

European Bicycle Manufacturers Association welcomes EU Expiry Review of dumped bicycles from China

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Moreno Fioravanti, Secretary General of the European Bicycle Manufacturers Association (EBMA) said: “The EBMA applauds today’s European Commission decision to launch an expiry review of anti-dumping measures on Chinese bicycles. Following its investigation, we believe that the European Commission will concur with the facts, that trade defence measures must be continued. Otherwise China will ramp up dumping massively and cause crippling injury to the European bicycle industry.”



Fioravanti continued: “The EU currently imposes 48.5% EU anti-dumping duties on imported Chinese bicycles. EBMA lodged a request with the European Commission in early March 2018 to extend EU anti-dumping measures on conventional bicycles from China which would otherwise have expired on 6 June 2018. Without a level playing field, Chinese exporting producers would flood the EU market with dumped bicycles and rapidly drive the EU industry out of the market, which already happened in the USA and Japan. The EU must extend anti-dumping measures on Chinese bicycles to ensure fair competition, benchmark innovations like the pedal-assist e-bikes developed by the EU Industry, green jobs and growth in Europe.”

Bicycles form a strategic innovative industry for Europe’s green future. The EU bicycle, e-bike & components industry generates annually over €1 billion in EU investments and approximately €12 billion growth in industrial output. The bicycle/e-bike industry is one of the largest employers of the “green industries” in the EU. Overall, the European bicycle industry maintains 90,000 direct and indirect jobs in the Union market, with over 800 SMEs working in 20 of the 28 Member States directly in bicycle, pedal-assist e-bikes & cycle components production, or in jobs dependent on the EU bicycle industry. The EU bicycle, e-bike and components industry and its broad local manufacturing base is the guarantee for EU consumers of very innovative, high quality and safe products, with the most sustainable carbon footprint and best progress toward a long-term circular economy goal. Indeed, to import yearly into the EU 20 million bicycles from China would result in massive needless extra emissions of more than 2 million tons of CO₂ and dangerous sulphuric dioxides. In addition, the poor quality and non-respect of minimum quality standards and REACH, as with the bike-sharing bicycles from China, will also in Europe deepen a very dangerous “use-and-throw-away” trend.

Fioravanti said: “Fuelled by illegal subsidies and massive overcapacity, China is poised to take over the EU bicycle market through dumping and circumvention, including massive volumes of (low-quality) bike-sharing bicycles. The 13th 5-Year Plan mandates a consolidation in the Chinese bicycle industry to create national and international champions. The largest Chinese bicycle manufacturer Fushida receives massive central and local government subsidies, fuelling its production overcapacities which exceed total EU demand. In 2017, the annual Chinese bicycle production capacities were approximately 130 million bicycles compared with total worldwide demand of 120 million bicycles.”

During and following the last expiry review, Chinese bicycle producers began circumventing the anti-dumping measures on a large scale. The Commission found in two consecutive anti-circumvention investigations, in 2013 and 2015, that circumvention was taking place via not less than seven countries (Indonesia, Malaysia, Sri Lanka, Tunisia, Cambodia, Pakistan and the Philippines).

Also Chinese bike-sharing companies, most importantly the three largest players Ofo, Mobike and Obike, started in 2017 to expand aggressively their bike-sharing business with a renewed increase of exports of dumped Chinese-made bicycles to many European cities. Indeed, according to Chinese statistics, bicycle exports from China to the EU increased from 1,437,954 bicycles in 2016 to 1,658,057 in 2017, due primarily to an increase in exports of (low quality) bike-sharing bikes. This increase in Chinese exports to the EU took place despite a decrease in overall bicycle sales in the EU, which dropped from 19,672,000 in 2016 to 18,500,000 in 2017.

“Because of their negative impact on both bicycle demand and city environments, low quality Chinese bike-sharing bicycles in the EU represent a major threat to both the EU bicycle industry and EU cities. In China, the massive oversupply of the market with bike-sharing bikes, over 20 million bicycles in less than a year, led to a huge drop of more than 50% in bicycle and e-bike production and sales! At the same time, extensive bike-sharing bike "graveyards" have caused tremendous disruption to traffic and city landscapes, pollution and health hazards. To date, the export of Chinese bike-sharing bikes to the EU has been much lower than it otherwise would have been thanks to the current anti-dumping duties on bicycles; it is another reason why those anti-dumping duties must be extended. Therefore, the EBMA calls on the European Commission to prolong EU anti-dumping measures on conventional bicycles from China beyond 6 June 2018,” concluded Fioravanti.

<p><u>EU Official Journal and Website Hyperlinks</u></p> <p>OJ 4/6/2018 Bicycle Expiry Review Publication</p> <p>European Commission DG Trade Case History</p>	<p><u>For further information:</u></p> <p>Natalia Kurop +32(0)488 945 579</p> <p>natalia@doberpartners.com</p>
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<p>The EU must extend anti-dumping measures on Chinese bicycles to ensure fair competition, green jobs and growth in Europe.</p>	<p>Bicycles form a strategic innovative industry for Europe’s green future.</p>	<p>Fuelled by illegal subsidies and massive overcapacity, China is poised to take over the EU bicycle market through dumping, circumvention and bike-sharing.</p>
		