

# **Executive Summary**

of the

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**Complaint under Article 10 of Regulation 2016/1037 concerning  
continuous filament glass fibre fabrics from China and Egypt**

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Submitted by



Prepared by

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## 1. The product concerned and the like product

The product concerned by this Complaint is fabrics of woven, stitched or woven and stitched continuous filament glass fibre rovings or yarns<sup>1</sup>, excluding (i) products which are impregnated or pre-impregnated (pre-preg), and (ii) open mesh fabric with cells with a size of more than 1.8 mm in both length and width and weighing more than 35 g/m<sup>2</sup>, originating in the subject countries (hereafter, the product concerned is referred to as "GFF" – glass fibre fabrics).

GFF are currently classified under CN codes ex 7019 3900 and ex 7019 4000.

There are three representative types of the product subject to this Complaint: (i) woven rovings ("WR"), (ii) knitted non-crimp fabrics ("NCF"); and (iii) complex materials ("CM").

WRs are plain (including unidirectional), satin and twill woven fabrics of glass fibre rovings with an area weight from 200 to 1500 g/m<sup>2</sup>.

NCFs are multiaxial (including uniaxial) fabrics of two to four layers of glass fibre rovings or yarns – also in combination with chopped strand mats ("CSM") or continuous filament mats ("CFM"), tissues or veils that can be added as top layer (fifth layer) and sometimes bottom layer (sixth layer) – stitched together at 0°, 90°, +/- 45° or other orientations, with an area weight from 200 to 2400 g/m<sup>2</sup>.

CMs are fabrics with an area weight from 200 to 2400 g/m<sup>2</sup> made by:

- (i) mechanically stitching layers of WR or NCF to one or both sides of a synthetic core;
- (ii) combining WR with CSM, CFM or veils by:
  - (a) mechanical stitching (stitched-bonded),
  - (b) powder bonding (glued), or
  - (c) needling with needles (without binder or stitching yarn); or
- (iii) mechanically stitching layers of CSM, CFM or veils to a synthetic core (without WR).

## 2. Summary of Complaint

TECH-FAB Europe e.V. ("Tech-Fab"), an association of EU producers of fabrics from continuous filament glass fibres, has evidence that imports of GFF from China and Egypt are subsidised and have caused material injury to the EU industry.

Therefore, Tech-Fab, on behalf of Union producers of GFF, requests that the European Commission ("Commission") initiate an anti-subsidy ("AS") investigation pursuant to Article 10 of the Basic Regulation with a view to the imposition of AS measures for a five-year period ("the Complaint").

The Chinese GFF industry is a highly encouraged industry under the 13th 5 Year Plans. Accordingly, Chinese GFF producers have received ample (direct and indirect) contributions from national, regional and local governments in the form of: (i) direct transfers of funds (within the meaning of Article 3(1)(a)(i) of the Basic Regulation); (ii) government revenue forgone or not collected (within the meaning of Article 3(1)(a)(ii) of the Basic Regulation); (iii) the provision of goods and services at less than adequate remuneration ("LTAR") (within the meaning of Article 3(1)(a)(iii) of the Basic

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<sup>1</sup> The reference to yarns includes zero twist glass fibre yarns (and stitching yarns) but not twisted glass fibre yarns.

Regulation); and (iv) payments to a funding mechanism or the entrusting or direction of a private body to carry out one or more of the above functions (within the meaning of Article 3(1)(a)(iv) of the Basic Regulation).

Hengshi Egypt is the only known GFF producer in Egypt. It is related to the Jushi Group, a Chinese State-owned enterprise. Jushi Egypt is Hengshi Egypt's supplier of glass fiber reinforcements, the main raw material used in the production of GFF. Both Hengshi and Jushi are located in the China-Egypt Suez Economic and Trade Cooperation Zone, a special economic zone set up under an agreement between the governments of China and Egypt and controlled by a Chinese government agency to foster China's outward expansion. Hengshi Egypt benefits from subsidies granted directly by the Egyptian government, e.g. under the special laws, regulations and decrees setting up the special economic zones; and financial contributions granted indirectly via Chinese government-owned or controlled banks or other Chinese state-owned or state-controlled entities (directly or via Egyptian entities) to foster foreign investment in the special economic zones by virtue of the agreements between the Chinese and Egyptian governments. As a result of this, Jushi/Hengshi Egypt have been granted subsidies in the form of (i) direct transfers of funds (within the meaning of Article 3(1)(a)(i) of the Basic Regulation); (ii) government revenue forgone or not collected (within the meaning of Article 3(1)(a)(ii) of the Basic Regulation); (iii) the provision of goods and services at LTAR (within the meaning of Article 3(1)(a)(iii) of the Basic Regulation); and (iv) payments to a funding mechanism or the entrusting or direction of a private body to carry out one or more of the above functions (within the meaning of Article 3(1)(a)(iv) of the Basic Regulation).

Heavily subsidised, dumped and undercutting imports of GFF from the subject countries have strongly increased between 2015 and 2018 Q3 (period under consideration) and are causing material injury to the EU industry.

### 3. Interested parties

<b>EU GFF producers</b>
Ahlstrom
Bautex
Chomarat Textiles Industries
Dipex
Formax/Hexcel UK
Gama Tensor
Glasscom
Hexcel Leicester
Kümpers
Lavesan
Metyx
Owens Corning
Parkhill-UK
P-D Glasseiden GmbH Oschatz
Saertex
Selcom
<b>Chinese GFF producers and association</b>
CPIC (Chongqing Polycomp International Corp.)
HENGSHI (Zhenshi Holding Group Co., Ltd.)
PGTEX(Changzhou Hongfa Zongheng Advanced Technolgy Co., Ltd.)
TAISHAN Fiberglass Inc.
CRD (Zhejiang Chengrudan New Energy Technology Co., Ltd.)
Lintex
Changzhou CTC
Haining Chengrudan Reinforcement Textiles Co. Ltd.

Saertex Reinforcements Taicang Co., Ltd.
Jiangsu Juding Group Co. Ltd.
Changzhou Tianma
Rong Tian Da Modern Camp. High-Tech Fiber Co. Ltd.
Taian Jingwei Fiberglass Products Co. Ltd.
Feicheng Sanying Fiberglass Co. Ltd. (MSS)
Hebei Jinniu Chemical Industry Co. Ltd.
Weihai Guangwei Composites Co. Ltd.
Owens Corning Vetrotex (OCV)
Changzhou Hongfa Zongheng New Materials Technology
Xingtai Jinniu
<b>Egyptian GFF producer</b>
Hengshi Egypt Fiberglass Fabrics S.A.E.
<b>EU importers of GFF</b>
Siemens
Vestas
Jupiter
GRP Solutions
Acciona
Hexcel
Matrix Composite Materials
Cristex Composite Materials
<b>EU users of GFF</b>
Beneteau
Enercon
Lm Glassfiber
Vestas
Siemens
Nordex
Senvion
Chereau
Lamberet
Lamilux
Vetroresina
Fiberline
Hexcel
Jupiter
Bach
Sunseeker
Swift
Peter
Gamesa
Indupol
Princess Yatch

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