

Salmon producers to face US probe over price fixing

Food giants deny wrongdoing

By David Leask

SOME of Scotland's biggest salmon producers are facing an investigation by the United States into allegations of price-fixing.

Norwegian food giants Mowi, SalMar, Leroy Seafood and Grieg Seafood all deny any wrongdoing and say the probe is baseless.

Mowi and Grieg both have full subsidiaries in Scotland while Leroy and SalMar share ownership of Scottish Sea Farms.

The US investigation, led by the Department of Justice, stems from a similar probe by competition authorities from the European Union.

Last February EU officials raided the Falkirk offices of Mowi, formerly Marine Harvest, Scottish Sea Farms's Stirling base and Grieg in Shetland.

Industry sources have repeatedly said that those raids, and the US probe, focus on Norway and not Scotland.

Industry insiders have suggested the raids took place in Scotland as a "back door" into Norwegian firms

whose HQs are outside the jurisdiction of EU officials as Norway is not a member of the EU.

Most of the Scottish salmon industry is foreign-owned with Norwegian firms among the biggest players. Norway dominates the world salmon market.

Mowi, in a stock exchange statement, said it had "been informed that we will receive a subpoena from the Antitrust Division of the US Department of Justice where they are opening a criminal investigation involving allegations of similar conduct".

The company regards both the US and the EU investigations as groundless. Its Scottish business had no additional comment yesterday. Mowi has said it will cooperate with the investigation.

SalMar also confirmed it had received a subpoena from the Antitrust Division in the US Department of Justice. Like Mowi, it regards the probe as baseless.

A spokeswoman for Grieg Seafoods

Salmon farmers face US price-fixing probe

Continued from P1

told The Herald: "We are not aware of any kind of anti-competitive practices – not in Norway, the EU, the UK or the USA.

"We are fully cooperating with the European Commission and will also cooperate with Competition Authorities in the US."

After the raids in February the Scottish Salmon Producers Organisation said: "We understand the focus of the investigation is another jurisdiction, not Scotland."

The EU previously said it had "concerns that the inspected companies may have violated EU antitrust rules that prohibit cartels and restrictive business practices".

Both US and EU actions are understood to be at an early stage.

The salmon producers facing the US criminal investigation are already the target of a civil lawsuit filed on behalf of

American consumers, such as restaurants.

News of the US investigation last month sparked a \$1 billion drop in share prices on the Norwegian stock market.

Some businesses claim they are being charged artificially high prices for salmon.

Plaintiffs allege that the producers engaged in "openly collusive behaviour" to drive up spot prices for salmon in Oslo.

The market, plaintiffs argue, serves as "the most important benchmark for salmon prices across the globe", including Scotland. Producers counter the salmon market is very competitive.

John Finnie, a Green MSP in the Highlands and Islands, said: "Whilst a presumption of innocence must apply, many who look to Norway as being the source of all good practice, both environmental and financial, will hope for early clarification of these serious allegations."

Continued on Page 3