



Comments to

AS603 – Anti-subsidy proceeding concerning imports of certain filament glass fibre products originating in the People’s Republic of China

R593 – Partial interim review of the anti-dumping measures applicable to imports of certain filament glass fibre products originating in the People’s Republic of China

Following the notice of initiation of Anti-subsidy proceeding concerning imports of certain filament glass fibre products originating in China and Partial interim review of the anti-dumping measures applicable to imports of certain filament glass fibre products originating in China, Finnish Plastics Industries Federation (FIPIF) would like to comment Commission’s proposal.

Anti-dumping and anti-subsidy measures will significantly affect the composite production and the actors involved in the chain.

The selling of products or raw materials with prices achieved using iniquitous means to a certain market areas is not sustainable and benefits no one in the long term. In a market economy such phenomenon should not occur, not even in theory. Plastics Industry Association underlines, however, high precision and caution to impose anti-dumping and anti-subsidy measures to glass fibre products from China, which the European glass fiber Manufacturers Association (European Glass Fibre Producers Association, APFE) is called for.

We believe that there is reason to question the claims behind the complaint made by European Glass Fibre Producers Association, and not just impede the access of important raw materials to EU market area by official action. Imposition of anti-dumping and anti-subsidy measures should not be in the Community’s interest as the final outcome of the measures will have negative effects on employment, ongoing and future technological developments, and investments in Finland as well as in EU. In a long term, by undermining composite industry the glass fibre producers harm their own industry.

We fear that the introduction of anti-dumping measures due to allegations from European glass fibre producers will have significant negative consequences for glass fibre users in Finland, as well as for the whole European industry and the European Community.

We cannot operate by being dependent only on the European glass fibre and our products would not be competitive in the global markets, if we used solely European glass fibre. For Finnish companies China is a very important acquisition channel for glass fibres. The choice to use glass fibre produced in China is not based only the price level but the high quality demands as well. The use of glass fibre from China is a consequence of high level quality



standards and lack of availability on the European market. Changing to glass fibre grades produced in EU will cause considerable costs due to the re-qualification of already approved grades demanded by our customers.

If anti-dumping measures are imposed in the near future, the competitiveness will deteriorate due to high prices to produce composite products. Due to the weak global and European economic situation, it is impossible to shift the increased prices of raw material into the prices of composite products. Further on, this price increase will unbalance the free global business markets and will act as a barrier between composite producers inside the EU and the rest of the world. This development will push all manufacturing towards relocation to countries outside Europe, including Russia, US, India, and China, due to very high competitive labor production costs and lower costs of raw material.

In EU-level, more than 100.000 jobs are involved directly in the composite industry. A reduction of 5 % of workforce in a short term and over 10 % in a longer term is to be expected, if anti-dumping measures are imposed. This means that more than 10.000 jobs will be lost. If the percentage of anti-dumping duties is closer to 30 % than 25 %, it could mean even more severe effects on workforce. According to Commission's proposal AS603 and R593, there are only 3.500 jobs directly involved in the glass fibre production in EU and the market share of European glass fibre producers is above 50 %. This clearly states that the unemployment will increase more if the anti-dumping and anti-subsidy measures are imposed. The European glass fibre producers are global companies owned outside Europe. Most of the composite companies are, however, small or medium size and locally owned without large financial and human resources. In Finland glass fibre production employs couple of hundreds persons while composite industry, glass fibre boat industry, and multiaxial weaver industry provides jobs for thousands of people. The interest of the Community is to provide possibility to keep this future industry in Europe.

The dramatic effects of anti-dumping duties on our composite industry will further affect other industries in terms of employment and future investments. Many current jobs will be lost and the potential to create jobs related to research and product development in renewable energies and other energy efficiency products for the transport, building and construction, consumer goods, aerospace, sports and leisure, electrical and electronics sectors will decrease. The interest of European Community should not be in reducing the composite industry in EU, nor in Finland.

Finnish Plastics Industries Federation

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