

4 August 2010

## **PlasticsEurope views on the potential EU anti-dumping duty on glass fibre import from China**

The European Commission is currently investigating whether or not the import of glass fibre from China into the EU is breaking competition rules, specifically whether anti-dumping duties should be imposed.

PlasticsEurope supports a free competitive business environment but is however highly concerned about this case as it has the potential to significantly impact the European plastics industry<sup>1</sup> through higher prices and the need to secure EU product approvals where Chinese-made glass fibres are replaced with European-made ones.

Before the European Commission will decide on a Provisional Measure, PlasticsEurope wished to stress its ongoing concerns:

### **1. The investigative period highlighted by APFE is not objective:**

The issue has been brought to the attention of DG Competition at the request of APFE (European Glass Fibre Production Association), who has initiated an investigation into dumping of Glass Fibres by Chinese producers into Europe. However, PlasticsEurope considers that the investigative period chosen by APFE, from 1 October 2008 to 30 September 2009, is not objective in terms of measuring the price difference between European and Chinese producers due to the extreme price volatility at that time.

### **2. The anti-dumping duty will result in additional burden to secure EU product approvals**

Contrary to what is stated by the APFE, the glass fibres are not interchangeable, from a quality perspective, for usage in different applications. PlasticsEurope sincerely believe that an anti-dumping duty on glass fibre import from China will result in additional burden for the European plastics industry to obtain EU product approvals where glass fibre imported from China will be replaced with glass fibre produced in Europe. Companies may consider relocation of production outside Europe in order to avoid such difficulties.

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<sup>1</sup> EU plastics industry is importing glass fibre from China to produce glass reinforced plastics, mainly used in the automotive sector.

### **3. The anti-dumping duty will result in increased cost for EU industry and undermine EU competitiveness**

Last, but not least, PlasticsEurope wants to highlight that customers of glass fibre reinforced plastics in EU, especially the automotive sector, have a strong and global structure in place and will easily switch to suppliers of glass fibre reinforced plastics from markets outside of the EU. In addition, although the price of glass fibre is currently as competitive in Europe as is in China, past similar cases within the polymer and other industries have shown that, import duties can lead up to 20% cost increase of raw material in Europe. It is critically important to ensure the competitiveness of the European plastics industry, already affected by the economical crisis, and to prevent increase costs by objecting this potential duty for the EU industry.

In order to preserve the competitiveness of the EU industry, PlasticsEurope would like to call on the European Commission to carefully consider the concerns which we have outlined in detail above and to not to impose such an anti-dumping duty.

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PlasticsEurope is one of the leading European trade associations with centres in Brussels, Frankfurt, London, Madrid, Milan and Paris. We are networking with European and national plastics associations and have more than 100 member companies, producing over 90% of all polymers across the EU27 member states plus Norway, Switzerland, Croatia and Turkey. The European plastics industry<sup>2</sup> makes a significant contribution to the welfare in Europe by enabling innovation, creating quality of life for citizens and facilitating resource efficiency and climate protection.

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<sup>2</sup> The plastics industry includes polymer producers - represented by PlasticsEurope, converters - represented by EuPC and machine manufacturers - represented by EUROMAP. More than 1.6 million people are working in about 50.000 companies (mainly small and medium sized companies in the converting sector) to create a turnover in excess of 300 billion € per year. For further info see the web links: [www.plasticseurope.org](http://www.plasticseurope.org) [www.plasticsconverters.eu](http://www.plasticsconverters.eu) [www.euromap.org](http://www.euromap.org)