

Title: Resignation of EU Commissioner John Dalli: “Consumers and importers fear vacuum in the Commission”

Subtitle: Importers: “Planned EU duty on imports of Chinese tableware hurts the vast majority, including consumers”

Place of publication and date – European importers of tableware and kitchenware fear a vacuum in the College of EU Commissioners. At the administrative level the European Commission plans to impose anti-dumping duties of between 17 and 58 percent on Chinese producers of tableware and kitchenware which the importers strongly oppose. Such plans were made public by a Reuters cable on Oct. 11th referring to “EU sources”. The Commissioners still have the power to stop this until 15th November 2012.

“To impose anti-dumping measures would mean to protect very few market actors at the expense of the vast majority. The unavoidable consequence would be not only higher prices for the consumers, but also loss of jobs on the importers’ as well as the retailers’ side”, says Michael Freiwirth, CEO and owner of the German import firm Arte Viva. This view is endorsed by a number of European retail businesses such as Metro as well as organisations like the Foreign Trade Association (FTA) and the Association of German Retail (AVE).

Freiwirth stresses that even major European producers expressly oppose the imposition of duties. This is because there is a substantial number of Community producers who themselves import the allegedly dumped products from China. The complainants claim to be supported by 35 percent of European producers which as a whole account for a market share of just above seven percent. “Consequently, the complainants represent a market share of around 2.5 percent whereas the market share of products imported from China account for more than 66 percent”, Freiwirth argues.

According to the importers, the whole complaint brought before the Commission is baseless because Chinese manufacturers sell on their domestic market at equivalent or even lower prices. Moreover, according to the Eurostat database the price European importers have to pay for Chinese products have gone up by nearly 40 percent between January 2010 and June 2012 – a fact the commission seemingly has not taken into account.

The importers also emphasize that they serve an entirely different market segment than the European producers, one that is characterised by low price products mainly distributed through local retail shops whereas European producers serve the premium market segment. “The market we serve will not accept price increases”, Freiwirth points out. “Thus, sales will decrease substantially. At a Commission hearing the retail group Metro stated that an anti-dumping duty could easily cost as many as 5000 tableware-related jobs across Europe just within the Metro group” (Metro being just one of the top 20 retail groups in Europe).

In sum, the planned duties will not resolve the structural problems which some European producers may have. At the same time they will definitely jeopardize thousands of jobs in the import and retail industries.

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