

# **Executive summary of the**

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**Request for an expiry review  
in accordance with Article 11 (2) of Regulation 1225/2009  
concerning imports of certain open mesh fabrics of glass fibres  
from the People's Republic of China**

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submitted by BEITEN BURKHARDT  
on behalf of the EU producers of certain open mesh fabrics of glass fibres

## **1. The product concerned and the like product**

The products concerned are open mesh fabrics of glass fibres, of a cell size of more than 1.8 mm both in lengths and in width and weighing more than 35 g/m<sup>2</sup>, excluding glass fibre discs, see Article 1 of Regulation 976/2014.

The product concerned is made from glass fibres both in weft and warp direction. The product concerned can be coated or non-coated (non-coated open mesh fabrics are usually called greige fabrics); it can also be adhesive (glue on one face) or not. The product concerned is generally sold in the form of narrow rolls or wide rolls.

Even if it is sold in different forms, the product concerned has one main function and purpose or use: it is used as reinforcement material in the construction sector. All products of each of the product forms are "like products".

### **1.1. Process of Production**

The basic manufacturing processes are:

- Weaving: a large amount of glass fibres are wound together into beams of parallel strands which will be used on the length direction on the loom (warp). These warp fibres are woven, tied together by the weft fibres, in the cross machine direction, producing a roll of fabric;
- Coating: the roll is then coated and dried on a coating line;
- Slitting: finally, the coated fabric is rolled and cut into smaller rolls (of narrow or wide width).

### **1.2. Physical and technical characteristics of the product concerned**

All forms of the product concerned (i.e. mostly narrow rolls and wide rolls) have the same basic physical and technical characteristics.

The product concerned can be manufactured and sold as a semi-finished product in the form of non-coated fabric. In this case, the product concerned has the basic characteristics of a woven fabric with an open mesh structure made from glass fibre. Semi-finished products have no applications on the market; when sold as such, they are typically sold to transformers which coat the product before reselling it to distributors or users.

The product concerned, where it is a finished product, has the basic physical characteristics of a woven fabric with an open mesh structure, made from glass fibre

and coated. While specific physical characteristics, such as width, cell size and weight, may differ according to the intended application, the product will still be a coated open mesh fabric.

The individual forms of the product concerned have the different technical characteristics depending on their particular application, as to tensile strength, alkali resistance and dimensional stability/resistance to elongation. The main applications for the product concerned are being the fabrics in external thermal insulation systems and to cover joints of dry walls.

### **1.3. Uses of the product concerned**

The product concerned is mainly used as a reinforcement material in the construction sector (commercial and residential construction). Within such sector, the product concerned is used for a wide variety of applications. The main applications of the product concerned are:

- external insulation: composite systems called ETICS (External Thermo Insulation Composite System) / EIFS (External Insulation Facing System);
- marble reinforcement, floor reinforcement, mosaic carrier and similar markets requiring a coated open fabric as a holder or reinforcement; and
- wall repair, joint tapes, corners, window frames.

### **1.4. Applicable Common Nomenclature and customs duties**

The product concerned is currently falling under CN codes ex 7019 51 00, ex 7019 59 00 and ex 7019 40 00. The TARIC codes are 7019 51 00 11, 7019 59 00 11, 7019 40 00 11, 7019 40 00 21 and 7019 40 00 50 for the product originating in China. Narrow rolls are to be classified in CN tariff position ex 7019 51 00 and wide rolls in ex 7019 59 00.

Further to circumvention of the trade defence measures by slightly modifying the product, the measures were extended to products declared under customs tariff heading ex 7019 40 00.

An EU customs duty of 7% *ad valorem* applies to all imports of the product concerned originating in China.

## **2. Executive summary**

The expiry review request is submitted by the Alliance for the Defense of Open Mesh Fabrics, ADFOM, representing the majority of EU producers in volume and value of

certain open mesh fabrics of glass fibres, on behalf of its members and EU producers.

The initial investigation was launched on 20 May 2010<sup>1</sup> following the complaint by the EU industry against dumped imports lodged on 6 April 2010. A provisional duty was imposed on 16 February 2011<sup>2</sup>. Soon thereafter Chinese exporting producers, traders and importers started circumventing the provisional duties. This proves that the EU market remains very attractive to Chinese exporters. There were in total four anti-circumvention investigations resulting in measures against the imports of the product concerned consigned India, Indonesia, Malaysia, Taiwan and Thailand.

The market share of direct Chinese imports decreased but the dumping and material injury continues or is at least likely to recur should measures be allowed to lapse.

The continuation and/or recurrence of dumping and continuation and/or recurrence of injury of the EU industry in this request has been analysed for the four year period from 1 January 2012 to 31 December 2015, and in detail for the calendar year 2015 (here the Provisional Review Investigation Period or "PRIP").

### **3. Likelihood of continuation and/ or recurrence of dumping**

Chinese exporting producers continue to dump open mesh fabrics in the EU at injurious prices. The expiry of the existing measures would most likely lead to a continuation of dumping at increased margins or at the very least to a recurrence of injurious dumping.

Given that the People's Republic of China is a non-market economy country, a normal value has to be established on the basis of the domestic prices or constructed normal value in an analogue country.

In the original investigation, the EU institutions chose Canada as analogue country. The EU industry submits that the same methodology be followed in the review proceeding.

With respect to the calculation of export prices, the transport costs for the products shipped are calculated or estimated on the basis of known freight costs, inland transport in China, ocean transport and land transport in the EU, wherever applicable.

The export price calculation is based on (i) Chinese export statistics for export sales to certain other third countries for the relevant period, (ii) Eurostat average import

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<sup>1</sup> [Celex reference 52010XC0520\(02\)](#).

<sup>2</sup> [Celex reference 32011R0138](#).

values and (iii) price information obtained from customers and suppliers for intended sales to the EU.

The normal value and export prices were compared on an ex-works basis. The calculated dumping margins are substantial.

#### **4. Likelihood of continuation and/ or recurrence of injury**

The rise of Chinese open mesh fabrics imports with dumping prices which undercut all suppliers had quickly provided the Chinese exporting producers with the largest import and market share in the European Union, and has led to material injury to the European Union producers. The trade defence measures that were put in effect have started reducing the uneven playing field between dumped injurious imports of the product concerned and EU produced open mesh fabrics.

The undercutting margins remain substantial and the non-injurious price has not yet been recovered. The imports in volume and the dumped prices of the imports of the product concerned have had a negative impact on the market shares, the quantities sold and the level of prices obtained by the EU industry, resulting in continuing material injury. The dumped imports have caused substantial adverse effects on the overall performance, the financial situation and the employment of the EU industry and prevent further investments in a market which should have a great future for its applications.

In addition, the EU market has remained one of the most attractive markets. Given that there exist in particular spare capacities to meet the entire demand of the European Union and that the price level in other markets, adjacent to the EU, is one third lower than in the EU, it is highly likely that increased volumes of Chinese open mesh fabrics would be sold for export to the EU at lower than current prices, should trade defence measures be allowed to lapse.

At the very least material injury was likely to recur should measures be allowed to lapse.

#### **5. Interested parties**

##### **5.1. EU ADFOM producers and applicants**

1. SAINT-GOBAIN VERTEX s.r.o.
2. TOLNATEX FONALFELDOLGOZO
3. VALMIERA "Stikla Skieddra" AS.
4. VITRULAN Technical Textiles GmbH
5. ASGLATEX Ohorn GmbH

## **5.2. Other EU producers**

1. W. Gröning GmbH & Co. KG
2. BKW-Textilglas GmbH
3. Gavazzi Tessuti Tecnici S.p.A
4. Sklotex Revuca, s.r.o.
5. Technical Textiles S.r.o.
6. XL Tape International Sp.z.o.o.
7. Tkactwo Mirosław Osipczuk
8. Bico Industries
9. Dahua Technology
10. Masterplast Group International Plc.
11. Selena FM S.A.
12. PROXIM Sp. z o.o.
13. Filipowicz group
14. Temad
15. S.C. THERMOPAN S.R.L
16. Industrial Recense
17. Stroimarket

## **5.3. Known importers**

1. Masterplast group
2. CB S.A.
3. SELENA
4. PROXIM sp. z o.o.
5. FILIPOWICZ GROUP
6. Balobau Kft
7. Intermas Nets S.A.
8. Ventas Internacionales s.a.(VISA)
9. STAMPLAST
10. BIACCHI ETTORE srl
11. Den Braven SK, s.r.o.
12. Új HÁZ Centrum

## **5.4. Main known users**

1. BAUKOM GmbH
2. BAUMIT Baustoffe GmbH
3. Wietersdorfer & Peggauer Zementwerke GmbH
4. Wopfinger Baustoffindustrie GmbH
5. BRILLUX GmbH & Co. KG

6. Dakota Group S.a.s. di Cipriani Zeno & C.
7. DAW SE Geschäftsbereich Alsecco
8. DAW SE Geschäftsbereich Caparol Farben
9. Henkel AG & Co. KGaA
10. HPI - CZ spol. s r.o.
11. Knauf Gips KG
12. K-UNI Kunststoffproduktions - u.Handels - GmbH
13. MONTAKO-obchod s.r.o.
14. RÖFIX AG
15. STO SE & Co. KGaA
16. VWS-Befestigungstechnik GmbH
17. ATLAS Sp. z o.o

#### **5.5. Chinese exporting producers**

1. Changshu Jiangnan Glass Fiber Co., Ltd (JN)
2. Jiangsu Jiuding Group (JIUDING)
3. Jiangxi Dahua Fiberglass Group Co., Ltd (JIANGXI DAHUA)
4. Grand Fiberglass Co., Ltd (GRAND)
5. Ningbo Shanquan Fiberglass Co., Ltd. (SHANQUAN)
6. Yuyao Yuanda Fiberglass Mesh Co., Ltd (YANDA)
7. Yuyao mingda fiberglass co.ltd (MINGDA)
8. CHINA NATIONAL BUILDING MATERIAL GROUP CORPORATION
9. Shenzhen Sam Soon Leong Industrial Co., Ltd.
10. ZHUZHOU XINGUANGMING FIBERGLASS
11. NANJING EFG CO LTD
12. YUYAO LANTIAN GLASS FIBER PRODUCTS FACTORY