moreover, as the scarcity of skilled labour is a notable problem for rainbow trout producers, any unemployed workers from one producer exiting the market could be reabsorbed by other producers, particularly for rainbow trout farms in close proximity to other farms, such as in the clusters mentioned above.[54]

278. Without questionnaire responses from upstream or downstream stakeholders, we cannot determine whether revoking the measure might adversely affect particular areas relevant to these businesses.

279. Therefore, through our exploration of the available economic data related to the maps shown above and those found in different reports, and through our questionnaire responses related to geographic impacts, we found no evidence to suggest there would be adverse impacts on particular areas.

I6.2 - Likely impact on particular groups

280. Seafish's consumer data shows that regular fish consumption increases with age and affluence, but for rainbow trout specifically, we do not have any data on consumer characteristics.[55] Since lower income individuals consume less fish, revoking the measure could enable some lower income consumers to purchase and consume more fish. However, since rainbow trout is not one of the UK consumer's "top five" consumed seafood species by sales, we expect this effect to be minimal.[56]

281. There is nothing in the available evidence to suggest that any particular groups, including those with protected characteristics as defined by the Equality Act 2010, will be affected by the measure beyond the affected industries set out in the previous section. With minimal employment data from the sampled producers making company comparisons against one another, and within local authority levels, inappropriate, we cannot draw additional inferences on the likely impact on particular groups.

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[54] Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/. Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

[55] Seafish, *Market Insight Factsheet – Seafood in multiple retail (2019 update)*, 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/ Note: This report only refers to 'trout' and includes varieties other than rainbow trout. This said, the Seafish report 'Aquaculture in England, Wales and Northern Ireland' (2019) referenced above, makes it clear that farmed rainbow trout represents the overwhelming majority of the finfish production for England, Northern Ireland and Wales.

[56] By sales, the "top five" were salmon, cod, tuna, warm-water prawns, and haddock.

I7. Likely consequences for the competitive environment, and for the structure of the goods market, in the UK

282. Considering Turkish imports have lower costs of production, revoking the measure would likely mean that consumers will have more choice and have a lower cost option compared to UK sourced fresh produce or frozen trout from Europe. For UK producers already competing on quality and price with European counterparts and considering the financial performance of UK producers discussed in **Section H2.3 – Profitability**, cheap Turkish imports could lead some producers to exit the domestic market.

283. In contrast, varying the measure as we have recommended means potentially less choice than if the measure were revoked. Indeed, the option of frozen imports from Turkey may not be there, particularly considering that under the current measure the UK's imports from Turkey have been sporadic and minimal, as has been discussed elsewhere in this document. If we vary the measure as recommended, it is reasonable to assume this pattern of imports from Turkey will continue and with infrequent Turkish rainbow trout imports, the UK industry's main competition would likely remain imports from the EU.

284. The UK's table trout business is highly centralised and controlled by a handful of production and processing companies: Seafish identified only 21 businesses in England, Wales and Northern Ireland whose primary activity is table trout production.[57] Consequently, revoking the measure and opening up the vulnerable domestic market to cheap Turkish imports could further concentrate the market as SMEs battle to compete on prices and ultimately exit the rainbow trout production market. With the economic effects of the UK's European exit and COVID pandemic looming, SMEs are already under significant pressure and revoking the measure would add to this. Though it is possible that this could be somewhat offset by entry of new Turkish suppliers into the UK market.

[57]Seafish, *Aquaculture in England, Wales and Northern Ireland: An Analysis of the Economic Contribution and Value of the Major Sub-Sectors and the Most Important Farmed Species*, 2016. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/. Note: This report concerns a range of aquacultural products and refers to both brown and rainbow trout, as well as both farmed and wild (brook) trout under the broader term 'trout'. This said, it makes clear that farmed rainbow trout represents the overwhelming majority of finfish production for England, Northern Ireland and Wales.

285. The assessment of likely consequences for the competitive environment and structure of the UK market considers four areas:

- **The impact on the number or range of suppliers.**

  With the measure varied as recommended, there may be fewer suppliers than if the measure were revoked, since Turkish producers may choose to limit UK exports. However, domestic suppliers may be able to remain in the market. Imports from third countries such as Denmark (fresh and smoked trout), and Ireland and the Netherlands (frozen and smoked trout) will likely continue particularly since there is clear, persistent and growing demand for rainbow trout from abroad: over the injury period, imports grew by 92.1%.

  If we revoke the measure, Turkish imports are more likely, on the one hand potentially increasing the overall number of suppliers within the UK market. On the other hand, however, this could result in some domestic producers exiting the market, leading to a decreasing number of suppliers consequently. The net effect, therefore, unclear.

- **The impact on the ability of suppliers to compete.**

  If we revoke the measure, domestic suppliers may face more significant competition in the frozen trout sector considering Turkey's ability to sell at low prices. As previously demonstrated, Turkey's rainbow trout is the cheapest of all countries within the Eurostat database, therefore opening the market to such imports could be detrimental to the ability of existing suppliers to compete on prices. We found no evidence to suggest that if the measure were to be varied in the manner recommended, it would impact the ability of current suppliers to compete compared to the current competitive environment. Therefore, we expect the basis of competition to remain the same.

- **The impact on the incentives to compete vigorously.**

  There is no evidence to suggest that varying the measure will have any impact on the incentives of producers to compete vigorously. However, we consider that if the measure were revoked and lower priced Turkish imports entered the market, this could increase the incentive for all suppliers to compete vigorously.

- **The impact on the choices and information available to consumers.**

  By varying the measure, the status quo will remain, implying consumers will retain access to all rainbow trout varieties.

  Should the measure be revoked, the potential increase in cheap frozen imports from Turkey means consumers could opt for Turkish goods rather than the relatively more expensive alternatives from the UK, Ireland, the Netherlands or France.

I8. Such other matters as we consider relevant

286. As part of the EIT, we can consider any other factors additional to those set out in the legislation which have implications in concluding whether the proposed trade remedy measure is in the economic interest of the UK.

287. We found no evidence of any other relevant factors for this investigation.

I9. Forms of measure

288. Within the Economic Interest Test, we have considered the most appropriate form of measure to recommend. We found no evidence suggesting that a different form of measure than the variation we have recommended would be more appropriate. The recommended form of measure remains ad valorem duty of between 1.5 - 9.5% with a duration of five years.

I10. Conclusions

289. In accordance with paragraph 25 of Schedule 4 to the Act, the Economic Interest Test is met in relation to the application of an anti-subsidy remedy if the application of the remedy is in the economic interest of the UK. This test is presumed to be met unless we are satisfied that the application of the remedy is not in the economic interest of the UK.

290. As described in previous sections, we have found evidence of the likelihood of subsidised imports and injury to UK producers. However, as it has not been possible to recalculate the amount, the recommendation would be to maintain the countervailing amount of 1.5 - 9.5%, applicable for a period of five years. In **Section I**, we have tested whether imposing this measure would be in the economic interests of the UK.

291. In the injury section, we concluded that supermarkets are likely to switch to cheaper imports if they have that option, but at the least they would use their market power to exert downward pressure on UK industry prices. Therefore, there is a high probability that UK industry would lose market share given they have little margin to further reduce prices. Therefore, we believe that the UK industry is in a vulnerable condition.

292. Given this vulnerable condition and that relevant subsidised goods from Turkey would be directly competing with UK production as a cheaper substitute, we believe that Turkish imports have the potential to undercut the UK industry and build market share. Consequently, the likelihood of injury being caused to the domestic industry by subsidised imports originating in Turkey would be high if the current measure were revoked.

293. In the significance section, we determined that rainbow trout is a comparatively small industry within the UK, contributing approximately £4.5 million towards GVA in 2019. The most recently available data for 2018 includes 136 enterprises directly engaged in trout farming across the UK, employing 557 persons. There is a lack of data on the relative size of different stages of the supply chain. It is our understanding that rainbow trout is unlikely to be the sole focus of upstream and downstream producers' business.

294. Seafood's percentage share of retail sales is typically low: from as little as 2.4% in Iceland, to a maximum of 27.2% in Tesco, the average across sampled supermarkets in the 52 weeks ending June 2019 was 9.7%. For this period, seafood's retail sales value was a fraction over £3.8 billion but rainbow trout's retail sales value was just over £35 million, or less than 1% of total seafood sales. Therefore, while supermarkets are probably the most economically significant element of the supply chain, rainbow trout represents a minor part of their business.

295. In the impacts section, we found that varying the measure is likely to benefit upstream businesses and domestic producers. In contrast, revoking the measure would likely enable imports of Turkish rainbow trout at prices substantially below domestic prices (Turkish prices were 45% below the mean Euro per tonne over the injury period, whereas the UK's was just 4% below the mean), potentially displacing UK producers. Importers may benefit if the measure were revoked and imports increased. Based on the evidence available, we do not consider it likely that downstream industries or consumers would be significantly affected whether the measure were varied or revoked because consumer demand for rainbow trout is low relative to other fish, and because demand for rainbow trout is price insensitive. Furthermore, the revocation of measure would likely see the domestic market share of rainbow trout be substituted by Turkish imports.

296. In the section assessing the likely impacts on particular geographic areas and particular groups, we found that revoking the measure could threaten some local jobs because competition from Turkey could cause some firms to exit the market. Indeed, Figure 7 illustrates clusters of rainbow trout production sites in Northern Ireland, north and south England, as well as within Scotland, demonstrating concentrated areas of production across the UK. However, we could not establish whether particular areas would be disproportionately affected by revoking the measure because our primary questionnaire responses and our analysis of secondary data identified no concerns. Therefore, we found nothing to suggest that particular groups, including those with protected characteristics, as defined within the 2010 Equality Act, would be impacted.

297. In the competition section, we found that revoking the measure may lead to increased imports from Turkey (positive competition effect) that could lead to a loss of market share for UK producers. This is due to the fact that there is a clear, persistent and growing demand for rainbow trout from abroad (imports grew by 92.1% over the injury period) and the inability of UK producers to compete on prices means some may exit the local market (negative competition effect). Therefore, assuming this trend continues, revoking the measure should make it increasingly difficult for local producers to be able to compete within the UK rainbow trout market. Consequently, the net effect on competition is ambiguous because of these two opposing forces. Varying the measure would prevent imports of imported lower-priced rainbow trout from Turkey and enable UK producers to maintain current levels of market share, preserving current levels of competition.

298. The Secretary of State guidance states the Economic Interest Test is presumed to be met unless the TRA is satisfied that the application of the measures is not in the economic interest of the UK, and that a measure is not in the economic interest of the UK if the negative impacts are disproportionate to the positive impacts.

299. Compared to revoking the measure, the key positive impacts of varying the measure as recommended within our review include:
- benefits to an SME-dominated sector from removing the likelihood of injury;
- helping to limit farm closures and job losses in more rural areas;
- supporting an integrated value chain that includes more than the goods subject to review.

300. Conversely, the key negative impacts include:
- domestic competition could remain centralised and controlled;
- small negative impact on some consumers, who could benefit if the measures were revoked and lower priced imports entered the market;

- importers are less able to benefit from increased imports from Turkey at cheaper prices.

301. We do not consider the negative impacts to outweigh, or be disproportionate to, the more significant positive impacts.

302. Under the presumption that the Economic Interest Test is met, and having considered all of the evidence presented by each of the interested parties and all of the factors listed in the legislation, we conclude that the Economic Interest Test is met for the proposed variation of duties.

SECTION J: Findings and recommendation

J1. Findings

303. It is likely, on the balance of probabilities, that importation of the relevant subsidised goods from Turkey would occur if the countervailing amount were no longer applied;

304. It is likely, on the balance of probabilities, that injury to the UK industry would occur from importation of the relevant subsidised goods from Turkey if the countervailing amount were no longer applied;

305. The current measure is sufficient to offset the importation of the relevant subsidised goods from Turkey; and

306. The application of the countervailing amount meets the EIT.

J2. Recommendation

307. Our recommendation is to vary the application of the countervailing amount under Regulation 100A of the D&S Regulations. As it has not been possible to recalculate the countervailing amount due to insufficient data, we recommend maintaining that amount at between 1.5 – 9.5% in accordance with regulation 100A(4)(b) of the D&S Regulations and applying the measure for a period of five years from 30 January 2021. For the avoidance of doubt, this is the date that the current measure would have expired without a transition having been initiated.

308. As a result of our review of the data and because Selina Balık cooperated and were sampled, we decided they should receive a non-sampled overseas exporter amount (a weighted average of individual countervailing amounts). The rate associated with overseas exporters, cooperating and non-sampled is 7.6% as per the Taxation Notice, Annex 2.

Table 12: Recommended countervailable amount on certain rainbow trout originating in Turkey for exporters cooperating in this transition review

Company	Countervailing duty
Özpekler İnşaat Taahhüd Dayanıklı Tüketim Malları Su Ürünleri Sanayi ve Ticaret Limited Şirketi	6.7%
Kemal Balıkçılık İhracat LTD. ŞTİ [Overseas exporter specified in Taxation Notice Annex 2]	7.6%
Selina Balık İşleme Tesisi İthalat İhracat Ve Ticaret Ltd. Şti. [Overseas exporter specified in Taxation Notice Annex 2]	7.6%

Annex 1: Countervailing duty on certain rainbow trout originating in Turkey

Company	Countervailing duty	TARIC additional code
BAFA Su Ürünleri Yavru Üretim Merkezi Sanayi Ticaret AŞ	1.5%	B965
Özpekler İnşaat Taahhüd Dayanıklı Tüketim Malları Su Ürünleri Sanayi ve Ticaret Limited Şirketi	6.7%	B966
Ternaeben Gida ve Su Ürünleri Ithalat ve Ihracat Sanayi Ticaret AŞ	8.0%	B967
Overseas exporter specified in Taxation Notice Annex 1	6.9%	[As per Taxation Notice Annex 1]
Overseas exporter specified in Taxation Notice Annex 2	7.6%	[As per Taxation Notice Annex 2]
All other overseas exporters (residual amount)	9.5%	B999

Annex1: Source: Taxation Notice: Available on: https://www.gov.uk/government/publications/trades-remedies-notice-countervailing-duty-on-certain-rainbow-trout-originating-in-turkey/taxation-notice-202002-countervailing-duty-on-certain-rainbow-trout-originating-in-turkey

Annex 2: Imports (CN8) into European countries in 2019 by Exporting Country

tonnes	Poland	Denmark	Turkey	Italy	Spain	France	Austria	Netherlands	Other	Total
Germany	14,321	8,420	3,895	816	13	4,383	3,756	1,303	846	37,756
Austria	86	873	3,685	3,046	-	13	-	118	3,535	11,242
Poland	-	2,916	820	2,433	90	72	36	3	964	7,450
France	805	147	5	-	5,286	-	-	8	550	6,802
Belgium	-	387	41	-	27	1,104	-	103	1,388	3,348
Czechia	105	40	649	137	50	12	-	16	699	1,691
Netherlands	-	639	1,409	4	-	123	-	-	999	3,181
Romania	5	4	1,301	368	8	6	-	6	326	2,121
Bulgaria	-	33	197	61	222	-	-	-	200	741
Italy	50	135	223	-	802	25	22	403	557	1,816
Lithuania	556	608	24	-	-	-	-	29	160	1,364
Hungary	7	24	112	233	15	-	-	81	811	1,275
Denmark	28	-	193	9	3	20	2	21	596	852
Croatia	-	6	181	292	-	-	-	6	890	1,377
Finland	9	436	-	-	-	-	-	-	628	1,095
Greece	-	3	71	5	19	2	-	1	285	390
Sweden	632	20	1	-	-	-	-	1	184	836
Republic of Ireland	7	47	-	-	-	48	-	7	183	379
Cyprus	17	42	-	-	1	14	-	6	141	295
Spain	23	30	-	60	-	161	-	73	166	484
Estonia	3	10	-	-	-	-	-	13	146	159
Luxembourg	-	-	-	-	-	152	-	1	281	446
Slovenia	-	1	279	77	-	-	1	44	95	454
United Kingdom	2	204	-	-	-	141	-	95	194	555
Slovakia	204	1	38	-	-	-	2	-	96	347
Latvia	4	-	-	-	-	21	-	13	13	38

Annex 2 Source: Eurostat 'EU Trade since 1988 by CN8'.

Available on https://ec.europa.eu/eurostat/

Annex 3: Total seafood species performance to June 2019

	Value Sales £ ('000)					Volume Sales (tonnes)					Price per Kg		
	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	2017 52wks to 15.6.17	2018 52wks to 15.6.18	2019 52wks to 15.6.19	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*	Avg Price 2019	% Chg '18 vs '19	% Chg 2009 vs 2019 (10YA)*
FISH	3,657,583	3,808,127	3,813,921	0.2	20.9	402,521	395,995	392,356	-0.9	-18.0	£9.72	1.1	43.6
SALMON	1,018,725	1,057,303	1,069,358	1.1	48.5	67,725	62,059	64,347	3.7	-0.8	£16.62	-2.5	49.8
COD	446,522	484,173	481,798	-0.5	25.5	60,234	61,719	59,091	-4.3	7.6	£8.15	3.9	16.6
TUNA	374,779	400,658	403,371	0.7	-7.7	65,436	61,804	59,507	-3.7	-41.8	£6.78	4.6	58.6
WARM WATER PRAWNS	319,264	321,756	326,479	1.5	59.6	23,833	23,125	23,954	3.6	40.7	£13.63	-2.0	13.5
HADDOCK	236,303	252,787	239,833	-5.1	-9.1	25,545	26,699	24,311	-8.9	-23.0	£9.87	4.2	18.0
COLD WATER PRAWNS	198,547	194,897	191,610	-1.7	-17.8	15,714	15,838	15,306	-3.4	-48.4	£12.52	1.7	59.3
MIXED SEAFOOD	171,539	182,068	188,562	3.6	1,146.4	19,930	20,531	20,978	2.2	1,070.3	£8.99	1.4	6.5
POLLOCK	113,366	124,855	144,068	15.4	61.1	26,322	27,783	30,656	10.3	48.5	£4.70	4.6	8.5
MACKEREL	124,399	129,450	131,407	1.5	14.2	17,565	17,806	17,632	-1.0	-14.6	£7.45	2.5	33.8
OTHER	90,246	87,120	83,645	-4.0	-77.5	17,461	16,249	15,907	-2.1	-84.5	£5.26	-1.9	45.5
SEA BASS	64,665	67,459	67,375	-0.1	173.0	4,035	4,140	4,232	2.2	183.8	£15.92	-2.3	-3.8
BASA	58,903	62,966	58,651	-6.9	593.6	8,303	8,124	7,382	-9.1	538.8	£7.94	2.5	8.6
SCAMPI	54,318	57,338	57,679	0.6	-17.2	5,175	5,452	5,294	-2.9	-30.1	£10.90	3.6	18.5
SARDINES	37,502	39,655	40,295	1.6	-8.9	8,093	8,338	8,449	1.3	-32.5	£4.77	0.3	34.9
CRABSTICK	32,412	35,585	38,649	8.6	57.8	7,654	8,401	9,798	16.6	42.8	£3.94	-6.9	10.6
TROUT	35,677	39,146	35,385	-9.6	-21.3	2,983	2,977	2,463	-17.3	-47.4	£14.37	9.2	49.6
SOLE	32,553	30,213	29,360	-2.8	-16.1	2,748	2,470	2,358	-4.5	-19.0	£12.45	1.8	3.5
CRAB	28,445	28,089	26,983	-3.9	78.4	1,511	1,442	1,408	-2.4	25.6	£19.17	-1.6	42.0
MUSSELS	26,338	26,469	23,223	-12.3	-3.3	4,675	4,728	4,043	-14.5	-13.3	£5.74	2.6	11.6
PLAICE	28,477	26,724	19,769	-26.0	-38.7	3,007	2,665	1,781	-33.2	-45.9	£11.10	10.7	13.3
SCALLOPS	17,300	16,650	17,538	5.3	9.1	816	784	740	-5.6	-10.1	£23.69	11.6	21.5
SEA-BRM	17,161	17,222	15,314	-11.1	203.5	1,125	1,175	1,080	-8.1	220.6	£14.18	-3.3	-5.3
SQUID (CALAMARI)	12,337	15,015	15,047	0.2	136.0	866	1,139	1,385	21.6	41.5	£10.87	-17.6	66.8

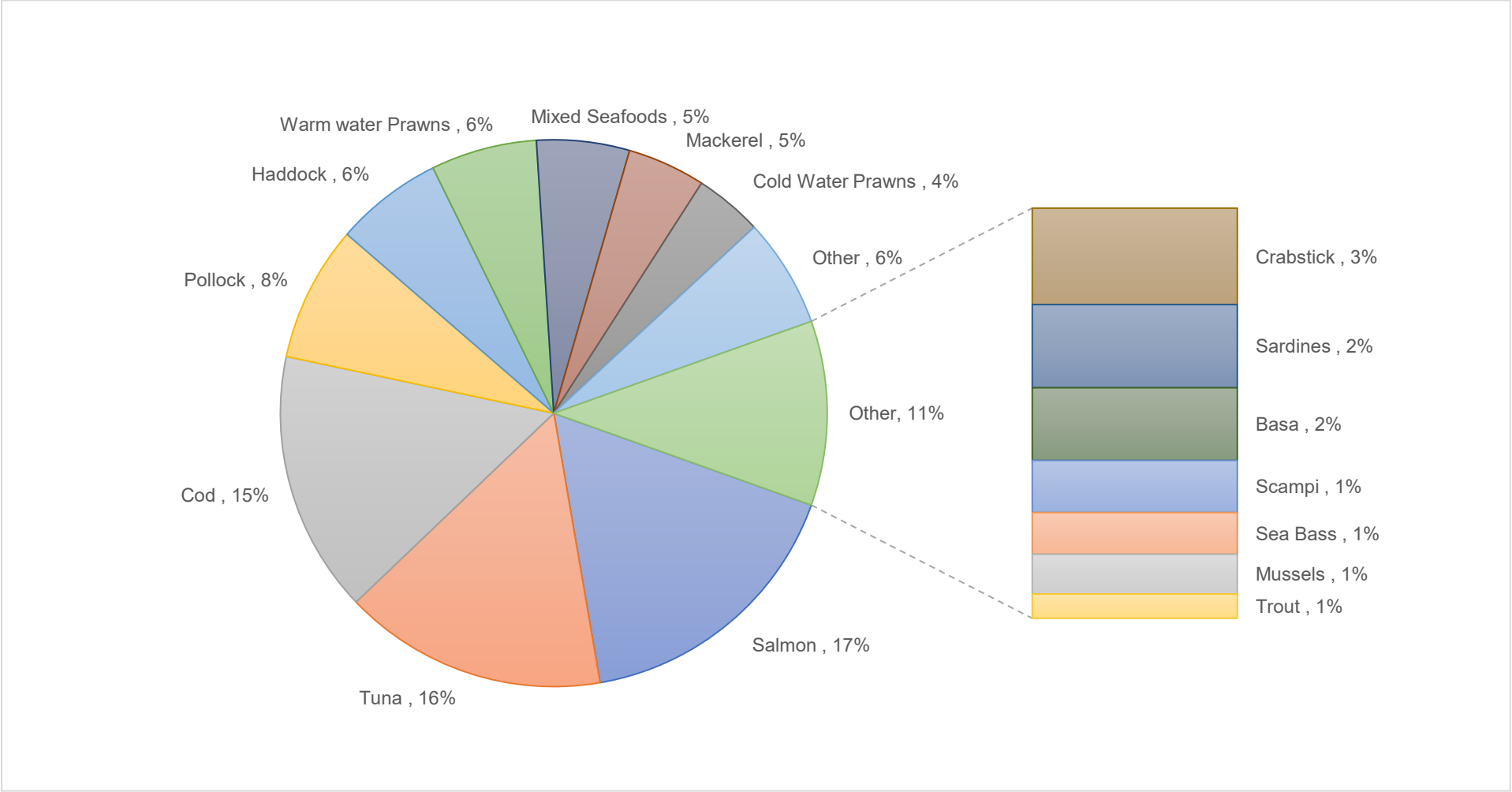
*Annex **3** Source: Seafish, Market Insight Factsheet – Seafood in multiple retail (2019 update), 2019. Available on: https://www.trade-remedies.service.gov.uk/public/case/TS0002/submission/89fecd70-6498-458c-86f9-f61ccc768cf2/*

Annex 4: Import and Export Data to and from the Netherlands

	Imports into the Netherlands						Exports from the Netherlands					
tonnes	**Belgium**	**Germany**	**Denmark**	**Turkey**	**France**	**Other**	**Germany**	**United Kingdom**	**Italy**	**France**	**Austria**	**Other**
03019190 Live Fish	0	0	0		20	0	0	0	0	0	0	4
03021180 Fresh/chilled Whole Fish	230	91	121	0	21	3	96	0	0	100	0	4
03031490 Frozen whole Fish	143	91	0	342		2	154	111	12	1	17	93
03044290 Fresh/Chilled fillets	45	10	11	0	1	8	265	181	559	138	12	258
03048290 Frozen Fillets	4	9	0	789	0	12	276	179	227	47	112	140
03054300 Smoked Fillets	0	85	276	383	0	4	87	27	0	0	8	138

Annex 4 Eurostat 'EU Trade since 1988 by CN8'. Available on https://ec.europa.eu/eurostat/

Annex 5: Total seafood species sales performance volume to June 2019



*Annex **5** Source: Graphic Representation of Annex 3*

Annex 6: Imports of in scope commodity codes vs of out of scope commodity codes

tonnes	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Turkey										
Total Imports inside scope	0	0	4	0	0	0	1	0	0	0
Total Imports outside Scope	0	0	0	0	0	4	45	1	0	0
All Nations										
Total Imports inside scope	21	33	358	482	231	284	297	311	257	439
Total Imports outside Scope	43	45	134	167	132	195	1,148	1,581	731	381
Sweden										
Total Imports inside scope			3		5	53	32	115	65	65
Total Imports outside Scope			114	48	51	109	201	1,301	524	69

Annex 6 Source: UKTradeInfo. Available on: https://www.uktradeinfo.com/trade-data/ots-custom-table/

Note: Smoked and live trout have been excluded from this table, as both goods have one commodity code each available for analysis on UKTradeInfo. They would have therefore increased the in and out of scope lines by the same amount.

Note: UKTradeInfo returns trade data to CN8 level.

Annex 7: Imports from Turkey of trout into the UK across the injury period

tonnes	2016	2017	2018	2019
03019190 Live trout *"Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarki, Oncorhynchus aguabonita, Oncorhynchus gilae"*	0	0	0	0
03021120 Fresh or chilled trout of the species *"Oncorhynchus mykiss",* with heads on and gills on, gutted, weighing > 1,2 kg each, or with heads off, gilled and gutted, weighing > 1 kg each	0	0.8	0	0
03031420 Frozen trout *"Oncorhynchus mykiss",* with heads and gills on, gutted, weighing more than 1,2 kg each, or with heads off, gilled and gutted, weighing more than 1 kg each	44.8	0	0	0
03044210 Fresh or chilled fillets of trout *"Oncorhynchus mykiss"*, weighing > 400 g each	0	0.2	0	0
03048210 Frozen fillets of trout *"Oncorhynchus mykiss",* weighing > 400 g each	0	0	0	0
03054300 Smoked trout *"Salmo trutta, Oncorhynchus mykiss, Oncorhynchus clarki, Oncorhynchus aguabonita, Oncorhynchus gilae, Oncorhynchus apache and Oncorhynchus chrysogaster",* incl. fillets (excl. offal)	1.2	0	0	0

Annex 7 Source: UKTradeInfo. Available on: https://www.uktradeinfo.com/trade-data/ots-custom-table/

Note: UKTradeInfo returns trade data to CN8 level.