

REPORT NO. 704

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: FINAL DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its Report No. 704: **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-FINAL DETERMINATION**



**DUMISANI MBAMBO
DEPUTY CHIEF COMMISSIONER**

**PRETORIA
07/11/2022**

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-FINAL 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* No. 45352.

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

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 a threat of material 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 producers/exporter's questionnaires to complete. Known importers of the subject products in SACU were also sent a non-confidential version of the application, initiation notice and the importer's questionnaires to complete.

After considering all 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 experienced by the SACU industry.

The Commission also 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 and not to impose provisional payments on imports of such spades and shovels. The Commission considered that import volumes are below 3% as a percentage of total imports to the SACU market and therefore negligible.

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

Provisional payments were imposed effective from 13 May 2022 up to including 12 November 2022 and were published in the *Government Gazette* No. 46358.

The Commission’s reasons for its preliminary determination are contained in the Preliminary Report No. 691. The report was issued to the interested parties for comments. Based on the details as contained in the Commission’s preliminary report, comments received, the verified importers and exporter information and responses received thereto, the Commission made a final determination before “essentials facts” that it was considering 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 experienced by the SACU industry.

The Commission further made a final determination before “essential facts” that it was considering terminating 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 and not to impose definitive anti-dumping duties on imports of such spades and shovels originating in or imported from India. The import volumes are below 3% as a percentage of total imports to the SACU market and therefore negligible.

Essential facts letters were sent to all interested parties, informing them of the “essential facts” which were being considered by the Commission and inviting comments on those “essential facts”.

After considering all interested parties submissions and comments received, the Commission made a final 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 experienced by the SACU industry
- Definitive anti-dumping duties be imposed.

The Commission also made a final 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 and not to recommend the imposition of definitive anti-dumping duties on imports of such spades and shovels from India. The import volumes are below 3% as a percentage of total imports to the SACU market and therefore negligible.

The Commission therefore decided to recommend to the Minister of Trade, Industry and Competition that definitive anti-dumping duties on the imports of the subject product originating in or imported from China and on imports of the subject products originating in or imported from India be imposed.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation was 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 Lasher Tools, the major producer of the subject products 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, as well as on 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 was that the subject products are exported to SACU at prices lower than the normal values 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 on 04 August 2021. The material injury information provided by Lasher Tools was verified on 23-24 August 2021.

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

The Commission initiated an investigation into the 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 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 India through Notice Number 624 of 2021, which was published in the *Government Gazette* No. 45352 on 22 October 2021.

On 25 October 2021, subsequent to initiation, all known interested parties were notified 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 was from 01 May 2020 to 30 April 2021.

The investigation period for material injury was from 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, Lasher Tools and Ottimo Products CC.

1.7.2 Foreign producers/exporters

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

- Tangshan Junxing Hardware Tools Making Co., Ltd (Junxing) on spades and shovels from China;
- Tangshan Zenger Trading Co., Ltd (Zenger) on spades and shovels from China; and
- Shivagrico Implements Ltd (Shivagrico) on picks from 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.

Comments by the Applicant

- (i) Requests for extensions were made after the expiry of the 30-days original period as calculated from the date of initiation in the *Government Gazette* notice.
- (ii) Some of the reasons provided by parties that requested an extension are time-related and therefore do not indicate good cause.

Comments by the interested parties

- (i) The Anti-dumping Regulations do not specifically indicate that an extension request must be submitted with the original 30 days from the date of initiation.
- (ii) The reasons provided for extension requests are the realities encountered when preparing responses.

Commission's consideration

- (i) Interested parties that are directly informed of the investigation receive 30 days to submit responses. The 30 days is calculated from date of receipt of the questionnaires. The date of receipt is deemed to be 7 days after the dispatch of the questionnaires by the Commission. In this investigation, the questionnaires were dispatched on 25 October 2021. The date of receipt was deemed to be 01 November 2021. Therefore, the 30 day period was from 01 November 2021 to 01 December 2021. Interested parties that are not directly informed of the investigation receive 40 days from the date

of initiation in Government Gazette to submit the responses. The interested parties which are within this category can request an extension at any time as long as it is prior to the deadline date.

- (ii) The interested parties that requested extensions submitted various reasons to substantiate their requests which were not only limited to insufficient time. The reasons were considered collectively and were found to indicate good cause.

Initial responses from the producers/exporters were found to be deficient. The producers/exporters were advised accordingly and were each given seven days to rectify the identified deficiencies. The updated responses from Junxing and Zenger were deficient. Shivagrigo's information was verified from 07 to 10 March 2022 and its response was subsequently still found to be deficient.

The above-mentioned producers/exporters were informed of the deficiencies in their responses and that the Commission may decide not to take into account their information for the purposes of the Commission's preliminary determination. They were also 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.

Shivagrigo addressed deficiencies by the deadline date for comments to the Commission's Preliminary Report except the indexing of normal value under the dumping section which was incorrect, confidential export price was included in the non-confidential response under the dumping section and there were two rows with actual production in kilograms under production and capacity section in the non-confidential response.

Junxing and Zenger also addressed deficiencies by the deadline date for comments to the Commission's Preliminary Report except the indexing of normal value and export price, which were incorrect under the dumping section of the non-confidential response.

The above-mentioned parties were informed of the deficiencies and advised that their information may not be taken into account for the final determination.

The Commission considered that the information submitted by Shivagrigo was verified, was supplied timeously and could be used without undue difficulties. The Commission also considered that information submitted by Junxing and Zenger was found to be verifiable, was submitted timeously and in a computer medium which was specified in the questionnaire. The Commission therefore made a final determination to use the information from these parties for its final determination.

1.7.3 Importers

Responses to the Commission's importer questionnaire were received from Araf Industries (Pty) Ltd (Araf), Buildmax Distributors (Pty) Ltd (Buildmax) and Harry P Will South Africa (Pty) Ltd (Harry P Will SA).

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. The updated responses from the respective importers were still found to be deficient.

The above-mentioned importers were informed of the deficiencies in their responses and that the Commission may decide not to take into account their information for the purposes of the Commission's preliminary determination.

They were also 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. The Commission made a preliminary determination not to take their information into account.

Responses on the raised deficiencies were received from Araf and Buildmax.

Commission's considerations

These responses were received only after the deadline date to address deficiencies. When the correspondence was sent, it was not a request for interested parties to address deficiencies but to sensitise them that their responses were deficient and may not be considered for the preliminary determination.

Araf and Buildmax addressed deficiencies by the deadline date for comments to the Commission's Preliminary Report. Their information was verified from 09 to 10 June 2022.

Comments by the applicant on Araf and Buildmax submissions

Data used to estimate the present size of the SACU market is for a full year which does not align to injury period of investigation. As a result there is a lack of substantiation for the views expressed which renders the submissions by both parties deficient.

Commission's considerations

The size of the SACU market was determined based on the official SARS import statistics, other SACU producer's sales volume, where applicable, and the applicant's verified sales volume for the period of investigation. As a result, information from Araf and Buildmax was not taken into account in the determination of the size of the SACU market. However, the other information from these parties was verified. In addition, the information was supplied timeously and could be used without undue difficulties. The Commission made a final determination to use information (other than the size of the SACU market) from both parties for the final determination.

Harry P Will SA also responded to the Commission's letter when advised that their information may not be taken into account for the preliminary determination. Harry P Will SA indicated that further deficiencies are raised in the second deficiency letter which differ from the deficiencies addressed in the first deficiency letter.

Commission's consideration

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.

Harry P Will SA did not address deficiencies by the deadline date for comments to the Commission's Preliminary Report. The Commission made a final determination not to take into its information into account for the purposes of its final determination.

1.7.4 Other interested parties

Comments were received for Euro DIY (Pty) Ltd during the course of investigation.

1.8 PRELIMINARY DETERMINATION

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 experienced by the SACU industry.

The Commission also 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 and not to impose provisional payments on imports of such spades and shovels from India. The import volumes are below 3% as a percentage of total imports to SACU market and therefore negligible.

The Commission considered that the SACU industry would continue to suffer material injury during the course of the investigation if provisional payments were not imposed. The Commission therefore decided to request the Commissioner of SARS to impose provisional measures on imports of the subject products for a period of six months to protect the domestic industry while the investigation continued.

Provisional payments were imposed effective from 13 May 2022 up to including 12 November 2022 and were published in the *Government Gazette* No. 46358.

The Commission's reasons for its preliminary determination are contained in the Preliminary Report No. 691. The report was issued to the interested parties for comments. Comments were received from the Applicant, Shivagrigo, Junxing, Zenger, Araf and Buildmax.

Comments by interested parties on the preliminary report

- (i) The preliminary report did not explain how Shivagrigo's deficiencies prevented the Commission from determining dumping. It also did not explain how Araf and Buildmax deficiencies prevented the Commission from verifying their information.
- (ii) Araf, Buildmax and Shivagrigo were not given additional opportunity to address non-confidential deficiencies prior the preliminary determination.

Commission's consideration

- (i) Any interested party that responds to Commission questionnaire is required to submit a proper non-confidential response. The requirements of how this information must be provided are indicated in the importer and exporter questionnaires and in the ADR. These requirements were not met by the above mentioned interested parties. Regulation 31.3 of the ADR indicates that the Commission will not consider submissions which are deficient for the preliminary determination. The preliminary report specified that, it is the deficiencies which were not addressed that led to the non-consideration of their information.
- (ii) Interested parties were given 7 days to address these deficiencies prior to the Commission's preliminary determination. Interested parties were further given 14 days from the date of the Commission's preliminary report to address deficiencies. The periods granted to address deficiencies were done in accordance with the provisions of the ADR.

1.9 "Essential facts" letters

Essential facts letters were sent out to all interested parties, informing them of the "essential facts" which were being considered by the Commission and inviting comments on those "essential facts". Comments to the essential facts letter were received from the Applicant, Shivagrigo, Junxing and Zenger and were taken into account by the Commission in making its final determination.

1.10 Final determination and recommendation

After considering all submissions and comments to the Commission's essential facts letter, the Commission made a final 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; There is a causal link between the alleged dumped imports and material injury and a threat of material injury experienced by the SACU industry; and
- Definitive anti-dumping duties be imposed.

The Commission also made a final 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 and not to recommend the imposition of definitive anti-dumping duties on imports of such spades and shovels from India. The import volumes are below 3% as a percentage of total imports to SACU market and therefore negligible.

The Commission therefore decided to recommend to the Minister of Trade, Industry and Competition that the definitive anti-dumping duties on imports of the subject product originating in or imported from China and on imports of the subject products originating in or imported from India be imposed as follows:

- 703c per kilogram on imports from all producers and exporters of spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from China;
- 1484c per kilogram on imports from all producers and exporters of spades and shovels classifiable under tariff subheading 8201.10.10 originating in or imported from India;
- 211c per kilogram on imports from all producers and exporters of picks (excluding those produced by Shivagrigo Implements Ltd) classifiable under tariff subheading 8201.30.03 originating in or imported from India;

- 82c per kilogram on imports of picks produced by Shivagrigo Implements Ltd classifiable under tariff subheading 8201.30.03 originating in or imported from India.
- 1159c per kilogram on imports from all producers and exporters of rakes (excluding those with not more than 8 prongs) classifiable under tariff subheading 8201.30.90 originating in or imported from India; and
- 1736c per kilogram on imports from all producers and exporters of other forks with a prong length exceeding 150mm classifiable under tariff subheading 8201.90.20 originating in or imported from India.

All submissions made by interested parties are contained in the Commission's non-confidential public 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.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The applicant described the imported products as follows:

- 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 China and India.

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 millimetres 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

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

2.1.6 Negligibility test

The volume of imports shall normally be regarded as negligible if it is found to 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 from China	988 069	94.87%
Alleged dumped imports from India	20 931	2.01%
Other imports	32 461	3.12%
Total imports	1 041 460	100%
Spades and Shovels classifiable under tariff subheading 8201.10.10		
Alleged dumped imports from India	127 401	96.49%
Other imports	4 641	3.51%
Total imports	132 042	100%
Picks classifiable under tariff subheading 8201.30.03		
Alleged dumped imports from India	660 854	97.79%

Other imports	14 931	2.21%
Total	675 785	100%
Rakes classifiable under tariff subheading 8201.30.90		
Alleged dumped imports from India	128 150	56.39%
Other imports	99 089	43.61%
Total	227 239	100%
Forks classifiable under tariff subheading 8201.90.20		
Alleged dumped imports from India	131 943	94.02%
Other imports	8 399	5.98%
Total	140 341	100%

Subject Product from China is limited to spades and shovels classifiable under tariff subheading 8201.10.05.

Information in 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 and therefore negligible. The Commission made a final determination that cumulation of these imports is not feasible as there are no other countries with imports which individually account for less than 3 percent of total imports and when collectively combined with imports from India account for more than 7% as a percentage of total imports in terms of Regulation 16.2 of the ADR.

The Commission therefore made a final 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.

Comments by the applicant on the preliminary report and the essential facts letter

- (i) The Commission is requested to reconsider the decision to terminate the investigation on spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India.
- (ii) It is requested that the negligibility analysis against India be conducted at 6 digit tariff subheading with the exclusion of other spades and shovels classifiable under tariff subheading 8201.10.90.
- (iii) The Commission's initiation notice in relation to the spades and shovels from India identified the product as "of a maximum blade width of more than 150mm but not exceeding 320mm". This description qualifies the spades and shovels from India at the six-digit tariff subheading of 8201.10.

- (iv) *Prima facie* evidence concerning the dumping of spades and shovels of a maximum blade width of more than 150mm but not exceeding 320mm from India under tariff-subheading 8201.10 was presented.

Commission’s consideration

- (i) The determination to terminate the investigation on spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India is based on the fact that these imports are negligible at less than 3 percent of total imports to the SACU market.
- (ii) Tariff subheadings are harmonised at a 6-digit level, which means the requested negligibility analysis would include products which are not part of this investigation. The Commission’s practice is not to expand the scope of an already initiated investigation.
- (iii) According to the SARS tariff book, the six digit tariff subheading at 8201.10 is for all “Spades and Shovels” without any specification of the blade width. This tariff subheading heading was not in the initiation notice. The spades and shovels which were under investigation are classified under tariff subheadings 8201.10.05 and 8201.10.10 separately.
- (iv) The dumping information for tariff subheadings 8201.10.05 and 8201.10.10 was submitted separately, there was no dumping information provided for tariff subheading 8201.10. It is pertinent to note that import volumes which are less than 3% are negligible and therefore cannot be considered to cause material injury.

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	<p>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.</p> <p>Grip is formed and fitted to shaft and the product painted for protection and finish.</p>
Spade	<p>Rolled sheet is profile blanked. Blade and shaft hot formed to shape.</p> <p>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.</p>
Pick	<p>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.</p>
Rake	<p>Tines of rake are blanked or welded. Socket or shaft is welded to head. Protective coating is applied.</p>
Fork	<p>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.</p>

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	<p>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.</p>
Spade	<p>Head is slightly dished and formed with a frog for strength.</p> <p>The blade is heat-treated for strength and resistance to wear.</p> <p>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.</p>
Pick	<p>Chisel and diamond ends to shanks for digging. Ends are heat-treated for strength and wear resistance.</p> <p>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.</p>
Rake	<p>Tines for clearing. The product consists of a toothed bar that is fixed transversely to a handle.</p>
Fork	<p>Tines to dig or lift, Hardened tines or forged prongs for wear resistance.</p> <p>The product has a handle that is attached to a long shaft, which on the other end has short, sturdy prongs.</p>

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
Substituta
bility

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	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.	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 to a long handle.	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.

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.

After considering all the above, the Commission made final 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 Lasher Tools and supported by Ottimo Products CC, which together constitute 100% of the domestic production of the subject products in the SACU. Ottimo Products CC provided information on spades and shovels classifiable under tariff subheading 8201.10.05, as well as rakes and forks.

The Commission made a final 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

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 dumping margin is then expressed as a percentage of the export price. If the margin is less than two percent, it is regarded as *de minimis* in terms of the ADR and no anti-dumping duty will be imposed.

4.1 METHODOLOGY IN THIS INVESTIGATION FOR TANGSHAN JUNXING HARDWARE TOOLS MAKING CO., LTD AND TANGSHAN ZENGER TRADING CO., LTD ON SPADES AND SHOVELS FROM CHINA

Junxing (a producer) and Zenger (an unrelated trader/exporter) of spades and shovels in China submitted responses to the Commission's exporter questionnaire. Responses from both parties were found to be deficient and were not considered for the preliminary determination. Junxing and Zenger addressed deficiencies for the final determination except the indexing of normal values and export prices in the dumping section which were incorrect in the non-confidential response. The Commission considered that information submitted by Junxing and Zenger was verifiable, was submitted timeously and in a computer medium which was specified in the questionnaire. The Commission therefore made a final determination to use the information from these parties for its final determination, subject to verification.

The information from both parties was not verified. When a proposal was made to conduct a verification virtually, it was not received favourably. The purpose of the verification was to ensure that the accuracy of information submitted. This would have involved the determination of the costing, prices of domestic and export sales and any other financial information submitted by both the producer and the exporter of the subject product.

A response to the proposal stated the following:

- (i) The accountant at Junxing was diagnosed with COVID-19 and is currently recovering and isolated;
- (ii) All of the financial and sales records of both companies are in Mandarin. This means any source document that ITAC may need to verify certain information will not be readily available in English. The staff at both companies do not speak English except for one staff member at the exporters; and

- (iii) There is a 6-hour time difference between China and South Africa which will pose a challenge in conducting the verification properly.

The parties instead requested a desk verification only and more time to translate information which might be requested as part of the verification process.

Commission's considerations

- (i) There was no proposal for an alternative date and no indication of how long the accountant was going to be in isolation;
- (ii) It was not explained why a translator could not be available when the verification is conducted virtually; and
- (iii) The number days which are normally allocated to verify producers is three days, in this instance a proposal of 4 days was made to verify a producer, taking into consideration the time difference between China and South Africa.

A desktop verification only, involves frequent requests of information and clarity which takes longer. This ends up making the verification difficult and the investigators being unable to get all the necessary clarity on information submitted. The Commission therefore made determination that the request for a desktop verification only and adequate time to translate documents would unduly delay the finalisation of this investigation.

4.1.1 Normal value

The Commission made a determination to consider information by both parties. An assessment was made to determine whether it can be used to determine the dumping margin. It was found that the accuracy of information in Junxing's cost and price build-up (CBU), could not be confirmed without an added verification. The following was considered with regard to the information in the CBU:

- It was found that Junxing's financial year is from 1 January to 30 December, and the period of investigation was from 01 May 2020 to April 2021. As a consequence, the financial statements in the response, could not be used to confirm the figures in the CBU;
- The monthly management accounts in the response which correspond with the investigation period were specifically compiled for the Commission as the company compiles its management accounts quarterly. It was found that the figures in the CBU are

based on the monthly management accounts and can be verified from the company's accounting system;

- Distribution costs were not indicated in the CBU whereas the sales schedules indicated that the producer might have incurred these costs when export sales were made; and
- It could not be ascertained how the costs in the CBU were allocated to the subject products.

As result, the Commission could not conduct the ordinary course of trade test and construct normal values for models sold to SACU only. The Commission therefore made a final determination that the accuracy of information in the Junxing's CBU cannot be confirmed and that this information be disregarded for the final determination.

Since the CBU could not be used to determine the normal value. The Commission made a final determination to use the facts available to determine Junxing's normal value. The facts available in this case consists of information supplied by the applicant and contained in the application.

4.1.2 Export price

Junxing made sales to Zenger an unrelated trader/exporter situated in China that subsequently exported the subject products to SACU. It was found that the product description in the invoices issued by Junxing to Zenger is different to the one in the invoices issued by Zenger to SACU customers. It could not be ascertained without an added verification how these products were captured in Junxing's company's accounting system. The Commission therefore made a final determination that it could not be ascertained that the products which are exported by Zenger were indeed sourced from Junxing.

It was also found that Junxing made direct sales to a customer situated in SACU. These sales could not be compared to domestic or third country sales as the information in the response indicated that there were no comparable sales made in both these markets. Under these circumstance, the normal value would have to be constructed. The construction of normal values is done based on the information in the CBU. The accuracy of information in the CBU could not be confirmed.

Based on the issues above, the Commission made a final determination to determine Junxing's and Zenger's export price based on facts available. The facts available in the instance are the official import statistics from SARS for the investigation period for dumping.

Comments by interested parties on the essential facts letter

There is no acceptable reason why facts available should be used as the Commission has specific exporter information to rely on.

Commission's consideration

The facts available were used because the accuracy of information in Junxing's CBU could not be confirmed. In addition, it could not be confirmed whether products exported by Zenger were indeed sourced from Junxing. The non-confirmation of the accuracy of information in the CBU means that the ordinary course trade test and the construction of the normal values for models sold to SACU only could not be done.

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

The Commission made a final determination that the normal value and export price for all producers and exporters (including Junxing and Zenger) be determined based on facts available. The facts available for normal value comprise of information considered by the Commission for its merit and preliminary determinations, being the information supplied by the applicant and contained in the application. The facts available for export price comprise of the official import statistics from SARS for the investigation period for dumping.

4.2.1 Normal Value for spades and shovels 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 18.50 Chinese Yuan (¥) per unit. The value in ¥ per unit was then converted to kilograms using a conversion factor indicated in the quotation.

The ex-factory normal value was determined to be ¥7.71 per kilogram.

4.2.2 Export price for spades and shovels classifiable under tariff subheading 8201.10.05

The average Free on Board (FOB) export price was determined based on the official import statistics from SARS for the investigation period for dumping. The Commission made a final determination to allow the adjustment of 5% for inland freight charges to the FOB export price to determine the ex-factory export price. The ex-factory export price was determined to be R11.28 per kilogram. The ex-factory export price in South African Rands (ZAR) was then converted to (¥). The currency conversions were sourced from Oanda.com for the period of investigation for dumping. The ex-factory export price was determined to be ¥4.75 per kilogram.

4.2.3 Margin of dumping for spades and shovels classifiable under tariff subheading 8201.10.05

The dumping margin for all producers and exporters of spades and shovels in China was determined to be 62.32 percent when expressed as a percentage of the ex-factory export price.

4.3 METHODOLOGY FOR SHIVAGRICO A PRODUCER OF PICKS IN INDIA

A response submitted by Shivagrigo, a producer of picks in India, was not considered for the Commission's preliminary determination as it was deficient. As a result the dumping margin was determined based on facts available. Shivagrigo addressed deficiencies for the final determination except, the indexing of normal value in the dumping section which was incorrect, confidential export price was in the non-confidential response under the dumping section and there were two rows with actual production in kilograms under production and capacity in the non-confidential response.

The Commission considered that despite the outstanding deficiencies, information submitted by Shivagrigo was verified, was supplied timeously and could be used without undue difficulties. The Commission therefore made a final determination to use Shivagrigo's information for its final determination.

Shivagrigo provided information on picks and mattocks which were exported to SACU. Its information was verified on 07 to 10 March 2022.

Comments by the applicant

All picks and mattocks sold in the domestic market must be used to determine normal value.

Commission's consideration

The applicant indicated the subject product to be picks. Information on mattocks was not provided in the application and was not verified. The investigation was initiated on picks as indicated in the notice of initiation. Regulation 1 of the ADR defines a like product to be a product which is identical, i.e. alike in all respects to the product under consideration; or in the *absence* of such a product, another product which although not alike in all respects has characteristics closely resembling those of the product under consideration. Taking into account, Regulation 1 of the ADR, a mattock would have been considered as a like product if there was no information on a pick. In this instance, Shivagrigo provided information on picks. The Commission therefore made a final determination to use information on picks to determine the normal value and the export price applicable to Shivagrigo.

4.3.1 Normal value

Shivagrigo produced and sold picks of different weights in India and exported two models of picks (2.5 and 3 kilograms) during the period of investigation for dumping. The normal value was determined based on those models which are comparable to models exported to SACU during the same period.

Domestic sales of a 2.5 kilogram pick were found to be more than 5 percent of export volumes to SACU. All sales transactions of this model were at prices above total cost of production (including selling, general and administrative expenses) (SG&A). As a result, all sales transactions were used for normal value determination. The Commission made a final determination not to allow cost of payment as an adjustment, as it was not properly substantiated. It was found that the payment terms which were in the sales schedules were not reflected in the invoices.

Domestic sales volume of a 3 kilogram pick were found to be less than 5 percent of export volumes to SACU. The Commission made a final determination that these sales were insufficient to make a proper comparison and thus do not meet the requirements of Regulation 8.3 of the ADR. This model was also not sold to third countries. The Commission made a final determination to construct the normal value of this model based on the verified total cost of production including SG&A plus a reasonable profit earned on the sale of this model.

4.3.2 Export price

The export price was determined based on actual verified sales to SACU for a 2.5 and 3 kilograms picks. In order to determine the ex-factory export price, the Commission made a final determination to allow adjustments for inland transport charges and port charges, freight charges and packaging costs which were shown to have affected price comparability at the time of setting prices where applicable.

4.3.3 Margin of dumping - Shivagrigo

The weighted average margin of dumping was determined to be 5.75 percent when expressed as a percentage of the ex-factory export price.

Comments by the applicant on the essential facts letter

As domestic sales volume were less than 5% of the SACU export volume nor were there any exports thus profit earned cannot be seen as reasonable. The Commission is requested to use the company's profit margin or the profit margin of all its picks sold in the domestic market for its final determinations.

Commission's consideration

The reasonable profit margin which is included in the constructed normal value of a 3 kilogram pick is in accordance with Regulation 8.13 (a) of the ADR, which is the profit realized on the sale of this product. Shivagrigo sells a wide range of products which include products which are used as inputs to produce picks, therefore to use the total company's profit may not be a true representation of profit earned on a 3 kilogram pick. The average profit percentage for all picks sold in the domestic market was found to be less than the profit margin percentage used. The Commission therefore made a final determination that the profit percentage realised on the sale of this product is reasonable.

4.4 METHODOLOGY FOR RESIDUAL DUMPING MARGIN FOR NON-COOPERATING PRODUCERS AND EXPORTERS OF PICKS IN INDIA

The Commission made a final determination to use Shivagrigo's information to determine the normal value and export price for the non-cooperating producers and exporters of picks in India. The residual dumping margin for the non-cooperating producers and exporters was determined to be 14.61 percent when expressed as a percentage of the ex-factory export price.

Comments by the applicant on the essential facts letter

It is proposed that for normal value, best information as supplied in the application be used, and SARS import statistics be used to determine the export price.

Commission's consideration

Shivagrigo's domestic and export sales information was verified and it is therefore considered to be the best information available. In addition on export price, the tariff subheading which is used to clear picks is also used for mattocks therefore under these circumstances Shivagrigo's export price was considered to be the best information available.

4.5 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF FORKS IN INDIA

No responses were received from producers and exporters of forks in India. The Commission made a final determination that the normal value and export price for all producers and exporters be determined based on facts available. The facts available for the normal value comprise of information considered by the Commission for its merit and preliminary determinations, being the information supplied by the applicant and contained in the application. The facts available for the export price are the official import statistics from SARS for the investigation period for dumping.

4.5.1 Normal Value for forks classifiable under tariff subheading 8201.90.20

The applicant determined the normal value for forks based on the domestic price in India. To substantiate the domestic price, the applicant provided a quotation sourced from a manufacturer. The quotation showed the ex-works price of a fork with a minimum prolonged length of 150mm in Indian Rupees (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 average FOB export price was determined based on the official import statistics from SARS for the investigation period for dumping. The Commission made a final determination to allow the adjustment of 5% for inland freight charges to the FOB export price, to determine 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 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 INR59.66 per kilogram.

4.5.3 Margin of dumping for forks classifiable under tariff subheading 8201.90.20

The dumping margin for all producers and exporters of forks was determined to be 134.66 percent when expressed as a percentage of the ex-factory export price.

4.6 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF RAKES IN INDIA

No responses were received from producers and exporters of rakes in India. The Commission made a final determination that the normal value and export price for all producers and exporters be determined based on facts available. The facts available for the normal value and the export price comprise of information considered by the Commission for its merit and preliminary determinations, being the 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 based on the domestic price in India. To substantiate the domestic price, the applicant provided two quotations sourced from certain Indian manufacturers. The quotations showed 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 applicant determined the export price for rakes based on the Mumbai FOB export price. The Commission 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 showed 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 Commission made a final determination to allow the adjustment of 5% for inland freight charges to the FOB export price, to determine 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\$ 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 dumping margin for all producers and exporters of rakes was determined to be 70.73 percent when expressed as a percentage of the ex-factory export price.

4.7 METHODOLOGY FOR ALL PRODUCERS AND EXPORTERS OF SPADES AND SHOVELS CLASSIFIABLE UNDER TARIFF SUBHEADING 8201.10.10 IN INDIA

There were no responses received from producers and exporters of spades and shovels in India. The Commission is considering making final determination that the normal value and export price for all producers and exporters be determined based on facts available. The facts available for the normal value comprise of information considered by the Commission for its merit and preliminary determinations, being the information supplied by the applicant. The facts available for the export price are the official import statistics from the SARS for the investigation period for dumping.

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 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 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 average FOB export price was determined based on the official import statistics from SARS for the investigation period for dumping. The Commission made a final determination to allow the adjustment of 5% for inland freight charges to the FOB export price, to determine 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 dumping margin for all producers and exporters of spades and shovels was determined to be 163.28 percent when expressed as a percentage of the ex-factory export price.

4.8 Spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from India

The Commission made a final determination not to make a determination of dumping on spades and shovels indicated above as imports volumes of such spades and shovels are negligible as indicated in Table 2.1.6 of this report.

Based on the information above, the Commission made a final determination that:

- Spades and shovels classifiable under tariff subheading 8201.10.05 originating in or imported from China were being dumped into SACU market; and
- Spades and shovels classifiable under tariff subheading 8201.10.10 and picks, rakes (excluding those with not more than 8 prongs), forks with a prong length exceeding 150mm originating in or imported from India were being dumped into the SACU market.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The injury information on the subject products was provided by Lasher Tools. Lasher Tools represents SACU industry production volumes on forks, picks, rakes and spades and shovels 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 the information above, the Commission made a final 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 two 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 the SACU market as indicated in Table 2.1.6. The Commission therefore made a final determination not to cumulatively assess the effects of allegedly dumped imports of spades and shovels from China and India.

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 of 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
Dumped imports from China	742 516	1 080 609	988 069
*Other countries imports	18 742	26 862	53 391
Total imports	761 258	1 107 471	1 041 460
Dumped imports from China as a % of total imports	97.54%	97.57%	94.87%
Other countries imports as a % of total imports	2.46%	2.43%	5.13%

*Import volumes from India for tariff subheading 8201.10.05 are negligible, therefore included in other countries imports.

Information in table 5.4.1(a) above indicates that the dumped imports from China increased by 45.53% from 2018/19 to 2019/20, decreased by 8.56% from 2019/20 to 2020/21 and increased by 33.07% over the period of investigation. The dumped imports from China increased and now account for a significant percentage of total imports into the SACU market.

Comments by interested parties

Import volumes of spades and shovels classifiable under tariff subheading 8201.10.05 declined and imports from other countries allegedly not dumped increased by 98% during the period of investigation.

Commission's considerations

The alleged dumped imports from China and imports from other countries increased by 33.07% and 184.87% respectively over the period of investigation. The increase in imports from other countries is from a low base and these imports account for 5.13% of total imports into the SACU market whilst the subject imports from China account for 94.87% in 2020/21.

Table 5.4.1(b): Import volumes of 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
Dumped imports from India	-	108	127 401
Other countries imports	394 581	363 864	4 641
Total imports	394 581	363 972	132 042
Dumped imports from India as a % of total imports	0.00%	0.03%	96.49%
Other countries imports as a % of total imports	100.00%	99.97%	3.51%

Information in table 5.4.1(b) above shows that the 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 over the period of investigation. The dumped imports from India increased and now account for a significant percentage of total imports into the SACU market.

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

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

Information in table 5.4.1(c) above shows that the 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% over the period of investigation. The dumped imports from India increased and now account for a significant percentage of total imports into the SACU market.

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

Kilograms	2018/19	2019/20	2020/21
Dumped imports from India	76 878	84 253	128 150
Other countries imports	119 867	82 016	99 089
Total imports	196 745	166 268	227 239
Dumped imports from India as a % of total imports	39.07%	50.67%	56.39%
Other countries imports as a % of total imports	60.93%	49.33%	43.61%

Information in table 5.4.1(d) above shows that the 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% over the period of investigation. It is evident that the dumped imports increased and now account for a significant percentage of total imports into the SACU market.

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

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

Information in table 5.4.1(e) above shows that the 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% over the period of investigation. The dumped imports from India increased and now account for a significant percentage of total imports into the SACU market.

Kilograms	2018/19	2019/20	2020/21
*Dumped imports from China	742 516	1 080 609	988 069
#Dumped imports from India	383 955	530 551	1 048 348
Total dumped imports	1 126 471	1 611 160	2 036 417
Other countries imports	1 039 112	665 482	180 450
Total imports	2 165 583	2 276 642	2 216 867
*Dumped imports from China as a % of total imports	34.29%	47.47%	47.57%
# Dumped imports from India as a % of total imports	17.73%	23.30%	47.29%
Total dumped imports as a % of total imports	52.02%	70.77%	91.86%
Other countries imports as a % of total imports	47.98%	29.23%	8.14%

Table 5.4.1(f) Import volumes - All subject products

*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 included in other countries imports.

Information in table 5.4.1(f) above shows that the 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 33.07% over the period of investigation. The 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 173.03% over period of investigation.

Imports from other countries decreased by 35.96% from 2018/19 to 2019/20, further decreased by 72.80% from 2018/19 to 2019/20 and decreased by 82.63% over the period of investigation. The dumped imports from China and India increased and now account for a significant percentage of total imports into the 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 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	89
8201.10.10-India	Spades & Shovels	100	100	198 421
Total spades and shovels	Spades & Shovels	100	155	262
8201.30.03- India	Picks	100	182	421
8201.30.90- India	Rakes	100	121	195
8201.90.20-India	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) indicates that spades and shovel classifiable under tariff subheading 8201.10.05 from China, relative to production, decreased over 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 over the period of investigation.

Information in table 5.4.2 (a) further indicates that imports from India of spades and shovels classifiable under tariff subheading 8201.10.10, picks, rakes and forks, relative to production, increased over 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-India	Picks	100	179	333
8201.30.90-India	Rakes	100	139	179
8201.90.20-India	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.
 *Consumption is based on the applicant's sales volume, total SACU consumption is under growth and market share tables.

Information in table 5.4.2 (b) above indicates that imports of spades and shovels from China classifiable under tariff subheading 8201.10.05, relative to domestic consumption, increased over the period of investigation. Furthermore, imports of spades and shovels classifiable under tariff subheading 8201.10.10, picks, rakes and forks from India, relative to consumption, increased over the period of investigation.

5.4.3 Effect on Domestic Prices

5.4.3.1 Price undercutting for the period of investigation for dumping

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 for the period of investigation for dumping was determined based on the landed cost obtained from the verified importers' information for 2020/21, except for spades and shovels classifiable under tariff subheading 8201.10.10. The verified importers did not import such spades and shovels, as a result the landed cost was determined based on information provided by the applicant and contained in the application. The landed cost is calculated based on FOB export price plus freight, insurance, clearing costs and ordinary customs duties where applicable.

Price undercutting applicable to each of the subject product is as follows:

Table 5.4.3.1: Price undercutting for all the subject products

	China	India			
Tariff subheading	8201.10.05	8201.10.10	8201.30.03	8201.30.90	8201.90.20
Subject product	Spades & Shovels	Spades & Shovels	Picks	Rakes	Forks
Price undercutting(R/kg)	Yes	Yes	Yes	Yes	Yes
Price Undercutting %	Yes	Yes	Yes	Yes	Yes

Information in Table 5.4.3.1 above indicates that the applicant experienced price undercutting on all the subject products.

Comments by interested parties

- Landed cost of the imported products is lower because these products are mainly for consumer applications, whereas the applicant's pricing is made of consumer and industrial products. The Commission is requested to consider this under-price undercutting analysis.
- Landed costs for forks, rakes and spades and shovels imported from India decreased this does not reflect the worldwide shortage of shipping containers which increased the cost of shipping during the investigation period.

Commission's considerations

- The landed cost is determined based on the FOB value of the tariff subheading under which the imported product is cleared into the SACU market. In this instance, all products are cleared under the same tariff subheadings whether meant for domestic or industrial use.
- The verified importers' information indicates that ocean freight, insurance and clearing costs are low as a percentage of the total landed costs in 2020/21.

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	Rakes	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.

Information in table 5.4.3.2 above indicates that the applicant's ex-factory selling prices for all the subject products increased year-on-year and over the period of investigation. Ex-factory prices have increased, but there was price undercutting from the dumped imports in 2020/21.

Comments by interested parties

The applicant increased prices immediately after the imposition of provisional payments on 13 May 2022. It was indicated that the increase is necessitated by the rising cost of raw materials, energy and transport.

Comments by the applicant

It has been the applicant's practice to review its pricing at its financial year end. This decision was made well in advance although the communication to customers was on 13 May 2022 to be effective on 01 July 2022 which is pure coincidental.

Commission's consideration

The price increase referred to was not only applicable to the subject products which are under investigation. As result it cannot be concluded that this increase was a result of the imposition of provisional payments. In addition, as indicated under causality (section 7 of this report), these factors which are stated to have influenced the price increase do not detract from causal link in the investigation period which is the focus of this 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	100	86	75

	exceeding 320mm			
Total spades and shovels		100	86	76
8201.30.03	Picks	100	103	80
8201.30.90	Rakes	100	94	86
8201.90.20	Forks with a prong length exceeding 150mm	100	93	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, cost of production as a percentage of ex-factory selling price increased by 7 index points from 2018/19 to 2019/20, increased by 27 index points from 2019/20 to 2020/21 and increased by 34 index points over 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, cost of production as a percentage of ex-factory selling price decreased by 14 index points from 2018/19 to 2019/20, further decreased by 11 index points from 2019/20 to 2020/21 and decreased by 25 index points over the period of investigation.

Overall, spades and shovels cost of production as a percentage of ex-factory selling price decreased by 14 index points from 2018/19 to 2019/20, further decreased by 10 index points from 2019/20 to 2020/21 and decreased by 24 index points over the period of investigation.

On picks, information in table 5.4.3.3 above indicates that cost of production as a percentage of ex-factory selling price increased by 3 index points from 2018/19 to 2019/20, decreased by 23 index points from 2019/20 to 2020/21 and decreased by 20 index points over the period of investigation.

On rakes, information in table 5.4.3.3 above indicates that cost of production as a percentage of ex-factory selling price increased by 6 index points from 2018/19 to 2019/20, decreased by 8 index points from 2019/20 to 2020/21 and decreased by 14 index points over the period of investigation.

On forks, information in table 5.4.3.3 above indicates that cost of production as a percentage of ex-factory selling price decreased by 7 index points from 2018/19 to 2019/20, decreased by 13 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 over 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 volume

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	100	79	93
8201.90.20	Forks with a prong length exceeding 150mm	100	79	102
Total sales volume		100	67	80

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

Information in table 5.5.1 above indicates that sales volume 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 over the period of investigation. Sales volume 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 over the period of investigation.

Overall, spades and shovels sales volume 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 over the period of investigation.

On picks, information in table 5.5.1 above indicates that sales volume 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 over the period of investigation.

On rakes, information in table 5.5.1 above indicates that sales volume 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 over the period of investigation.

On forks, information in table 5.5.1 above indicates that sales volume 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 over the period of investigation.

Overall, information in table 5.5.1 above indicates that total sales volume of the subject products decreased by 33 index points from 2018/19 to 2019/20, increased by 13 index points from 2019/20 to 2020/21 and decreased by 20 index points over 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 noted that the decline in sales volume is on all subject products except on spades and shovels classifiable under tariff subheading 8201.10.05 and forks over the period of investigation.

Comments by interested parties

Sales data shows an increase in sales volumes on all products.

Commission's considerations

Information in Table 5.5.1 indicates that the applicant's sales volume only increased on spades and shovels classifiable under tariff subheading 8201.10.05 and forks over the period of investigation. There was a decrease on other products. It was noted that the applicant's spades and shovels sales volume increased by 31 index points whilst the dumped import volumes increased by 33%. In addition, it was noted that the applicant's sales volume for forks increased

by 2 index points whilst the alleged dumped import volumes increased by 103%. Even though the sales volume for both products increased it was at a slower rate when compared to dumped imports.

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
8201.30.03	Picks	100	103	236
8201.30.90	Rakes	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
8201.30.03	Picks	100	-283	793
8201.30.90	Rakes	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 and 4 index points respectively. Over the period of investigation, gross profit and net profit decreased by 16 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 and 230 index points respectively. Over the period of investigation, gross profit and net profit increased by 135 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 and 207 index points respectively. Over the period of investigation, gross profit and net profit increased by 128 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 and 1076 index points respectively. Over the period of investigation, gross profit and net profit increased by 136 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 and 81 index points respectively. Over the period of investigation, gross profit and net profit increased by 56 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 and 6 index points respectively. In 2019/20 to 2020/21 gross profit and net profit further increased by 53 and 130 index points respectively. Over the period of investigation, gross profit and net profit increased by 82 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 over 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 a % of total market	100	65	97
Other SACU producers' market share as a % of total market	100	63	60
Dumped imports from China market share as a % of total market	100	102	98
Other countries imports' market share as a % of total market	100	101	210
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 a % of total market	100	91	109
Dumped imports from India market share as a % of total market	100	100	117 571
Other countries imports' market share as a % 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 a % of total market	100	69	87
Other SACU producers' market share as % of total market	100	109	99
*Dumped imports from China market share as a % of total market	100	176	162
# Dumped imports from India market share as a % of total market	100	100	121 250
Dumped imports market share as a % of total market	100	176	183
Other countries imports' market share as a % 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 for 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 over the period of investigation. The market share of 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 slightly decreased by 2 index points over the same period.

Information in table 5.5.3 (a) above indicates that the applicant's market share for 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 over the period of investigation. The market share of dumped imports from India was relatively constant from 2018/19 to 2019/20, and drastically increased by 117 571 index points from 2019/20 to 2020/21 and over 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 31 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 over the period of investigation. The market share of 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 over the period of investigation. The market share of dumped imports from India was relatively constant from 2018/19 to 2019/20, increased drastically by 121 150 index points from 2019/20 to 2020/21 and over 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 a % of total market	100	104	90
Dumped imports from India market share as a % of total market	100	185	301
Other Imports' market share as a % 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 over the period of investigation. The market share of 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 over 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 a % of total market	100	99	98
Other SACU producers market share as a % of total market	100	94	59
Dumped imports from India market share as a % of total market	100	137	175
Other Imports' market share as a % of total market	100	86	87

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 and from 2019/20 to 2020/21 and decreased by 2 index points over the period of investigation. The market share of dumped imports from India increased by 37 index points from 2018/19 to 2019/20, further increased by 38 index points from 2019/20 to 2020/21 and increased by 75 index points over 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 a % of total market	100	95	100
Other SACU producers market share as a % of total market	100	112	80
Dumped imports from India market share as a % of total market	100	170	199
Other Imports' market share as a % 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 over the period of investigation. The market share of dumped imports from India increased by 70 index points from 2018/19 to 2019/20, further increased by 29 index points from 2019/20 to 2020/21 and increased by 99 index points over the period of investigation.

Table 5.5.3(e): Total subject products

	2018/19	2019/20	2020/21
Applicant's market share as a % of total market	100	83	91
Other SACU producers' market share as a % of total market	100	97	71
*Dumped imports from China market share as a % of total market	100	179	152
#Dumped imports from India market share as a % of total market	100	170	311
Total dumped imports market share as a % of total market	100	176	206
Other countries imports' market share as a % 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 over the period of investigation. The market share of dumped imports from China increased by 79 index points from 2018/19 to 2019/20, decreased by 27 index points from 2019/20 to 2020/21 and increased by 52 index points over the period of investigation. The market share of 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 over 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	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 over the period of investigation. It is important to note that even though increased output increased, production is not at full capacity. The applicant's capacity utilisation is considered low. The dumped imports account for a significant share of imports to the SACU market.

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 over the period of investigation. The dumped imports account for a significant share of imports to the SACU market. Output decreased and the applicant is not producing at full capacity. The applicant's capacity utilisation is considered low.

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 over the period of investigation. The dumped imports account for a significant share of imports to the SACU market. Output decreased, the applicant is not producing at full capacity and capacity utilisation is considered low.

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 over the period of investigation. The dumped imports account for a significant share of imports to the SACU market. Output decreased, the applicant is not producing at full capacity and capacity utilisation is considered low.

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. The dumped imports account for a significant share of imports to the SACU market. Output decreased, the applicant is not producing at full capacity and capacity utilisation is considered low.

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. The dumped imports account for a significant share of imports to the SACU market. Output decreased, the applicant is not producing at full capacity and capacity utilisation is considered low.

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 over the period of investigation. The dumped imports account for a significant share of imports to the SACU market. Output decreased, the applicant is not producing at full capacity and capacity utilisation is considered low.

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 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	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 over 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 over 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 over 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 over the period of investigation.

Comments by interested parties

No job losses have been suffered because of the alleged dumped imports. The real threat is on the job losses likely to be experienced by the importers if anti-dumping duties are imposed.

Commission's considerations

An overall analysis of employment indicates that there are job losses over the period of investigation as indicated in Table 5.5.5 of this report.

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	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 over the period of investigation, it decreased by 24 index points.

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 over the period of investigation, it decreased by 30 index points.

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 over the period of investigation, it increased by 71 index points.

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 over the period of investigation, it decreased by 15 index points.

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 over the period of investigation it decreased by 24 index points. An increase in productivity per employee was on rakes over 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	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 declined 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 over the period of investigation. Even though capacity utilisation increased, it is considered to be low.

Table 5.5.7 further indicates that capacity utilisation on spades and shovels classifiable under tariff subheading 8201.10.10 declined by 6 index points from 2018/19 to 2019/20, further declined by 38 index points from 2019/20 to 2020/21. Over the period of investigation, it declined by 44 index points and it is considered low.

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. Over the period of investigation, it declined by 43 index points and it is considered low.

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

On rakes, information in table 5.5.7 above indicates that capacity utilisation declined by 10 index points from 2018/19 to 2019/20, further declined by 5 index points from 2019/20 to 2020/21. Over the period of investigation, it declined by 15 index points and it is considered to be low.

On forks, information in table 5.5.7 above indicates that capacity utilisation increased by 4 index points from 2018/19 to 2019/20, declined by 12 index points from 2019/20 to 2020/21. Over the period of investigation, it declined by 8 index points and it is considered to be low.

Overall, information in table 5.5.7 above indicates that capacity utilisation declined by 9 index points from 2017/18 to 2018/19, declined by 25 index points from 2018/19 to 2019/20 and declined by 34 index points over the period of investigation and it is considered to be low.

Comments by interested parties

Capacity determined based on current market environment utilising the existing shift production process is unusual and maybe misleading.

Comments by the applicant

The existing shift production process was used in determining the capacity. The number of shifts per day was used in the calculation process based on the average production per week multiplied by the number of weeks in a year. The yield and load as per the application refers to the different mixes of each subject product which would have an impact on the capacity.

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	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	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 over 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 over 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 over 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 over the period of investigation.

Overall, information in table 5.5.8 above indicates that return on assets for all subject products increased over 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	Dumping margin as % of ex-factory export price	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	62.32%	-
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	-	Shivagrigo Implements Ltd -5.75%
		-	All producers/exporters excluding Shivagrigo Implements Ltd 14.61%
8201.30.90-India	Rakes	-	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	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 over 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 over 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 over 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 over 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 over 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 over 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 over 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	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 over 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 over 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 over 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 over 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 over 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 over 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 over 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.

Comments by interested parties

There were no excess inventories given increasing sales and profits, which indicates that the applicants were not forced to sell at lower prices or at prices which they could not recover profits.

Commission's considerations

The assessment of material injury is not only limited to costs and prices, but on the overall situation of the industry. In this instance, the industry lost sales volume and market share as a result of increased dumped imports which undercut SACU prices. Production declined and the

industry is not producing at full capacity. It is noted that on spades and shovels classifiable under tariff subheading 8201.10.05, the industry is experienced a decline in profits.

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	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 over 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 over 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, increased by 27 index points from 2019/20 to 2020/21 and decreased by 8 index points over 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 over 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 over 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	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 show 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 sales volume	100	93	131
Other SACU producers sales volume	100	90	82
Dumped imports from China	742 516	1 080 609	982 069
Other imports	18 742	26 862	53 391
Size of SACU market	100	142	136
Spades and shovels classifiable under tariff subheading 8201.10.10			
Applicant sales volume	100	57	70
Dumped imports from 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 volume	100	57	71

Other SACU producers' sales volume	100	90	82
*Dumped imports from China	742 516	1 080 609	988 069
# Dumped imports from India	0	108	127 401
Total dumped imports	742 516	1 080 717	1 115 470
Other imports	413 323	390 726	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.

India imports are for spades and shovels classifiable under tariff subheading 8201.10.10.

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 grew by 36 index points over the period of investigation. The applicant's sales volume also grew however the dumped imports from China account for a significant share of the market.

Information in table 5.4.15 (a) above further indicates that the size of the SACU market for spades and shovels classifiable under tariff subheading 8201.10.10 decreased by 36 index points over the period of investigation. The applicant's sales volume declined whilst the dumped imports from India increased over the same period.

On total spades and shovels information in table 5.5.15 (a) above indicates that the size of the SACU market decreased by 18 index points over the period of investigation. The applicant's sales volume declined whilst the dumped imports increased over the same period.

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

Kilograms	2018/19	2019/20	2020/21
Applicant sales volume	100	82	82
Dumped imports from 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 9 index points over the period of investigation. The applicant's sales volume declined whilst the dumped imports from India increased over the same period.

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

Kilograms	2018/19	2019/20	2020/21
Applicant sales volume	100	79	93
Other SACU producers sales volume	100	75	56
Dumped imports from India	76 878	84 253	128 150
Other imports	119 867	82 016	99 089
Size of SACU market	100	80	95

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 5 index points during the period of investigation. The applicant's sales volume declined whilst the dumped imports from India increased over the same period.

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

Kilograms	2018/19	2019/20	2020/21
Applicant sales volume	100	79	102
Other SACU producers sales volume	100	93	82
Dumped imports from 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 increased by 2 index points over the period of investigation. The applicant's sales volume slightly increased whilst the dumped imports from India increased substantially over the same period.

Table 5.5.15 (e): Total subject products

Kilograms	2018/19	2019/20	2020/21
Applicant sales volume	100	67	79
Other SACU producers sales volume	100	80	64
*Dumped imports from China	742 516	1 080 609	988 069
Dumped imports From India	383 955	530 551	1 048 348
Total dumped imports	1 126 471	1 611 160	2 036 417
Other imports	1 039 112	665 482	180 450
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 12 index points over the period of investigation. The applicant's sales volume declined whilst the dumped imports increased over the same period.

5.5.16 Summary of material injury

The examination of the impact of dumped imports on the domestic industry shall include import volumes, price effects, the relevant economic factors and any other relevant information brought before the Commission that would have a bearing on the state of the industry.

Based on the above information, the evaluation of injury information 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 experienced material injury in the form of price undercutting, decline in sales volume, 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 volume, 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 volume,

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, decline in capacity utilisation and a constant market share.

The Commission does not make a determination of material injury based on specific material injury indicators .The determination of material injury is made on a collective assessment of the situation of the industry. In this instance imports of the subject products increased over the period of investigation. Overall, these imports account for a significant share of imports into the SACU market and they have captured the market share. The SACU industry lost sales volume and market share. Production declined, the industry's production is not at full capacity and is considered low. With a decline in production, the number of employees in production also declined. The dumped imports undercut SACU prices, if the dumped imports are not addressed this will have a further negative impact on the industry.

The Commission therefore made a final determination that the SACU industry is experiencing material injury as a result of dumped imports of the subject product from China and the 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 dumped imports into the SACU market

The applicant stated the following with regard to increase of 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, 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 dirigisme, 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 Pricewaterhouse Coopers (PwC) 2017 report, India's GDP at purchasing power parity could overtake that of the United States by 2050. According to the 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 (“SOEs”) 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 SOEs, including those operating in the financial sector, reached US\$78.08 trillion. Ninety-one (91) of these SOEs 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

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

Commission's consideration

The dumped imports of the subject products from China and India 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 final determination that a threat of material injury to SACU industry as a result of dumped imports of the subject product from China and the subject products from India exists.

7. CAUSAL LINK

7.1 GENERAL

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

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 of 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
Dumped imports from China	742 516	1 080 609	988 069
# Other imports	18 742	26 863	53 391
Total imports	761 258	1 107 471	1 041 460
Dumped imports from China as a % of total imports	97.54%	97.57%	94.87%
Other countries imports as a % of total imports	2.46%	2.43%	5.13%

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

Information in table 7.2.1(a) above shows that the dumped imports from China increased by 45.53% from 2018/19 to 2019/20, decreased by 8.56% from 2019/20 to 2020/21 and increased by 33.07 % over the period of investigation. It is evident that the dumped imports from China increased over the period investigation and they account for a significant percentage of total imports into the 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
Dumped imports from India	-	108	127 401
Other imports	394 581	363 864	4 641
Total imports	394 581	363 972	132 042
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 the dumped imports from India increased from 0 to 108 kilograms from 2018/19 to 2019/20, further increased from 108 kilograms to 127 401 kilograms from 2019/20 to 2020/21 and increased from 0 to 127 401 kilograms over the period of investigation. It is evident that the dumped imports from India increased and now account for a significant percentage of total imports into the SACU market.

Table 7.2.2 (c): Import volumes of picks classifiable under tariff subheading 8201.30.03

Kilograms	2018/19	2019/20	2020/21
Dumped imports from India	242 192	354 393	660 854
Other imports	435 005	160 895	14 931
Total imports	677 197	515 288	675 785
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 7.2.2(c) above shows that the 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% over the period of investigation. The dumped imports increased and now account for a significant percentage of total imports into the SACU market.

Table 7.2.2 (d): Import volumes of rakes classifiable under tariff subheading 8201.30.90

Kilograms	2018/19	2019/20	2020/21
Dumped imports from India	76 878	84 253	128 150
Other imports	119 867	82 016	99 089
Total imports	196 745	166 268	227 239
Dumped imports from India as a % of total imports	39.07%	50.67%	56.39%
Other imports as a % of total imports	60.93%	49.33%	43.61%

Information in table 7.2.2 (d) above shows that the 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% over the period of investigation. The dumped imports increased and now account for more than 50% of total imports into the SACU market.

Table 7.2.2 (e): Import volumes of forks classifiable under tariff subheading 8201.90.20

Kilograms	2018/19	2019/20	2020/21
Dumped imports from India	64 885	91 798	131 943
Other imports	70 917	31 845	8 399
Total imports	135 802	123 643	140 341
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%
Total imports	100%	100%	100%

Information in table 7.2.2 (e) above shows that the 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 dumped imports of forks increased and now account for a significant percentage of total imports into the 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 a % of total market	100	65	97
Other SACU producers market share as a % of total market	100	62	60
Dumped imports from market share as a % of total market	100	102	98
Other countries imports' market share as a % of total market	100	101	210
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 a % of total market	100	91	109
Dumped imports from India market share as a % of total market	100	100	117 571

Other countries imports' market share as a % 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 a % of total market	100	69	87
Other SACU producers market share as % of total market	100	109	99
*Dumped imports from China market share as a % of total market	100	176	162
# Dumped imports from India market share as a % of total market	100	100	121 250
Total dumped imports market share as a % of total market	100	176	183
Other countries imports' market share as a % 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 over 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 dumped imports market share decreased by 2 index points over the same period. Imports from other countries market share increased by 111 index points over 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 over the period of investigation, the applicant's market share increased by 9 index points and the dumped imports market share increased by 117 571 index points. Imports from other countries market share decreased by 98 index points over the same period. The Commission considered that dumped imports market share increased substantially when compared to the applicant's market share increase, whilst the size of the SACU market decreased. Overall, on total spades and shovels information in table 7.2.2 (a) above indicates that over the period of investigation, the applicant's market share and imports from other countries market share decreased by 13 and 83 index points respectively. The dumped imports

market share increased 83 index points whilst the size of the SACU market decreased.

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

	2018/19	2019/20	2020/21
Applicant's market share as a % of total market	100	104	90
Dumped imports from India market share as a % of total market	100	185	301
Other countries imports' market share as a % 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 over the period of investigation, the applicant's and other countries market share decreased by 10 and 96 index points respectively. Whilst the dumped imports market share increased by 201 index points over the same period.

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

	2018/19	2019/20	2020/21
Applicant's market share as a % of total market	100	99	98
Other SACU producers market share as a % of total market	100	94	59
Dumped imports from India market share as a % of total market	100	137	175
Other countries imports' market share as a % of total market	100	86	97

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

Information in table 7.2.2 (c) above indicates that over the period of investigation, the applicant's and other countries market share decreased by 2 and 3 index points respectively. Whilst the dumped imports market share increased by 75 index points over the same period.

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

	2018/19	2019/20	2020/21
Applicant's market share as a % of total market	100	95	100
Other SACU producers market share as a % of total market	100	112	80
Dumped imports from India market share as a % of total market	100	170	199
Other countries imports' market share as a % 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 over the period of investigation, the applicant's market share remained constant whilst the dumped imports market share increased by 99 index points. Other countries market share decreased 88 index points over the same period.

Table 7.2.2 (e): Total subject products

	2018/19	2019/20	2020/21
Applicant's market share as a % of total market	100	83	91
Other SACU producers market share as % of total market	100	97	71
*Dumped imports from China market share as a % of total market	100	179	152
#Dumped imports from India market share as a % of total market	100	170	311
Total dumped imports market share as a % of total market	100	176	206
Other countries imports' market share as a % 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 7.2.2 (e) above indicates that over the period of investigation, the applicant's market share decreased by 9 index points whilst the dumped imports market share increased by 106 index points. Other countries market share decreased 80 index points over the same period.

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

Section 5 of this report shows that applicant experienced price undercutting on all the 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 over 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 volume, 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 volume, 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 volume, 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 volume, decline in market share, decline in output, decline in 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, decline in capacity utilisation and constant market share.

7.5 FACTORS OTHER THAN DUMPING CAUSING MATERIAL INJURY

Table 7.5: Examination of causality under Article 3.5 of the Anti-dumping Agreement

Tariff subheading	Subject product	2018/19	2019/20	2020/21	% change between 2018/19 and 2020/21
*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	28.28	42.74	42.50	50.26%
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 exceeding 320mm	394 581	363 864	4 641	-98.82%
8201.30.03	Picks	435 005	160 895	14 931	-96.57%
8201.30.90	Rakes	119 867	82 016	99 089	-17.33%
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.

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

Comments by interested parties

There are other factors which drive costs and prices above inflation which contributed to injury such as:

- (i) Increase in steel prices;
- (ii) Extended COVID lockdowns;
- (iii) Increase in wages;
- (iv) Increase in transport costs; and
- (v) Increase in electricity prices.

Commission's consideration

- (i) Steel is a global commodity, a change in steel prices did not only affect SACU producers.
- (ii) Covid lockdowns occurred worldwide. They were not unique to the SACU market. It is evident that although there were lockdowns imports of dumped subject products increased.
- (iii) A total subject product analysis indicates that labour costs declined except on picks where they were constant over the period of investigation as indicated in Table 5.5.13 of this report.
- (iv) The analysis of prices is done at the ex-factory level as a result transport/distribution costs are not taken into account.
- (v) An increase in electricity prices has affected all sectors of the economy as ESKOM increased tariffs. It was found that electricity cost relative to cost of production was low, therefore was considered not to have an impact on material injury.

The dumped imports increased in absolute terms and relative to SACU production except on spades and shovels under tariff subheading 8201.10.05 where there is a decrease relative to

production. But on such spades and shovels, imports still account for a significant percentage of imports into the SACU market. The applicant's profit on these spades and shovels declined as the increase in prices could not fully accommodate for the increase in costs, as it competes with dumped imports, which undercut SACU prices.

The industry is unable to sell more volumes as it has to compete with dumped imports which undercut SACU prices. The FOB prices of the dumped imports when compared to the undumped imports are lower in 2020/21. The dumped imports gained market share whilst the SACU industry lost market share and it is unable to produce at full capacity which is considered low. If this trend continues it has the potential of further affecting the SACU industry negatively.

The Commission noted all the above factors and comments from interested parties and concluded that the other known factors do not sufficiently detract from the causal link between the dumped imports and material injury experienced by the SACU industry.

Based on the information above, the Commission made a final determination that there is a causal link between the alleged dumped import of the subject product from China, the subject products from India and material injury and a threat of material injury experienced 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 final 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 62.32% as a percentage of the ex-factory export price 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 as a percentage of the ex-factory export price was calculated as follows:

Table 8.1 Dumping margin on products imported from India

Tariff-subheading	Subject product	Dumping margin
8201.30.03	Picks produced by Shivagrigo	5.75%
	Other producers/ exporters	14.61%
8201.90.20	Forks	134.66%
8201.30.90	Rakes	70.73%
8201.10.10	Spades and shovels	163.28%

8.2 Material Injury

The Commission found that the applicant experienced material injury as a result of dumped imports of the subject product from China and the subject products from India over the period of investigation 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 volume, 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 volume, 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 volume, 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 volume, 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, decline in capacity utilisation and constant market share.

8.3 Threat of material injury

The Commission made a final determination that a threat of material injury to SACU industry as a result of dumped imports of the subject product from China and the subject products from India exists.

8.4 Causal Link

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

9. DEFINITIVE ANTI-DUMPING DUTIES

9.1 Calculation of duty

The Commission found that all the requirements for the imposition of definitive anti-dumping duties on all the subject product(s) have been fulfilled.

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 lesser duty rule means the provisional payment or the final anti-dumping duty is imposed at the lesser of the margin of dumping or margin of injury which is deemed to be sufficient to remove the injury caused by the dumped imports.

The lesser duty rule is determined by considering whether the anti-dumping duty when expressed as percentage of the FOB export price is less or greater than the price disadvantage when expressed as percentage of the FOB export price.

9.3 Price disadvantage

The price disadvantage is the extent to which the price of the imported product (landed cost) is lower than the unsuppressed and undepressed ex-factory selling price of the SACU product.

9.4 Lesser duty on spades and shovels originating in or imported from China classifiable under tariff subheading 82010.10.05

Junxing a producer and Zenger an unrelated trader/exporter of the subject product did not co-operate fully as their information was not verified and as a result the accuracy of information from both parties could not be confirmed. The Commission made a final determination not to apply the lesser duty rule on Junxing and Zenger.

9.5 Lesser duty on picks originating in or imported from India

Shivagrigo a producer/exporter of picks in India and corresponding importers co-operated fully with the investigation. The Commission made a final determination to apply the lesser duty rule on picks produced/exported Shivagrigo.

The price disadvantage was determined based on the applicant's unsuppressed ex-factory selling price and the weighted average landed costs based on the verified information of the corresponding importers.

The anti-dumping duty when expressed as percentage of the FOB export price was found to be less than the price disadvantage when expressed as percentage of the FOB export price. The Commission made a final determination to impose a definitive anti-dumping duty based on Shivagrigo's information.

9.6 Lesser duty on forks, rakes, spades and shovels classifiable under tariff subheading 8201.10.10 originating in or imported from India

There were no responses from producers/exporters of the abovementioned subject products although corresponding importers of forks and rakes co-operated fully with the investigation. The Commission made a final determination not to apply a lesser duty rule on imports from all producers and exporters of the above mentioned subject products.

Comments by the applicant on the preliminary report and essential facts letter

It is requested that specific duties be imposed to align with existing duties against China and to prevent duty circumvention through under-evaluation which was historical the case with imports from China.

Commission's consideration

The anti-dumping duties against China on the same subject products are already specific duties. The Commission made a final determination to impose specific anti-dumping duties on the subject products.

9.7 Final anti-dumping duties

To determine the specific duty applicable to each subject product and an *ad valorem* duty was converted to a specific duty equivalent. The values which were in (¥) and INR were then converted to ZAR. The currency conversions were sourced from Oanda.com for the period of investigation for dumping. The final anti-dumping duties applicable to each subject product were determined to be:

Table 9.7: Final anti-dumping duties

Tariff-subheading	Tariff description	Producer/ exporter	Country of import or origin	Final duty
Spades and Shovels				
8201.10.05	of a maximum blade width of more than 150mm but not exceeding 200mm	All producers/exporters	China	703c per kilogram
8201.10.10	of a maximum blade width of more than 200mm but not exceeding 320mm	All producers/exporters	India	1484c per kilogram
Picks				
8201.30.03	Picks	Shivagrigo Implements Ltd	India	82c per kilogram
		All producers/ exporters excluding Shivagrigo Implements Ltd		211c per kilogram
8201.30.90	Rakes (excluding those with not more than 8 prongs)	All producers/exporters	India	1159c per kilogram
8201.90.20	Other forks with a prong length exceeding 150mm	All producers/exporters	India	1736c kilogram

10. FINAL DETERMINATION

The Commission made a final 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;
- There is causal link between the dumped imports of the subject product from China, the subject products from India and material injury and a threat of material injury experienced by the SACU industry and the other known factors do not detract from the causal link.

The Commission therefore made a final determination to recommend to the Minister of Trade, Industry and Competition to impose definitive anti-dumping on imports of the subject products originating in or imported from China and India as contained in table 9.7 of this report. The Commission also recommended that the anti-dumping duties on spades and shovels, picks, forks and rakes be listed in the "rebate item" column in Schedule Number 2 and therefore may not be imported under rebate of customs duty without payment of anti-dumping, countervailing and safeguard duties without a recommendation from ITAC.

The Commission also made a final 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 and not to recommend the imposition of definitive anti-dumping duties on imports of such spades and shovels from India. The import volumes are below 3% as a percentage of total imports to the SACU market and therefore negligible.