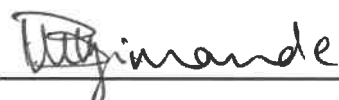


REPORT NO. 691

INVESTIGATION INTO THE ALLEGED DUMPING OF SPADES AND SHOVELS OF A MAXIMUM BLADE WIDTH OF MORE THAN 150MM BUT NOT EXCEEDING 200MM ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND THE ALLEGED DUMPING OF SPADES AND SHOVELS OF A MAXIMUM BLADE WIDTH OF MORE THAN 150MM BUT NOT EXCEEDING 320MM, PICKS, OTHER RAKES (EXCLUDING THOSE WITH NOT MORE THAN 8 PRONGS) AND OTHER FORKS, WITH A PRONG LENGTH EXCEEDING 150MM ORIGINATING IN OR IMPORTED FROM THE REPUBLIC OF INDIA: PRELIMINARY DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its Report No. 691: **INVESTIGATION INTO THE ALLEGED DUMPING OF SPADES AND SHOVELS OF A MAXIMUM BLADE WIDTH OF MORE THAN 150MM BUT NOT EXCEEDING 200MM ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND THE ALLEGED DUMPING OF SPADES AND SHOVELS OF A MAXIMUM BLADE WIDTH OF MORE THAN 150MM BUT NOT EXCEEDING 320MM, PICKS, OTHER RAKES (EXCLUDING THOSE WITH NOT MORE THAN 8 PRONGS) AND OTHER FORKS, WITH A PRONG LENGTH EXCEEDING 150MM ORIGINATING IN OR IMPORTED FROM THE REPUBLIC OF INDIA-PRELIMINARY DETERMINATION**



MR MELULEKI NZIMANDE
CHIEF COMMISSIONER

PRETORIA

28 / 04 / 2022

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

INVESTIGATION INTO THE ALLEGED DUMPING OF SPADES AND SHOVELS OF A MAXIMUM BLADE WIDTH OF MORE THAN 150MM BUT NOT EXCEEDING 200MM ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND THE ALLEGED DUMPING OF SPADES AND SHOVELS OF A MAXIMUM BLADE WIDTH OF MORE THAN 150MM BUT NOT EXCEEDING 320MM, PICKS, OTHER RAKES (EXCLUDING THOSE WITH NOT MORE THAN 8 PRONGS) AND OTHER FORKS, WITH A PRONG LENGTH EXCEEDING 150MM ORIGINATING IN OR IMPORTED FROM THE REPUBLIC OF INDIA-PRELIMINARY DETERMINATION

SYNOPSIS

On 22 October 2021, the International Trade Administration Commission of South Africa (the Commission) initiated an investigation into the alleged dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm originating in or imported from the People's Republic of China (China) and the alleged dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 320mm, picks, other rakes (excluding those with not more than 8 prongs) and other forks, with a prong length exceeding 150mm originating in or imported from the Republic of India (India) through Notice Number 624 of 2021, which was published in the *Government Gazette* Number 45352.

Ussher Inventions (Pty) Ltd (trading as Lasher Tools), the major producer of the subject products lodged the application supported by Ottimo Products CC.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that the subject products were being imported into the Southern African Customs Union (SACU) at dumped prices, causing material injury and threatening to cause material injury to the SACU industry.

Upon initiation of the investigation, the diplomatic representatives and known producers/exporters of the subject products in China and India were sent a non-confidential version of the application, initiation notice and foreign manufacturers/exporter's questionnaires to complete. Known importers of the subject product in SACU were also sent a non-confidential version of the application, initiation notice and the importer's questionnaires to complete.

After considering responses and comments received from interested parties, the Commission made a preliminary determination that:

- Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm originating in or imported from the People's Republic of China were being dumped into the SACU market;
- Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm, picks, other rakes (excluding those with not more than 8 prongs) and other forks with a prong length exceeding 150 mm originating in or imported from the Republic of India were being dumped into the SACU market;
- The SACU industry is experiencing material injury and a threat of material injury; and
- There is a causal link between the alleged dumped imports and material injury and a threat of material injury suffered by the SACU industry.

The Commission further decided to request the Commissioner for the South African Revenue Service (SARS) to impose provisional measures on the subject products for a period of six months to protect the domestic industry while the investigation continues.

The Commission considered that import volumes of spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India are negligible at less than 3% of total imports to SACU market. Therefore, the Commission made a preliminary determination to terminate the investigation on spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05 originating in or imported from India. The Commission further made a preliminary determination not to impose provisional payments on such spades and shovels from India.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002, the International Trade Administration Commission of South Africa Anti-Dumping Regulations (ADR) and giving due regard to the World Trade Organisation Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement).

1.2 APPLICANT

The application was lodged by Ussher Inventions (Pty) Ltd (trading as Lasher Tools), the major producer of the subject products supported by Ottimo Products CC which together constitute 100% of the domestic production of the subject products in SACU. Ottimo Products CC provided information on spades and shovels classifiable under tariff subheading 8201.10.05, rakes and forks.

1.3 DATE OF ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with Regulation 21 of the ADR on 22 September 2021. The trade representatives of China and India were advised accordingly.

1.4 ALLEGATIONS BY THE APPLICANT

The applicant alleged that imports of the subject products originating in or imported from China and India were being dumped in the SACU market, thereby causing material injury and threatening to cause material injury to the SACU industry. The basis for the alleged dumping is that the subject products are exported to SACU at prices lower than the normal value in the countries of origin. The applicant alleged that as a result of dumping of the subject products from China and India the SACU industry is suffering material injury in the form of:

- Price suppression;
- Declining sales volume;
- Declining market share;

- Declining profits and losses;
- Declining production;
- Declining productivity;
- Declining utilisation of production capacity;
- Impact on inventory levels; and
- Slowdown in growth.

1.5 INVESTIGATION PROCESS

The application was received by the Commission on 04 August 2021. The material injury information submitted by the applicant was verified on 23-24 August 2021.

The trade representatives of China and India were notified of the Commission's receipt of properly documented application in terms of Regulation 27.1 of the ADR.

The Commission initiated an investigation into the alleged dumping of the subject products originating in or imported from China and India through Notice Number 624 of 2021, which was published in the *Government Gazette* Number 45352 on 22 October 2021.

On 25 October 2021 after initiation, all known interested parties were informed and requested to respond to the relevant questionnaires and the non-confidential version of the application.

1.6 INVESTIGATION PERIODS

The investigation period for dumping is 01 May 2020 to 30 April 2021. The investigation period for material injury is 01 May 2018 to 30 April 2021.

1.7 PARTIES CONCERNED

1.7.1 SACU industry

The SACU industry consists of two manufacturers of the subject products Ussher Inventions (Pty) Ltd (trading as Lasher Tools) and by Ottimo Products CC.

1.7.2 FOREIGN PRODUCERS/EXPORTERS

Responses to the Commission's exporter questionnaire were received from the following foreign manufacturers/exporters:

- Tangshan Junxing Hardware Tools Making Co. Ltd - China;
- Tangshan Zenger Trading Co. Ltd - China; and
- Shivagrigo Implements Ltd - India.

All the foreign producers/exporters mentioned above requested an extension to the Commission's due date for submission of responses and were each granted an extension on good cause shown.

Initial responses from the manufacturers/exporters were found to be deficient. The producers/exporters were advised accordingly and were each given seven days to rectify the identified deficiencies. The responses from Tangshan Junxing Hardware Tools Making Co. Ltd and Tangshan Zenger Trading Co. Ltd were still considered deficient. Shivagrigo Implements Ltd information was verified from 07 to 10 March 2022. It was since established that their response is deficient. The nature of deficiencies for all the producers and exporters is indicated in Section 4 of this report.

The Commission made a preliminary determination not to take into account the foreign producers/exporters' information into account for purposes of its preliminary determination. The Commission further decided to use the best information available which is the information submitted by the applicant for the calculation of dumping margins for all Chinese producers/exporters of spades and shovels and all Indian producers/exporters of picks.

The producers/exporters were advised that should their responses be rectified within the deadline date for comments on the preliminary determination, their information would be considered for the Commission's final determination.

1.7.3 SACU IMPORTERS

Responses to the Commission's importer questionnaire were received from the following importers:

- Araf Industries (Pty) Ltd;
- Buildmax Distributors (Pty) Ltd; and
- Harry P Will South Africa (Pty) Ltd.

All importers mentioned above requested an extension to the Commission's due date for submission of responses and were each granted an extension on good cause shown.

Initial responses from the importers were found to be deficient. The importers were advised accordingly and were each given seven days to rectify the identified deficiencies. Responses from the respective importers were still considered deficient. The nature of deficiencies is indicated below:

Araf Industries (Pty) Ltd (Araf) and Buildmax Distributors (Pty) Ltd (Buildmax)

A confidentiality disclaimer is provided on the company's group structure yet the confidential company's group structure is included in the non-confidential response.

The importers were advised accordingly that their information may not be considered by the Commission for preliminary determination and that should their responses be rectified within the deadline date for comments on the preliminary determination, their information would be considered for the Commission's final determination.

Subsequently, responses were received from Araf and Buildmax indicating that the confidential company group structure is not confidential. The Commission considered the responses were received after the deadline date to address deficiencies.

Harry P Will South Africa (Pty) Ltd (Harry P Will SA)

The nature of deficiencies for Harry P Will SA is as follows:

- On reasons for importing the subject product, a reference is made to an annexure that is not attached in the confidential response
- Countries of export of the products imported by Harry P Will SA are not indicated.
- A list of imports includes purchases that were not made by Harry P Will SA.

- Invoices to substantiate imports/purchases show sale transactions between importers, not invoices issued by the manufacturer or exporter of the subject product to Harry P Will SA.
- Information on list of purchases is incomplete. It does not have the name of the manufacturer/supplier of the subject product and is outside dumping period of investigation.
- There are cost elements of the cost and price build-up (CBU) which are not provided as the suggested format was modified. It is not specified whether these costs are incurred or not.
- Total costs and cost per unit/kilogram of some of the elements are not provided.
- Percentages applicable to cost and selling price for each cost element are not provided.
- Percentages instead of monetary values on settlement discounts and rebates are provided.
- Documentary evidence to substantiate the exchange rate is outside the dumping period of investigation.
- Kilograms or units used in the apportionment of costs are not specified.
- Copies of documentation relevant to each shipment are not provided.
- On estimates, reference is made to annexures that are not attached in the non-confidential response.
- The period applicable to information provided on the size of the SACU market per annum is not indicated.
- The period indicated on estimate for annual rate of change in quantity and value is outside the period of dumping for investigation.
- Invoices which are attached under section C of the questionnaire response are not translated to English and are outside the dumping period of investigation.
- The period applicable to documentary evidence to substantiate exchange rate used on comments under section C of the questionnaire response is not indicated.

Harry P Will SA was advised accordingly that the information may not be considered by the Commission for preliminary determination and that should their response be rectified within the deadline date for comments on the preliminary determination, their information would be considered for the Commission's final determination.

Harry P Will SA responded that further deficiencies were raised in the Commission's second deficiency letter, which differ from the deficiencies addressed in the first deficiency letter. The Commission considered that not all deficiencies in the first letter were addressed. In instances where some of the deficiencies were responded to, the importer created new deficiencies. Furthermore, the Commission's second letter emphasised what was raised in the first letter as the importer had not provided information required in the importer's questionnaire.

The Commission made a preliminary determination not to consider the information by Araf Industries (Pty) Ltd, Buildmax Distributors (Pty) Ltd and Harry P Will South Africa (Pty) Ltd for purposes of its preliminary determination. The Commission further determined that the interested parties be granted an opportunity to rectify their responses prior the deadline for comments to the Commission's Preliminary Report, and have their information considered for purposes of the Commission's final determination.

1.8 PRELIMINARY DETERMINATION

At its Commission meeting of 12 April 2022, after considering all responses and comments by interested parties, the Commission made a preliminary determination that:

- spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm originating in or imported from the People's Republic of China were being dumped into the SACU market;
- spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm, picks, other rakes (excluding those with not more than 8 prongs) and other forks with a prong length exceeding 150 mm originating in or imported from the Republic of India were being dumped into the SACU market;
- the SACU industry is experiencing material injury and a threat of material injury; and
- there is a causal link between the alleged dumped imports and material injury and a threat of material injury suffered by the SACU industry.

The Commission considered that import volumes of spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India are negligible at less than 3% of total imports to SACU market. Therefore, the Commission made a preliminary determination to terminate the investigation on spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05 originating in or imported from India. The Commission further made a preliminary determination not to impose provisional payments in such spades and shovels from India.

The Commission also considered that the SACU industry would continue to suffer material injury during the course of the investigation if provisional measures were not imposed. The Commission therefore decided to request the Commissioner for the South African Revenue Service (SARS) to impose provisional payments for a period of six months on imports of the subject products as follows:

Table 1: Provisional payments

Tariff-subheading	Tariff description	Producer/exporter	Country	Provisional payment
Spades and Shovels				
8201.10.05	of a maximum blade width of more than 150mm but not exceeding 200mm	All producers	China	58.56% <i>ad varoalem</i>
8201.10.10	of a maximum blade width of more than 200mm but not exceeding 320mm	All producers	India	155.09% <i>ad varoalem</i>
Picks				
8201.30.03	Mattocks; picks	All producers	India	152.91% <i>ad varoalem</i>
8201.30.90	Rakes (excluding those with not more than 8 prongs)	All producers	India	67.23% <i>ad varoalem</i>
8201.90.20	Other forks with a prong length	All producers	India	127.93% <i>ad varoalem</i>

	exceeding 150mm			
--	-----------------	--	--	--

- 1.9 The Commission considered comments received from interested parties prior to making its preliminary determination. All submissions made by interested parties are contained in the Commission's non-confidential file for this investigation and are available for perusal. It should be noted that this report does not purport to present all comments received and considered by the Commission. However some salient and pivotal comments received from interested parties and the Commission's consideration of these comments are specifically included in this report.

Comments submitted by interested parties (within a specified time period) on the preliminary determination will be considered by the Commission prior to making its final determination and recommendation to the Minister of Trade, Industry and Competition.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The applicant described the imported products to be:

- Round or square mouth shovel;
- Digging spade;
- Chisel and diamond pick;
- Rakes with 8 or more prongs; and
- Digging fork with 3/4/5/6/8 or 10 prongs.

2.1.2 Countries of Origin

The subject products originate in or are imported from India and China.

2.1.3 Possible tariff loopholes

The applicant stated the following on possible tariff loopholes on spades and shovels:

- There is a possible abuse of tariff subheading “Other” on spades and shovels. An analysis of the import statistics shows that a substantial volume of the product is imported under this tariff subheading although “Other” is used for special products not described in the common tariff descriptions.
- Circumvention is taking place with regard to spades and shovels classifiable under tariff-subheading 8201.10.10 originating in or imported from China. The width of a standard spade is 200mm. Minor alterations are made to product dimensions in order that tariff subheading 8201.10.05 which is not subject to an anti-dumping duty can be used. An adjustment to the width of one or two millimeters will not be visually apparent and will have no impact on the application of the product. Such adaptation effectively gives rise to circumvention, as an alternative tariff code is used allowing for the continued dumping and which causes material injury to the SACU industry. Although the referred slight modification does present a circumvention opportunity, the modified product remains a like product to the SACU product classifiable under tariff subheading 8201.10.10 which is being dumped in SACU and causing injury to the domestic manufacturers’ spade and shovel product segment. In addition, the importation of these blade-modified products to SACU still occurs at dumped prices.

2.1.4 Tariff Classification

The subject products are classifiable under the following tariff-subheadings:

Table 2.1.4: Subject products tariff classification

Tariff heading/ subheading	Description	Statistical unit	Rate of duty					
			General	EU	EFTA	SADC	MERCOSUR	AfCFTA
82.01	Hand tools, the following: Spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry:							
8201.10	- Spades and shovels:							
8201.10.05	- - Of a maximum blade width of more than 150 mm but not exceeding 200 mm	kg	20%	free	20%	free	20%	16%
8201.10.10	- - Of a maximum blade width of more than 200 mm but not exceeding 320 mm	kg	20%	free	20%	free	18%	16%
8201.30	- Mattocks, picks, hoes and rakes:							
8201.30.03	- - Mattocks; picks	kg	20%	free	20%	free	18%	16%
8201.30.90	- - Other	kg	free	free	free	free	free	free
8201.90	- Other hand tools of a kind used in agriculture, horticulture or forestry:							
8201.90.20	- - Other forks, with a prong length exceeding 150 mm	kg	20%	free	20%	free	18%	16%

2.1.5 Other applicable duties and rebates

The applicant stated that there are no rebate provisions on the subject products. However, there are anti-dumping duties on imports of the subject products originating in or imported from China.

Table 2.1.5: Applicable anti-dumping duties against China

Tariff subheading	Product Description	Rate of anti-dumping duty
8201.10.10	Spades and shovels with a maximum blade width of more than 200mm but not exceeding 320mm	4796c/kg
8201.30.03	Picks	3295c/kg
8201.30.90	Rakes with more than 8 prongs	3466c/kg
8201.90.20	Forks with a prong length exceeding 150 mm (excluding those with 8 or more prongs)	4668c/kg

After a sunset review investigation, the anti-dumping duties indicated in table 2.1.5 above were imposed on 19 July 2019.

2.1.6 Negligibility test

The Commission considers the volume of imports to be negligible if alleged dumped imports account for less than 3 percent of total imports of the subject product during the period of investigation for dumping. The following table shows the percentage of alleged dumped imports from China and India as a percentage of total imports:

Table 2.1.6: Negligibility test

Import volumes in kilograms	Import volumes: 01 May 2020 to 30 April 2021	Volumes as a % of total Imports
Spades and shovels classifiable under tariff subheading 8201.10.05		
Alleged dumped imports-China	982 689	94.85%
Alleged dumped imports-India	20 931	2.02%
Total alleged dumped imports	1 003 619	96.87%
Other imports	32 461	3.13%
Total imports	1 036 080	100.00%
Spades and Shovels classifiable under tariff subheading 8201.10.10		
Alleged dumped imports-India	127 401	96.49%
Other imports	4 641	3.51%
Total imports	132 042	100.00%

Picks classifiable under tariff subheading 8201.30.03		
Alleged dumped imports-India	660 854	97.79%
Other imports	14 931	2.21%
Total	675 785	100.00%
Rakes classifiable under tariff subheading 8201.30.90		
Alleged dumped imports-India	128 150	55.30%
Other imports	103 569	44.70%
Total	231 720	100.00%
Forks classifiable under tariff subheading 8201.90.20		
Alleged dumped imports-India	131 943	94.02%
Other imports	8 399	5.98%
Total	140 341	100%

Table 2.1.6 above indicates that imports of spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India are below 3% as a percentage of total imports. The Commission considered that import volumes of spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India are negligible. Therefore, the Commission made a preliminary determination to terminate the investigation on spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05 originating in or imported from India.

The Commission further considered that cumulation of imports cannot be applied since there is no other country with imports which individually account for less than 3% of total imports and when collectively combined with India imports it would account for more than 7% as a percentage of total imports in terms of Regulation 16.2 of the ADR.

2.1.7 Raw materials used

The applicant stated that the raw materials for the subject products to be as follows:

Table 2.1.7: Raw materials

Shovel	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.
Spade	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.
Pick	Forged carbon steel eye and shanks.
Rake	Mild steel head with steel or wood shaft.
Fork	Carbon steel tines welded to tubular shaft or forged prongs, with plastic or steel grip.

2.1.8 Production process

The applicant described the production process for the subject products as follows:

Table 2.1.8: Production process

Shovel	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product painted for protection and finish.
Spade	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Blade is heat-treated. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product Painted for protection and finish.
Pick	Bar is cropped to billet. Billet is heated, eye is forged and shanks are rolled or hammer forged. Product is heat-treated. Protective coating is applied.
Rake	Tines of rake are blanked or welded. Socket or shaft is welded to head. Protective coating is applied.
Fork	Fork head is either forged from bar or square bar is bent and welded to form fork tines. Tubular steel or wood shaft is fitted to the head. The product is coated with varnish and/or paint.

2.1.9 Technical characteristics and appearance

The applicant described the technical characteristics and appearance for the subject products as follows:

Table 2.1.9: Technical characteristics and appearance

Shovel	Head is dished and formed with a 'crimp' or 'frog' for strength. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a slight rounded broad blade and typically upturned sides.
Spade	Head is slightly dished and formed with a frog for strength. The blade is heat-treated for strength and resistance to wear. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a rectangular flat blade typically narrower and less curved than that of a shovel.
Pick	Chisel and diamond ends to shanks for digging. Ends are heat-treated for strength and wear resistance. The head is a spike ending in a sharp point that may curve slightly and often has a counter-weight a second spike that could have a flat

	of sharp end. The head is attached to a long handle.
Rake	Tines for clearing. The product consists of a toothed bar that is fixed transversely to a handle.
Fork	Tines to dig or lift, Hardened tines or forged prongs for wear resistance. The product has a handle that is attached to a long shaft, which on the other end has short, sturdy prongs.

2.1.10 Application or end use

The applicant stated that the subject products are used in the following applications:

Table 2.1.10: Application

Shovel	It is used for moving/mixing sand and stone
Spade	It is used for mixing cement, digging soil.
Pick	It is used for digging holes and trenches.
Rake	It is used for soil aeration and clearing.
Fork	It is used for digging soil, moving hay and fodder, agricultural preparation, sifting ballast.

2.1.11 Categories of users

The applicant stated that the subject products are used by the following categories of users:

Table 2.1.11: Categories of users

Shovel	Miner, Builder, Farmer, Gardener
Spade	Builder, Farmer, Gardener
Pick	Miner, Builder, Farmer, Gardener
Rake	Builder, Farmer, Gardener
Fork	Farmer, Gardener

2.1.12 Substitutability

The applicant stated that imported subject products are similar in appearance and application and are sold in the same markets as full substitutes for the SACU manufactured products.

2.2 SACU PRODUCT

2.2.1 Description

The applicant described the SACU products to be:

- Round or square mouth shovel;
- Digging spade;
- Chisel and diamond pick;
- Rakes with 8 or more prongs; and
- Digging fork with 3/4/5/6/8 or 10 prongs.

2.2.2 Raw materials

The applicant stated that the raw materials for the subject products to be as follows:

Table 2.2.2: Raw materials

Shovel	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.
Spade	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.
Pick	Forged carbon steel eye and shanks.
Rake	Mild steel head with steel or wood shaft.
Fork	Carbon steel tines welded to tubular shaft or forged prongs, with plastic or steel grip.

2.2.3 Production process

The applicant described the production process for the subject products in SACU as follows:

Table 2.3.3: Production process

Shovel	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product painted for protection and finish.
Spade	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Blade is heat-treated. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product Painted for protection and finish.
Pick	Bar is cropped to billet. Billet is heated, eye is forged and shanks are rolled or hammer forged. Product is heat-treated. Protective coating is applied.
Rake	Tines of rake are blanked or welded. Socket or shaft is welded to head. Protective coating is applied.
Fork	Fork head is either forged from bar or square bar is bent and welded to form fork tines. Tubular steel or wood shaft is fitted to the head. The product is coated with varnish and/or paint.

2.2.4 Technical characteristics and appearance

The applicant described the technical characteristics and appearance for the subject products as follows:

Table 2.2.4: Technical characteristics and appearance

Shovel	Head is dished and formed with a 'crimp' or 'frog' for strength. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a slight rounded broad blade and typically upturned sides.
Spade	Head is slightly dished and formed with a frog for strength. The blade is heat-treated for strength and resistance to wear. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a rectangular flat blade typically narrower and less curved than that of a shovel.
Pick	Chisel and diamond ends to shanks for digging. Ends are heat-treated for strength and wear resistance. The head is a spike ending in a sharp point that may curve slightly and often has a counter-weight a second spike that could have a flat of sharp end. The head is attached to a long handle.
Rake	Tines for clearing. The product consists of a toothed bar that is fixed transversely to a handle.
Fork	Tines to dig or lift, Hardened tines or forged prongs for wear resistance. The product has a handle that is attached to a long shaft, which on the other end has short, sturdy prongs.

2.2.5 Application or end use

The applicant stated that the subject products are used in the following applications:

Table 2.2.5: Application

Shovel	It is used for moving/mixing sand and stone
Spade	It is used for mixing cement, digging soil.
Pick	It is used for digging holes and trenches.
Rake	It is used for soil aeration and clearing.
Fork	It is used for digging soil, moving hay and fodder, agricultural preparation, sifting ballast.

2.2.6 Categories of users

The applicant stated that the subject products are used by the following categories of users:

Table 2.2.6: Categories of users

Shovel	Miner, Builder, Farmer, Gardener
Spade	Builder, Farmer, Gardener
Pick	Miner, Builder, Farmer, Gardener
Rake	Builder, Farmer, Gardener
Fork	Farmer, Gardener

2.2.7 Substitutability

The applicant stated that imported subject products are similar in appearance and application and are sold in the same markets as full substitutes for the SACU manufactured products.

2.3 Like product analysis

In determining the likeness of products the Commission uses the following criteria:

Table 2.3: Like product determination

	Imported products	SACU products
Raw Materials		
Shovel	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.
Spade	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.	Carbon steel blade, steel tube or wood shaft with metal or plastic grip.
Pick	Forged carbon steel eye and shanks.	Forged carbon steel eye and shanks.
Rake	Mild steel head with steel or wood shaft.	Mild steel head with steel or wood shaft.
Fork	Carbon steel tines welded to tubular shaft or forged prongs, with plastic or steel grip.	Carbon steel tines welded to tubular shaft or forged prongs, with plastic or steel grip.
Production processes		
Shovel	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product painted for protection and finish.	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product painted for protection and finish.

Spade	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Blade is heat-treated. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product painted for protection and finish.	Rolled sheet is profile blanked. Blade and shaft hot formed to shape. Blade is heat-treated. Steel tube is pressed and welded to socket (garden range) or wood shaft is affixed to socket. Grip is formed and fitted to shaft and the product painted for protection and finish.
Pick	Bar is cropped to billet. Billet is heated, eye is forged and shanks are rolled or hammer forged. Product is heat-treated. Protective coating is applied.	Bar is cropped to billet. Billet is heated, eye is forged and shanks are rolled or hammer forged. Product is heat-treated. Protective coating is applied.
Rake	Tines of rake are blanked or welded. Socket or shaft is welded to head. Protective coating is applied.	Tines of rake are blanked or welded. Socket or shaft is welded to head. Protective coating is applied.
Fork	Fork head is either forged from bar or square bar is bent and welded to form fork tines. Tubular steel or wood shaft is fitted to the head. The product is coated with varnish and/or paint.	Fork head is either forged from bar or square bar is bent and welded to form fork tines. Tubular steel or wood shaft is fitted to the head. The product is coated with varnish and/or paint.
Technical characteristics/ appearances		
Shovel	Head is dished and formed with a 'crimp' or 'frog' for strength. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a slight rounded broad blade and typically upturned sides.	Head is dished and formed with a 'crimp' or 'frog' for strength. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a slight rounded broad blade and typically upturned sides.
Spade	Head is slightly dished and formed with a frog for strength. The blade is heat-treated for strength and resistance to wear. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a rectangular flat blade – typically narrower and less curved than that of a shovel.	Head is slightly dished and formed with a frog for strength. The blade is heat-treated for strength and resistance to wear. Grips are formed for strength. The product has a handle that is attached to a long shaft, which on the other end has a rectangular flat blade – typically narrower and less curved than that of a shovel.
Pick	Chisel and diamond ends to shanks for digging. Ends are heat-treated for strength and wear resistance. The head is a spike ending in a sharp point that may curve slightly and often has a counter-weight a second spike that could have a flat or sharp end. The head is attached	Chisel and diamond ends to shanks for digging. Ends are heat-treated for strength and wear resistance. The head is a spike ending in a sharp point that may curve slightly and often has a counter-weight a second spike that could have a flat or sharp end. The head is attached

	to a long handle.	to a long handle.
Rake	Tines for clearing. The product consists of a toothed bar that is fixed transversely to a handle.	Tines for clearing. The product consists of a toothed bar that is fixed transversely to a handle.
Fork	Tines to dig or lift, Hardened tines or forged prongs for wear resistance. The product has a handle that is attached to a long shaft, which on the other end has short, sturdy prongs.	Tines to dig or lift, Hardened tines or forged prongs for wear resistance. The product has a handle that is attached to a long shaft, which on the other end has short, sturdy prongs.
Applications		
Shovel	Moving/mixing sand and stone	Moving/mixing sand and stone
Spade	Mixing cement, digging soil.	Mixing cement, digging soil.
Pick	Digging holes and trenches.	Digging holes and trenches.
Rake	Soil aeration and clearing.	Soil aeration and clearing.
Fork	Digging soil, moving hay and fodder, agricultural preparation, sifting ballast.	Digging soil, moving hay and fodder, agricultural preparation, sifting ballast.
Categories of users		
Shovel	Miner, Builder, Farmer, Gardener	Miner, Builder, Farmer, Gardener
Spade	Builder, Farmer, Gardener	Builder, Farmer, Gardener
Pick	Miner, Builder, Farmer, Gardener	Miner, Builder, Farmer, Gardener
Rake	Builder, Farmer, Gardener	Builder, Farmer, Gardener
Fork	Farmer, Gardener	Farmer, Gardener
Substitutability	The applicant stated that all SACU products are fully substitutable with the imported products.	The applicant stated that all SACU products are fully substitutable with the imported products.

Comments by interested parties on like product

The applicant produces high quality products for industrial use whilst the imported product is more affordable targeting the everyday consumer.

Commission's consideration

The imported and SACU products, whether meant for industrial or household use are considered like products since they have the same raw materials, manufacturing processes, technical characteristics and appearance, same end-use and are used in same applications.

Taking the above into consideration, the Commission made a preliminary determination that the SACU products and the imported products are “like products”, for purposes of comparison, in terms of the definition of “like product” in Regulation 1 of the ADR.

3. INDUSTRY STANDING

The application was lodged by Ussher Inventions (Pty) Ltd (trading as Lasher Tools) and supported by Ottimo Products CC which together constitute 100% of the domestic production of the subject products in SACU. Ottimo Products CC provided information on spades and shovels classifiable under tariff subheading 8201.10.05, rakes and forks.

The Commission made a preliminary determination that the application can be regarded as being made by or on behalf of the SACU industry in terms of Regulation 7.2 of the ADR.

4. DUMPING

4.1 RESPONSES OF PRODUCERS/EXPORTERS OF SPADES AND SHOVELS FROM CHINA

Responses to the Commission's exporter questionnaire were submitted by Tangshan Junxing Hardware Tools Making Co. Ltd (a producer) and Tangshan Zenger Trading Co. Ltd (a trader). Responses from both parties were found to be deficient and the nature of deficiencies is as follows:

(a) Tangshan Junxing Hardware Tools Making Co. Ltd

- On distribution channels, domestic and export sales percentage split does not add up to 100% in the confidential response.
- It is indicated that during the period of investigation export sales are to traders and wholesalers but the sales schedules show sales to wholesalers only.
- There is a model of spades and shovels under consideration in the cost and price build-up which does not appear in the sales schedules.
- Sales made through a trader are not included under SACU sales.
- Summary of the profit and sales contribution analysis is included in non-confidential response whereas it is indicated to be confidential and included in the sworn statement.
- The English version of 2019 financial statements is incomplete.
- Information is included in the sworn statement whereas there is no confidentiality disclaimer indicated in the relevant section of the questionnaire.
- Indexing of information in Annexures D1.1.1 and D1.3, D2.2, E1.4, G1 and G2 is incorrect.
- Information on each product category is duplicated in Annexure D2.2 of the response.
- Year, quarter and month reflect the same values in Annexure E1.4 of the response.
- Export currency is not indicated in Annexures E1.4 and G2 of the response.
- Dumping margin is not calculated per model or product category.
- There are two rows which show actual production in kilograms under Annexure H2.1 of the response.

(b) Tangshan Zenger Trading Co. Ltd

- Monthly domestic sales schedules have confidential information which is included in the non-confidential response.
- Folder on inland transport charges to SACU is empty.
- Indexing of information in Annexures D1.3, D2.2, E1.4, G1 and G2 is incorrect.
- Quarterly information in Annexure D1.3 does not correspond to the period of investigation.
- The year applicable to each month of the period of investigation is not indicated in Annexure D1.3 of the response.
- Quarter and month information reflects the same values in Annexure D2.2 of the response.
- Information on each product category is duplicated in Annexure E1.4 of the response.
- Export currency is not indicated in Annexure G2 of the response.
- Dumping margin is not calculated per model or product category.

Based on the above, the Commission made a preliminary determination not to take into account information of Tangshan Junxing Hardware Tools Making Co. Ltd and Tangshan Zenger Trading Co. Ltd for purposes of its preliminary determination. The Commission further determined that the interested parties be granted an opportunity to rectify their responses prior the deadline for comments to the Commission's Preliminary Report, and have their information considered for purposes of the Commission's final determination.

Since the information from the above-mentioned interested parties was not taken into account for the preliminary determination, the Commission decided to use facts available to determine the dumping margin for all producers and exporters of spades and shovels in China in terms of Regulation 1 of the ADR. The facts available in this case consists of information supplied by the applicant and contained in the application.

4.2 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF SPADES AND SHOVELS IN CHINA

4.2.1 Normal Value for spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05

The applicant determined the normal value for spades and shovels based on the domestic price in China. To substantiate the domestic price, the applicant provided a quotation sourced from a manufacturer. The quotation shows the ex-works price of a steel spade with a blade width of 190mm to 195mm at 18.50 Chinese Yuan (CNY) per unit. The value in CNY per unit was then converted to kilograms using a conversion factor indicated in the quotation. The ex-factory normal value was determined to be CNY7.71 per kilogram.

4.2.2 Export price for spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05

The Commission made a preliminary determination that the export price for all producers and exporters of spades and shovels in China be based on facts available. The facts available in this instance are the official import statistics from SARS for the investigation period for dumping. The export price was determined based on the average Free on Board (FOB) export price per kilogram. The FOB export price was adjusted with inland freight costs of 5% to derive the ex-factory export price. The ex-factory export price was determined to be R11.33 per kilogram. The ex-factory export price in South African Rands (ZAR) was then converted to Chinese yuan. The currency conversions were sourced from oanda.com for the period of investigation for dumping. The ex-factory export price in Chinese yuan was determined to be CNY4.77 per kilogram.

4.2.3 Margin of dumping for spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the export price. If the margin of dumping is less than two percent, it is regarded as *de minimis* in terms of the ADR and no anti-dumping duty will be imposed. The dumping margin for all producers and exporters of spades and shovels was determined as follows:

Table 4.2.3: Margin of dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05

	CNY/kg
Ex- factory normal value	7.71
Ex-factory export price	4.77
Margin of dumping	2.94
Margin of dumping a % of ex-factory export price	61.63%

4.3 RESPONSES OF PRODUCERS/EXPORTERS OF PICKS FROM INDIA

A response to the Commission's exporter questionnaire was submitted by Shivagrigo Implements Ltd, a producer of picks. Its information was verified from 07 to 10 March 2022. Subsequent to the verification, its response was found to be deficient. The nature of deficiencies is as follows:

- Indexing of information in Annexures D1.1.1, D1.3, D2.2, E1, G1 and G2 is incorrect.
- The months are not labelled to show the period of investigation in Annexures D1.1.1 and D2.2 of the response.
- Quarterly information does not correspond to the dumping period of investigation in Annexures D1.1.1 and D2.2 of the response.
- Export currency is not indicated in Annexures E1.4 and G2 of the response.
- There are rows with no values whereas there is a net ex-factory price per unit in Annexure G1 of the response.
- Indexed value for pickaxes in Annexures E1.4 and G2 do not match.
- Dumping margin is not calculated per model or product category.
- There are two rows which show actual production in kilograms in Annexure H2.1 of the response.

Based on the above, the Commission made a preliminary determination not to take into account information of Shivagrigo Implements Ltd for purposes of its preliminary determination. The Commission further determined that Shivagrigo Implements Ltd be granted an opportunity to rectify its response prior the deadline for comments to the Commission's Preliminary Report, and have its information considered for purposes of the Commission's final determination.

Since the information from Shivagrigo Implements Ltd was not taken into account for the preliminary determination, the Commission decided to use the facts available to determine the dumping margin for all producers and exporters of picks in India in terms of Regulation 1 of the ADR. The facts available in this case consists of information supplied by the applicant and contained in the application.

4.4 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF PICKS IN INDIA

4.4.1 Normal Value for picks classifiable under tariff subheading 8201.30.03

The applicant determined the normal value for picks based on the domestic price in India. To substantiate the domestic price, the applicant provided a quotation sourced from a manufacturer. The quotation shows the ex-works prices of two models of picks in Indian Rupees (INR) per unit. The value in INR per unit was then converted to kilograms using the conversion factors as indicated in the quotation. To determine the applicable price, an average was used. The value in INR per unit was then converted to kilograms using the conversion factors indicated in the quotation. The ex-factory normal value was determined to be INR107.50 per kilogram.

4.4.2 Export price for picks classifiable under tariff subheading 8201.30.03

The Commission made a preliminary determination that the export price for all producers and exporters of picks in India be based on facts available. The facts available in this instance are the official import statistics from SARS for the investigation period for dumping. The export price was determined based on the average Free on Board (FOB) export price per kilogram. The FOB export price was adjusted with inland freight costs of 5% to derive the ex-factory export price. The ex-factory export price was determined to be R8.90 per kilogram. The ex-factory export price in South African Rands (ZAR) was then converted to Indian Rupees. The currency conversions were sourced from oanda.com for the period of investigation for dumping. The ex-factory export price was determined to be INR41.20 per kilogram.

4.4.3 Margin of dumping for picks classifiable under tariff subheading 8201.30.03

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the export price. If the margin of dumping is less than two percent, it is

regarded as *de minimis* in terms of the ADR and no anti-dumping duty will be imposed. The dumping margin for all producers and exporters of picks was determined as follows:

Table 4.4.3: Margin of dumping for picks classifiable under tariff subheading 8201.30.03

	INR/kg
Ex- factory normal value	107.50
Ex-factory export price	41.20
Margin of dumping	66.30
Margin of dumping a % of ex-factory export price	160.92%

4.5 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF FORKS IN INDIA

There were no responses from producers and exporters of forks in India. The Commission decided to use the facts available to determine the dumping margin for all producers and exporters of forks in terms of Regulation 1 of the ADR. The facts available in this case consists of information supplied by the applicant and contained in the application.

4.5.1 Normal Value for forks classifiable under tariff subheading 8201.90.20

The applicant determined the normal value for forks on the domestic price in India. To substantiate the domestic price, the applicant provided a quotation sourced from a manufacturer. The quotation shows the ex-works price of a fork with a minimum prolonged length of 150mm in INR per unit. The value in INR per unit was then converted to kilograms using the conversion factor indicated in the quotation. The ex-factory normal value was determined to be INR140.00 per kilogram.

4.5.2 Export price for forks classifiable under tariff subheading 8201.90.20

The Commission made a preliminary determination that the export price for all producers and exporters of forks in India be based on facts available. The facts available in this instance are the official import statistics from SARS for the investigation period for dumping. The export price was determined based on the average FOB export price per kilogram. The FOB export price was adjusted with inland freight costs of 5% to derive the ex-factory export price. The ex-factory export price was determined to be R12.89 per kilogram. The ex-factory export price in ZAR was then converted to Indian Rupees. The currency conversions were sourced from oanda.com for the period of investigation for dumping. The ex-factory export price was determined to be INR59.66 per kilogram.

4.5.3 Margin of dumping for forks classifiable under tariff subheading 8201.90.20

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the export price. If the margin of dumping is less than two percent, it is regarded as *de minimis* in terms of the ADR and no anti-dumping duty will be imposed. The dumping margin for all producers and exporters of forks was determined as follows:

Table 4.5.3: Margin of dumping for forks classifiable under tariff subheading 8201.90.20

	INR/kg
Ex- factory normal value	140.00
Ex-factory export price	59.66
Margin of dumping	80.34
Margin of dumping a % of ex-factory export price	134.66%

4.6 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF RAKES IN INDIA

There were no responses from producers and exporters of rakes in India. The Commission decided to use the facts available to determine the dumping margin for all producers and exporters of rakes in terms of Regulation 1 of the ADR. The facts available in this case consists of information supplied by the applicant and contained in the application.

4.6.1 Normal Value for rakes classifiable under tariff subheading 8201.30.90

The applicant determined the normal value for rakes on the domestic price in India. To substantiate the domestic price, the applicant provided two quotations sourced from certain Indian manufacturers. The quotations show the ex-works prices of rakes in different sizes in INR per unit. The value in INR per unit was then converted to kilograms using the conversion factors indicated in the quotations. To determine the applicable price, an average was used. The ex-factory normal value was determined to be INR129.48 per kilogram.

4.6.2 Export price for rakes classifiable under tariff subheading 8201.30.90

The Commission made a preliminary determination that the export price for all producers and exporters of rakes in India be based on facts available. The facts available in this case consists of information supplied by the applicant and contained in the application.

The applicant determined the export price for rakes based on the Mumbai FOB export price. The Commission also considered that the applicant stated that the Mumbai FOB export price was used because the price based on SARS import statistics is unrealistic as the tariff subheading is also used to clear other products such as hoes which are not part of this investigation.

To substantiate this export price, the applicant provided a quotation sourced from a manufacturer. The quotation shows the FOB export price in US dollars (US\$) 2.1 per piece. It was then converted to kilograms using a conversion factor indicated in the quotation. The FOB export price was adjusted with inland freight costs of 5% to derive the ex-factory export price. The ex-factory export price was determined to be \$1.026 per kilogram. The ex-factory export price in US dollar was then converted to INR. The currency conversions were sourced from oanda.com for the period of investigation for dumping. The ex-factory export price for rakes was determined to be INR75.84 per kilogram.

4.6.3 Margin of dumping for rakes classifiable under tariff subheading 8201.30.90

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the export price. If the margin of dumping is less than two percent, it is regarded as *de minimis* in terms of the ADR and no anti-dumping duty will be imposed. The dumping margin for all producers and exporters of rakes was determined as follows:

Table 4.6.3: Margin of dumping for rakes classifiable under tariff subheading 8201.30.90

	INR/kg
Ex- factory normal value	129.48
Ex-factory export price	75.84
Margin of dumping	53.64
Margin of dumping a % of ex-factory export price	70.73%

4.7 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF SPADES AND SHOVELS IN INDIA

There were no responses from producers and exporters of spades and shovels in India. The Commission decided to use the facts available to determine the dumping margin for all producers and exporters of spades and shovels in terms of Regulation 1 of the ADR.

The facts available in this case consist of information supplied by the applicant and contained in the application.

4.7.1 Normal value for spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff-subheading 8201.10.10

The applicant determined the normal value for spades and shovels on the domestic price in India. To substantiate the domestic price, the applicant provided a quotation sourced from a manufacturer. The quotation shows the ex-works prices of spades and shovels in different sizes in INR per unit. The value in INR per unit was then converted to kilograms using the conversion factors indicated in the quotation. To determine the applicable price, an average was used. The ex-factory normal value was determined to be INR110.76 per kilogram.

4.7.2 Export price for spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10

The Commission made a preliminary determination that the export price for all producers and exporters of spades and shovels in India be based on facts available. The facts available in this instance are the official import statistics from SARS for the investigation period for dumping. The export price was determined based on the average Free on Board (FOB) export price per kilogram. The FOB export price was adjusted with inland freight costs of 5% to derive the ex-factory export price. The ex-factory export price was determined to be R9.09 per kilogram. The ex-factory export price in ZAR was then converted to INR. The currency conversions were sourced from oanda.com for the period of investigation for dumping. The ex-factory export price was determined to be INR42.07 per kilogram.

4.7.3 Margin of dumping for spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the export price. If the margin of dumping is less than two percent, it is regarded as *de minimis* in terms of the ADR and no anti-dumping duty will be imposed. The dumping margin for all producers and exporters of spades and shovels was determined as follows:

Margin of dumping for spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10

	INR/kg
Ex- factory normal value	110.76
Ex-factory export price	42.07
Margin of dumping	68.69
Margin of dumping a % of ex-factory export price	163.28%

Based on the information supplied, the Commission made a preliminary determination that:

- Spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from China are being dumped into SACU market; and
- Spades and shovels classifiable under tariff subheading 8201.10.10, picks, rakes with more than 8 prongs and forks with a prong length exceeding 150mm originating in or imported from India are being dumped into SACU market.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The material injury information on the subject products is provided by Ussher Inventions (Pty) Ltd (Lasher Tools). Lasher Tools represents SACU industry production volumes as follows:

Table 5.1: Major proportion by production volumes

Tariff-subheading	Subject product	Proportion by production volumes
8201.10.05	Spades & Shovels	More than 75%
8201.10.10	Spades & Shovels	100%
Total	Spades & Shovels	More than 90%
8201.30.03	Picks	100%
8201.30.90	Rakes	More than 90%
8201.90.20	Forks	More than 95%

Based on this information, the Commission made a preliminary determination that this constitutes “a major proportion” of the total domestic production, in accordance with Regulation 7 of the ADR.

5.2 CUMULATIVE ASSESSMENT

In terms of Regulation 16.3 of the ADR, the Commission may cumulatively assess the effects of the dumped imports only if it finds that cumulation is appropriate in light of:-

- Competition between imports from the different countries; and
- Competition between imported products and SACU like products; and if
- The imports from the countries are not negligible as contemplated in subsection 3; and
- The margin of dumping is one percent or more when expressed as a percentage of the export price.

Commission’s consideration

The imports of spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05 originating in or imported from India are negligible at less than 3% of total imports to SACU market as indicated in Table 2.1.6. Therefore the Commission decided not to cumulatively assess the effects of allegedly dumped imports of spades and shovels.

5.3 MATERIAL INJURY ANALYSIS

The injury information presented below relates to the evaluation of data for the period 01 May 2018 to 30 April 2021.

5.4 IMPORT VOLUMES AND EFFECT ON PRICES

5.4.1 Import Volumes

The following tables show the volume of the allegedly dumped imports of the subject products as sourced from SARS for the period 01 May 2018 to 30 April 2021.

Table 5.4.1(a): Import volumes-spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-China	742 516	1 080 609	982 689
Other imports	18 742	26 863	53 391
Total imports	761 258	1 107 471	1 036 080
Alleged dumped imports from China as a % of total imports	97.54%	97.57%	94.85%
Other countries imports as a % of total imports	2.46%	2.43%	5.15%

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore included under other countries.

Information in table 5.4.1 (a) above shows that alleged dumped imports from China increased by 45.53% from 2018/19 to 2019/20, decreased by 9.06% from 2019/20 to 2020/21 and increased by 32.34% during the period of investigation. The alleged dumped imports from China have increased and now account for a significant percentage of total imports into SACU market.

Table 5.4.1(b): Import volumes-spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-India	-	108	127 401
Other imports	394 581	363 864	4 641
Total imports	394 581	363 972	132 042
Alleged dumped imports from India as a % of total imports	0.00%	0.03%	96.49%
Other imports as a % of total imports	100.00%	99.97%	3.51%

Information in table 5.4.1(b) above shows that alleged dumped imports from India increased from 0 to 108 kilograms from 2018/19 to 2019/20, further increased by 117 863.89% from

2019/20 to 2020/21 and increased from 0 to 127 401 kilograms during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 5.4.1(c): Import volumes-picks classifiable under tariff subheading 8201.30.03

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-India	242 192	354 393	660 854
Other imports	435 005	160 895	14 931
Total imports	677 197	515 288	675 785
Alleged dumped imports from India as a % of total imports	35.76%	68.78%	97.79%
Other imports as a % of total imports	64.24%	31.22%	2.21%

Information in table 5.4.1(c) above shows that alleged dumped imports from India increased by 46.33% from 2018/19 to 2019/20, further increased by 86.47% from 2019/20 to 2020/21 and increased by 172.86% during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 5.4.1(d): Import volumes-rakes classifiable under tariff subheading 8201.30.90

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports:-India	76 878	84 253	128 150
Other imports	119 867	82 016	103 570
Total imports	196 745	166 268	231 720
Alleged dumped imports from India as a % of total imports	39.07%	50.67%	55.30%
Other imports as a % of total imports	60.93%	49.33%	44.70%

Information in table 5.4.1(d) above shows that alleged dumped imports from India increased by 9.59% from 2018/19 to 2019/20, further increased by 52.10% from 2019/20 to 2020/21 and increased by 66.69% during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 5.4.1(e): Import volumes-forks classifiable under tariff subheading 8201.90.20

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-India	64 885	91 798	131 943
Other imports	70 917	31 845	8 399
Total imports	135 802	123 643	140 341

Alleged dumped imports from India as a % of total imports	47.78%	74.24%	94.02%
Other imports as a % of total imports	52.22%	25.76%	5.98%

Information in table 5.4.1(e) above shows that alleged dumped imports from India increased by 41.48% from 2018/19 to 2019/20, further increased by 43.73% from 2019/20 to 2020/21 and increased by 103.35% during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 5.4.1(f): Import volumes for all subject products

Kilograms	2018/19	2019/20	2020/21
*Alleged dumped imports-China	742 516	1 080 609	982 689
Alleged dumped imports-India	383 955	530 551	1 048 348
Total alleged dumped imports	1 126 471	1 611 160	2 031 037
Other imports	1 039 112	665 482	184 931
Total imports	2 165 583	2 276 642	2 215 967
Alleged dumped imports from China as a % of total imports	34.29%	47.47%	44.35%
# Alleged dumped imports from India as a % of total imports	17.73%	23.30%	47.31%
Total alleged dumped imports as a % of total imports	52.02%	70.77%	91.65%
Other imports as a % of total imports	47.98%	29.23%	8.35%

*China imports are for spades and shovels classifiable under tariff- subheading 8201.10.05.

Import volumes of spades and shovels from India for tariff-subheading 8201.10.05 are negligible, therefore are included under other countries.

Information in table 5.4.1(f) above shows that alleged dumped imports from China increased by 45.53% from 2018/19 to 2019/20, decreased by 9.06% from 2019/20 to 2020/21 and increased by 32.34% during the period of investigation. The alleged dumped imports from the India increased by 38.18% from 2018/19 to 2019/20, further increased by 97.60% from 2019/20 to 2020/21 and increased by 173.04% during the period of investigation. The alleged dumped imports from China and India have increased and now account for a significant percentage of total imports into SACU market.

5.4.2 Growth of subject imports relative to domestic production and consumption

Tables 5.4.2(a) and (b) below show the effects of the alleged dumped imports on production and consumption:

Table 5.4.2 (a): Growth of the subject imports relative to production

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
Subject imports/domestic production (%)				
8201.10.05-China	Spades & Shovels	100	152	88
8201.10.10-India	Spades & Shovels	100	100	198 421
Total spades and shovels	Spades & Shovels	100	155	261
8201.30.03	Picks	100	182	421
8201.30.90	Rakes	100	121	195
8201.90.20	Forks	100	136	222

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore not taken into account.

Information in table 5.4.2 (a) above indicates that imports relative to domestic production of spades and shovels from China under tariff subheading 8201.10.05 increased by 52 index points from 2018/19 to 2019/20, decreased by 64 index points from 2019/20 to 2020/21 and decreased 12 index points during the period of investigation. Imports relative to domestic production of spades and shovels from India classifiable under tariff subheading 8201.10.10 were relatively constant from 2018/19 to 2019/20, increased by 198 321 index points from 2019/20 to 2020/21 and during the period of investigation. The Commission considered that although imports from China relative to production decreased they still account for a significant share of imports to SACU during the period of investigation.

On picks, information in table 5.4.2 (a) above indicates that imports from India relative to production increased by 82 index points from 2018/19 to 2019/20, increased by 239 index points from 2019/20 to 2020/21 and increased by 321 index points during the period of investigation.

On rakes, information in table 5.4.2 (a) above indicates imports from India relative to production increased by 21 index points from 2018/19 to 2019/20, increased by 74 index points from 2019/20 to 2020/21 and increased by 95 index points during the period of investigation.

On forks, information in table 5.4.2 (a) above indicates imports from India relative to production increased by 36 index points from 2018/19 to 2019/20, increased by 86 index

points from 2019/20 to 2020/21 and increased by 122 index points during the period of investigation.

Table 5.4.2 (b): Growth of the subject imports relative to consumption

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
Subject imports/domestic consumption (%)				
8201.10.05-China	Spades & Shovels	100	157	101
8201.10.10-India	Spades & Shovels	100	100	94 632
Total spades and shovels	Spades & Shovels	100	254	211
8201.30.03	Picks	100	179	333
8201.30.90	Rakes	100	139	179
8201.90.20	Forks	100	180	199

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore not taken into account.

Information in table 5.4.2 (b) above indicates that imports relative to domestic consumption of spades and shovels from China under tariff subheading 8201.10.05 increased by 57 index points from 2018/19 to 2019/20, decreased by 56 index points from 2019/20 to 2020/21 and increased by 1 index point during the period of investigation. Imports relative to domestic consumption of spades and shovels from India under tariff subheading 8201.10.10 were relatively constant from 2018/19 to 2019/20, increased by 94 532 index points from 2019/20 to 2020/21 and during the period of investigation.

On picks, information in table 5.4.2 (b) above indicates that imports from India relative to consumption increased by 79 index points from 2018/19 to 2019/20, increased by 154 index points from 2019/20 to 2020/21 and increased by 233 index points during the period of investigation.

On rakes, information in table 5.4.2 (b) above indicates that imports from India relative to consumption increased by 39 index points from 2018/19 to 2019/20, increased by 40 index points from 2019/20 to 2020/21 and increased by 79 index points during the period of investigation.

On forks, information in table 5.4.2 (b) above indicates that imports from India relative to consumption increased by 80 index points from 2018/19 to 2019/20, increased by 19 index

points from 2019/20 to 2020/21 and increased by 99 index points during the period of investigation.

5.4.3 Effect on Domestic Prices

5.4.3.1 Price undercutting for the period of investigation

Price undercutting is the extent to which the price of the imported product is lower than the price of the like product produced by the SACU industry. The price of the imported product is determined based on the landed cost. Landed cost is calculated based on FOB export price plus cost of freight, insurance and clearing costs, plus ordinary customs duties where applicable.

5.4.3.1(a) Price undercutting spades and shovels-China

Price undercutting on spades and shovels originating in or imported from China is indicated below:

Table 5.4.3.1(a): Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05-China

R/kg	2018/19	2019/20	2020/21
*Applicant's ex-factory selling price	100	102	120
#Landed cost	10.31	10.77	16.78
Price undercutting	Yes	Yes	Yes
Price Undercutting %	Yes	Yes	Yes

*The figures were indexed due to confidentiality using 2018/2019 as a base year.

Landed cost is not indexed.

Table 5.4.3.1(a) above indicates that the applicant experienced price undercutting on spades and shovels classifiable under tariff subheading 8201.10.05 throughout the period of investigation.

5.4.3.1(b) Price undercutting on spades and shovels-India

Table 5.4.3.1(b) below shows price undercutting on spades and shovels originating in or imported from India:

Table 5.4.3.1(b): Spades and shovels classifiable under tariff subheading 8201.10.10

R/kg	2018/19	2019/20	2020/21
*Applicant's ex-factory selling price	100	127	147
#Landed cost	Nil	46.26	13.58
Price undercutting	No	No	Yes
Price Undercutting %	No	No	Yes

*The figures were indexed due to confidentiality using 2018/2019 as a base year.

Landed cost is not indexed.

Information in table 5.4.3.1(b) above indicates that the applicant experienced price undercutting on spades and shovels classifiable under tariff subheading 8201.10.10 in 2020/21.

5.4.3.1(c) Price undercutting on picks-India

Table 5.4.3.1(c) below shows price undercutting on picks originating in or imported from India:

Table 5.4.3.1(c): Picks classifiable under tariff subheading 8201.30.03

R/kg	2018/19	2019/20	2020/21
*Applicant's ex-factory selling price	100	113	145
#Landed cost	8.26	9.90	13.33
Price undercutting	Yes	Yes	Yes
Price Undercutting %	Yes	Yes	Yes

*The figures were indexed due to confidentiality using 2018/2019 as a base year.

Landed cost is not indexed.

Information in table 5.4.3.1 (c) above indicates that the applicant experienced price undercutting on picks throughout the period of investigation.

5.4.3.1(d) Price undercutting on rakes-India

Table 5.4.3.1(d) below shows price undercutting on rakes originating in or imported from India:

Table 5.4.3.1(d): Rakes with more than 8 prongs classifiable under tariff subheading 8201.30.90

R/kg	2018/19	2019/20	2020/21
*Applicant's ex-factory selling price	100	110	131

#Landed cost	29.50	27.71	19.35
Price undercutting	Yes	Yes	Yes
Price Undercutting %	Yes	Yes	Yes

*The figures were indexed due to confidentiality using 2018/2019 as a base year.

Landed cost is not indexed.

Information in table 5.4.3.1(d) above indicates that the applicant experienced price undercutting on rakes throughout the period of investigation.

5.4.3.1(e) Price undercutting on forks-India

Table 5.4.3.1(e) below shows price undercutting on forks originating in or imported from India:

Table 5.4.3.1(e): Forks with a prong length exceeding 150mm classifiable under tariff subheading 8201.90.20

R/kg	2018/19	2019/20	2020/21
*Applicant's ex-factory selling price	100	116	136
#Landed cost	21.18	22.82	18.38
Price undercutting	Yes	Yes	Yes
Price Undercutting %	Yes	Yes	Yes

*The figures were indexed due to confidentiality using 2018/2019 as a base year.

Landed cost is not indexed

Information in table 5.4.3.1 (e) above indicates that the applicant experienced price undercutting on forks throughout the period of investigation.

5.4.3.2 Price depression

Price depression takes place where SACU industry's ex-factory selling price decreases during the period of investigation. The ex-factory selling prices applicable to the subject products are as follows:

Table 5.4.3.2: Price depression (R/kg)

Tariff-subheading	Product description	2018/19	2019/20	2020/21
8201.10.05	Spades and shovels a maximum blade width of more than 150mm but not exceeding 200mm	100	102	120
8201.10.10	Spades and shovels a maximum blade width of more than 200mm but not exceeding 320mm	100	127	147

Total spades and shovels		100	127	146
8201.30.03	Picks	100	113	145
8201.30.90	Other Rakes with more than 8 prongs	100	110	131
8201.90.20	Other Forks with a prong length exceeding 150mm	100	116	136

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Landed cost is not indexed.

Information in table 5.4.3.2 above indicates that the applicant's ex-factory selling prices for all the subject products increased from 2018/19 to 2019/20, from 2019/20 to 2020/21 and during the period of investigation.

5.4.3.3 Price suppression

Price suppression is the extent to which increases in the cost of production of the product concerned, cannot be recovered in selling prices.

Table 5.4.3.3: Price suppression

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
Cost of production (R/kg)				
8201.10.05	Spades and shovels a maximum blade width of more than 150mm but not exceeding 200mm	100	109	161
8201.10.10	Spades and shovels a maximum blade width of more than 200mm but not exceeding 320mm	100	109	110
Total spades and shovels		100	109	111
8201.30.03	Picks	100	116	115
8201.30.90	Rakes with more than 8 prongs	100	103	113
8201.90.20	Forks with a prong length exceeding 150mm	100	108	108
Production cost as % of ex-factory selling price				
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	107	134
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	86	75
Total spades and shovels		100	86	76
8201.30.03	Picks	100	103	80
8201.30.90	Rakes with more than 8 prongs	100	94	86
8201.90.20	Forks with a prong length exceeding 150mm	100	93	80
Total cost of production including SGA as % of ex-factory selling price				

8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	116	126
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	93	76
Total spades and shovels		100	93	77
8201.30.03	Picks	100	114	83
8201.30.90	Rakes with more than 8 prongs	100	104	88
8201.90.20	Forks with a prong length exceeding 150mm	100	102	80

The figures were indexed due to confidentiality using 2018/2019 as a base year

Information in table 5.4.3.3 above indicates that on spades and shovels classifiable under tariff subheading 8201.10.05, total cost of production as a percentage of ex-factory selling price increased by 16 index points from 2018/19 to 2019/20, increased by 10 index points from 2019/20 to 2020/21 and increased by 26 index points during the period of investigation.

Information in table 5.4.3.3 above indicates that on spades and shovels classifiable under tariff subheading 8201.10.10, total cost of production as a percentage of ex-factory selling price decreased by 7 index points from 2018/19 to 2019/20, further decreased by 17 index points from 2019/20 to 2020/21 and decreased by 24 index points during the period of investigation.

Overall, spades and shovels total cost of production as a percentage of ex-factory selling price decreased by 7 index points from 2018/19 to 2019/20, further decreased by 16 index points from 2019/20 to 2020/21 and decreased by 23 index points during the period of investigation.

On picks, information in table 5.4.3.3 above indicates that total cost of production as a percentage of ex-factory selling price increased by 14 index points from 2018/19 to 2019/20, decreased by 31 index points from 2019/20 to 2020/21 and decreased by 17 index points during the period of investigation.

On rakes, information in table 5.4.3.3 above indicates that total cost of production as a percentage of ex-factory selling price increased by 4 index points from 2018/19 to 2019/20, decreased by 16 index points from 2019/20 to 2020/21 and decreased by 12 index points during the period of investigation.

On forks, information in table 5.4.3.3 above indicates that total cost of production as a percentage of ex-factory selling price increased by 2 index points from 2018/19 to 2019/20, decreased by 22 index points from 2019/20 to 2020/21 and decreased by 20 index points during the period of investigation.

The applicant stated that the average cost to price ratio for each of the subject product categories remained extremely high over the period from 2019 to 2021. The Commission considered that during the period of investigation, cost of production relative to ex-factory selling price decreased for all the subject products except for spades and shovels classifiable under tariff subheading 8201.10.05 and that picks were sold at a loss in 2019/20.

5.5 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE SACU INDUSTRY

5.5.1 Actual and potential decline in sales volumes

The following table shows the applicant's SACU sales volumes of the subject products:

Table 5.5.1: Sales volumes in kilograms

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	93	131
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	57	70
Total spades and shovels		100	57	71
8201.30.03	Picks	100	82	82
8201.30.90	Rakes with more than 8 prongs	100	79	93
8201.90.20	Forks with a prong length exceeding 150mm	100	79	102
Total sales volume		100	67	79

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.1 above indicates that sales volumes of spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 7 index points from 2018/19 to 2019/20, increased by 38 index points from 2019/20 to 2020/21 and increased by 31 index points during the period of investigation. Sales volumes of spades and shovels classifiable

under tariff subheading 8201.10.10 decreased by 43 index points from 2018/19 to 2019/20, increased by 13 index points from 2019/20 to 2020/21 and decreased by 30 index points during the period of investigation.

Overall, spades and shovels sales volumes decreased by 43 index points from 2018/19 to 2019/20, increased by 14 index points from 2019/20 to 2020/21 and decreased by 29 index points during the period of investigation.

On picks, information in table 5.5.1 above indicates that sales volumes decreased by 18 index points from 2018/19 to 2019/20, remained constant from 2019/20 to 2020/21 and decreased by 18 index points during the period of investigation.

On rakes, information in table 5.5.1 above indicates that sales volumes decreased by 21 index points from 2018/19 to 2019/20, increased by 14 index points from 2019/20 to 2020/21 and decreased by 7 index points during the period of investigation.

On forks, information in table 5.5.1 above indicates that sales volumes decreased by 21 index points from 2018/19 to 2019/20, increased by 23 index points from 2019/20 to 2020/21 and increased by 2 index points during the period of investigation.

Overall, information in table 5.5.1 above indicates that total sales volumes of the subject products decreased by 33 index points from 2018/19 to 2019/20, increased by 12 index points from 2019/20 to 2020/21 and decreased by 21 index points during the period of investigation.

The applicant stated that sales volumes of each of the subject products indicate a year-on-year decreasing trend over the period of investigation. The Commission considered that the decline in sales volume is on all subject products except on spades and shovels classifiable under tariff subheading 8201.10.02 and forks.

5.5.2 Profit

The following table shows profit situation applicable to each subject product:

Table: 5.5.2: Gross Profit & Net Profit

Tariff-subheading	Subject products	2018/19	2019/20	2020/21
Gross profit (R/kg)				
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	96	84
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	171	235
Total spades and shovels		100	169	228
8201.30.90	Picks	100	103	236
8201.30.90	Rakes with more than 8 prongs	100	120	156
8201.90.20	Forks with a prong length exceeding 150mm	100	129	182
Net Profit (R/kg)				
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	77	73
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	198	428
Total spades and shovels		100	191	398
8201.30.90	Picks	100	-283	793
8201.30.90	Rakes with more than 8 prongs	100	97	178
8201.90.20	Forks with a prong length exceeding 150mm	100	106	236

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.2 above indicates that gross profit for spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 4 index points from 2018/19 to 2019/20 and net profit decreased by 23 index points during the same period. In 2019/20 to 2020/21 gross profit and net profit further decreased by 12 index points and 4 index points respectively. During the period of investigation, gross profit and net profit decreased by 12 index points and 27 index points respectively.

Information in table 5.5.2 further indicates that on spades and shovels classifiable under tariff subheading 8201.10.10 gross profit and net profit increased by 71 index points and 98 index points from 2018/19 to 2019/20 respectively. In 2019/20 to 2020/21, gross profit and net profit increased by 64 index points and 230 index points respectively. During the period

of investigation, gross profit and net profit increased by 135 index points and 328 index points respectively.

Overall, spades and shovels information in table 5.5.2 indicates that from 2018/19 to 2019/20 gross profit and net profit increased by 69 and 91 index points respectively. In 2019/20 to 2020/21, gross profit and net profit increased by 59 index points and 207 index points respectively. During the period of investigation, gross profit and net profit increased by 128 index points and 298 index points respectively.

On picks, information in table 5.5.2 above indicates that gross profit increased by 3 index points from 2018/19 to 2019/20 and net profit decreased to a negative during the same period. In 2019/20 to 2020/21 gross profit and net profit increased by 133 index points and 1076 index points respectively. During the period of investigation, gross profit and net profit increased by 136 index points and 693 index points respectively.

On rakes, information in table 5.5.2 above indicates that gross profit increased by 20 index points from 2018/19 to 2019/20 and net profit decreased by 3 index points in the same period. In 2019/20 to 2020/21, gross profit and profit increased by 36 index points and 81 index points respectively. During the period of investigation, gross profit and net profit increased by 56 index points and 78 index points respectively.

On forks, information in table 5.5.2 above indicates that from 2018/19 to 2019/20 gross profit and net profit increased by 29 index points and 6 index points respectively. In 2019/20 to 2020/21 gross profit and net profit further increased by 53 index points and 130 index points respectively. During the period of investigation, gross profit and net profit increased by 82 index points and 136 index points respectively.

Overall, information in table 5.5.2 above shows that only spades and shovels classifiable under tariff subheading 8201.10.05 experienced a decline in gross profit and net profit during the period of investigation.

5.5.3 Market share

The following table gives a breakdown of market share for the subject products based on sales and import volumes:

Table 5.5.3 (a): Spades and shovels

	2018/19	2019/20	2020/21
Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05			
Applicant's market share as % of total market	100	65	97
Other SACU producers market share as % of total market	100	62	60
Alleged dumped China imports as % of total market	100	102	98
Other countries imports' market share as % of total market	100	101	211
Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10			
Applicant's market share as % of total market	100	91	109
Alleged dumped India imports as % of total market	100	100	117 571
Other countries imports' market share as % of total market	100	148	2
Total market share for spades and shovels classifiable under tariff subheadings 8201.10.05 and 8201.10.10			
Applicant's market share as % of total market	100	69	87
Other SACU producers market share as % of total market	100	109	100
*Alleged dumped China imports as % of total market	100	176	162
# Alleged dumped India imports as % of total market	100	100	121 250
Total alleged dumped imports as a % of total market	100	176	183
Other countries imports' market share as % of total market	100	114	17

The figures were indexed due to confidentiality using 2018/2019 as a base year.

China imports are for spades and shovels classifiable under tariff- subheading 8201.10.05

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore included under other countries. Therefore India imports are for tariff-subheading 8201.10.10 only.

Information in table 5.5.3 (a) above indicates that the applicant's market share on spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 35 index points from 2018/19 to 2019/20, increased by 32 index points from 2019/20 to 2020/21 and decreased by 3 index points during the period of investigation. The market share of alleged dumped imports from China increased by 2 index points from 2018/19 to 2019/20, decreased by 4 index points from 2019/20 to 2020/21 and decreased by 2 index points during the period of investigation.

Information in table 5.5.3 (a) above indicates that the applicant's market share on spades and shovels classifiable under tariff subheading 8201.10.10 decreased by 9 index points from 2018/19 to 2019/20, increased by 18 index points from 2019/20 to 2020/21 and increased by 9 index points during the period of investigation. The market share of alleged dumped imports from India was relatively constant from 2018/19 to 2019/20, and increased by 117 571 index points from 2019/20 to 2020/21 and during the period of investigation.

Overall information in table 5.5.3 (a) above indicates that the applicant's market share on spades and shovels decreased by 13 index points from 2018/19 to 2019/20, increased by 18 index points from 2019/20 to 2020/21 and decreased by 13 index points during the period of investigation. The market share of alleged dumped imports from China increased by 76 index points from 2018/19 to 2019/20, decreased by 14 index points from 2019/20 to 2020/21 and increased by 62 index points during the period of investigation. The market share of alleged dumped imports from India was relatively constant from 2018/19 to 2019/20, increased by 121 150 index points from 2019/20 to 2020/21 and during the period of investigation.

Table 5.5.3 (b): Picks classifiable under tariff subheading 8201.30.03

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	104	90
Alleged dumped India imports as % of total market	100	185	301
Other Imports' market share as % of total market	100	47	4

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.3 (b) above indicates that the applicant's market share on picks increased by 4 index points from 2018/19 to 2019/20, decreased by 14 index points from 2019/20 to 2020/21 and decreased by 10 index points during the period of investigation. The market share of alleged dumped imports from India increased by 85 index points from 2018/19 to 2019/20, further increased by 116 index points from 2019/20 to 2020/21 and increased by 201 index points during the period of investigation.

Table 5.5.3 (c): Rakes classifiable under tariff subheading 8201.30.90

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	99	97
Other SACU producers market share as % of total market	100	94	58
Alleged dumped India imports as % of total market	100	137	174
Other Imports' market share as % of total market	100	86	90

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.3 (c) above indicates that the applicant's market share on rakes decreased by 1 index point from 2018/19 to 2019/20, decreased by 2 index points from 2019/20 to 2020/21 and decreased by 3 index points during the period of investigation. The market share of alleged dumped imports from India increased by 37 index points from 2018/19 to 2019/20, further increased by 37 index points from 2019/20 to 2020/21 and increased by 74 index points during the period of investigation.

Table 5.5.3 (d): Forks classifiable under tariff subheading 8201.90.20

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	95	100
Other SACU producers market share as % of total market	100	112	80
Alleged dumped India imports as % of total market	100	171	199
Other Imports' market share as % of total market	100	54	12

The figures were indexed due to confidentiality using 2018/2019 as a base year

Information in table 5.5.3 (d) above indicates that the applicant's market share on forks decreased by 5 index points from 2018/19 to 2019/20, increased by 5 index points from 2019/20 to 2020/21 and remained constant during the period of investigation. The market share of alleged dumped imports from India increased by 71 index points from 2018/19 to 2019/20, further increased by 28 index points from 2019/20 to 2020/21 and increased by 99 index points during the period of investigation.

Table 5.5.3(e): Total subject products

	2018/19	2019/20	2020/21
Applicant market share as % of total market	100	83	91
Other SACU producers market share as % of total market	100	97	71
*Alleged dumped China imports as % of total market	100	179	151
#Alleged dumped India imports as % of total market	100	170	311

Total alleged dumped imports as a % of total market	100	176	206
Other countries imports' market share as % of total market	100	79	20

The figures were indexed due to confidentiality using 2018/2019 as a base year.

*China imports are for spades and shovels tariff-subheading 8201.10.05 only.

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore included under other countries.

Overall, on total subject products information in table 5.5.3 (e) above indicates that the applicant's market share decreased by 17 index points from 2018/19 to 2019/20, increased by 8 index points from 2019/20 to 2020/21 and decreased by 9 index points during the period of investigation. The market share of alleged dumped imports from China increased by 79 index points from 2018/19 to 2019/20, decreased by 28 index points from 2019/20 to 2020/21 and increased by 51 index points during the period of investigation. The market share of alleged dumped imports from India increased by 70 index points from 2018/19 to 2019/20, further increased by 141 index points from 2019/20 to 2020/21 and increased by 211 index points during the period of investigation.

The applicant stated that the SACU industry's market share loss is as the result of an increase in the dumped imports from China and India, causing the SACU industry to suffer material injury.

5.5.4 Output

The following table shows applicant's total output of the subject products:

Table 5.5.4: Output in kilograms

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	96	150
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	94	56
Total spades and shovels		100	94	57
8201.30.03	Picks	100	81	65
8201.30.90	Rakes with more than 8 prongs	100	90	85
8201.90.20	Forks with a prong length exceeding 150mm	100	104	92

Total output	100	91	66
---------------------	------------	-----------	-----------

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.4 above indicates that output for spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 4 index points from 2018/19 to 2019/20, increased by 54 index points from 2019/20 to 2020/21 and increased by 50 index points during the period of investigation.

Information in table 5.5.4 further indicates that output for spades and shovels classifiable under tariff subheading 8201.10.10 decreased by 6 index points from 2018/19 to 2019/20, further decreased by 38 index points from 2019/20 to 2020/21 and decreased by 44 index points during the period of investigation. In total, output for spades and shovels decreased by 6 index points from 2018/19 to 2019/20, further decreased by 37 index points from 2019/20 to 2020/21 and decreased by 43 index points during the period of investigation.

On picks, information in table 5.5.4 above indicates that output decreased by 19 index points from 2018/19 to 2019/20, further decreased by 16 index points from 2019/20 to 2020/21 and decreased by 35 index points during the period of investigation.

On rakes, information in table 5.5.4 above indicates that output decreased by 10 index points from 2018/19 to 2019/20, further decreased by 5 index points from 2019/20 to 2020/21 and decreased by 15 index points during the period of investigation.

On forks, information in table 5.5.4 above indicates that output increased by 4 index points from 2018/19 to 2019/20, decreased by 12 index points from 2019/20 to 2020/21 and decreased by 8 index points during the period of investigation.

Overall, information in table 5.5.4 above indicates that total output decreased by 9 index points from 2018/19 to 2019/20, further decreased by 25 index points from 2019/20 to 2020/21 and decreased by 34 index points during the period of investigation. Only output for spades and shovels classifiable under tariff subheading 8201.10.05 increased during the period of investigation.

The applicant stated that these reductions in production indicate that the applicant is suffering material injury. With the increase in the dumped imports, the applicant has been subjected to constant pressure to remain competitive and as a result of the loss in sales volumes it was forced to cut back on production to prevent increased inventory levels.

5.5.5 Employment

The following table provides the applicant's total employment figures:

Table 5.5.5: Number of employees in manufacturing (direct and indirect)

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05 & 8201.10.10	Spades and shovels	100	63	83
8201.30.03	Picks	100	85	95
8201.30.90	Rakes with more than 8 prongs	100	80	60
8201.90.20	Forks with a prong length exceeding 150mm	100	82	106
Total		100	70	87

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.5 above indicates that the number employees for spades and shovels decreased by 37 index points from 2018/19 to 2019/20, increased by 20 index points from 2019/20 to 2020/21 and decreased by 17 index points the period of investigation.

On picks, information in table 5.5.5 above indicates that the number of employees decreased by 15 index points from 2018/19 to 2019/20, increased by 10 index points from 2019/20 to 2020/21 and decreased by 5 index points during the period of investigation.

On rakes, information in table 5.5.5 above indicates that the number of employees decreased by 20 index points from 2018/19 to 2019/20, further decreased by 20 index points from 2019/20 to 2020/21 and decreased by 40 index points during the period of investigation.

On forks, information in table 5.5.5 above indicates that the number of employees decreased by 18 index points from 2018/19 to 2019/20, increased by 24 index points from 2019/20 to 2020/21 and increased by 6 index during the period of investigation.

Overall, table 5.5.5 above indicates that the number of employees decreased by 30 index points from 2018/19 to 2019/20, increased by 17 index points from 2019/20 to 2020/21 and decreased by 13 index points during the period of investigation.

5.5.6 Productivity

The following table provides SACU industry's productivity based on output and number of employees in direct production:

Table 5.5.6: Productivity

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
Productivity per employee				
8201.10.05 & 8201.10.05	*Spades and shovels	100	108	76
8201.30.03	Picks	100	81	70
8201.30.90	Rakes with more than 8 prongs	100	120	171
8201.90.20	Forks with a prong length exceeding 150mm	100	114	85
Total productivity per employee		100	130	76

The figures were indexed due to confidentiality using 2018/2019 as a base year.

*Productivity for spades and shovels is the same.

Information in table 5.5.6 above indicates that spades and shovels total productivity per employee increased by 8 index points from 2018/19 to 2019/20, decreased by 32 index points from 2019/20 to 2020/21 and decreased by 24 index points during the period of investigation.

On picks, information in table 5.5.6 above indicates that productivity per employee decreased by 19 index points from 2018/19 to 2019/20, further decreased by 11 index points from 2019/20 to 2020/21 and decreased by 30 index points the during the period of investigation.

On rakes, information in table 5.5.6 above indicates that productivity per employee increased by 20 index points from 2018/19 to 2019/20, further increased by 51 index points from 2019/20 to 2020/21 and increased by 71 index points during the period of investigation.

On forks, information in table 5.5.6 above indicates that productivity per employee increased by 14 index points from 2018/19 to 2019/20, decreased by 29 index points from 2019/20 to 2020/21 and decreased by 15 index points during the period of investigation.

Overall, information in table 5.5.6 above indicates productivity per employee increased by 30 index points from 2018/19 to 2019/20, decreased by 54 index points from 2019/20 to 2020/21 and decreased by 24 index points during the period of investigation. An increase in productivity per employee was on rakes during the period of investigation.

5.5.7 Utilisation of production capacity

The following table provides the applicant's capacity utilisation determined based on available capacity and output.

Table 5.5.7: Capacity utilisation

Tariff subheading	Subject product	2018/19	2019/20	2020/21
Capacity utilisation %				
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	96	149
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	94	56
Total spades and shovels		100	94	57
8201.30.03	Picks	100	81	65
8201.30.90	Rakes with more than 8 prongs	100	90	85
8201.90.20	Forks with a prong length exceeding 150mm	100	104	92
Total		100	91	66

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.7 above indicates that capacity utilisation on spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 4 index points from 2018/19 to 2019/20, increased 53 index points from 2019/20 to 2020/21 and increased by 49 index points during the period of investigation.

It further indicates that capacity utilisation on spades and shovels classifiable under tariff subheading 8201.10.10 decreased by 6 index points from 2018/19 to 2019/20, further decreased by 38 index points from 2019/20 to 2020/21 and decreased by 44 index points period of investigation. In total, spades and shovels capacity utilisation decreased by 6 index points from 2018/19 to 2019/20, further decreased by 37 index points from 2019/20 to 2020/21 and decreased by 43 index points during the period of investigation.

On picks, information in table 5.5.7 above indicates that capacity utilisation decreased by 19 index points from 2018/19 to 2019/20, decreased by 16 index points from 2019/20 to 2020/21 and decreased by 35 index points during the period of investigation.

On rakes, information in table 5.5.7 above indicates that capacity utilisation decreased by 10 index points from 2018/19 to 2019/20, further decreased by 5 index points from 2019/20 to 2020/21 and decreased by 15 index points during period of investigation.

On forks, information in table 5.5.7 above indicates that capacity utilisation increased by 4 index points from 2018/19 to 2019/20, decreased by 12 index points from 2019/20 to 2020/21 and decreased by 8 index points during the period of investigation.

Overall, information in table 5.5.7 above indicates that capacity utilisation decreased by 9 index points from 2017/18 to 2018/19, decreased by 25 index points from 2018/19 to 2019/20 and decreased by 34 index points during the period of investigation.

5.5.8 Return on Investment

The following table shows the SACU industry's return on investment on the subject products:

Table: 5.5.8: Return on investment

Net profit in Rands				
Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05 & 8201.10.10	Spades and shovels	100	109	285
8201.30.03	Picks	100	-237	652
8201.30.90	Rakes with more than 8 prongs	100	77	166
8201.90.20	Forks with a prong length exceeding 150mm	100	84	273

Total		100	76	259
Net assets				
8201.10.05 & 8201.10.10	Spades and shovels	100	82	72
8201.30.03	Picks	100	79	65
8201.30.90	Rakes with more than 8 prongs	100	55	30
8201.90.20	Forks with a prong length exceeding 150mm	100	80	67
Total		100	79	67
Return on Net Assets (%)				
8201.10.05 & 8201.10.10	Spades and shovels	100	133	396
8201.30.03	Picks	100	-301	1007
8201.30.90	Rakes with more than 8 prongs	100	139	547
8201.90.20	Forks with a prong length exceeding 150mm	100	104	362
Total		100	96	388

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.8 above indicates that spades and shovels return on assets increased by 33 index points from 2018/19 to 2019/20, further increased by 263 index points from 2019/20 to 2020/21 and increased by 296 index points during the period of investigation.

On picks, information in table 5.5.8 above indicates that return on assets decreased by 401 index points from 2018/19 to 2019/20, increased by 1308 index points from 2019/20 to 2020/21 and increased by 907 index points during the period of investigation.

On rakes, information in table 5.5.8 above indicates that return on assets increased by 39 index points from 2018/19 to 2019/20, further increased by 408 index points from 2019/20 to 2020/21 and increased by 447 index points during the period of investigation.

On forks, information in table 5.5.8 above indicates that return on assets increased by 4 index points from 2018/19 to 2019/20, further increased by 258 index points from 2019/20 to 2020/21 and increased by 262 index points during the period of investigation.

Overall, information in table 5.5.8 above indicates that return on assets for all subject products increased during the period of investigation.

5.5.9 Factors affecting domestic prices

The applicant experienced price undercutting on all subject products and price suppression on spades and shovels classifiable under tariff-subheading 8201.10.05.

5.5.10 Margin of dumping

The following margin of dumping were calculated:

Table 5.5.10: Margin of dumping

Tariff-subheading	Subject product	China dumping margin as % of ex-factory export price	India dumping margin as % of ex-factory export price
8201.10.05-China	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	61.63%	-
8201.10.10-India	Spades and shovels of a maximum blade width of more than 1200mm but not exceeding 320mm	-	163.28%
8201.30.03-India	Picks	-	160.92%
8201.30.90-India	Rakes with more than 8 prongs	-	70.73%
8201.90.20-India	Forks with a prong length exceeding 150mm	-	134.66%

5.5.11 Actual and potential negative effects on cash flow

The table below outlines net cash flow applicable to the subject products:

Table 5.5.11: Net Cash flow in Rands

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	72	96
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	112	294
Total spades and shovels		100	109	279
8201.30.03	Picks	100	-168	521
8201.30.90	Rakes with more than 8 prongs	100	76	162

8201.90.20	Forks with a prong length exceeding 150mm	100	82	236
Total		100	76	251

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.11 above indicates that net cash flow of spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 28 index points from 2018/19 to 2019/20, increased by 24 index points from 2019/20 to 2020/21 and decreased by 4 index points during the period of investigation.

Information in table 5.5.11 further indicates that net cash flow of spades and shovels classifiable under tariff subheading 8201.10.10 increased by 12 index points from 2018/19 to 2019/20, further increased by 182 index points from 2019/20 to 2020/21 and increased by 194 index points during the period of investigation.

In total, net cash flow of spades and shovels increased by 9 index points from 2018/19 to 2019/20, further increased by 170 index points from 2019/20 to 2020/21 and increased by 179 index points during the period of investigation.

On picks, information in table 5.5.11 above indicates that net cash flow decreased to a negative from 2018/19 to 2019/20, increased by 689 index points from 2019/20 to 2020/21 and increased by 421 index points during the period of investigation.

On rakes, information in table 5.4.11 above indicates that net cashflow decreased by 24 index points from 2018/19 to 2019/20, increased by 86 index points from 2019/20 to 2020/21 and increased by 62 index points during the period of investigation.

On forks, information in table 5.5.11 above indicates that net cashflow decreased by 18 index points from 2018/19 to 2019/20, increased by 154 points from 2019/20 to 2020/21 and increased by 136 index points during the period of investigation.

Overall, information in table 5.5.11 above indicates that net cashflow decreased by 24 index points from 2018/19 to 2019/20, increased by 175 index points from 2019/20 to 2020/21 and increased by 151 index points during the period of investigation.

5.5.12 Inventories

The following table provides the SACU industry's inventory volumes of the subject products:

Table 5.5.12: Inventory volumes in kilograms

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	100	150	39
8201.10.10	Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm	100	166	60
Total spades and shovels		100	165	59
8201.30.03	Picks	100	75	81
8201.30.90	Rakes with more than 8 prongs	100	67	51
8201.90.20	Forks with a prong length exceeding 150mm	100	132	90
Total inventory volumes		100	111	65

The figures were indexed due to confidentiality using 2018/2019 as a base year

Information in table 5.5.12 above indicates that inventory volumes for spades and shovels classifiable under tariff subheading 8201.10.05 increased by 50 index points from 2018/19 to 2019/20, decreased by 111 index points from 2019/20 to 2020/21 and decreased by 61 index points during the period of investigation. Inventory volumes for spades and shovels classifiable under tariff subheading 8201.10.10 increased by 66 index points from 2018/19 to 2019/20, decreased by 106 index points from 2019/20 to 2020/21 and decreased by 40 index points during the period of investigation.

In total, spades and shovels inventory volumes increased by 65 index points from 2018/19 to 2019/20, decreased by 106 index points from 2019/20 to 2020/21 and decreased by 41 index points during the period of investigation.

On picks, information in table 5.5.12 above indicates that inventory volumes decreased by 25 index points from 2018/19 to 2019/20, increased by 6 index points from 2019/20 to 2020/21 and decreased by 19 index points during the period of investigation.

On rakes, information in table 5.5.12 above indicates that inventory volumes decreased by 33 index points from 2018/19 to 2019/20, decreased by 16 index points from 2019/20 to 2020/21 and decreased by 49 index points during the period of investigation.

On forks, information in table 5.5.12 above indicates that inventory volumes increased by 32 index points from 2018/19 to 2019/20, decreased by 42 index points from 2019/20 to 2020/21 and decreased by 10 index points during the period of investigation.

Overall, information in table 5.5.12 above indicates that inventory volumes increased by 11 index points from 2018/19 to 2019/20, decreased by 46 index points from 2019/20 to 2020/21 and decreased by 35 index points during the period of investigation.

The applicant stated that if sound management principles were not applied by reducing production of the subject product the inventory levels would have increased substantially.

5.5.13 Wages

The following table provides SACU industry's wages:

Table 5.5.13: Wages in Rands

Tariff-subheading	Subject product	2018/19	2019/20	2020/21
8201.10.05 & 8201.10.10	Spades and shovels	100	71	64
8201.30.03	Picks	100	79	100
8201.30.90	Rakes with more than 8 prongs	100	65	92
8201.90.20	Forks with a prong length exceeding 150mm	100	72	73
Total		100	72	73

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.13 above indicates that wages applicable to spades and shovels decreased by 29 index points from 2018/19 to 2019/20, decreased by 7 index points from 2019/20 to 2020/21 and decreased by 36 index points during the period of investigation.

On picks, information in table 5.5.13 above indicates that wages decreased by 21 index points from 2018/19 to 2019/20, increased by 21 index points from 2019/20 to 2020/21 and remained constant during the period of investigation.

On rakes, information in table 5.5.13 above indicates that wages decreased by 35 index points from 2018/19 to 2019/20, decreased by 27 index points from 2019/20 to 2020/21 and decreased by 8 index points during the period of investigation.

On forks, information in table 5.5.13 above indicates that wages decreased by 28 index points from 2018/19 to 2019/20, increased by 1 index point from 2019/20 to 2020/21 and decreased by 27 index points during the period of investigation.

Overall, information in table 5.5.13 above indicates that total wages decreased by 28 index points from 2018/19 to 2019/20, increased by 1 index point from 2019/20 to 2020/21 and decreased by 27 index points during the period of investigation.

5.5.14 Ability to raise capital and investments

The following table provides SACU industry's ability to raise capital and investments on the subject products:

Table 5.5.14: Ability to raise capital and investment

Tariff subheading	Subject product	2018/19	2019/20	2020/21
Capital/investment on subject product				
8201.10.05 & 8201.10.10	Spades and shovels	100	100	100
8201.30.03	Picks	100	100	100
8201.30.90	Rakes with more than 8 prongs	100	100	100
8201.90.20	Forks with a prong length exceeding 150mm	100	100	100
Total		100	100	100

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.14 above indicates that capital investment on all the subject products was constant and there was no capital expenditure during the period of investigation. The applicant stated that capital expenditure was not required due to the high quality and durability of the production equipment. Furthermore, there was no need to expand production capability as there was an overall decrease in capacity utilisation.

5.5.15 Growth

The following tables shows the size of the SACU market for each subject product:

Table 5.5.15(a): Spades and shovels

Kilograms	2018/19	2019/20	2020/21
Spades and shovels classifiable under tariff subheading 8201.10.05			
Applicant's sales volumes	100	93	131
Other SACU producers sales volumes	100	90	82
Alleged dumped imports-China	742 516	1 080 609	982 689
Other imports	18 742	26 863	53 391
Size of SACU market	100	142	135
Spades and shovels classifiable under tariff subheading 8201.10.10			
Applicant's sales volumes	100	57	70
Alleged dumped imports-India	0	108	127 401
Other imports	394 581	363 864	4 641
Size of SACU market	100	62	64
Total spades and shovels			
Applicant's sales volumes	100	57	71
Other SACU producers sales volumes	100	90	82
*Alleged dumped imports-China	742 516	1 080 609	982 689
Alleged dumped imports- India	0	108	127 401
Total alleged dumped imports	742 516	1 080 717	1 110 089
Other imports	413 323	390 727	58 032
Size of SACU market	100	83	82

The figures were indexed due to confidentiality using 2018/2019 as a base year.

*China imports are for spades and shovels classifiable tariff subheading 8201.10.05.

Information in table 5.5.15 (a) above indicates that the size of the SACU market for spades and shovels classifiable under tariff subheading 8201.10.05 increased by 42 index points from 2018/19 to 2019/20, decreased by 7 index points from 2019/20 to 2020/21 and increased by 35 index points during the period of investigation.

Information in table 5.4.15 (a) above indicates that the size of the SACU market for spades and shovels classifiable under tariff subheading 82.10.10 decreased by 38 index points from 2018/19 to 2019/20, increased by 2 index points from 2019/20 to 2020/21 and decreased by 36 index points during the period of investigation.

On total spades and shovels table 5.5.15 (a) above indicates that the size of the SACU market decreased by 17 index points from 2018/19 to 2019/20, decreased by 1 index point from 2019/20 to 2020/21 and decreased by 18 index points during the period of investigation.

Table 5.5.15 (b): Picks classifiable under tariff subheading 8201.30.03

Kilograms	2018/19	2019/20	2020/21
Applicant sales volumes	100	82	82
Alleged dumped imports- India	242 192	354 393	660 854
Other imports	435 005	160 895	14 931
Size of SACU market	100	79	91

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.15 (b) above indicates that the size of the SACU market for picks decreased by 21 index points from 2018/19 to 2019/20, increased by 12 index points from 2019/20 to 2020/21 and decreased by 9 index points during the period of investigation.

Table 5.5.15 (c): Rakes classifiable under tariff subheading 8201.30.90

Kilograms	2018/19	2019/20	2020/21
Applicant sales volumes	100	79	93
Other SACU producers sales volumes	100	75	56
Alleged dumped imports- India	76 878	84 253	128 150
Other imports	119 867	82 016	103 570
Size of SACU market	100	80	96

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.15 (c) above indicates that the size of the SACU market for rakes decreased by 20 index points from 2018/19 to 2019/20, increased by 16 index points from 2019/20 to 2020/21 and decreased by 4 index points during the period of investigation.

Table 5.5.15 (d): Forks classifiable under tariff subheading 8201.90.20

Kilograms	2018/19	2019/20	2020/21
Applicant sales volumes	100	79	102
Other SACU producers sales volumes	100	93	82
Alleged dumped imports- India	64 885	91 798	131 943
Other imports	70 917	31 845	8 399
Size of SACU market	100	83	102

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 5.5.15 (d) above indicates that the size of the SACU market for forks decreased by 17 index points from 2018/19 to 2019/20, increased by 19 index points from 2019/20 to 2020/21 and increased by 2 index points during the period of investigation.

Table 5.5.15 (e): Total subject products

Kilograms	2018/19	2019/20	2020/21
Applicant sales volumes	100	67	79
Other SACU producers sales volumes	100	80	64
*Alleged dumped imports-China	742 516	1 080 609	982 689
Alleged dumped imports-India	383 955	530 551	1 048 348
Total dumped imports	1 126 471	1 611 160	2 031 037
Other imports	1 039 112	665 482	184 931
Size of SACU market	100	81	88

The figures were indexed due to confidentiality using 2018/2019 as a base year.

*China imports are for spades and shovels classifiable under tariff- subheading 8201.10.05.

Information in table 5.5.15 (e) above indicates that the size of the SACU market for all subject products decreased by 19 index points from 2018/19 to 2019/20, increased by 7 index points from 2019/20 to 2020/21 and decreased by 12 index points during the period of investigation.

5.5.16 Summary of material injury

Based on the above information, the evaluation of injury information of the applicant for the period 01 May 2018 to 30 April 2021 is summarised as follows:

Spades and shovels classifiable under tariff subheading 8201.10.05

The applicant suffered material injury in the form of price undercutting, price suppression, decline in gross profit and net profit, decline in market share, decline in employment, decline in productivity and a decline in net cashflow.

Spades and shovels classifiable under tariff-subheading 8201.10.10

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline in growth.

Total spades and shovels

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline in growth.

Picks

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline growth.

Rakes

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in in employment, decline in capacity utilisation and a decline growth.

Forks

The applicant suffered material injury in the form of price undercutting, decline in output, decline in productivity and a decline in capacity utilisation. The applicant's market share was constant.

Based on the information the Commission made a preliminary determination that the SACU industry is suffering material injury as a result of alleged dumped imports of the subject product from China and subject products from India.

6. THREAT OF MATERIAL INJURY

The applicant provided the following information in its substantiation of threat of material injury:

6.1 Freely disposable capacity or imminent substantial increase in capacity of the exporter

The applicant stated that the capacity of factories in China and India is unknown. However, in light of the increasing trends in global exports from China as per the International Trade Centre, Trade statistics for international business development data ("Trade Map Data") and offerings to the SACU market, it would suggest that there is disposable capacity in China and India.

6.2 Significant increase of allegedly dumped imports into the SACU market

The applicant stated the following with regard to increase of allegedly dumped imports:

- Imports of each of the subject product categories show increasing trends over the period 2019 to 2021.
- The Chinese and Indian prices are below other importing countries' prices for imports of spades and shovels classifiable under HS 8201.10.05.
- China FOB prices on spades and shovels classifiable under HS 8201.10.10 and forks as sourced from SARS import data indicate imports occurring at dumped prices despite the existing import duties against China. When the imports from China are separated from the import of the "Other countries", the Indian import prices are well below the other countries' prices.
- Indian import prices on picks and rakes are also well below the other countries' prices.

Therefore, there exists the real threat that the imports of all of these subject products categories will increase even further in 2022, if the dumping of these subject products into the SACU market is not effectively addressed.

6.3 Prices that will have a significant depressing or suppressing effect on SACU prices

The applicant stated that price suppression was experienced during the period of investigation with regard to some of the subject product categories impacting on profitability and causing material injury. Therefore, there exists a real threat of the continuation of material injury and the possibility of closure of the plant if the dumped imports are not addressed. The Commission considered that during the period of investigation price suppression was on spades and shovels classifiable under tariff subheading 8201.10.05.

6.4 Exporters' inventories

The applicant stated that it has no data available about the inventory levels in China and India. However, based on the influx of the imports of the subject products it appears that there is sufficient stock on hand to supply the importers.

6.5 State of the economy of the country of origin/export and its influence on the operations of the manufacturers/exporters.

The applicant provided the following information with regard to the state of the economy in India and China:

India

- The economy of India is characterised as a middle-income developing market economy. It is the world's 5th largest economy by nominal Gross Domestic Product ("GDP") and the 3rd largest by Purchasing Power Parity ("PPP"). According to the International Monetary Fund (on a per capita income basis, India ranked 142nd by GDP (nominal) and 124th by GDP (PPP) in 2020.
- From independence in 1947 until 1991, successive governments promoted protectionist economic policies with extensive state intervention and economic regulation, which is characterised as dirigism, in the form of the License Raj. The end of the Cold War and an acute balance of payments crisis in 1991 led to the adoption of a broad economic liberalisation in India.
- Since the start of the 21st century, annual average GDP growth has been 6% to 7% and from 2014 to 2018, India was the world's fastest growing major economy,

surpassing China. Historically, India was the largest economy in the world for most of the two millennia from the 1st until 19th century.

- The long-term growth perspective of the Indian economy remains positive due to its young population corresponding low dependency ratio, healthy savings and investment rates, increasing globalisation and integration into the global economy.
- The economy slowed in 2017, due to shocks of "demonetisation" in 2016 and introduction of Goods and Services Tax in 2017. Nearly 60% of India's GDP is driven by domestic private consumption and continues to remain the world's 6th largest consumer market. Apart from private consumption, India's GDP is also fuelled by government spending, investment, and exports.
- In 2018, India was the world's 10th largest importer and the 19th largest exporter. India has been a member of World Trade Organization since 1 January 1995. It ranks 63rd on Ease of doing business index and 68th on Global Competitiveness Report. As of 2019, with 520 million workers the Indian labour force is the world's 2nd largest.
- India has one of the world's highest number of billionaires and extreme income inequality. Since India has a vast informal economy, barely 2% of Indians pay income taxes.
- During the 2008 global financial crisis the economy faced mild slowdown, India undertook stimulus measures (both fiscal and monetary) to boost growth and generate demand and in subsequent years economic growth revived.
- According to PricewaterhouseCoopers (PwC) 2017 report, India's GDP at purchasing power parity could overtake that of the United States by 2050. According to World Bank, to achieve sustainable economic development India must focus on public sector reform, infrastructure, agricultural and rural development, removal of land, labour regulations, financial inclusion, spur private investment and exports, education and public health.
- In 2019, India's 10th largest trading partners were USA, China, UAE, Saudi Arabia, Hong Kong, Iraq, Singapore, Germany, South Korea and Switzerland. In 2018–19, the Foreign Direct Investment ("FDI") in India was \$64.4 billion with service sector,

computer, and telecom industry remains leading sectors for FDI inflows.

- India has free trade agreements with several nations, including ASEAN, SAFTA, Mercosur, South Korea, Japan and few others which are in effect or under negotiating stage.
- The service sector makes up 55.6% of GDP and remains the fastest growing sector, while the industrial sector and the agricultural sector employs a majority of the labour force. The Bombay Stock Exchange and National Stock Exchange are one of the world's largest stock exchanges by market capitalization.
- India is the world's 6th largest manufacturer, representing 3% of global manufacturing output and employs over 57 million people. Nearly 66% of India's population is rural whose primary source of livelihood is agriculture, and contributes about 50% of India's GDP.
- It has the world's 5th largest foreign-exchange reserves worth ₹38,832.21 billion (US\$540 billion).
- India has a high national debt with 68% of GDP, while its fiscal deficit remained at 3.4% of GDP. However, as per 2019 CAG report, the actual fiscal deficit is 5.85% of GDP. India's government-owned banks faced mounting bad debt, resulting in low credit growth, simultaneously the NBFC sector has been engulfed in a liquidity crisis. India faces high unemployment, rising income inequality, and major slump in aggregate demand. In recent years, independent economists and financial institutions have accused the government of fudging various economic data, especially GDP growth.
- India ranks second globally in food and agricultural production, while agricultural exports were \$38.5 billion. The construction and real estate sector is the 2nd largest employer after agriculture, and a vital sector to gauge economic activity.
- The Indian textiles industry is estimated at \$150 billion and contributes 7% of industrial output and 2% of India's GDP while employs over 45 million people directly.

- The Indian IT industry is a major exporter of IT services with \$180 billion in revenue and employs over four million people. India's telecommunication industry is the world's 2nd largest by number of mobile phone, smartphone, and internet users.
- It is the world's 10th largest oil producer and the 3rd largest oil consumer.
- The Indian automobile industry is the world's 4th largest by production.
- It has \$672 billion worth of retail market which contributes over 10% of India's GDP and has one of world's fastest growing e-commerce markets.
- India has the world's 4th largest natural resources, with mining sector contributes 11% of the country's industrial GDP and 2.5% of total GDP. It is also the world's 2nd largest producer of coal and the 3rd largest electricity producer. It is also a cement and steel producer.

China

- The economy of China, described as socialism with Chinese characteristics since the 12th National Congress of the Communist Party of China in 1982, is a mixed socialist market economy, which is composed of State-Owned Enterprises ("SOE's") and domestic and foreign private businesses and uses economic planning. The income generated by state-owned enterprises accounted for about 40% of China's Gross Domestic Product ("GDP") of US\$14.4 trillion in 2019, with domestic and foreign private businesses and investment accounting for the remaining 60%. As of the end of 2019, the total assets of all China's SOE's, including those operating in the financial sector, reached US\$78.08 trillion. Ninety-one (91) of these SOE's belong to the 2020 Fortune Global 500 companies.
- As of the end of October 2016, direct foreign investment in China, which totalled about US\$1.6 trillion directly and indirectly contributed about one-third of China's GDP and a quarter of jobs there. As of the end of June 2020, Foreign Direct Investment ("FDI") stock in China reached US\$2.947 trillion, and China's outgoing FDI stock stood at US\$2.128 trillion.

- Total foreign financial assets owned by China reached US\$7.860 trillion, and its foreign financial liabilities US\$5.716 trillion, making China the second largest creditor nation after Japan in the world. Currently the second largest economy in the world by nominal GDP, an official forecast has stated that China is set to overtake the United States as the world's biggest economy by 2028, half a decade sooner than expected.
- The government began its economic reforms in 1978 under the leadership of Deng Xiaoping. China has four of the top ten most competitive financial centers (Shanghai, Hong Kong, Beijing, and Shenzhen) in the 2020 Global Financial Centres Index, more than any other country. China has three out of the ten world's largest stock exchanges—Shanghai, Hong Kong and Shenzhen by market capitalization and trade volume. As of October 12, 2020, the total market capitalization of Mainland Chinese stock markets, consisting of the Shanghai Stock Exchange and Shenzhen Stock Exchange, topped US\$10 trillion, excluding the Hong Kong Stock Exchange, with about US\$5.9 trillion. As of the end of June 2020, foreign investors had bought a total of US\$440 billion in Chinese stocks, representing about 2.9% of the total value, and indicating that foreign investors scooped up a total of US\$156.6 billion in the stocks just in the first half of 2020.
- The total value of China's bond market topped US\$15.4 trillion, ranked above that of Japan and the U.K., and second only to that of the U.S. with US\$40 trillion, as of the beginning of September 2020. As of the end of September 2020, foreign holdings of Chinese bonds reached US\$388 billion, or 2.5%, of the total value, notwithstanding an increase by 44.66% year on year.
- According to the 2019 Global Wealth Report by Credit Suisse Group, China surpassed the US in the wealth of the top 10% of the world's population: China had 100 million wealthy people (each owning a net wealth of over US\$110,000) and the US 99 million. At USD 63.8 trillion as of end of 2019, representing a 17-fold increase from US\$3.7 trillion in 2001, the total amount of China's household wealth stood behind only that of the US with US\$105.6 trillion.

- As of 2019, the economy of China ranked as the second largest in the world by nominal GDP and as of 2017 the largest in the world by purchasing power parity. China has the world's fastest-growing major economy with growth rates averaging 10% over 30 years. China's public sector accounted for 63% of total employment. According to the IMF, on a per capita income basis, China ranked 73rd by GDP (Purchasing Power Parity) per capita in 2019. China's GDP was \$14.4 trillion (99 trillion Yuan) in 2019. The country has natural resources with an estimated worth of \$23 trillion, 90% of which are coal and rare earth metals.
- China also has the world's largest total banking sector assets of around \$45.838 trillion (309.41 trillion CNY) with \$42.063 trillion in total deposits and other liabilities. It has the second largest inward foreign direct investment at US\$141 billion in 2019 alone, and the second largest outward foreign direct investment, at US\$136.91 billion for 2019 alone, following Japan at US\$226.65 billion for the same period.
- As of 2020, China is home to the largest companies in the Fortune Global 500 and 129 of them have headquarters in China. It has the world's largest foreign-exchange reserves worth \$3.1 trillion, but if the foreign assets of China's state-owned commercial banks are included, the value of China's reserves rises to nearly \$4 trillion.
- Currently, China is the world's largest manufacturing economy and exporter of goods. It is also the world's fastest-growing consumer market and second-largest importer of goods. China is a net importer of services products. It is the largest trading nation in the world and plays a prominent role in international trade and has increasingly engaged in trade organizations and treaties in recent years. China became a member of the World Trade Organization in 2001. It also has free trade agreements with several nations, including ASEAN, Australia, New Zealand, Pakistan, South Korea and Switzerland. The provinces in the coastal regions of China tend to be more industrialized while regions in the hinterland are less developed. As China's economic importance has grown, so has attention to the structure and health of the economy. China's largest trading partners are the US, EU, Japan, Hong Kong, South Korea, India, Taiwan, Australia, Vietnam, Malaysia, and Brazil.

- With 778 million workers, the Chinese labour force is the world's largest as of 2020.
- It ranks 31st on the Ease of doing business index and 28th on the Global Competitiveness Report. China ranks 14th on the Global Innovation Index and is the only middle-income economy, the only newly industrialized economy, and the only emerging country in the top 30.
- By the end of July 2020, China's 5G users had already surpassed 88 million accounting for over 80% of users worldwide far ahead of the previously projected 70% share for the whole of 2020. By the end of this year, the number of 5G base stations in China is expected to reach nearly one million by far the biggest tally globally.

Comments by interested parties on threat of material injury

The applicant has provided no facts which support their position of a threat of material injury.

Commission's consideration

The alleged dumped imports of the subject products from China and India have increased and now account for a significant percentage of total imports into SACU market which signifies threat to the SACU industry.

Based on the information above, the Commission made a preliminary determination that a threat of material injury to SACU industry as a result of alleged dumped imports from China and India exists.

7. CAUSAL LINK

7.1 GENERAL

In order for the Commission to impose provisional measures, it must be satisfied that there is sufficient evidence to indicate that material injury and or threat thereof experienced by SACU industry is a result of the dumping of the subject products.

The following relevant factors are evaluated to establish whether there is a causal link between the alleged dumped imports and material injury.

7.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent of the increase in volume of imports and the extent to which the market share of the domestic industry has decreased since the commencement of injury, with a corresponding increase in the market share of imports.

7.2.1 Import volumes

The following tables show the volume of the allegedly dumped imports of the subject products as sourced from SARS for the period 01 May 2018 to 30 April 2021.

Table 7.2.1(a): Import volumes-spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-China	742 516	1 080 609	982 689
Other imports	18 742	26 863	53 391
Total imports	761 258	1 107 471	1 036 080
Alleged dumped imports from China as a % of total imports	97.54%	97.57%	94.85%
Other countries imports as a % of total imports	2.46%	2.43%	5.15%

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore included under other countries

Information in table 7.2.1(a) above shows that alleged dumped imports from increased by 45.53% from 2018/19 to 2019/20, decreased by 9.06% from 2019/20 to 2020/21 and increased by 32.34% during the period of investigation. The alleged dumped imports from China have increased and now account for a significant percentage of total imports into SACU market.

Table 7.2.1(b): Import volumes-spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-India	-	108	127 401
Other imports	394 581	363 864	4 641
Total imports	394 581	363 972	132 042
Alleged dumped imports from India as a % of total imports	0.00%	0.03%	96.49%
Other imports as a % of total imports	100.00%	99.97%	3.51%

Information in table 7.2.1(b) above shows that alleged dumped imports from India increased from 0 to 108 kilograms from 2018/19 to 2019/20, further increased by 117 863.89% from 2019/20 to 2020/21 and increased from 0 to 127 401 kilograms during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 7.2.1 (c): Total import volumes for spades and shovels

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports-China	742 516	1 080 609	982 689
Alleged dumped imports- India	-	108	127 401
Total alleged dumped imports	742 516	1 080 717	1 110 089
Other imports	413 323	390 727	58 032
Total imports	1 155 839	1 471 443	1 168 122
Alleged dumped imports from China as a % of total imports	64.24%	73.44%	84.13%
Alleged dumped imports from India as a % of total imports	0.00%	0.01%	10.91%
Total dumped as % of total imports	64.24%	73.45%	95.03%
Other imports as a % of total imports	35.76%	26.55%	4.97%

*China imports are for tariff-subheading 8201.10.05

Import volumes from India are for tariff-subheading 8201.10.10 only. Import volumes for tariff-subheading 8201.10.05 are negligible, therefore included under other countries.

Information in table 7.2.1(c) above shows that total alleged dumped imports of spades and shovels from China and India increased by 45.54% from 2018/19 to 2019/20, increased by 2.72% from 2019/20 to 2020/21 and increased by 49.50% during the period of investigation. The alleged dumped imports from China and India have increased and now account for a significant percentage of total imports into SACU market.

Table 7.2.1 (d): Import volumes- picks classifiable under tariff subheading 8201.30.03

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports: India	242 192	354 393	660 854
Other imports	435 005	160 895	14 931
Total imports	677 197	515 288	675 785
Alleged dumped imports from India as a % of total imports	35.76%	68.78%	97.79%
Other imports as a % of total imports	64.24%	31.22%	2.21%

Information in table 7.2.1 (d) above shows that alleged dumped imports from the India increased by 46.33% from 2018/19 to 2019/20, further increased by 86.47% from 2019/20 to 2020/21 and increased by 172.86% during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 7.2.1 (e): Import volumes-rakes classifiable under tariff subheading 8201.30.90

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports: India	76 878	84 253	128 150
Other imports	119 867	82 016	103 570
Total imports	196 745	166 268	231 720
Alleged dumped imports from India as a % of total imports	39.07%	50.67%	55.30%
Other imports as a % of total imports	60.93%	49.33%	44.70%

Information in table 7.2.1 (e) above shows that alleged dumped imports from the India increased by 9.59% from 2018/19 to 2019/20, further increased by 52.10% from 2019/20 to 2020/21 and increased by 66.69% during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

Table 7.2.1 (f): Import volumes-forks classifiable under tariff subheading 8201.90.20

Kilograms	2018/19	2019/20	2020/21
Alleged dumped imports: India	64 885	91 798	131 943
Other imports	70 917	31 845	8 399
Total imports	135 802	123 643	140 341
Alleged dumped imports from India as a % of total imports	47.78%	74.24%	94.02%
Other imports as a % of total imports	52.22%	25.76%	5.98%

Information in table 7.2.1 (f) above shows that alleged dumped imports from the India increased by 41.48% from 2018/19 to 2019/20, further increased by 43.73% from 2019/20 to 2020/21 and increased by 103.35% during the period of investigation. The alleged dumped imports from India have increased and now account for a significant percentage of total imports into SACU market.

7.2.2 Market share

The following table shows the market share based on sales and import volumes:

Table 7.2.2 (a): Spades and shovels

	2018/19	2019/20	2020/21
Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05			
Applicant's market share as % of total market	100	65	97
Other SACU producers market share as % of total market	100	62	60
Alleged dumped China imports as % of total market	100	102	98
Other countries imports' market share as % of total market	100	101	211
Spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff subheading 8201.10.10			
Applicant's market share as % of total market	100	91	109
Alleged dumped India imports as % of total market	100	100	117 571
Other countries imports' market share as % of total market	100	148	2
Total market share for spades and shovels classifiable under tariff subheadings 8201.10.05 and 8201.10.10			
Applicant's market share as % of total market	100	69	87
Other SACU producers market share as % of total market	100	109	100
*Alleged dumped China imports as % of total market	100	176	162
# Alleged dumped India imports as % of total market	100	100	121 250
Total alleged dumped imports as a % of total market	100	176	183
Other countries imports' market share as % of total market	100	114	17

The figures were indexed due to confidentiality using 2018/2019 as a base year.

*China imports are for tariff subheading 8201.10.05 only.

Import volumes from India are for tariff subheading 8201.10.10 only. Import volumes for tariff-subheading 8201.10.05 are negligible, therefore included under other countries.

Information in table 7.2.2(a) above indicates that during the period of investigation, the applicant's market share on spades and shovels classifiable under tariff subheading 8201.10.05 decreased by 3 index points and the alleged dumped imports market share from China decreased by 2 index points during the same period. Imports from other countries market share increased by 111 index points during the same period. The Commission considered that although China's market share decreased, the imports still account for a significant share of the market and that the increase in imports from other countries was from a low base.

On spades and shovels classifiable under tariff subheading 8201.10.10, information in table 7.2.2(a) indicates that during the period of investigation, the applicant's market share increased by 9 index points and the alleged dumped imports market share from India increased by 117 571 index points. Imports from other countries market share decreased by 98 index points during the same period. The Commission considered that imports from India increased whilst the size of the SACU market decreased.

Overall, total spades and shovels information in table 7.2.2 (a) above indicates that during the period of investigation, the applicant's market share decreased by 13 index points. The alleged dumped imports market share from China and India increased 83 index points whilst the size of the SACU market decreased. Imports from other countries market share decreased by 83 index points during the same period.

Table 7.2.2 (b): Picks classifiable under tariff subheading 8201.30.03

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	104	90
Alleged dumped India imports as % of total market	100	185	301
Other countries imports' market share as % of total market	100	47	4

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 7.2.2(b) above indicates that during the period of investigation the applicant's and other countries market share decreased by 10 and 96 index points respectively. Whilst the alleged dumped imports market share increased by 201 index points.

Table 7.2.2 (c): Rakes classifiable under tariff-subheading 8201.30.90

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	99	97
Other SACU producers market share as % of total market	100	94	58
Alleged dumped India imports as % of total market	100	137	174
Other countries imports' market share as % of total market	100	86	90

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 7.2.2 (c) above indicates that during the period of investigation the applicant's and other countries market share decreased by 3 and 10 index points respectively. Whilst the alleged dumped imports market share increased by 74 index points.

Table 7.2.2 (d): Forks classifiable under tariff-subheading 8201.90.20

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	95	100
Other SACU producers market share as % of total market	100	112	80
Alleged dumped India imports as % of total market	100	171	199
Other countries imports' market share as % of total market	100	54	12

The figures were indexed due to confidentiality using 2018/2019 as a base year.

Information in table 7.2.2 (d) above indicates that during the period of investigation the applicant's market share remained constant whilst the alleged dumped imports market share increased by 99 index points. Other countries market share decreased 88 index points.

Table 7.2.2 (e): Total subject products

	2018/19	2019/20	2020/21
Applicant's market share as % of total market	100	83	91
Other SACU producers market share as % of total market	100	97	71
*Alleged dumped China imports as % of total market	100	179	151
#Alleged dumped India imports as % of total market	100	170	311
Total alleged dumped imports as a % of total market	100	176	206
Other countries imports' market share as % of total market	100	79	20

The figures were indexed due to confidentiality using 2018/2019 as a base year.

* China imports are for spades and shovels tariff-subheading 8201.10.05 only.

Import volumes from India for tariff-subheading 8201.10.05 are negligible, therefore included under other countries.

Overall, total subject products information in table 7.2.2 (e) above indicates that during the period of investigation, the applicant's market share decreased by 9 index points whilst the alleged dumped imports market share increased by 106 index points. Other countries market share decreased 80 index points during the same period.

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

Section 5 of this report shows that applicant experienced price undercutting on all subject products and price suppression on spades and shovels classifiable under tariff-subheading 8201.10.05.

7.4 CONSEQUENT IMPACT OF ALLEGED DUMPED IMPORTS

The applicant suffered material injury on the subject products during the period of investigation as follows:

7.4.1 Spades and shovels classifiable under tariff subheading 8201.10.05

The applicant suffered material injury in the form of price undercutting, price suppression, decline in gross profit and net profit, decline in market share, decline in employment, decline in productivity and a decline in net cashflow.

7.4.2 Spades and shovels classifiable under tariff subheading 8201.10.10

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline in growth.

Total spades and shovels

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline in growth.

7.4.4 Picks

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline growth.

7.4.5 Rakes

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in capacity utilisation and a decline growth.

7.4.6 Forks

The applicant suffered material injury in the form of price undercutting, decline in output, decline in productivity and a decline in capacity utilisation. The applicant's market share was constant.

7.5 FACTORS OTHER THAN DUMPING CAUSING MATERIAL INJURY

Table 7.5: Examination of causality

Tariff subheading	Subject product	2018/19	2019/20	2020/21	% Change 2018-2021
FOB prices for imports not sold at dumped prices					
8201.10.05	Spades and Shovels of a maximum blade width of more than 150mm but not exceeding 200mm	34.86	30.63	12.05	(65.44%)
8201.10.10	Spades and Shovels of a maximum blade width of more than 200mm but not exceeding 320mm	5.96	3.64	42.03	605.20%
8201.30.03	Picks	4.62	11.45	30.42	558.61%
8201.30.90	Rakes with more than 8 prongs	28.28	42.74	40.66	43.77%
8201.90.20	Forks with a prong length exceeding 150mm	12.00	15.27	43.31	260.9%
Volume of imports not sold at dumped prices					
8201.10.05	Spades and Shovels of a maximum blade width of more than 150mm but not exceeding 200mm	18 742	26 863	53 391	184.88%
8201.10.10	Spades and Shovels of a maximum blade width of more than 200mm but not	394 581	363 864	4 641	(98.82%)

	exceeding 320mm				
8201.30.03	Picks	435 005	160 895	14 931	(96.57%)
8201.30.90	Rakes with more than 8 prongs	119 867	82 016	103 570	(13.60%)
8201.90.20	Forks with a prong length exceeding 150mm	70 917	31 845	8 399	(88.16%)
Changes in demand and patterns of consumption		The Commission noted that the applicant that is not aware of any changes in demand or patterns of consumption.			
Trade restrictive practices of foreign and domestic producers		The Commission noted that the applicant is not aware of trade restrictive practices in place against products from China and India except for dumping duties against China.			
Developments in technology		The Commission noted that there were no known recent developments in technology that would place the applicant at a disadvantage.			
Export performance of the domestic industry		The Commission noted that the applicant stated that the focus is primarily on supplying the domestic market, but does have exports to other African countries and around the world.			
Productivity of the domestic industry		The Commission noted that the applicant's productivity compares favourably with its competitors.			
Indicate any other factors affecting the SACU prices		The Commission noted that the applicant is unaware of other factors affecting SACU prices.			
Strikes, go-slows or lock-outs during the past twelve calendar months		The Commission noted that the applicant did not experience any labour actions that impacted negatively on production during this period.			

Comments by interested parties on causality

There are other factors which drive costs and prices such as steel and electricity prices, wages and transport costs all which have increased above inflation during the period of investigation.

Commission's consideration

During the period of investigation, the applicant was unable to recover costs on spades and shovels classifiable under tariff subheading 8201.10.05. Therefore in this regard, although steel, transport and electricity have increased, industry prices cannot fully accommodate for the increase in these costs as it had to compete with dumped imports. Furthermore applicant's wages decreased on all subject products except on picks where they remained constant during the same period.

Based on the information above, the Commission made a preliminary determination that there is a causal link between the alleged dumped imports and material injury and a threat of material injury suffered by the SACU industry and there were no other factors detracting from causal link.

8. SUMMARY OF FINDINGS

8.1 Dumping

The Commission made a preliminary determination that:

- Dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff-subheading 8201.10.05 originating in or imported from the People's Republic of China is taking place. A dumping margin of 61.63% was calculated.
- Dumping of spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm classifiable under tariff-subheading 8201.10.10, picks, rakes (excluding those with not more than 8 prongs) and other Forks with a prong length exceeding 150 mm originating in or imported from the Republic of India is taking place. The dumping margin for each subject product was calculated as follows:

Table 8.1 Dumping margin on products imported from India

Tariff- subheading	Subject product	Dumping margin
8201.10.10	Spades and shovels	163.28%
8201.30.03	Picks	160.92%
8201.30.90	Rakes	70.73%
8201.90.20	Forks	134.66%

8.2 Material Injury

The Commission found that the applicant suffered material injury on the subject products as follows:

8.2.1 Spades and shovels classifiable under tariff subheading 8201.10.05

The applicant suffered material injury in the form of price undercutting, price suppression, decline in gross profit and net profit, decline in market share, decline in employment, decline in productivity and a decline in net cashflow.

8.2.2 Spades and shovels classifiable under tariff subheading 8201.10.10

The applicant suffered material injury on price undercutting, decline in sales volumes, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline in growth.

8.2.3 Total spades and shovels

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline in growth.

8.2.4 Picks

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in employment, decline in productivity, decline in capacity utilisation and a decline growth.

8.2.5 Rakes

The applicant suffered material injury in the form of price undercutting, decline in sales volumes, decline in market share, decline in output, decline in in employment, decline in capacity utilisation and a decline growth.

8.2.6 Forks

The applicant suffered material injury in the form of price undercutting, decline in output, decline in productivity and a decline in capacity utilisation. The applicant's market share was constant.

8.3 Threat of material injury

The Commission made a preliminary determination that a threat of material injury to the SACU industry exists.

8.4 Causal Link

The Commission found that there is a causal link between the alleged dumped imports of the subject products and the material injury suffered by the SACU industry and there were no other factors detracting from causal link.

9. PROVISIONAL PAYMENTS

PRODUCERS AND EXPORTERS OF SPADES AND SHOVELS ORIGINATING IN OR IMPORTED FROM CHINA CLASSIFIABLE UNDER TARIFF SUBHEADING 8201.10.05

The Commission made a preliminary determination to use the facts available to determine dumping margin for all producers and exporters of spades and shovels from China. The facts available for normal value consist of information supplied by the applicant and contained in the application. The facts available for export price consist of official import statistics from SARS.

9.1 Calculation of duty

The Commission found that all the requirements for the imposition of provisional measures have been fulfilled. The dumping margin as a percentage of the FOB export price was determined to be 58.56% based on the information provided by the applicant.

9.2 Lesser duty

Regulation 17 of the ADR provides that the Commission shall consider applying the lesser duty rule if both the corresponding importer and exporter have co-operated fully. The Commission made a preliminary determination not to apply the lesser duty rule as the information from the importer and exporter was found to be deficient.

9.3 Amount of provisional payments for spades and shovels classifiable under tariff subheading 8201.10.05

Provisional measures for all producers and exporters of spades and shovels were determined to be 58.56% *ad valorem*.

PRODUCERS AND EXPORTERS OF PICKS, FORKS, RAKES, SPADES AND SHOVELS ORIGINATING IN OR IMPORTED FROM INDIA

The Commission made a preliminary determination to use the facts available to determine dumping margins for all producers and exporters of forks, rakes picks, spades and shovels from India. The facts available for normal value consist of information supplied by the applicant and contained in the application.

The facts available for export price on forks, picks, spades and shovels consists of official import statistics from SARS. The facts available for rakes export consist of the Mumbai FOB export price supplied by the applicant and contained in the application.

10.1 Calculation of duty

The Commission found that all the requirements for the imposition of provisional measures have been fulfilled. The dumping margin as a percentage of the FOB export price was determined based on the information provided by the applicant for each subject product as follows:

Table 10.1: Dumping margin as a % of FOB export price

Subject product	Dumping margin as a % of FOB export price
Spades & shovels classifiable under tariff subheading 8201.10.10	155.09%
Picks	152.91%
Rakes	67.23%
Forks	127.93%

10.2 Lesser duty

Regulation 17 of the ADR provides that the Commission shall consider applying the lesser duty rule if both the corresponding importer and exporter have co-operated fully. The Commission made a preliminary determination not to apply the lesser duty rule as the information from the importer and exporter was found to be deficient.

10.3 Amount of provisional payments for spades and shovels

Provisional measures for all producers and exporters of forks, rakes and picks, spades and shovels were determined to be:

Table 10.3: Provisional of payments on forks, picks, rakes and spades and shovels originating in or imported from India

Subject product	Provisional measures
Spades & shovels classifiable under tariff subheading 8201.10.10	155.09% <i>ad varoalem</i>
Picks	152.91% <i>ad varoalem</i>
Rakes	67.23% <i>ad varoalem</i>
Forks	127.93% <i>ad varoalem</i>

11. PRELIMINARY DETERMINATION

The Commission made a preliminary determination that:

- Dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm originating in or imported from the People's Republic of China is taking place;
- Dumping of spades and shovels of a maximum blade width of more than 200mm but not exceeding 320mm, picks, other rakes (excluding those with not more than 8 prongs) and other forks with a prong length exceeding 150 mm originating in or imported from the Republic of India is taking place;
- The SACU industry is experiencing material injury and a threat of material injury; and
- A causal link between the alleged dumped imports and material injury and a threat of material injury suffered by the SACU industry exists;

The Commission therefore made a preliminary determination to request the Commissioner of SARS to impose provisional measures for a period of six months on imports of the subject products originating in or imported from China and India classifiable under the following tariff subheadings:

Table 11: Tariff classification

Tariff-subheading	Tariff description	Producer/ exporter	Country	Provisional payment
Spades and Shovels				
8201.10.05	of a maximum blade width of more than 150mm but not exceeding 200mm	All producers	China	58.56% <i>ad varolem</i> .
8201.10.10	of a maximum blade width of more than 200mm but not exceeding 320mm	All producers	India	155.09% <i>ad varolem</i>
Picks				
8201.30.03	Mattocks; picks	All producers	India	152.91% <i>ad varolem</i>

8201.30.90	Rakes (excluding those with not more than 8 prongs)	All producers	India	67.23% <i>ad valorem</i>
8201.90.20	Other forks with a prong length exceeding 150mm	All producers	India	127.93% <i>ad valorem</i>

The Commission considered that import volumes of spades and shovels classifiable under tariff-subheading 8201.10.05 originating in or imported from India are negligible at less than 3% of total imports to SACU market. Therefore, the Commission made a preliminary determination to terminate the investigation on spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm classifiable under tariff subheading 8201.10.05 originating in or imported from India. The Commission further made a preliminary determination not to impose provisional payments on such spades and shovels from India.

Interested parties will be invited to submit comments and make presentations on the preliminary determination within the specified time periods, which the Commission will consider prior to making its final determination and recommendation to the Minister of Trade, Industry and Competition.

