




EU's AD Investigation Against Chinese Fasteners



AD Investigation Background

The European Commission ("EC") received a complaint on Nov/06/2020 lodged by European Industrial Fasteners Institute ("EIFI") on behalf of the Union's certain iron or steel fastener producers and relevant interested parties, pursuant to Article 5 of Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union, alleging that the imports of certain iron or steel fasteners originating in China are continuously being dumped into the EU and thereby causing material injury to certain iron or steel fastener producers in the EU.

These products subject to the AD investigation (Case AD676) include certain iron or steel fasteners (except for stainless steel), which are wood screws (excluding coach screws), self-tapping screws, other screws and bolts with heads (whether or not with their nuts or washers, but excluding screws and bolts for fixing railway track construction material), and washers.

The fasteners involved in this case are currently classified under CN codes 73181290, 73181491, 73181499, 73181558, 73181568, 73181582, 73181588, ex 73181595 (TARIC codes 7318159519 and 7318159589), ex 73182100 (TARIC codes 7318210031, 7318210039, 7318210095 and 7318210098) and ex 73182200 (TARIC codes 7318220031, 7318220039, 7318220095 and 7318220098).

According to the time frame and key steps of the Commission, the fasteners involved in this case may be subject to a provisional measure if the EC makes an "affirmative" determination, which is currently scheduled to be announced on July 21, 2021.

Our editors have recently contacted EFDA representing the interests of many fastener distributors and importers in the EU, most of whom purchase more than a million tons of standard parts from Asia and the Far East each year, and received the Association's valuable feedback to the investigation, which was just released in public on June 4th.





EFDA on impending antidumping duties:

EU economy threatened by fastener shortage

“With anti-dumping duties on Chinese fasteners, the supply of screws and other fasteners to the European economy could no longer be ensured. High capacity utilization, raw material shortages and shipping problems have already thrown international supply chains into unprecedented chaos, making it impossible for European fastener distributors to supply European industry, trade and crafts with fasteners in time. Under these exceptional circumstances, the European Union would create the ‘perfect storm’ if it were to impose additional duties on the import of iron and steel fasteners from the People’s Republic of China”. This says President Dr. Volker Lederer, President of the European Fastener Distributor Association (EFDA), ahead of the European Commission’s decision on the imposition of provisional anti-dumping duties on the import of iron and steel fasteners originating in the People’s Republic of China.

On 21 December 2020, the European Commission initiated anti-dumping investigation concerning imports of iron and steel fasteners from the People’s Republic of China (AD676). At the end of the procedure, protective duties on fasteners could be imposed, as was already the case from 2009 to 2016. At that time, tariffs on Chinese goods of up to 85 percent brought trade with China to a complete standstill. Although the WTO declared the EU measures illegal in 2016, the damage to the domestic economy was there. European fastener manufacturers did not take any measures to significantly increase the production of so-called standard parts. They rely on high-quality special parts for the European automotive industry. Standard parts have to be bought from the Far East and other parts of the world.

Within the next few weeks, the EU Commission will decide whether to impose provisional duties in the summer, i.e. already during the investigation procedure. To do so, it is seeking the vote of the EU member states. But the global market for fasteners is upside down. Delivery times for fasteners have doubled and even tripled since the beginning

of the year, reaching up to twelve months. There are no alternatives to China in Asia or Europe. In other East Asian markets like Taiwan, Thailand or Vietnam, capacities are exhausted as US companies claimed resources here a few years ago in response to the Trump administration’s protective tariffs on Chinese imports. Pandemic travel restrictions make it impossible for European importers to conduct the visits and audits required for new suppliers. Raw material shortages, such as steel or wire rod, are exacerbating the supply problems. The continuing global logistics problems in maritime shipping with container shortages and the effects of the crisis at the Suez Canal mean that what little is available can only reach Europe with significant delays and extra costs. Purchasing in Europe is also ruled out as an alternative. European manufacturers are not having any free capacities and would never be able, nor willing, to produce the quantities of standard fasteners necessary to satisfy the demand of European industry.

European fastener distributors supply the European industry with an extensive range of standard and special parts and ensure that the products are available in the right place at the right time. Major customers include manufacturers in the automotive, machine building, construction, wind energy, agriculture, furniture, craft and DIY sectors. For these manufacturers the permanent availability of standard parts is indispensable so that their products can continue to be manufactured in Europe and successfully sold on world markets.

"Europe must now do everything possible to ensure the global competitiveness of its industry and not to unnecessarily complicate its supply with indispensable primary products like fasteners. To recover from the Corona crisis and in order to avoid breakdowns of productions lines in Europe, the European economy needs the capacity of the entire Asian procurement market – including China. With anti-dumping duties, the EU would spoke in the wheel of EU recovery”, concludes Dr. Lederer.

Case AD 676 Time Frame and Key Steps Update

Initiation Stage		Provisional Stage			Definitive Stage	
Date of initiation	Time period envisaged for verification visits	Pre-disclosure	Provisional Measures	Return comments on disclosure/ provisional measures	Return comments on final disclosure	Definitive Measures
Dec/21/2020	Mar/08/2021~Apr/30/2021	Jul/20/2021	Jul/21/2021	Sep/01/2021	Nov/08/2021	Feb/17/2022

Source: The European Commission

