

European Bicycle Manufacturers Association applauds EU Registration of dumped e-bikes from China

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STOP CHINA
DUMPING E-BIKES

Moreno Fioravanti, Secretary General of the European Bicycle Manufacturers Association (EBMA) said: "The EBMA applauds today's European Commission decision to order the registration of all imported e-bikes from China, a first vital step for the legitimate defence of 90,000 EU workers and over 800 SMEs against unfair competition. This means that provisional EU anti-dumping measures may be imposed on Chinese e-bikes imports with effect prior to 20 July 2018 and as early as tomorrow.

Today's decision by the European Union should send a clear signal to Chinese e-bike companies to stop their dumping in the EU, and to the Chinese Government to stop its massive subsidy programs, such as "Made in China 2025", which are unfairly favouring Chinese e-bike exporters. European importers should also wake up to the concealed costs of Chinese e-bikes and the injury they are causing to European industry, EU employment and the environment. European e-bikes are the right green choice for European consumers."

The European Commission confirmed in the Official Journal today that at this stage it has "sufficient evidence that imports of the product concerned from the People's Republic of China (PRC) are being dumped"; and "the Commission has at its disposal sufficient evidence that the exporting producers' subsidy practices are causing material injury to the Union industry."

The European Commission published key data presented with EBMA's complaint, and stated in the Official Journal (Link Below):

- "The evidence of dumping is based on a comparison of the normal value thus established with the export price (at ex-works level) of the product concerned when sold for export to the Union. As a whole, and given the extent of the alleged dumping margins ranging from 193 % to 430 %, this evidence provides sufficient support at this stage that the exporting producers practice dumping"
- "The complaint also provided sufficient evidence of alleged injury showing a steep decline of the market share of the Union Industry from 42.5 % in 2014 to 28.6 % in the period used for the complaint, depressed and declining levels of profitability from 3.4 % of turnover in 2014 to 2.1 % in the period used for the complaint as well as underselling calculations ranging from 153 % to 206 %."
- "The volume of exports from the PRC to the Union increased by 82 % in the period from November 2017 to February 2018 when compared to the period from November 2016 to February 2017."

Furthermore, as stated in the Official Journal:

- "The Commission considered that a year-on-year comparison was not influenced by seasonality effects and provided evidence of a rise of 82 % in the volume of imports since the initiation of the case".
- "The Commission considered that the importers were aware, or should have been aware, of the alleged dumping practices, the extent thereof and the alleged injury".
- "The further substantial rise in imports is likely to seriously undermine the remedial effect of the duties to be applied. It is indeed reasonable to assume that the imports of the product concerned may further increase prior to the adoption of provisional measures, if any, since the latter would occur at the latest around the 20th of July which would coincide with the end of the 2018 selling season of electric bicycles."

Moreno Fioravanti, Secretary General of the EBMA pointed out: "Today's decision on Registration has been made in time to counter a flood of dumped e-bikes through the important summer sales months of 2018, and rejected claims made by Chinese-backed interests. Dumped, subsidised Chinese e-bikes are flooding the EU at an alarming rate and artificially low prices. Chinese exporters are anticipating new EU trade measures and trying to avoid duties by stockpiling massive volumes of e-bikes in the EU, as demonstrated by the skyrocketing increase in imports of e-bikes. Just in the month of January 2018 alone, over 130,000 Chinese e-bikes were shipped to the EU."

"Overall e-bike exports from China grew by 83% in 2017 compared to 2016. A total of close to 800,000 e-bikes were exported in 2017 to the European Union's 28 member states; up 83% on the 434,000 total of 2016. Without immediate action, China would quickly take over the vast majority of the EU e-bike market this year, causing an unfair and unjustified decline of the EU industry after it has generated so many excellent and innovative products – the development of the pedal-assist e-bikes (EPAC's) is a great achievement of our EU bicycle industry – and invested record amounts in 2016 and 2017, over 1 billion euros per year," continued Fioravanti.

The EBMA actions to 'Stop China Dumping e-bikes' are supported by the European Small Business Alliance (ESBA), AEGIS Europe representing 30 European industry sectors, and the European trade union IndustriAll which is the voice of 7 million workers across Europe.

"Our European bicycle, e-bike and components industry is one of the largest generators of green jobs in the EU, and the dumped Chinese e-bikes put at serious risk the employment of over 90,000 EU workers and 800 SMEs (Small and Medium-sized Enterprises)." said Fioravanti.

In 2017 the EBMA filed complaints with the European Commission, calling for urgent trade defence measures on e-bikes from China, and the registration of imports. In view of an alarming market reality, the European Commission launched an anti-dumping investigation on 20 October 2017 of EU imports of Chinese e-bikes, followed by an anti-subsidy investigation initiated on 21 December 2017. Chinese e-bike exporters benefit from massive subsidies from government bodies at every level in China which have encouraged the establishment of enormous overcapacities. European bicycle manufacturers cannot compete with the enormous scale of state-sponsored dumping and are already suffering a loss of jobs, investment and growth, as well as EU market share.

"European e-bikes are the right green choice for European consumers. If the entire annual EU demand for bicycles and e-bikes were imported from China, their production would generate over 2 million MT more in CO2 and other emissions than if the bicycles and e-bikes were made in the EU, due to shipping-generated sulphuric dioxides, the still growing use of coal energy in China, the use of hazardous materials in China, and other factors", concluded Fioravanti.

Official Journal of 3 May 2018

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2018:113:FULL&from=EN>

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