

European Bicycle Manufacturers Association applauds launch of new EU investigation into illegal subsidies on e-bike imports from China

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STOP CHINA
DUMPING E-BIKES

Moreno Fioravanti, Secretary General of the European Bicycle Manufacturers Association (EBMA), applauded the European Commission who announced today that they will launch a new anti-subsidy investigation into imported Chinese e-bikes: **“We strongly welcome the new European Commission investigation into the illegal subsidies of Chinese e-bikes, which are flooding the EU at an alarming rate and artificially low prices. Chinese e-bike exporters benefit from massive subsidies from government bodies at every level in China which have encouraged enormous overcapacities. European bicycle manufacturers cannot compete with the scale of state-sponsored dumping and are already suffering loss of jobs, investment and growth. Some European e-bike manufacturers have recently gone bankrupt due to unfair competition from China.”**

“We are encouraged to see in today’s Official Journal of the EU that the European Commission is launching an anti-subsidy investigation against Chinese e-bike exporters, in addition to their anti-dumping investigation announced on 20 October 2017”, said Fioravanti.

The only reason Chinese e-bike exporters can sell at such low prices is due to massive subsidies from government bodies at every level in China which have also encouraged enormous overcapacities. European e-bike manufacturers cannot compete with the scale of their state-sponsored dumping and are already suffering loss of jobs, investment and growth. Imports into the EU from China will have jumped from virtually zero in 2010 to more than 800,000 e-bikes in 2017.

“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). Some European e-bike manufacturers are being put out of business by unfair competition from China. For instance, Mifa, the largest German bicycle and e-bike producer recently went into insolvency proceedings due to Chinese dumping and subsidies,” said Fioravanti.

Hence, the EBMA filed an anti-subsidy complaint to the European Commission in November 2017 against Chinese e-bike exporters. We have documented numerous illegal subsidies by Chinese government bodies including; preferential loans by State-owned banks; export credit subsidy programmes; export guarantees and insurances; opening and provision of credit lines; and various grant programmes. Ominously the 13th Chinese 5-Year Plan sets a clear goal that the "export of electric bicycles will be dramatically increased".

E-bikes are a strategic innovative industry for Europe’s green and smart transport future. The global e-bike industry is poised to grow from 200 million worldwide today to 2 billion by 2050. It is predicted that eventually, e-bikes will account for one of every three bikes sold in the European Union, a ratio now achieved only in the Netherlands.

“It is vital for Europe that our e-bike industry prospers in the face of such threats from China. We must ensure a level playing field with China for the European e-bike industry, in order to see more growth, innovation, and investments in the EU leading to the creation of more SMEs and Green Jobs. The European Bicycle Manufacturers Association (EBMA) together with allies including the European Small Business Alliance (ESBA) and AEGIS Europe are calling on the EU for immediate action to stem the flow of dumped and subsidised e-bikes from China. Unless we stop China dumping e-bikes they will soon control the majority of the EU market, destroying our investments, innovation and competitiveness, as well as substantial employment and the protection of the environment. 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 were made in the EU due to shipping, coal energy, hazardous materials and other factors”, concluded Fioravanti.

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