

PUBLIC SUMMARY

**EXPIRY REVIEW REQUEST CONCERNING IMPORTS OF CERTAIN
ALUMINIUM FOILS IN ROLLS ORIGINATING IN THE PEOPLE'S
REPUBLIC OF CHINA**

Lodged under

**Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament
and of the Council of 8 June 2016 on protection against dumped imports
from countries not members of the European Union (codification)**

By

**ALEURO Converting Sp. z o. o., CeDo Sp. z.o.o., Cuki Cofresco S.p.A.,
Fora Folienfabrik GmbH, ITS B.V., Rul-Let A/S, SPHERE SA and Wrapex
Ltd**

13 December 2017

This request concerns imports into the European Union ("EU") of certain aluminium foils in rolls originating in the People's Republic of China ("China"), on which anti-dumping measures were initially imposed through Council Implementing Regulation (EU) No 217/2013 of 11 March 2013 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain aluminium foils in rolls originating in the People's Republic of China ("Initial Regulation").¹

These anti-dumping measures were imposed for an initial period of five years and are now due to expire on 14 March 2018.

The request is brought by ALEURO Converting Sp. z o. o., CeDo Sp. z.o.o., Cuki Cofresco S.p.A., Fora Folienfabrik GmbH, ITS B.V., Rul-Let A/S, SPHERE SA and Wrapex Ltd (together, the "Applicants"), which are the main producers of aluminium foils in rolls in the EU, and seeks the extension of the aforementioned anti-dumping measures for another period of five years ("Request").

The anti-dumping measures currently in force take the form of an *ad valorem* duty ranging between 14,2% and 35,6%, depending on the Chinese exporting producers concerned.

I. THE PRODUCT CONCERNED

The product concerned is defined by the Initial Regulation as "*aluminium foil of a thickness of 0,007 mm or more but less than 0,021 mm, not backed, not further worked than rolled but whether or not embossed, in low weight rolls of a weight not exceeding 10 kg ... The product concerned is generally used as a consumer product for packaging and other household/catering application*" ("AHF Rolls").²

AHF Rolls currently falls within CN codes ex 7607 11 11 and ex 7607 19 10 and TARIC codes 7607 11 11 10 and 7607 19 10 10.³

AHF Rolls are manufactured by rewinding AHF jumbo reels cut to the desired length into rolls not exceeding 10 kg, and packing the latter.

This process is largely standard but requires high hygiene work conditions. The companies involved are generally also producing small rolls of plastic films or paper and various other paper products for household usage or food wrapping. However, the rewinding equipment is generally not readily interchangeable.

The product is an end-use product ready for whole- or retail sale and offered on the market for multi-purpose short-life wrapping, for household/private or professional use (catering, food and floristry business among others). Rolls for private use do not normally exceed 60 m length as opposed to rolls for professional use.

¹ Council Implementing Regulation (EU) No 217/2013 of 11 March 2013 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain aluminium foils in rolls originating in the People's Republic of China, OJ L 69, 13.3.2013, p. 11.

² Initial Regulation, Recitals (18-19).

³ *Ibid.*, see also Article 1(1).

Rolls are usually packed individually or several (2 or 3) at a time in a carton box, plastic box or plastic film, but can also be presented unpacked. The core of the rolls is made of cardboard or plastic.

The product is a commodity-type product with one single usage (wrapping). Market differentiation relates essentially to the marketing process:

- (i) in the case of “branded” products, the rewinder bears significant marketing and advertising costs as it owns the brand and is responsible for its promotion,
- (ii) in the case of “private label” products (consumer or professional use), the rewinder is not involved in the marketing and advertising of the brand as the latter belongs to the customer.

Cost difference is generally quite significant, due to marketing and advertising costs essentially but also, although to a much lesser extent, to the costs of raw materials which are often of higher quality.

The product is supplied under various contract arrangements (3- or 6-month or annual contracts). Large customers eventually buy through tenders or e-auctions, others are grouping together in purchasing groups.

As evidenced in the Initial Regulation, "aluminium foil in rolls produced in and exported from the PRC, aluminium foil in rolls produced and sold in the Union by the Union producers and aluminium foil in rolls produced and sold in Turkey (the analogue country) by the cooperating Turkish producer have the same basic physical and technical characteristics as well as the same basic uses and are therefore considered to be alike within the meaning of Article 1(4) of the basic Regulation".⁴

II. ARGUMENTS MADE BY THE APPLICANTS

It is argued that the expiry of the anti-dumping measures would lead to a likely continuation of dumping, as well as a likely continuation of injury.

In particular, the Applicants have determined that Chinese imports of the product concerned are still entering the Union market at significantly dumped prices, with an average dumping margin ranging between 27,05 and 49,14%. This, combined with the existence of significant unused spare capacity in China, and the additional trade barriers for Chinese exporting producers resulting from trade defense measures worldwide, which in addition evidence a habit of dumping on the part of Chinese exporting producers, support a likelihood of continuation of dumping.

In addition, due to the continuous presence of Chinese dumped imports on the Union market, at prices undercutting the Union industry, correlated with market difficulties caused by the increase in costs of production, along with the suspected presence of Chinese imports which avoid the anti-dumping duties by transshipment through

⁴ Initial Regulation, Recital (20).

Thailand, Indonesia and Norway, the Union industry has remained in a fragile state, despite the application of the anti-dumping measures. In light of the unused spare capacity in China, the attractiveness of the Union market and the impossibility for Chinese exporting producers to penetrate markets where trade defense measures have been adopted, there is a likelihood of continuation of injury as well.

Furthermore, it is claimed that the renewal of the anti-dumping measures would be in the Union interest, insofar as any impact on EU AHF Rolls users would be negligible, while the renewal would greatly benefit not only the EU AHF Rolls producers, but also the EU upstream industry, which supplies aluminium foil stock to the EU AHF Rolls producers.

Consequently, the Applicants respectfully request the European Commission to initiate an expiry review of the anti-dumping duties on imports of AHF Rolls from China, on the basis of Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union (codification) ("Basic Regulation").⁵

III. LIST OF KNOWN INTERESTED PARTIES

A. KNOWN EU AHF ROLLS PRODUCERS

1. ALEURO Converting Sp. z o. o
2. Alufix Folienverarbeitungsgesellschaft m.b.H.
3. CeDo Sp. z.o.o.
4. Cellofix S.L.
5. Cofresco Frischhalteprodukte GmbH & Co KG
6. Cuki Cofresco S.p.A.
7. FORA Folienfabrik GmbH
8. ITS foil, film & paper products
9. Rul-Let A/S
10. SPHERE SA
11. Wrapex Ltd
12. Wrap Film Systems Ltd.
13. Terinex Ltd.

B. KNOWN EU AHF ROLLS IMPORTERS-USERS

1. Carrefour
2. Scamark/Mouvement E. Leclerc
3. Poundland Ltd
4. Mercadona
5. Dansk Supermarked A/S
6. Asda
7. Packit BV

⁵ Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union (codification), OJ L 176, 30.6.2016, p. 21.

8. Ireland West Plasticis T/A Western Plastics
9. Robinson Young Ltd
10. Able Packging

C. KNOWN CHINESE AHF ROLLS EXPORTING PRODUCERS

1. Cedo Shanghai
2. Ningbo Ashburn
3. Guangzhou Chuanlong
4. Ningbo Times
5. Ningbo Favored Commodity
6. Qingdao Butterfly / Shandong Loftan
7. Zhengzhou Zhuoshi
8. Shanghai Blue diamond
9. Zhejiang Junma
10. Zhuozhou Haoyuan