European News

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EU Launches Anti-dumping Investigation into Pins and Staples from China

The European Commission has initiated an anti-dumping investigation concerning imports of pins and staples, originating in the People's Republic of China.

The Commission published Notice of Initiation 2019/c 425/08 in the EU Official Journal on 18th December 2019.

The notice defines the product subject to investigation as: Staples, whether or not in strips or in coils, hog rings, whether or not in strips, brad nails in strips, and pins in strips; of steel wire, whether or not coated, of aluminium alloy wire, or of stainless steel wire; designed for joining or holding together materials or objects ('the product under investigation'). Nails in coils are excluded from the product under investigation.

The products fall within a number of CN codes identified by the notice as: ex 7317 00 20, ex 7317 00 60, ex 7317 00 80, ex 7326 20 00, ex 7616 10 00, 8305 20 00, and ex 8308 10 00.

'ex' signifies that not all products within the cited code are subject to investigation, so the description is critical for importers and manufacturers to determine the extent to which they are affected.

The deadlines for registration of interest and submission of evidence, which are short, particularly given the timing of the notice just before the winter holiday, are defined in the Notice of Initiation, which can be downloaded in all EU languages from the EU Official Journal here:

https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2019.425.01.0021.01.ENG&toc=OJ:C:2019:425:TOC

The Notice confirms the schedule of investigation as: The investigation will be concluded, pursuant to Article 6(9) of the basic Regulation within normally 13, but not more than 14 months of the date of the publication of this Notice. In accordance with Article 7(1) of the basic Regulation, provisional measures may be imposed normally not later than 7 months, but in any event not later than 8 months from the publication of this Notice.

In accordance with Article 19a of the basic Regulation, the Commission will provide information on the planned imposition of provisional duties 3 weeks before the imposition of provisional measures.

Market Conditions Affect Trifast Half Year

In the face of "the challenging macroeconomic environment" Trifast plc reported revenues eroded by -2.7%, on a constant exchange rate basis, to GB£102.2 million (€120.4 million). Underlying operating profit margins held up at 10.6% (CER).

At actual exchange rate half year revenues were down -1.8%. Underlying operating profit margins held in double digits at 10.6% (CER) – compared with 11.3% in the first half previous year. Profit before tax was -1% down at GB£7.9 million.

Trifast says ongoing market share wins restricted Group automotive revenue reduction to -2.5%, against a global production downturn of -7.3%. The Group spent GB£2.5 million during the half year on Project Atlas, its multi-year investment in systems, policies and procedures, reported as on track and on budget.

With a strong balance sheet and around GB£40 million banking facility headroom, Trifast sees itself well-positioned to take advantage of increased M&A opportunities resulting from market conditions.

Non-executive chairman, Malcolm Diamond MBE, commented: "Despite the short-term end market weaknesses and macroeconomic uncertainty, we are confident in the strong long-term fundamentals of our business model. The board remains committed to its ongoing investment driven growth strategy and is optimistic for the long-term future."

"After ten years of continuous growth and strong cash generation, we have a very solid balance sheet. This coupled with our new banking facilities provides us with significant flexibility and security, to continue to invest and to make sure that when the macroeconomic environment begins to settle, we have the best foundation and are in the best possible position to add further stimulus to our growth ambitions."

Malcolm Diamond to Retire

In a separate announcement Trifast said Malcolm Diamond had notified the board of his intention to retire as non-executive chairman and step down as a director with effect from 31st March 2020, the Group's year end. Trifast announced that current non-executive director, Jonathan Shearman will take over as non-executive chairman with effect from 1st April 2020. Malcolm Diamond said: "Having overseen the smooth CEO and CFO succession plan at Trifast as well as the adoption of the transformational 'Project Atlas', now halfway through its four year implementation, I feel comfortable in retiring as chair at the end of March 2020 knowing that the TR Board and the business is in such good shape."

*Source: European Automobile Manufacturers' Association ACEA.

NORMA YTD Sales Up But Organic Growth Down

NORMA Group has reported sales for the period January to September 2019 increased 2.6% to €838.6 million. However, organic sales declined -1.6% in the period.

The Kimplas and Statek acquisitions contributed 1.6% and positive currency effects a further 2.6% to sales growth. The adjusted EBITA margin was 14.2% for the period (Q1 – Q3 2018: 16%). NORMA attributed the decline in margin to significantly lower production volumes in the automotive industry, increased personnel costs and costs introducing a new ERP in Latin America.

EMEA region sales for the nine months fell 0.9% to €372.3 million (Q1–Q3: €375.7 million). Orgnaic sales declined 1.6%, with "ongoing restrained business in the automotive sector" the main issue.

American sales rose 5.4% to €352.2 million in the first nine months of 2019 (Q1 – Q3 2018: €334.3 million). Growth was mainly due to strong water business and positive currency effects, which contributed 6.1% to sales growth. Organic sales declined 0.8% mainly due to the weak business in the Engineered Joining Technology division.

Asia-Pacific sales increased 6.6% to €114.2 million (Q1 – Q3 2018: €107.2 million). An organic sales decline of -4.1% was offset by positive currency effects of +1% and acquisition related sales contributions of +9.6%.

"The tense situation on the global automobile market still poses a challenge for us," said Dr Michael Schneider, member of the management board of NORMA Group. "The positive development of our water management division, however, underscores the fact that NORMA Group is in a stable and sustainable position thanks to its broad range of products and services and its strategic focus on the future markets of water management and electromobility."

In mid-October NORMA revised its full year organic sales forecast to decline between -2% and -4% (previously -1 to +1%), mainly due to the sharp slump in American EJT business due in part to strikes at car and truck makers. EMEA and Asia-Pacific regions also lagged slightly behind expectations. NORMA expects to achieve an adjusted EBITA margin of more than 13%.

On 5th November NORMA announced its "Get on track" programme, comprising measures to enhance the Group's flexibility and profitability. Actions include optimisation of locations worldwide and the streamlining and close management of the product portfolio. The programme is expected to deliver sustained cost savings starting in 2020, achieving annual savings of €40 million – €45 million in 2023. Total programme cost through 2023 is projected at €45 million – €50 million.

SFS Expands Its Fastening System Business for Façades

SFS is acquiring Moderne Befestigungselemente GmbH (mbe) – a leading supplier of painted fasteners for high-performance façade systems. mbe generated about €10 million in sales with just under 70 employees in 2018. This acquisition expands SFS' offering of fastening systems and its market reach in central Europe. The completion of the acquisition is subject to regulatory approvals.

mbe was established in Menden, North Rhine-Westphalia, Germany, in 1979 and it supplies mainly the German specialty retailers with painted fasteners for ventilated façade systems. In addition to its strong, long-standing customer relationships with specialty retailers, mbe has vast expertise in painting technology and differentiates itself on its very quick response and delivery times. Customers can individualise the colour of the fasteners they order and small quantities can be fulfilled within 24 to 48 hours.

Acquiring mbe gives SFS direct access to specialty retailers for premium façade solutions. Customers and distribution partners of mbe will benefit from availability of the broad product range of SFS.

mbe will remain based in Menden and it will become part of the Construction division within the Fastening Systems segment. Its previous management will stay with the company throughout the transition period and thereby ensure the necessary continuity. The completion of the acquisition is subject to regulatory approvals.

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