



4 March 2013

Comments on the antidumping investigation in case AD 586

After the publishing of the final disclosure document in the anti dumping case AD 586, IKEA, as a sampled importer and retailer would like to comment on the commission's investigation and handling of this case.

IKEA has invested considerable time and money to partake and share information that the commission has requested. We do, in light of the conclusions and comments in the disclosure, find that this investigation would improve from a more stringent and thorough analysis of the information they have received from IKEA. Today, we are not confident that the investigation and the general disclosure meet the high standard necessary for such an important anti dumping decision. We find that it lacks of clarity and risk being misleading.

To exemplify, we will use the commission analysis of the cartel in one of the major companies in the sector.

The effect of the cartel on the financial results of the sector was dismissed by the commission as being irrelevant to the case. IKEA and a number of other stakeholders pointed out repeatedly that a more thorough analysis of the cartels effect was needed. The commissions argumentation, was challenged with the below arguments.

In 2010 the European Commission fined 17 producers of bathroom fixtures and fittings 622 million € for a price fixing cartel. The second largest individual fine of approximately 72 million € was given to a producer that in the same company has one of the largest productions of kitchen and tableware in Europe.

In section 3.6 of the provisional regulation, the commission disregards the anti-competitive behaviours of ceramic producers as irrelevant to this case.

Commission argument	Comment
<ul style="list-style-type: none"> The practice took place before the period considered 	Fine booked and affects the result in 2010 according to the company's yearly result
<ul style="list-style-type: none"> Concerend other products 	No separation of product divisions in the yearly result, the profit levels in the company's yearly result for 2010 corresponds to the commission's data in table 10 of the provisional regulation. To claim that only the data concerning tableware has been used is not realistic since the audited accounts are for the company as such and not on divisional level.
<ul style="list-style-type: none"> Filed for annulment 	No suspensive effect on the payment obligation under EU law



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- Only German company

EU should be seen as one single market since the company is one of the world's largest producers and sells globally.

If we look at the data available we can, with a simple calculation, get an indication if the company concerned has a major effect on the sector. A quick calculation using the commission's figures and the company's yearly result gives us that the company concerned is responsible for some 48% of the Union producer's sale. Even with this rather basic calculation, we can see that a large producer such as this has a significant effect on the sector result and that distortion is likely given the sudden drop in profitability for the sector in 2010 (table 10 prov regulation).

Company sales, tableware	267.6 milj €	Yearly report 2010, tableware division
Average sales price in union	3811 €/ton	table 9 in prov regulation
Volume	74024 ton	267.6m/3811
Sales by union producers	152 609 ton	table 4 in prov regulation
Volume by company concerned	48%	$74024/152609=0.4850=48\%$

This is just one of several imperfections in this investigation that the commission has not corrected. Just to mention a few more.

The commission statement in recital 200 of the provisional regulation and 170 of the general disclosure, stating that the importing industry employed 350 persons, is not very probable or factual correct.

IKEA alone reported employment of some 4200 persons out of our 136 000 staff, in this field.

IKEA and METRO group were unfortunately excluded from the sample. The commission claims this was since both companies are not "pure" importers. This should not have any bearing on the data since the question in the questionnaire already had been discounted for this by focusing on the product under investigation as compared to the general question of total employment.

The question reads as follows: "F1. Personnel employed for the product under investigation in FTE/AWU"

This is one of several instances in this investigation, where we need to ask why major companies like IKEA and METRO Group are excluded, even if data is willingly supplied to the commission.

IKEA finds that our right to be heard has been infringed by the use of questionnaires that, by its very setup makes it possible to exclude any large scale retailer from the dataset at will, or makes it impossible to reply due to the business model of the company, as it has been the case in this investigation. The problem was brought to the commission's attention already in 2010, but no changes have taken root in any practical meaning.

We therefore ask you to vote against antidumping duties on ceramic tableware in case AD 586. If not for its damaging effect it will have on the Consumer, Businesses as well as the ceramics industry, -then because the investigation is not transparent and the misleading information that the commission presents should not be qualified as a basis for an important decision such as this.