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**EUROJURIS
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**NON-CONFIDENTIAL VERSION – for inspection by
interested parties**

**Case AD668 Anti-dumping proceeding concerning imports of aluminium flat-rolled
products originating in the People's Republic of China**

Dear Madam/Sir,

in the above mentioned matter, EURANIMI – European Association of Non-Integrated Metal Importers & Distributors (hereinafter: EURANIMI) has retained our services to represent its interests vis-à-vis the European institutions and other interested parties involved in the above mentioned anti-dumping proceeding.

EURANIMI is a newly formed association, representing the interests of several importers, traders and processors of steel products which are directly concerned by the a.m. anti-dumping proceeding. A list of the members of EURANIMI can be found at www.euranimi.eu/member/.

EURANIMI notes that in its general disclosure document of 15 March 2021, the Commission came to the conclusion that provisional anti-dumping measures on imports of aluminium flat-rolled products originating in the People's Republic of China (hereinafter: "product concerned") should be imposed.

On behalf of our client, we would like to point out that, contrary to the Commission's conclusion, the legal conditions for the imposition of anti-dumping measures on imports on the product concerned are not fulfilled. In particular, there is no injury, nor would the imposition of anti-dumping duties be in the Union's interest.

In that respect, we would like to share the following important considerations with you:

I. No injury

Contrary to the allegations of the complainant, there is no evidence of material injury in accordance with Art. 3 (1) of the basic anti-dumping Regulation caused by imports of the product concerned into the EU.

First of all, it should be noted that the import volume of the product concerned has remained essentially stable or even declined. This is confirmed by the following import statistics, according to which import volumes for the product concerned increased by 13.7 % from 2016-2018, but fell by 3.6 % in 2018-2019.

	2016	2017	2018	2019
CHINA				
Quantity (MT)	171 394.03	145 430.97	305 569.46	329 478.24
Avg price (€/MT)	2 000.65	2 340.27	2 226.58	2 105.84
SWITZERLAND				
Quantity (MT)	278 341.24	300 650.83	275 738.43	265 774.64
Avg price (€/MT)	2 822.82	3 024.33	3 069.02	2 798.82
TURKEY				
Quantity (MT)	170 848.48	154 216.40	161 463.30	176 461.32
Avg price (€/MT)	2 304.82	2 609.11	2 698.09	2 495.54
NORWAY				
Quantity (MT)	133 895.64	139 472.63	139 785.01	140 019.55
Avg price (€/MT)	2 515.01	2 778.40	2 869.79	2 756.53

EGYPT				
Quantity (MT)	49 590.43	53 256.83	53 638.03	56 003.50
Avg price (€/MT)	1 825.45	2 077.46	2 176.52	2 046.43
SERBIA				
Quantity (MT)	46 521.33	35 131.07	46 155.86	41 650.87
Avg price (€/MT)	2 335.97	2 630.67	2 677.01	2 476.09
RUSSIA				
Quantity (MT)	54 975.44	71 788.07	62 404.91	27 549.61
Avg price (€/MT)	2 578.74	2 633.48	2 821.35	2 926.61
SAUDI ARABIA				
Quantity (MT)	560.83	2 280.33	7 117.33	15 680.20
Avg price (€/MT)	2 830.63	2 985.09	3 123.42	2 998.09
UNITED STATES				
Quantity (MT)	45 698.69	50 657.79	33 407.09	27 015.63
Avg price (€/MT)	6 945.16	6 798.69	6 825.25	7 399.27
SOUTH AFRICA				
Quantity (MT)	37 512.13	37 090.09	38 195.30	26 774.88
Avg price (€/MT)	2 569.74	2 866.48	3 036.24	2 749.45
TOTAL IMPORTS				
Quantity (MT)	1 053 642.70	1 050 601.13	1 198 657.19	1 157 322.46
Avg price (€/MT)	2 643.64	2 912.21	2 799.04	2 618.27

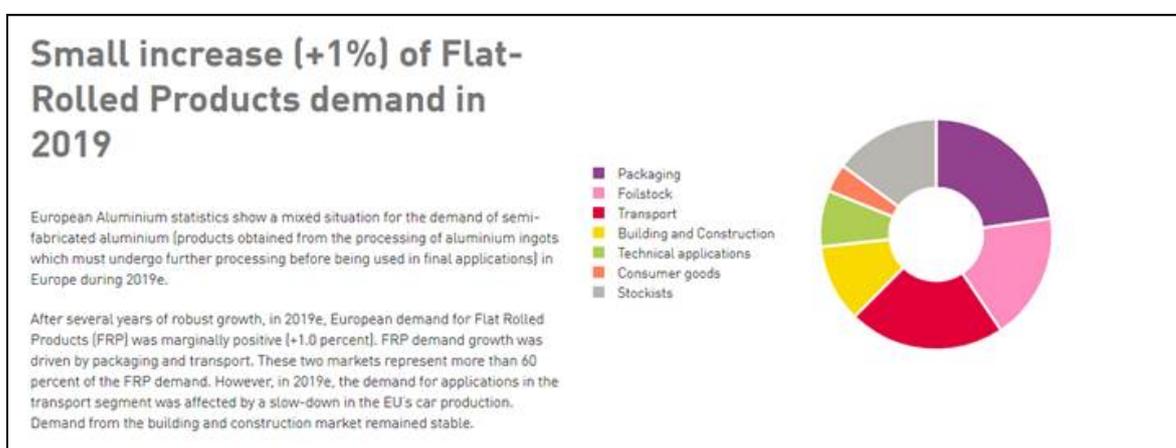
Source: Annex C-1-Eurostat

In this respect, it is undeniable that imports from the PR of China have increased and represent the largest import quantity of the product concerned to the EU from a single country. At the same time, however, imports from other countries - namely imports from the USA, Russia, South Africa and Switzerland - have fallen sharply, so that Chinese imports have only served the market demand in the EU caused by the decline in imports from other countries. Against this background, it should be noted that the total import volume was not significantly increased by imports from China¹, so that the increase of imports from the PR of China had no influence on the situation of the EU aluminium industry.

Looking at the development of imports, it is also necessary to look at the market demand for the corresponding products in the EU and the ability of EU producers to meet this demand. In that respect, one has to underline that the market demand in the EU for imports of the products concerned is very high and has grown continuously over the past years.

¹ In particular, if one considers that from 2016 – 2019, the imports from Turkey, Norway, Egypt and Saudi-Arabia increased, too, the overall increase of imports caused by imports from the PR of China amounts of merely 6,7 %.

This is confirmed by the following publications of the complainant:



Source: European Aluminium Digital Activity Reports 2017 – 2018 and 2019 - 2020

With regard to this increase in demand, it is important to note that the European industry does not have the capacity to meet the needs of the EU market.

The reason for this is, on the one hand, that the European aluminium producers - in particular the complainant in the present proceedings - do not produce numerous articles covered by the product concerned or only to a very small extent, so that the market is forced to source these articles from imports.

On the other hand, the European production has not the rolling capacity to serve the EU demand for the product concerned to a sufficient extent, as the production and capacity of the plants is almost unchanged from 2017 to the IP and the capacity utilization is at a very high level of almost 80% or above. This can be seen in the chart below.

<i>FRP Production and capacity</i>	2016	2017	2018	IP
Total EU-28 Production (MT)	1,783,194	1,867,670	1,882,869	1,878,635
<i>Index</i>	100	105	106	105
Capacity of production (MT)	2,206,543	2,334,066	2,379,160	2,376,527
<i>Index</i>	100	106	108	108
Capacity utilisation rate (%)	87%	85%	81%	79%
<i>Index</i>	100	97	93	91

Source: European Aluminium

For example, for commercial sheets in alloy 1050 and alloy 5754, in the last 20 years no new rolling capacities have been created in Europe except in very small quantities. At the same time, however, the market demand for these sheets has constantly grown by over 3% per year and continues to grow – so that without imports from the PR of China, the supply of these types of products would collapse.

It should therefore be noted at this point that the EU industry suffers no material injury from imports of the product concerned from the PR of China, as the overall import volume is stable, there is huge market demand for the product concerned which cannot be met by the EU industry alone and in the past years, the latter has a very good capacity utilization and even an increased production.

The latter is all the more true if one considers the development of the EU industry in recent months, which has been characterized by the fact that the European processing industry has recovered from the initial effects of the corona pandemic and since Q4 of 2020, demand increased significantly, particularly in the mechanical engineering and automotive industries.

With regard to this significant increase in demand, since several months the European aluminium producers are working at full capacity, produce and sell at the highest level and at the same time massively increase their sales prices. This will be explained in more detail in the following section. From today's perspective, therefore, and despite the continuing Corona restrictions, the European aluminium industry is in a very good shape and extremely profitable.

Against this background, one has the impression that the present anti-dumping complaint is not based on any material injury allegedly caused by imports of the product concerned from the PR of China, but rather represents the attempt of the Complainant to get rid of competition by raising the allegation of dumping. The aim of the complainant's efforts is thus precisely not to create fair market conditions - but to cement their dominant position

in the EU by eliminating competition!

This claim is hereby strongly opposed and - short of any apparent material injury to the European producers - the Commission is requested to terminate the present anti-dumping proceeding without imposing any measures without delay.

II. Union Interest

Furthermore, EURANIMI underlines that under Art. 21 (1) of the EU Basic Anti-dumping Regulation, measures, as determined on the basis of the dumping and injury found, may not be applied where the authorities, on the basis of all the information submitted, can clearly conclude that it is not in the Union's interest to apply such measures."

Under this rule, namely the interests of users and consumers have to be taken into account, i.e. the customers of the members of EURANIMI, who are dependent on these members' deliveries due to long-standing business relationships and product specifications jointly developed and agreed upon. These include numerous automotive manufacturers and suppliers, but also other major players in key industries such as mechanical engineering and construction.

In this context, it is of fundamental importance that already at the present time there are enormous procurement problems because the European factories are fully and delivery times have already been extended by several months at present. This is accompanied by massive price increases, because in view of the shortage on the supply side, the manufacturers (namely the European producers with their dominant market position in the EU) are currently turning the price screw upwards almost at their discretion. Accordingly, for example, one large German producer was able to double the price of billets in a period where the full restrictions of the Corona pandemic were in place.

As a consequence, according to the information of EURANIMI's members, lead times for aluminium sheets and plates are currently in October/November 2021 from most mills in Europe (if at all in 2021), whereas under normal conditions, lead times would amount to approx. 8-10 weeks. At the same time, over the last 2-3 month, price increases of 50% - 75% took place on the price for converting raw aluminium into sheets and plates. It goes without saying that these price increases are being passed on in the supply chain and ultimately have to be paid by the end users.

The above is evidenced by the following examples of, which are attached in the Annex of this submission:

- **[CONFIDENTIAL]**
The production capacity for 2021 is fully booked already.
Consideration of additional production capacities for production from June – November 2021
- **[CONFIDENTIAL]**
For Q4 2021, no quantities are available.
Next available quantities in 2022
No discussion of prices and delivery conditions for 2022 quantities
- **[CONFIDENTIAL]**
No offers for first half of 2021
No offers or prices for July 2021.
Reference to dramatic price increases for feedstock, which make a forecast impossible.

In addition to the long lead times and price increases, today's global capacity bottlenecks for containers are leading to an irregular and no longer calculable supply of the European market, which is currently causing considerable difficulties for the EU industries reliant on imports of the product concerned.

In view of this development - the end of which is not in sight - there is already currently a dramatic shortage in the supply of aluminium flat rolled products. Indeed, many members of EURANIMI report very serious difficulties in obtaining the quantities of aluminium flat rolled products ordered by their customers. If this situation continues, therefore, has to fear that many EU downstream key industries like automotive and automotive suppliers, construction and mechanical engineering, as well as other industries would not be able to source the products they desperately need to continue production.

Against this background, EURANIMI considers it particularly important that the possibilities for importing aluminium flat rolled products are not further impeded by the imposition of anti-dumping measures on imports of the product concerned from the PR of China.

III. Conclusion

In view of the currently very strong economic situation of the EU producers of aluminium flat rolled products, imports of the products concerned from the PR of China do not cause any material injury to the EU industry within the meaning of Art. 3 (1) of the basic anti-dumping Regulation. On the contrary, the EU aluminium industry is currently in a very healthy and profitable state, so that the assumption of material injury could not be reconciled with today's economic reality of the EU aluminium producers.

In addition, due to the inability of the EU aluminium producers to meet the demand on the European market and the decrease of imports as a consequence of the present anti-dumping proceeding, already today, EU users and consumers suffer from an extreme procurement shortage. Therefore, imposing additional anti-dumping measures in this situation would limit the remaining competition with imported products, further aggravating procurement problems, lengthening delivery times and artificially inflating prices.

The consequence would most likely be the massive disturbance or even disruption of supply chains, which could lead to enormous damage and even events of insolvency in a very short time, especially in the mechanical engineering and automotive industries. Such injury to key European industries, where millions of jobs are located, cannot be in the Union interest, so that, according to Art. 21 (1) of the Basic Anti-dumping Regulation, the imposition of anti-dumping measures is clearly not warranted.

In view of this very critical market situation, EURANIMI therefore urges the European Commission to immediately terminate the present anti-dumping proceeding without imposing any anti-dumping measures.

EURANIMI is at the Commission's disposal at any time for a personal discussion and in particular for an explanation of the above-mentioned examples.



Tim Lieber
Rechtsanwalt

on behalf of EURANIMI – European Association of Non-Integrated Metal Importers & Distributors

Annex: [CONFIDENTIAL]