

GlassFibreEurope calls on industry's value chain to support the continuation of duties against illegal Dumping of Open Mesh Fabric from China.

Brussels, 20 July 2017 – GlassFibreEurope, the European Glass Fibre Producers Association (APFE) and Tech-Fab Europe (TFE) have called on all actors in the glass fibre value chain to stand united in the fight against illegal trade practises by China.

Chinese predatory dumping is a recurrent and critical issue for both the upstream as well as downstream industries in the European glass fibre sector. "We must recognise that aggressive and illegal dumping by Chinese producers, in the end, threatens the survival of all members of the glass fibre value chain," pointed out Axel Jorns, Secretary General of Glass Fibre Europe.

In the most recent case of open mesh fabrics, which has set off alarms bells across a number of EU manufacturing industries, five years after initial EU trade defence measures were adopted, European producers requested an expiry review. The reason for this is the fact that Chinese producers have continued to build up massive underutilized overcapacity and to sell at dumped prices, and the EU market remains the largest and most attractive for them.

EU Commission's DG Trade agreed to open the expiry review of measures on imports of open mesh fabrics, and its findings were disclosed on 26 June 2017. Despite clear and irrefutable evidence, which showed the likelihood of dumping and injury recurring if the anti-dumping measures were removed, DG Trade proposed the termination of the measures.

The analysis in the Commission's disclosure is incomplete and does not consider all the relevant evidence, which supports the continuation of the duties. For example, a very relevant factor not examined in evaluating the likelihood that injury would recur is the fact that China's overcapacity in open mesh fabrics is equal to the EU's total consumption.

"The Commission's conclusions are simply naïve," said Mr Jorns, adding: "The EU producers cannot compete with Chinese products priced below cost if the EU's anti-dumping measures are removed. Indeed, given the huge overcapacity in China, we expect a significant increase in dumped imports from China should the measures be terminated. This would have a devastating impact on EU producers".

According to China's '13th 5-Year New Materials Plan' there is a clear state-backed strategy to support Chinese producers by underwriting products being exported, below cost, to third markets - and in particular onto the EU market. "We are expecting the vast overcapacities in glass fibre materials in China to increase over time. This creates terrible uncertainty for the future of European producers," pointed out Mr Jorns.

Chinese producers rapidly obtained more than 50% of EU market share before the EU imposed anti-dumping duties on imports of open mesh fabrics in 2011.

The message of the proposed findings from the Commission to European producers is rather unsettling and raises questions - is there an intention to defend European industry against unfair trade and to apply the law as it has been consistently applied until now? These questions are particularly pertinent in the context of proposed changes to the EU's anti-dumping methodology in cases involving China.

GlassFibreEurope supports TechFabEurope in its fight for fair market conditions. "We must wake up and stand united as an industry. We must pull the entire value chain together to stop the virulent spread of illegal dumping and circumvention practises by China. We must demand that international trade rules are respected and enforced by the European Commission," Mr Jorns concluded.