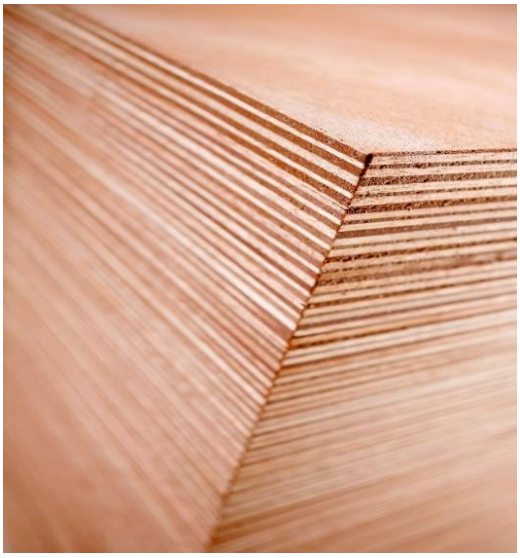
EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS

UPHOLDING THE INTERNAL MARKET – INTERVIEW

DOSSIER: ANTI-DUMPING MEASURES – IMPORTS OF OKOUMÉ PLYWOOD FROM CHINA

Last month, the Council of the European Union adopted the decision to extend **anti-dumping (AD) duties on okoumé plywood imported into the EU from China**. This decision came into force on 15 June 2023, one day after its publication in the Official Journal of the European Union. Okoumé plywood represents €150-200 million in product sales on the European market.



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🔎 To better understand what this decision implies for the WBP industry, EPF asked for the expertise of

- EPF Senior Economist **Mr Orifjon Abidov**
- EPF Board Member and Chairman of the EPF Plywood Product Group **Mr Mārtiņš Lācis**

> ***"A new 5-year period of anti-dumping measures has been achieved with 66.7% anti-dumping duty on okoumé plywood (China) from June 2023 onwards."***
>
> ***Orifjon Abidov***

What are the 3 key points of this decision published in the Official Journal of the European Union under REGULATION (EU) 2023/1159?

1. Existing AD measures have led to the virtual cessation imports of previously dumped Chinese okoumé plywood. However, the investigation proved that the Chinese plywood industry has a large production capacity, which would likely allow it to produce okoumé plywood in large quantities for the EU market should the AD measures elapse in the EU.

2. It is proved that Chinese economy is characterised by significant distortions due to state interferences. It was therefore necessary to construct the normal value of okoumé plywood based on undistorted prices and sales of raw materials. To this end, Türkiye was selected as a representative country to China since Türkiye also has okoumé plywood production.

3. On that basis, the dumping margin for imports from China, expressed as a percentage of the CIF Union frontier price, duty paid, was above 100%. This helps justify the original anti-dumping duties on okoumé plywood imports originating from China.

EPF initiated the expiry review a few years ago. The federation on behalf of the Union industry of Okoumé plywood submitted a request. What was the basis for this request if there have been virtually no EU Imports of okoumé plywood from China?

Indeed, European okoumé plywood market has been nearly closed for Chinese exporters thanks to AD measures. However, Chinese exporters remained active in markets in the Middle East, in South Korea or

in Japan where there are no anti-dumping duties. Within these markets, among others, a total of 106 price quotes originated from Chinese okoumé plywood producers. This information was compared to the normal value previously calculated, which allowed the European Commission to conclude that the expiry of the measures would be likely to result in continuation and/or recurrence of dumping and recurrence of injury to the Union industry.

To which extent is this decision successful?

It is successful because it gives a strong signal to Chinese okoumé plywood producers that we are ready to defend the EU market against dumped imports and to ensure a level playing field on the EU domestic market. This decision also allows us to protect the direct and indirect EU jobs in rural areas where our members have their production facilities.



One of EPF's Strategic Direction is supporting one harmonised Europe and avoiding fragmentation. What does this decision imply in terms of harmonisation?

Basically, this decision puts both EU and Chinese producers on the same footing in terms of competition on the EU okoumé plywood market. Fair competition is something we always seek and welcome. Ans this is particularly important for the size of the European okoumé plywood market, which represents 200 million EUR business and 190,000 m^3 of okoumé plywood sales. EPF has never been against imports *per se* as it can complement the supply of wood-based panels for European end-users (e.g. construction companies, furniture and packaging producers). However, such imports should be free from distortions that can potentially lead to the destruction of the EU's industry. Harmonisation is therefore crucial.

"There are increasing demands and regulations (especially for the work environment at production sites) for EU plywood producers. EPF members fully support such initiatives as they improve everyone's life. But they do not come without a requirement for extra resources to be allocated. That's why market distortions like dumped prices cannot be permitted as they undermine the efforts of EU producers to fully comply with these sensible rules."

Mārtiņš Lācis

The European plywood market is an embodiment of free market principles. As much plywood is imported as is sourced domestically, allowing consumers to pick what is best for them (and hopefully for the environment and climate too) from a truly global choice. This is a privilege that the EU represents, and it must not be abused. We are delighted that this case of dumping against a plywood type from China has been upheld for the third consecutive time, with due corrective measures imposed. We commend legislators for upholding and enforcing the European ideals of free and fair trade.

About EPF – the European Panel Federation has members in 30 European countries and represents the manufacturers of particleboard, MDF, OSB, hardboard, softboard and plywood. The EU wood-based panels industry has an annual turnover of about 25 billion euro and creates over 100,000 jobs directly.

Contact us at info@europanels.org