

REQUEST FOR THE INITIATION OF AN ANTI-SUBSIDY INVESTIGATION ON IMPORTS OF MOBILE ACCESS EQUIPMENT ORIGINATING IN CHINA

EXECUTIVE SUMMARY

❖ COMPLAINANT

The Complaint is submitted by the Coalition to Restore a Level Playing Field in the EU Mobile Access Equipment Sector.

❖ PRODUCT CONCERNED

The product concerned is mobile access equipment designed for the lifting of persons, self-propelled, with a maximum working height of 6 meters or more, and pre-assembled or ready-to-assemble sections thereof, excluding individual components when presented separately, and excluding person lifting equipment mounted on vehicles of Chapter 86 and Chapter 87 of the Harmonised System.

Self-propelled MAE exists in several types and varieties. They can be divided between industrial use and rough terrain ('off-road'), normally with correspondingly different wheels or tracks (industrial use machines generally have non-marking tires suitable for indoor use). They can have diesel, electric or hybrid motors: both diesel and electric are frequent, and which one is more appropriate depends on the use. For example, electric MAE are generally more convenient for indoors application because they are silent and do not pollute while diesel MAE might be more suitable for prolonged used in outdoor settings. Some machines have stabilisers for application on rough terrain. They are generally, but not always, controlled by the operator in the basket.

The product concerned consists of articulated boom lifts, telescopic boom lifts, scissor lifts, vertical masts and sections of thereof.

It does not include push-around or towed equipment, as these are not self-propelled. It does not include MAE with a maximum working height below 6 meters, i.e. products with maximum platform floor height below 4 meters. Neither does it include telehandlers, which primarily serve for lifting goods rather than persons, or forklifts, which are designed exclusively for the lifting of goods. It does not include other motor or propelled vehicles that have as an additional feature either a scissor arm, a telescopic boom, an articulated boom or a vertical mast such as trucks or railroad equipment.

The product concerned may be imported as finished MAE or in sections, assembled or unassembled. They consist of:

- Scissor arms or sub-assemblies thereof, assembled or not;
- Booms including telescopic, articulated or vertical, or sub-assemblies thereof, assembled or not;
- Chassis or sub-assemblies thereof, assembled or not;
- Boom turntables or sub-assemblies thereof, assembled or not;
- Platforms or sub-assemblies thereof, assembled or not;

The sections are pre-assembled or ready-to-assemble parts of MAE consisting of several components. They do not extend to individual components, or parts such as, for example, welded or formed steel parts, fittings, hoses etc.

It is important to note that in their investigation, the US authorities included MAE sections, sub-assemblies, in the scope of their measures. The Commission adopted a similar approach when imports of the product occurred at various stages of assembly, as was for example for Steel Wind Towers.

MAE are currently falling under the EU Combined Nomenclature codes ex 8427 10 10, ex 8427 20 19, and ex 8428 90 90. Pre-assembled or ready-to-assemble sections of MAE fall under CN codes ex 8431 20 00, and ex 8431 39 00.

❖ **PRODUCTION PROCESS**

The manufacturing of MAE consists of several steps. Beside design and engineering, the added value of the producer lies in the welding and/or assembly of parts, testing, painting and customising of the end-product machines (and of course in the R&D and investments that preceded production).

First the producer receives parts ordered from suppliers.

Second, assembled welded parts are then painted in the producer's painting installation. Most mechanical parts have to be painted before assembly. This can include the frame, arm, boom, telescopic arm, platform, scissors mechanism, basket and the battery box.

Finally, parts and sub-assemblies are then assembled on the production line. At this point, assemblies are fitted with electrical connections as well as tubing and hydraulic hose routing. Different assemblies are then welded together to be made into a finalised MAE.

At this stage in the process, several safety tests are performed, recorded, and documented to test for quality or non-conformance issues.

❖ **USES OF THE PRODUCT**

MAE can be used for a vast range of work. While this is mostly construction work, MAE is also used in industrial work and municipal functions. They are also used for more marginal applications such as in ports and airports. In more detail, applications include:

- Construction: large-structure framing and bridge-building, cladding, isolation, renovations, electrical work, HVAC work, welding, plumbing, ...
- Industrial work: warehouse work, maintenance work, retail storage, moving heavy cargo, ...
- Municipal use/events: pruning, hanging decorations, (Christmas decorations, lighting, ...), emergencies (e.g. fire), ...
- Ports, docks, airports,...

❖ **SUMMARY OF THE CASE**

The Coalition to Restore a Level Playing Field in the EU Mobile Access Equipment Sector ("CMAE" or the "Complainant") requests the European Commission to initiate an anti-subsidy investigation concerning unfair imports of mobile access equipment ("MAE") from China. This complaint shows how Chinese exporters are

being subsidised and exporting this subsidised MAE on the Union market, how the Union MAE industry has suffered massive and aggravating injury as a result, and why the Commission should, as soon as possible, impose measures to stop these practices and restore a sustainable level playing field for the Union industry.

Mobile access equipment are machines used to lift workers safely to heights, in different sectors: construction work, as well as manufacturing and logistics. As such, they are essentially safety equipment that help protect workers' lives and physical health. They are more stable and reliable alternatives to ladders and scaffolding.

The Union industry in the MAE sector has since long been a qualitative, healthy and stable industry, with many market players of various sizes. The industry has historically been competitive in the Union and abroad, hallmarked by constant innovation (including as a frontrunner in the green transition) and ranked among the best performing producers worldwide. It is technologically advanced and offers employment in key regions of the Union, through its own employees as well as through its wide upstream network of suppliers all throughout the Union. Until recently, the Union industry was profitable and held a solid, fairly constant EU market share.

In recent years, however, its situation has significantly degraded. At an incredible pace, new Chinese exporters have emerged, leading to an explosion in Chinese capacity, quickly saturating the domestic market. As a result, a barrage of new Chinese imports have flooded the Union market in enormous quantities and at aggressive prices. Today, the Union industry's market share has collapsed, with sales going down and profits rapidly declining. Today, the Union industry is forced to sell at a loss, and the situation will only deteriorate in the coming years if no appropriate corrective action is taken.

The cause of this deterioration is apparent: massively subsidised MAE has been exported from China to the Union market. The range and scale of subsidies is vast, and concerns, *inter alia*:

- Income and/or price support measures
- Preferential financing and insurance
- Provision of goods and services for less than adequate remuneration
- Tax and tariff incentives
- Government grants

Since 2019, and especially after 2020, imports from China in the EU have increased at a tremendous pace. After an initial decrease in volume due to the COVID-crisis, in line with consumption and EU sales, imports of MAE from China skyrocketed between 2020 and the period of reference, almost tripling in volume, with a constant acceleration of volumes imported.

After exhibiting solid performances and a solid market share on the EU market in 2019, the Union Industry was heavily affected by the aftermath of the pandemic in 2020. The swift recovery of Union consumption as from 2021 should have heralded a quick return to pre-Covid performances. However, an unprecedented increase of Chinese imports captured the growth of the EU market, preventing a recovery of sales volumes and productions by the Union Industry. At the same time, EU producers were caught in a scissor effect between costs increasing under the effect of inflationary pressures and market prices increasingly set by low-priced Chinese imports severely undercutting them. As a result, the market share and profitability of the Union Industry collapsed, stifling investment and threatening its very existence.

The injury figures are clear and consistent. Over the past years, the Union Industry has seen declining sales, declining profits, declining capacity use, declining market share and no increase in production. At the same time, it has seen increased imports from China and increased undercutting. This all happened in a fairly

favourable context of increasing consumption, increasing prices, and middling imports from other sources. These developments evenly correlate in time and in size with the massive increase in unfair Chinese imports.

While the current situation of the Industry is cause for significant concerns and in itself justifies decisive intervention of the Commission against unfair imports, it is obvious that, absent appropriate action, the situation of the Union Industry will quickly degrade further in the near future. This is essentially due to structural, domestic issues on the Chinese market, to the closure of other export markets and due to the ongoing offensive of Chinese exporters to increase their European footprint. This was made painfully clear when Dutch scissor lift manufacturer Holland Lift announced its liquidation following the arrival of massive Chinese imports on the Union market. Headquartered in Hoorn, the company employed 70 people in the Netherlands and Germany.

In the absence of rapid corrective measures, and despite an established and efficient industrial base, the current trends will continue. EU-produced MAE will progressively be replaced by Chinese imports – at a much higher environmental cost. As a result, the Union industry will see its production and employment shrink, resulting in the loss of thousands of industry jobs along the EU-based supply chain. Definitive closure of EU producer Holland Lift in August 2023, as a result of the pressure of Chinese imports, shows that injury to the Union Industry becomes less and less reversible with each passing month.

The European Commission must therefore act swiftly to restore a level playing field on the EU market. To that end, it should immediately initiate an anti-subsidy investigation on imports of MAE from China and impose, as soon as possible, countervailing duties to counteract the unfair practices and to allow the recovery of the injured Union Industry.

❖ KNOWN INTERESTED PARTIES

UNION INDUSTRY

- AlmaCrawler
- Benelli
- Cela Industry
- CMC
- Dynolift Oy
- Easy lift
- Haulotte
- Hinowa
- Holland Lift
- IMER
- JLG France SAS
- Leguan
- Manitou
- Ommelift
- Pallazzani
- Platform Basket
- Rhinox
- Sinoboom Poland Sp. z o.o.
- Socage
- Terex Italia Srl

EXPORTING PRODUCERS

- Dingli
- Fronteq
- Goman lift
- Haulotte China
- Hered
- Jeshlift
- Jingcheng Heavy Industries
- JLG China
- Jovoo
- LGMG
- Liugong
- Mantall
- Sinoboom
- Sunward
- Terex Genie China
- XCMG
- Zoomlion

OTHER KNOWN INTERESTED PARTIES

- Loxam
- Kiloutou
- Boels/Cramo
- Mateco
- Salti
- Acces Industrie
- Duma Rent
- Renta Oy
- Felbermayr
- Beyer
- Zeppelin Rental Gmbh
- Eurolev