



PRESS RELEASE – FOR IMMEDIATE RELEASE

Crackdown on Illegal Imports of Russian Wood Products through Kazakhstan and Türkiye: Woodstock Consortium applauds Commission Findings

Brussels, 1 March 2024. The Woodstock Consortium welcomes that duties are to be imposed following the European Commission's findings that existing import duties on Russian birch plywood are being circumvented - by being sent to the EU through Kazakhstan and Türkiye - released to all sides earlier today.

Already prior to the outbreak of war in Ukraine, and after a lengthy investigation, the EU had increased existing import duties on Russian birch plywood by as much as 15.8% to protect the EU from low price dumped Russian product. However, as soon as these duties were imposed in November 2021, evidence began to emerge that Russian producers and others simply sought to avoid them by selling in various ways through third countries. In the case of Kazakhstan and Türkiye, neither was previously known as a significant exporter of this type of plywood.

The Woodstock Consortium, in collaboration with industry leaders and major European associations, formally presented increasing evidence of circumvention to the European Commission, prompting a formal and accelerated investigation in August 2023¹. Today's disclosure of the Commission's findings to over 30 interested parties marks a crucial milestone in unmasking the deceitful practices employed by certain actors in the wood trade industry. These revelations come as a result of the consortium's dedicated efforts to uncover deceptive trade practices that are costing European industry daily in terms of lost sales volume and income.

Following extensive on-site inspections in Kazakhstan and Türkiye, the European Commission itself unearthed undeniable proof of circumvention, now necessitating the extension of anti-dumping duties to all imports from these countries to rectify market imbalances. Furthermore, rigorous measures, possibly involving customs fraud and sanctions evasion, are now expected to be enforced in collaboration with national authorities and the European Anti-Fraud Office (OLAF).

The present findings will now form the basis for a Regulation that will be effective immediately, and will *retroactively* extend the anti-dumping duty to imports from Kazakhstan and Türkiye, and then maintain them going forward. All imported plywood from these two countries now faces the same 15.8% duties as Russia, with arrears plus VAT to be collected with retroactive effect since August 2023.

With this spotlight on Russian birch plywood, checks and inspections will now likely increase, given custom's fraud and sanctions violations by individual operators, including importers, traders, and users, implied by the Commission's findings. Separate legal, and in some countries criminal, rules govern customs fraud and sanctions violations with serious consequences and liabilities for those found to be involved in these, or found to be evading the European Union's Timber Regulation (EUTR). The Woodstock Consortium and its supporters urge the European Commission and all EU Member States to stay alert and to watch out for any Russian sanctioned wood entering the EU through multiple different routes or practices, and to use all national and EU defence measures at their disposal.

¹ See Woodstock Consortium Press Release of 22 August 2023



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About the Woodstock Consortium

Established in 2019, the Woodstock Consortium comprises industry leaders such as Paged-Pisz from the Paged Group in Poland, Latvijas Finieris from Latvia, and UPM Plywood from Finland, along with key sectoral EU associations. Leveraging international trade regulations, the consortium is committed to fostering a level global playing field that ensures fairness and sustainability in the wood industry.

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