



Hambleside Danelaw Ltd
Press release – 22 November 2010

Green manufacturers unfairly hit by draconian increase in EU fibreglass import duties

An environmental award winning manufacturer of building products has strongly criticised a massive 43.6% increase in import duties on Chinese fibreglass as highly damaging to the market competitiveness of British companies and to new investment in green technologies.

Hambleside Danelaw Ltd, which operates factories in Daventry and Inverness using fibreglass as a major raw material, says that Brussels has not considered how the negative effects on users' turnover and profitability will adversely affect R&D and innovation in manufacturing industry. The provisional ruling also fails to recognise the likely impact on investment in green technologies and the use of low carbon products.

In the company's view, the recent EU anti-dumping ruling will ironically lead to an increase in imports from China of now cheaper GRP building materials because British manufacturers will now have no alternative but to pass on a significant price increase to their own customers.

Hambleside Danelaw is angered by claims from European fibreglass manufacturers that fibreglass is a 'minor cost item in the finished goods' when typically glass makes up 30% of the raw material weights in its production of roofing products. The company points out that this figure can be even higher in the manufacture and reinforcement of other products made by the construction, automobile, maritime, electrical supply, fabric and other industries.

It is encouraged that the UK originally opposed the EU decision but it wants the government to try and persuade other member states to vote the same way when the ruling is reviewed early next year.

Quality as important as price

The company has sent to the government and its local MPs a detailed rebuttal of what it regards as an imbalanced and disproportionate judgment. This emphasizes that price is only one factor in choosing Chinese fibreglass with quality and guaranteed supply being equally important when there is actually a shortage of glass currently on the world markets. Hambleside Danelaw has a Chinese supplier which delivers 250 tonnes of high quality translucent roving every year in a way that other suppliers cannot.

European fibreglass producers currently face a huge challenge of spare capacity which is almost twice the size of Chinese imports.

Commenting on this, Robin Jeffery, Hambleside Danelaw's chairman, said: "It is difficult to escape the conclusion that this duty increase is a protectionist measure to give the European producers shelter while the capacity issue is addressed. Europe can't expect to cut its carbon emissions with greener homes and offices if it is pricing sustainable building materials out of the market. Furthermore investment in green technologies will inevitably suffer unless the ruling is overturned."

ENDS

Contact Aidan Relf on 07710 305182

Notes to editors

1. The EU import duty increase

On 15 September 2010, the European Union imposed for an initial period of six months (Commission Regulation (EU) No 812/2010) a provisional anti-dumping duty on imports of certain continuous filament glass fibre products originating in the People's Republic of China. As a result, duty charges have increased to importers of glass manufactured in China from 7% to 50.6%. This constitutes a massive and potentially devastating increase in duty of 43.6% on UK companies that use fibreglass in the manufacture of end-products. For Hambleside Danelaw, a 37 pence price increase on a kilo of fibreglass that previously cost 95 pence means an effective 8% overall increase on its raw material costs. The company cannot therefore equate its situation at all to the Commission's poorly supported claim which states: "It can be assumed that even if a given user could not pass on most of its cost price increase, in most cases its turnover and profitability would be affected only to a limited extent." Hambleside Danelaw's full submission to the UK government is available on request. The company notes that the EU has lost two recent high-profile WTO trade dispute cases with China and Taiwan.

2. About Hambleside Danelaw

Multiple sustainability award winner Hambleside Danelaw Ltd manufactures low carbon Glass Reinforced Polyester (GRP) roofing products in Daventry and Inverness in the UK. The British company's product range includes Dryseal roofing products for flat and low pitched roofs; Queen's Award winning Insulator and Contour rooflights and wall lights; and Danelaw flashings, roof and wall ventilation products. Its Dry Fix or mortarless solution to roofing and ventilation is increasingly being seen as the future of the roofing industry and it can now offer suppliers a complete 'dry roof'. An improved Dryseal range was launched for 2010, while the new Insulator Rooflight Lighting Control System, which can reduce the need for artificial lighting inside a building by as much as 50%, recently won another Green Apple Award. Hambleside Danelaw has been investing for ten years in all areas of sustainability and many of our roofing and ventilation products feature recycled materials in their construction, a process which has been recognised by the Green Organisation and the Waste and Resources Action Programme (WRAP). In 2007, the Group was accredited with the Planet Positive mark by Deloitte-owned leading carbon solutions company dcarbon8 and an independent audit by dcarbon8 has found that Hambleside Danelaw has reduced its carbon footprint at its two UK factories by over 20%. Find out more at: www.hambleside-danelaw.co.uk.