

MMTA TRADE AND LOBBY COMMITTEE'S NEWSLETTER

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EU PROPOSES TO DECREASE THE DUTIES ON SILICON

On 23 March 2010 the European Commission ("Commission") disclosed its findings in the review of the anti-dumping measures imposed on silicon imports from China.

1. Findings

The Commission is proposing to extend the anti-dumping measures for a further five years, with the following amendments:

- The general duty for China will decrease from 49% to 21%
- One company, the Jinneng Group, will receive a 16.3% duty

The Commission found that the EU silicon producers did not suffer any injury during the investigation period (2008), but reasoned that repealing the measures would likely lead to a recurrence of injury, particularly due to the magnifying effect of the economic crisis. Had EU users requested an interim review of the injury margin rather than (or at least in addition to) the dumping margin, the Commission would have allowed the measures to lapse.

2. Next steps and timing

Interested parties have until 12 April to submit comments. The Commission is expected to submit the proposal for approval to the Member States in the third week of April. The Regulation extending the measures must be published by 4 June, and will enter into force one day later (5 June).

Depending on the comments from interested parties, the Commission may slightly amend its proposal but it is unlikely that it will change significantly at this stage.

3. Key issues to remember

- As of 5 June 2010 the anti-dumping duties on silicon imports from China will be significantly lower. To the extent possible, it may be worth waiting until then to customs clear those products.
- Silicon from the Jinneng Group will be subject to lower duties than silicon from other Chinese exporting producers. It may therefore be worthwhile to explore whether it makes sense to change sourcing.
- It is possible to obtain lower individual duty rates (for your suppliers) by requesting a review of the measures.
- If you have a supplier that did not export to the EU in 2008, it may submit a newcomer review request. The advantage of a newcomer review is that (i) no duties are paid during the investigation, and (ii) the investigation takes only nine months.

Please contact the [MMTA](http://www.mmta.co.uk) or [Arnoud Willems](mailto:Arnoud.Willems@mmta.co.uk) at Sidley Austin for more information.

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