



THE NEW EU REGULATION ON BIRCH PLYWOOD: FACTS & MESSAGES

WHAT HAS JUST HAPPENED?

On 14th May 2024 the EU officially published a Regulation¹ after the European Commission conducted an investigation finding circumvention of anti-dumping duties on imports of birch plywood from Russia via Kazakhstan and Türkiye. The Regulation's findings were endorsed by EU Member States.

WHAT DOES THE NEW EU REGULATION DO?

The new Regulation directs customs authorities of each and every EU Member States to collect a 15.8% duty (in addition to any existing customs duties and charges due by importers) on all birch plywood imports arriving from Kazakhstan and Türkiye. The Regulation applies with immediate effect as of 14th May 2024 throughout the EU.

FROM WHEN ARE DUTIES COLLECTED AND ARE THERE ANY EXEMPTIONS?

The additional duties are collected in respect of all imports since 22nd August 2023. No supplier from Kazakhstan or Türkiye has been granted an exemption or has been cleared from this. The Commission had already directed EU customs authorities to register all import transactions since that date which was when it launched the investigation.² Customs authorities will now calculate the retroactive duties due between 22 August 2023 and 14th May 2024. Regardless of whether they include Russian content or not, all imports of birch plywood from these two countries will now face the extra 15.8% duty going forward for as long as Russia does. The Woodstock Consortium estimates the retroactive sum due up to today alone exceeds €10 million in total.

WAS THE WOODSTOCK CONSORTIUM AND EU INDUSTRY INVOLVED IN THE INVESTIGATION?

The European Commission's investigation launched in August 2023 was originally prompted by a formal Request made in the previous month by the Woodstock Consortium. This request was widely supported by the European Panel Federation and several National Associations in the birch plywood sector.

DOES THIS MEAN THAT BIRCH PLYWOOD IMPORTS FROM KAZAKHSTAN AND TÜRKIYE ARE BANNED?

No. Imports from Kazakhstan and Türkiye, whether genuine local wood or not, are not banned from entering the EU but will now be subject to the same additional 15.8% duty originally applied to Russian imports.

¹ COMMISSION IMPLEMENTING REGULATION (EU) 2024/1287 of 13 May 2024 extending the definitive anti-dumping 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: [here](#).

² See Woodstock Consortium Press Release of 22 August 2023, available [here](#).



WAS THE IMPORTED BIRCH PLYWOOD'S TRUE RUSSIAN ORIGIN HIDDEN FROM THE AUTHORITIES?

The Regulation has established that imports of birch plywood of Russian origin have been transhipped via Kazakhstan and Türkiye to avoid applicable EU duties. This may trigger further investigations concerning potential fraud of EU customs rules by mis-declaring the origin of the goods and avoiding applicable duties.

For example, it is likely that the European Anti-fraud Office (OLAF) is aware of the circumvention practices and will follow up with known importers, acting together with other relevant national authorities in EU Member States.

Penalties for wrongdoing are much more severe than the duties imposed by this Regulation for such breaches. They include the possibility of retroactive application over the past 3 years, imposition of additional administrative fines, as well as civil and in some EU countries such as Germany, criminal liabilities for importers and those that knowingly buy such wood.

DID RUSSIAN PLYWOOD ALSO CIRCUMVENT SANCTIONS?

The Regulation does not address if imports of Russian plywood circumventing applicable anti-dumping duties have also circumvented the EU sanctions regime on Russia following the invasion of Ukraine. However, it may likely trigger EU Member States to initiate proceedings into possible sanctions evasion by both the EU importers and the companies concerned in Kazakhstan and Türkiye. Penalties for sanctions violations are severe and are set at the level of the Member States. In April 2024 however the EU Member States gave their final approval to a Directive which will require them to introduce necessary changes into their national laws making sanctions violations, including their circumvention, a criminal offence.³

IF THE ORIGIN OF THE RUSSIAN BIRCH PLYWOOD WAS DISGUISED, DOES THIS ALSO HAVE IMPLICATIONS FOR ENFORCEMENT OF THE EU TIMBER REGULATION (EUTR)?

EUTR provisions are also likely to have been breached in view of the Regulation's findings. EUTR counters illegal trade in timber and timber products in the Member States of the European Union. EU Member States are in charge of enforcing and ensuring compliance with EUTR rules. Woodstock Consortium is aware that last month EUTR complaints were filed against 31 firms across nine Member States (whose suppliers were confirmed by the EU to be using Russian raw materials in the investigation that led to the new Regulation).⁴ The EUTR complaints allege that during October to December 2023, firms in Poland, Germany, Romania, Bulgaria, Latvia, Hungary, Lithuania, Netherlands, and Greece imported more than €43 million in birch plywood from the four suppliers implicated in the EU probe that led to the Regulation above.

³ Council of the EU Press Release of 12 April 2024, 'Council gives final approval to introduce criminal offences and penalties for EU sanctions' violation', available [here](#).

⁴ Earthsight Press Release of 16 April 2024, 'Earthsight files complaints against 31 EU firms following confirmation of Russian wood use by their birch ply suppliers', available [here](#).



THE REGULATION ONLY COVERS TWO COUNTRIES: COULD RUSSIAN PRODUCT ALSO BE REROUTED VIA OTHER COUNTRIES SUCH AS GEORGIA, UZBEKISTAN OR EVEN CHINA?

The Regulation confirms that the EU will address unfair trading practices taking place in any third country. It also sends a strong signal to importers, users and parties financing them to carefully assess the risks of purchasing plywood containing birch wood from countries that are typically not regarded as producers or exporters.

The Woodstock Consortium therefore cannot rule out future circumvention attempts via imports of other third countries and urges the EU authorities and the whole industry to remain all the more vigilant. At the same time, scientific methods⁵ to determine the origin of birch plywood are continuously improving. Importers, buyers and other third parties should exercise due diligence to make sure they are aware of the true origin of wood products to avoid risks and liabilities.

Brussels, 14th May 2024

⁵ See World Forest ID, 'Using science to take deforestation off the shopping list', available [here](#).