

POSITION PAPER

of

European importers of tableware and kitchenware

The European importers of tableware and kitchenware, supported by a great number of European retail businesses and some European manufacturers, strongly object to, and **oppose**, the imposition of anti-dumping duties on ceramic tableware and kitchenware originating in the People's Republic of China, for the following reasons:

(a) The Complainants (EU producers) do not qualify as a relevant Community industry

- because there is a substantial number of Community producers who themselves import the allegedly dumped products from China,
- the number of producers which support the Complaint, but do not themselves import from China, account for **less than 25 %** of the total production of the like product produced by the Community industry,
- so that the present proceedings should not have been initiated in the first place.

(Art 5 (4) Basic Regulation)

(b) The Complainants (EU producers) only represent a minority group of suppliers

- because the market is dependent on total imports of tableware by nearly **93 %**,
- the European producers account for a market share of not much more than **7 %**,
- the Complainants claim to be supported by 35 % of the European producers, which means those producers who support the Complaint account for a market share of only **2,5 %**,
- whereas products imported from China account for a market share of more than **66 %**,
- and to impose anti-dumping measures would mean to protect a very few at the expense of the vast majority of market actors, which is to be considered disproportionate and against the Community interest

(Art 21 (1) Basic Regulation)

(c) There is, in fact, no dumping by Chinese exporters

- because Chinese manufacturers sell on their domestic market at equivalent or even lower prices than they do when exporting their products.

(Art 1 (2) Basic Regulation)

(d) There is, in fact, no direct threat emanating from Chinese imports

- because, on the one hand, there is a substantial number of European producers who are able to produce comparable products in significant volumes at comparable, if not even lower, prices,
- and, on the other hand, the prices the European importers had to pay for products imported from China have been subject to a substantial increase of **39 %** from January 2010 to June 2012.

(Eurostat database, extract enclosed)

(e) There is, in fact, no injury the EU producers have suffered from Chinese imports

- because European producers serve the premium market segment, which is characterised by high price products mainly distributed through specialist shops,
- whereas European importers serve an entirely different market segment, characterised by low price products mainly distributed through local retail shops and supply facilities in the consumers' close neighbourhood,
- therefore, the products imported by the European importers do not directly compete the products the European producers manufacture,
- which is also why European producers, according to their own financial statements and press releases, managed to achieve record business results in recent years (despite their allegation that products imported from China are dumped and despite the fact there is recession !!).

(Press releases of BHS tabletop AG and Steelite International plc, enclosed)

(f) Even major European producers strictly oppose anti-dumping duties

- because the present market situation and the distribution of market shares between EU producers and Chinese imports is not the result of a recent acute problem which required the intervention by the authorities,
- it is the result of a development which commenced several decades ago, and to impose anti-dumping duties under the given circumstances would **not** mean to eliminate distorting effects and to restore effective competition,
- it would mean the exact opposite, anti-dumping duties would, in fact, eliminate effective competition and introduce distorting effect, thus being contrary to what the Community interest requires,
- which is why even major **European producers** expressly **oppose** the imposition of anti-dumping duties, in particular as they fear harm to their own businesses.

(Letters of Portmeirion Group plc and Just Mugs Ltd, enclosed)

(g) The European importers and retailers are, by far, the larger 'Community industry'

- because they represent a market share of more than **66 %**,
- the introduction of additional duties would cause this European import sector, and all the other businesses involved in the distribution of their products, to suffer severe damage,
- because the European importers have invested heavily for many years, and it has taken them many efforts, to establish the market segment they presently supply, to create their own brands and trademarks, and to build up a well functioning system of distribution channels and retail outlets, which allows to sell tableware at affordable prices through a network of outlets located close to the consumers,
- all this would be at risk if anti-dumping duties were imposed,
- because the market they serve will not accept price increases, which are not the result of the mere operation of market forces, but which are the result of **artificial interferences by the authorities** (anti-dumping duties), and thus
- unavoidably lead to substantial decreases of their sales, possibly dropping down to nil in some of the product areas.

(h) There would be a substantial number of jobs at risk

- because many European importers and retailers, whose businesses depend on the import of the products under investigation, would be forced to step out of the market or to severely restructure their business,
 - which could cause as many as **7.000** employees to lose their job just on the European importers' side,
 - and additional several hundreds, if not thousands, more on the European retailers' side
 - which, according to what **Metro** stated during the Commission hearing on 22 August 2012, could easily cost as many as 5.000 tableware related jobs all across Europe just within the Metro group
- (and Metro being only one of the top 20 retail chains in Europe, of which the others are Auchan, Carrefour, Edeka, Tesco, etc).

(i) There would be substantial harm to European consumers

- because the introduction of additional duties will not help the European manufacturers to overcome the structural problems some of them may have,
- but it will primarily lead to **European consumers** to suffer harm, because anti-dumping duties will have a direct linear effect on consumer prices, which will make the tableware products the majority of them is buying considerably more expensive, and as a result of diminishing sales, these products will disappear from the shelves of retail chains completely in the near future,
- thus depriving European consumers of the opportunity to buy tableware and kitchenware at affordable prices through a network of local supply facilities in their neighbourhood.

The imposition of anti-dumping duties is disproportionate and against the Community interest.

(Art 21 (1) Basic Regulation)

Enclosures:

- Letter of opposition, Casa International (European retailer)
- Letter of opposition, tedox (European retailer)
- Extract from Eurostat database, price increase Chinese imports Jan 2010 - June 2012
- Press release, Steelite International
- Press release, BHS tabletop
- Letter of opposition, Portmeirion Group plc (European producer)
- Letter of opposition, Just Mugs Ltd (European producer)