

PRESS RELEASE - DRAFT

Woodstock Consortium Applauds EU's Crackdown on Illegal Imports of Russian Wood Products

Brussels, 14th May 2024. The Woodstock Consortium welcomes additional tariffs on all birch plywood arriving in the EU from Kazakhstan and Türkiye to address evasion of existing duties on Russian birch plywood. Published today, Regulation 2024/1287,¹ extends anti-dumping duties to birch plywood imports from Kazakhstan and Türkiye. It does so not only with immediate, but also with retroactive effect. This follows an urgent EU investigation confirming significant bypassing of EU measures on these products through these two countries.

Already before the invasion of Ukraine, the EU had increased its import duties on Russian birch plywood by 15.8% to combat dumping practices. Evidence then emerged that some sellers were avoiding them by routing product through third countries. Working with EU industry leaders and associations, Woodstock presented compelling evidence of circumvention, prompting the investigation since August 2023². The outcome is today's regulation against the first two countries so investigated. Neither country was previously known as a significant exporter of this type of plywood.

The Commission's findings resulted in the extension of anti-dumping duties to ALL imports from the two countries. The swift imposition of these measures sends a strong signal that the EU is united not only in upholding fair trade, but also in preventing illegal circumvention on now sanctioned conflict timber.

Today's development marks a critical step in the crack down on multiple unlawful practices. First it means that tariffs will be collected by national customs authorities retroactively, with an estimated 10 million EUR immediately payable by importers. Furthermore, the findings will have triggered collaborative enforcement initiatives involving national authorities and the European Anti-Fraud Office (OLAF) to shine a spotlight on potential customs fraud, non-compliance with the EU Timber Regulation (EUTR), and wholesale evasion of sanctions. Implicated operators, including importers, traders, and some end-users in the EU may face additional penalties because of these additional investigations and checks. Serious consequences and liabilities, enforceable under distinct legal frameworks - including criminal statutes in multiple EU countries, are set to apply to those engaged in such activities.

Woodstock notes that the complaints³ recently filed against 31 EU importers in 9 EU Member States alleging non-compliance with EUTR regulations mostly rely on findings confirmed in today's Regulation. The Woodstock Consortium urges continued vigilance from the Commission, Member State authorities, and all involved parties, including those institutions that finance imports, to do everything possible to prevent the emergence of new circumvention schemes aimed at importing what are by now sanctioned wood products from Russia into the EU market howsoever done.

For media inquiries please contact: <u>info@woodstock.eu</u> or call +39 345 5210180

¹ COMMISSION IMPLEMENTING REGULATION (EU) 2024/1287 of 13 May 2024 extending the definitive antidumping duty imposed by Implementing Regulation (EU) 2021/1930 on imports of birch plywood originating in Russia to imports of birch plywood consigned from Türkiye and Kazakhstan, whether declared as originating in Türkiye and Kazakhstan, available here: <u>here.</u>

² See Woodstock Consortium Press Release of 22 August 2023, available <u>here</u>.

³ Press Release, 16 April 2024, 'Earthsight files complaints against 31 EU firms following confirmation of Russian wood use by their birch ply suppliers' available <u>here</u>.



PRESS RELEASE - DRAFT

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.

#WoodstockConsortium #SustainableTrade #FairTrade #BirchPlywood

-END-