



## **Executive Summary**

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**of the application before the European Commission**

**for an Expiry Review**

**of the Definitive Anti-dumping Duty Imposed on Imports in the European Union of Ceramic Tableware and Kitchenware Originating in the People's Republic of China**

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**Submitted by DWF LLP on behalf of:**

**FEPF – The European Federation of Ceramic Table- and Ornamentalware**

Brussels, 4 May 2018

## 1. Introduction

The application for an expiry review of the definitive anti-dumping duty imposed on imports in the European Union of ceramic tableware and kitchenware originating in the People's Republic of China is brought by the European Federation of Ceramic Table - and Ornamentalware ("FEFP").

FEFP submits the expiry review application on behalf of nineteen European Union ("EU" or "Union") ceramic tableware and kitchenware producers some of which are members of national member associations (jointly referred to as the "Applicants"). The Applicants represent 32.02% of the Union ceramic tableware and kitchenware industry in 2017. To the Applicants' knowledge, other Union producers do not oppose this complaint.

The Applicants seek the continued imposition of the existing anti-dumping duty on imports of ceramic tableware and kitchenware originating in the People's Republic of China ("China"), as imposed by Council Implementing Regulation (EU) No 412/2013 (OJ L 131/1, 15.5.2013). The present expiry review application is submitted to the European Commission (the "Commission") pursuant to Article 11(2) of Regulation 2016/1036 (the "Basic Regulation").

The expiry review application is based on the grounds that, should the current anti-dumping duty be allowed to lapse, there is a strong likelihood, if not certainty, of continuation of dumping and continuation or recurrence of injury to the Union ceramic tableware and kitchenware industry.

## 2. The Applicants

FEFP is a European federation representing manufacturers of ceramic tableware and kitchenware in ten EU countries. FEFP is composed of national associations and direct members. The Applicants are nineteen Union producers of ceramic tableware and kitchenware some of which are members of national member associations.

The national member associations are listed in **Table 1** below. The direct members are listed in **table 2**.

**Table 1: Members of FEFP**

<b>Members of FEFP</b>	<b>Country</b>
Chambre Professionnelle de la Porcelaine, Poterie, Faience	FR
Verband Der Keramischen Industrie E.V.	DE
Confindustria Ceramica	IT
Apicer – Associacao Portuguesa de Ceramica	PT
British Ceramic Confederation	GB
MakesZ (Hungarian Ceramics Association)	HU
Romanian ceramic industry association STICEF representing tableware is in dissolution although the national association remains a member	RO

Source: FEFP

**Table 2: Direct members of FEPP**

<b>Direct members of FEPP</b>	<b>Country</b>
Inkerpor d.o.o.	HR
Lubiana	PL
Porvasal	ES

Source: FEPP

### **3. The product concerned**

The expiry review application concerns the same product subject to the original investigation that led to Council Implementing Regulation (EU) No 412/2013, which is ceramic tableware and kitchenware of porcelain or china, of common pottery, stoneware, earthenware or fine pottery or other materials and originating from China (the “product concerned”). Ceramic knives, ceramic condiment or spice mills and their ceramic grinding parts, ceramic peelers, ceramic knife sharpeners and cordierite ceramic pizza-stones of a kind used for baking pizza or bread are excluded from the product concerned.

### **4. The continuation of dumping**

As demonstrated by the Applicants in the expiry review application, imports into the Union of the product concerned are still being significantly dumped. Accordingly, the Applicants respectfully submit that the continuation of measures is necessary to protect the Union industry from unfair imports. Should the duty against imports of the product concerned be allowed to lapse, Chinese tableware and kitchenware imports into the Union market would increase substantially at highly dumped prices for the following reasons:

- The EU is China’s most important export market on a country-by-country comparison based on total value and volume exported during the past years. In addition, Chinese exports have been subject to various trade defence measures imposed by third countries, which increases the likelihood that exports to the EU will skyrocket at heavily dumped prices should the anti-dumping duty be allowed to lapse.
- Chinese producers have vast tableware and kitchenware production capacities installed, which have significantly increased over the last decade and continue increasing. The low capacity utilization contributes to a fierce price competition between Chinese companies leading to price suppression. In such a context, exports are seen as a viable alternative for Chinese companies to increase their sales and market share.
- Chinese exporting producers’ focus on output expansion is further fostered by State supportive measures. The Chinese government is committed to support foreign trade and has developed for this purpose different measures that promote the development of international markets. One of these measures are so-called trade fairness funds that give financial support to exporters affected by trade defence measures imposed by third countries.

### **5. The continuation and likelihood of recurrence of injury**

Although the anti-dumping measures were effective and allowed Union sales to increase significantly in the first year of imposition of the provisional measures, Chinese imports have followed a continuous upward trend since



the imposition of definitive anti-dumping measures. Similarly, China's market share has been again on a rise over the last years and Chinese imports still dominate the Union market with a 59.86% market share in 2017.

Several factors such as the current problem of overcapacity in China, the Chinese government's continuous support of its domestic industry and its commitment to foster Chinese exports, explain the persistently high Chinese market share and make it inevitable that imports from China will increase at heavily dumped and injurious prices should anti-dumping measures be allowed to lapse.

In addition, while sales and production in the Union industry increased since the imposition of the measures in 2012, they did not reach levels similar to those before the 2009 global economic crisis. The Union industry's profits are also below the target profit margin of 6% as identified in the original investigation. The Applicants have further demonstrated in the expiry review application that imports of the product concerned still heavily undercut Union prices. There is therefore, continuation of injury or, in the alternative, a definite risk of recurrence of injury should the measures be allowed to lapse.

In light of all these factors, the Applicants respectfully request that the EU continues the imposition of anti-dumping duties against imports of the product concerned.

## **6. Conclusion**

The expiry review application demonstrates the likelihood of continuation of dumping and continuation or recurrence of injury to the Union ceramic tableware and kitchenware industry in the absence of any measures protecting against unfair imports.

Accordingly, the Applicants respectfully request the EU Commission to initiate an expiry review investigation aiming at re-imposing the present anti-dumping duty for another five-year period.

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