

REPORT NO. 732

SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON GARDEN PICKS, SPADES AND SHOVELS, RAKES AND FORKS ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its
**Report No. 732: SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON GARDEN
PICKS, SPADES AND SHOVELS, RAKES AND FORKS ORIGINATING IN OR
IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL DETERMINATION**

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AYABONGA CAWE
CHIEF COMMISSIONER

PRETORIA

03/12/ 2024

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

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SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON GARDEN PICKS, SPADES AND SHOVELS, RAKES AND FORKS ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA: FINAL DETERMINATION

SYNOPSIS

On 02 June 2023, the International Trade Administration Commission of South Africa ("the Commission" or "ITAC") notified interested parties through Notice No. 1847 of 2023 in *Government Gazette* No. 48696, that unless a substantiated request is made indicating that the expiry of the anti-dumping duties against imports of garden picks, spades and shovels, rakes and forks ("subject products") originating in or imported from the People's Republic of China ("China") would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duties on the subject products originating in or imported from China would expire on 11 July 2024.

A completed sunset review questionnaire was received from Ussher Inventions (Pty) Ltd (t/a Lasher Tools) ("Lasher Tools" or "the Applicant") on 14 December 2023.

The information submitted by the Applicant was verified on 27 and 28 February 2024. A verification report was sent to the Applicant on 01 March 2024. The comments on the verification report were received from the Applicant on 06 March 2024. A letter confirming that the application was deemed to be properly documented was sent to the Applicant on 09 April 2024.

On 19 April 2024, the Commission initiated a sunset review of the anti-dumping duties on the subject products, originating in or imported from China through Notice No. 2422 of 2024 published in *Government Gazette* No. 50528.

The investigation was initiated after the Commission considered that the Applicant had submitted *prima facie* information to indicate that there is a likelihood of the recurrence of dumping and the continuation of material injury to the Southern African Customs Union ("SACU") industry should the current anti-dumping duties expire.

Upon initiation of the investigation, the known manufacturers/exporters of the subject products in China were sent foreign manufacturers/exporters questionnaires to complete. Importers of the subject product were also sent questionnaires to complete.

No properly documented responses were received from any manufacturers/exporters or importers.

The Commission made a final determination before essential facts that the expiry of the anti-dumping duties on the subject products originating in or imported from China would lead to the recurrence of dumping and the continuation of material injury.

On 16 July 2024, essential facts letters were sent to all interested parties, informing them of the "essential facts" which were being considered by the Commission and inviting interested parties to comment. Comments to the Commission's essential facts letters were received from the Applicant and the Botswana Trade Commission.

The Commission made a final determination that the expiry of the anti-dumping duties on the subject products originating in or imported from China would likely to lead to the recurrence of dumping and the continuation of material injury supporting the Commission's envisaged final determination

The Commission noted that this application was brought based on the recurrence of dumping and material injury. No properly documented responses from the manufacturers of the subject products were received, and therefore the determination of the likelihood of the recurrence of dumping was made on the best information available, being that provided by the Applicant. In these circumstances, it is the Commission's practice to recommend that the anti-dumping duties be maintained at the current levels unless there are compelling reasons to deviate from its practice.

The Commission therefore made a final determination to recommend to the Minister of Trade, Industry and Competition that the current anti-dumping duties on garden picks, spades and shovels, rakes and forks originating in or imported from China be maintained as follows:

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
215.11	8201.10.10	Spades and shovels, of a maximum blade width of more than 200 mm but not exceeding 320 mm	China	4 796c/kg
215.11	8201.30.03	Picks	China	3 295c/kg
215.11	8201.30.90	Rakes with more than 8 prongs	China	3 466c/kg
215.11	8201.90.20	Forks, with a prong length exceeding 150 mm (excluding forks with 8 or more prongs)	China	4 668c/kg

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation was conducted in accordance with the International Trade Administration Act, 2002 ("ITA Act"), the International Trade Administration Commission Anti-Dumping Regulations ("ADR"), read with the World Trade Organization ("WTO") Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 ("ADA").

The analytical framework in sunset review investigations

Regulation 54 of the ADR provides that duties shall remain in place for a period not longer than five years or until a sunset review is finalised, if such sunset review is initiated before the lapse of the anti-dumping duty.

Unlike in an original investigation, in a sunset review, the Commission determines whether the removal of the current anti-dumping duties will likely result in the continuation or recurrence of dumping and material injury. This is a forward-looking analysis. In other words, whereas in an original investigation historical (past) injury and dumping data is analysed and will be the basis for a decision whether to impose anti-dumping duties, in a sunset review investigation such historical data serves as a point of comparison against which estimates of future performance, if duties were removed, are evaluated. This focus on estimates is not only because of the nature of such proceedings, but also because past data will likely be skewed, showing positive trends, in response to the duties that were imposed. Accordingly, critical in a sunset review are estimates because this data is key to assessing the (future) impact of removing the anti-dumping duties on a domestic industry.

Regarding estimates, the ADR provides that the SACU industry is required to provide the Commission with information indicating the likelihood of a continuation or recurrence of dumping and injury in the event that the anti-dumping duty is removed.

In terms of injury, the Commission will consider –

- whether the SACU industry submitted information to prove that there is a likelihood of the continuation of injury (in instances where imports continued after imposition of duties); and/or
- whether the SACU industry submitted information to prove that there is a likelihood of the recurrence of injury (in instances where the applicant cannot prove that it is experiencing injury at present).

In terms of dumping, the Commission will consider whether the SACU industry submitted information to prove that there is –

- a likelihood of the continuation of dumping (in instances where imports continued after the imposition of duties) and/or
- a likelihood of the recurrence of dumping (in instances where there were no imports after the imposition of duties).

With respect to the determination of a likelihood of recurrence or continuation of dumping and injury, the Appellate Body in US — Corrosion-Resistant Steel Sunset Review¹ noted that, as this likelihood determination is a prospective determination:

“The authorities must undertake a forward-looking analysis and seek to resolve the issue of what would be likely to occur if the duty were terminated”.

In this respect, the Appellate Body pointed to the important difference between original investigations and sunset reviews:

“In an original anti-dumping investigation, investigating authorities must determine whether dumping exists during the period of investigation. In contrast, in a sunset review of an anti-dumping duty, investigating authorities must determine whether the expiry of the duty that was imposed at the conclusion of an original investigation would be likely to lead to continuation or recurrence of dumping.”

1 UNITED STATES – SUNSET REVIEW OF ANTI-DUMPING DUTIES ON CORROSION-RESISTANT CARBON STEEL FLAT PRODUCTS FROM JAPAN

Finally, the data that is provided by an Applicant in a sunset review, although estimates, are not mere conjecture. Rather the data is normally based on the situation that an applicant faced before anti-dumping duties were imposed.

1.2 APPLICANT

The application was lodged by Lasher Tools, a major producer of the subject products, and was supported by MacCorkindale Investments (Pty) Ltd and Ottimo Products CC, the other two producers of the subject products in the SACU industry.

1.3 ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with ADR 21 on 09 April 2024.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that the expiry of the anti-dumping duties on the subject products originating in or imported from China would likely lead to the recurrence of dumping and the recurrence of material injury.

The Applicant further alleged that as a result of the recurrence of dumping of the subject product from China, it will experience material injury in the form of:

- (a) Increase in volume of imports;
- (b) Decline in sales volume;
- (c) Decline in gross and net profit;
- (d) Decline in output;
- (e) Decline in market share;
- (f) Decline in return on investment;
- (g) Decline in productivity;
- (h) Decline in cash flow;
- (i) Decline in capacity utilisation;
- (j) Ability to raise capital.

1.5 INVESTIGATION PROCESS

The Applicant submitted an application to the Commission on 14 December 2023. The information submitted by the Applicant was verified on 27 and 28 February 2024. The verification report was sent to the Applicant on 01 March 2024. The comments on the verification report were received on 06 March 2024.

The Commission initiated an investigation into the alleged dumping of garden picks, spades and shovels, rakes and forks originating in or imported from China pursuant to Notice No. 242 of 2024 in *Government Gazette* No. 50528 on 19 April 2024.

Prior to the initiation of the investigation, the trade representatives of the countries concerned were notified of the Commission's intention to investigate, in terms of ADR 27.1. All known interested parties were informed and requested to respond to the questionnaires and the non-confidential version of the application.

1.6 INVESTIGATION PERIODS

Period of investigation for dumping: 01 October 2022 – 30 September 2023. However, the estimate period of investigation for dumping was the period after 30 September 2023 in a forward-looking analysis, as dumping is brought on recurrence. Period of investigation for injury: 01 October 2020 – 30 September 2023 and estimates for 2024 in the event that the anti-dumping duties expire.

The Applicant indicated that the application is submitted on the basis of the likely recurrence of dumping of the subject products, resulting in the recurrence of material injury to it if the anti-dumping duties are allowed to expire.

The Applicant further indicated that the Commission is requested to apply a forward-looking analysis and seek to resolve the issue of what would be likely to occur if the anti-dumping duties are to be terminated. Thus, the likelihood determination is a prospective determination – recurrence. The Applicant indicated that although data regarding its financial performance was supplied to the Commission for the period 01 October 2020 – 30 September 2023 and the dumping period of investigation would normally be from 01 October 2022 – 30 September 2023, the estimate period

in which there is a likelihood of injurious dumping to recur, should the anti-dumping duties be terminated, is from 01 October 2023 – 30 September 2024.

1.7 COMMENTS

The Commission did not receive any comments from interested parties with regard to the application and procedure.

1.8 PARTIES CONCERNED

1.8.1 SACU industry

The application was lodged by Lasher Tools, a major producer of the subject products, and was supported by MacCorkindale Investments (Pty) Ltd and Ottimo Products CC, the other two producers of the subject products in the SACU industry.

1.8.2 Responses by Foreign Manufacturers/Exporters/Importers

No responses were received from any manufacturers/exporters or importers.

Essential facts letters were sent to all interested parties, informing them of the “essential facts” which were being considered by the Commission and inviting interested parties to comment. Comments to the Commission’s essential facts letters were received from the Applicant and the Botswana Trade Commission supporting the Commission’s envisaged final determination.

1.9 FINAL DETERMINATION AND RECOMMENDATION

As there were no responses from any manufacturer/exporter during the course of the investigation, the Commission decided to make use of the best information available, being that provided by the Applicant. The Commission made a final determination that the expiry of the anti-dumping duties on the subject products originating in or imported from China would likely lead to the recurrence of dumping and the continuation of material injury.

The Commission made a final determination to recommend to the Minister of Trade, Industry and Competition that the current anti-dumping duties on garden picks, spades and shovels, rakes and forks originating in or imported from China be maintained as follows:

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
215.11	8201.10.10	Spades and shovels, of a maximum blade width of more than 200 mm but not exceeding 320 mm	China	4 796c/kg
215.11	8201.30.03	Picks	China	3 295c/kg
215.11	8201.30.90	Rakes with more than 8 prongs	China	3 466c/kg
215.11	8201.90.20	Forks, with a prong length exceeding 150 mm (excluding forks with 8 or more prongs)	China	4 668c/kg

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 SUBJECT PRODUCT

2.1.1 Description

The subject products in this application are garden picks, spades and shovels, rakes and forks with the following descriptions:

Common Name	Scientific Name
Shovel	Round or square mouth shovel (of a maximum blade width of more than 200 mm but not exceeding 320 mm)
Spade	Digging spade (of a maximum blade width of more than 200 mm but not exceeding 320 mm)
Fork	Digging fork, 3/4/5/6/8 or 10 prongs.
Pick	Chisel and diamond pick
Rake	Rakes (with more than 8 prongs).

2.1.2 Like product

In the original investigation the Commission found that the SACU products and the imported products are “like products” for purposes of comparison in terms of Regulation 2.6 of the ADR.

2.1.3 Tariff classification

The subject products are classifiable as follows:

Table 2.1.3: Tariff classification

Tariff heading / subheading	Description	Statistical unit	Rate of duty					
			General	EU/UK ²	EFTA ³	SADC ⁴	MERCOSUR ⁵	AfCFTA ⁶

² European Union or the United Kingdom

³ European Free Trade Association

⁴ Southern African Development Community

⁵ Southern Common Market (Argentina, Brazil, Paraguay and Uruguay)

⁶ African Continental Free Trade Area (Ratified by: Algeria, Angola, Burkina Faso, Cameroon, Chad, Republic of Congo, Côte d'Ivoire, Djibouti, Egypt, eSwatini, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, Kenya, Mali, Mauritania, Mauritius, Namibia, Niger, Rwanda, Saharawi Republic, Sao Tome & Principe, Senegal, Sierra Leone, South Africa, The Gambia, Togo, Uganda and Zimbabwe)

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:							
8201.10.10	- - 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%

2.1.4 Other applicable duties and rebates

The following anti-dumping duties are currently applicable:

Table 2.1.4: Other applicable duty

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
215.11	8201.10.05	Spades and shovels of a maximum blade width of more than 150mm but not exceeding 200mm	China	703c/kg
215.11	8201.10.10	Spades and shovels, of a maximum blade width of more than 200 mm but not exceeding 320 mm	China	4 796c/kg
215.11	8201.10.10	Spades and shovels, of a maximum blade width of more than 200 mm but not exceeding 320 mm	India	1 484c/kg
215.11	8201.30.03	Picks	China	3 295c/kg
215.11	8201.30.03	Picks, manufactured or exported by Shivagrico Implements Ltd	India	82c/kg
215.11	8201.30.03	Picks, (excluding those manufactured or exported by Shivagrico Implements Ltd)	India	211c/kg
215.11	8201.30.90	Rakes with more than 8 prongs	China	3 466c/kg

215.11	8201.30.90	Rakes (excluding those with not more than 8 prongs)	India	1 159c/kg
215.11	8201.90.20	Forks, with a prong length exceeding 150 mm (excluding forks with 8 or more prongs)	China	4 668c/kg
215.11	8201.90.20	Other forks, with a prong length exceeding 150mm	India	1 736c/kg

3. SACU INDUSTRY

3.1 INDUSTRY STANDING

The application was lodged by Lasher Tools, a major producer of the subject products, and was supported by MacCorkindale Investments (Pty) Ltd and Ottimo Products CC, the other two producers of the subject products in the SACU industry.

The Commission made a final determination that the application can be regarded as being made “by or on behalf of the domestic industry” in terms of Regulation 7 of the ADR.

4. CONTINUATION OR RECURRENCE OF DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR CHINA

As there were no responses received from any manufacturer/exporter in China, the Commission made a final determination to use the best information available, as contemplated in ADR 58.2, being the information provided by the Applicant.

4.1.1 Normal Value

The Applicant stated that ADR 54.4 provides that:

“In the event that the SACU industry requests that the Anti-Dumping duty be maintained, it shall provide the Commission with a proper application containing the necessary information to establish a prima facie case that the removal of the Anti-Dumping duty will be likely to lead to the continuation or a recurrence of injurious dumping.” (Own emphasis).

The Applicant also stated that as the existence or a continuation of dumping during the period of investigation in SACU is not a prerequisite for a sunset review investigation, and the Commission is requested to apply a forward-looking analysis and seek to resolve the issue of what would be likely to occur if the anti-dumping duties are to be terminated. Thus, the likelihood determination is a prospective determination, which in this case is based on the recurrence of dumping and material injury.

The Applicant further stated that, although data regarding the financial performance supplied to the Commission from 01 October 2020 – 30 September 2023 and the dumping period of investigation would normally be from 01 October 2022 – 30 September 2023, the estimate period in which there is a likelihood of injurious dumping to occur, should the anti-dumping duties be terminated, is from 01 October 2023 – 30 September 2024.

The Applicant submitted that if the anti-dumping duties are revoked, there will be a recurrence of injurious dumping. To substantiate this recurrence of dumping, the Applicant obtained a quotation on 11 November 2023, which falls within the 2024 period.

In calculating the normal value for China, the Applicant obtained a quotation for the domestic selling prices of the subject product in China, which were provided in Chinese Renminbi (“RMB”) (Chinese Yuan - CNY) prices per unit. The prices were converted to reflect the ex-factory prices in CNY per kilogram (“kg”) setting out the calculations for CNY/kg as well as the average prices of CNY/unit for the subject product.

The South African Rand (“ZAR”) per kg average ex-factory prices for the subject products were as follows: shovels and spades (ZAR 62.48), picks (ZAR 33.32), rakes (ZAR 90.84) and forks (ZAR 110.94). In order to convert the prices from CNY to ZAR, www.fx-rate.net was utilized.

The average exchange rate was 1CNY = ZAR2.5679 for the period 01 to 30 November 2023.

4.1.2 Export Price

The practice of the Commission is to use audited South African Revenue Service (“SARS”) statistics to determine the export price for purposes of initiation and its final determination in the absence of information indicating the same to be unreliable. In order to calculate the export price, import statistics of garden picks, spades and shovels and rakes for the period 1 October 2020 to 30 September 2023 were used.

Regarding forks, the Applicant obtained a quotation from China that reflects the ex-factory export price per unit. This quotation was used to calculate the Free On Board (“FOB”) price. This was done due to the fact that the recorded SARS data for forks imported in November and December 2022 appeared inaccurate in that the Applicant

suspects that value data, might have been incorrectly recorded or captured, which resulted in an average 2023 fork FOB price per kg, that was respectively 873 and 561 percent higher than the 2021 and 2022 average FOB prices per kg.

The average export prices were determined as R14.15/kg for shovels and spades, R21.80/kg for picks, R91,53/kg for forks and R53.02/kg for rakes.

In order to calculate the ex-factory export price, an adjustment for inland transport cost was made.

The following ex-factory export price after adjustments was calculated:

Rand/kg	2024 (ZAR fob import prices)	(5% of fob price) adjustment	2024 (ZAR ex-factory prices)
Shovels & Spades	14,15	0,71	13,44
Picks	21,80	1,09	20,71
Rakes	53,02	2,65	50,37
Forks 2023 (Ex-factory price as per the quotation)			91,53

4.1.3 Dumping margin

The following dumping margins were therefore calculated for garden picks, spades and shovels, rakes and forks:

	Normal value (R/kg)	Export price (R/kg)	Margin of dumping (MoD)	MoD as % of Ex-factory export price
Spades and Shovels	62.48	13.44	49.04	364.88%
Picks	33.32	20.71	12.61	60.89%
Rakes	90.84	50.37	40.47	80.35%
Forks	110.94	91.53	19.41	21.21%

Based on the best information available, the Commission made a final determination that the expiry of the duties would likely lead to the recurrence of dumping of the subject products originating in or imported from China.

4.2 SUMMARY – DUMPING

The Commission made a final determination that there is sufficient information available to indicate that the expiry of the duties is likely to lead to the recurrence of dumping of the subject products from China.

5. CONTINUATION OF RECURRENCE OF MATERIAL INJURY

The Applicant indicated that although data regarding the financial performance was supplied to the Commission from 01 October 2020 – 30 September 2023 and the dumping period of investigation would normally be from 01 October 2022 – 30 September 2023, the estimate period in which there is a likelihood of injurious dumping to occur, should the anti-dumping duties be allowed to expire, is from 01 October 2023 – 30 September 2024 (“2024”).

5.1 IMPORT VOLUMES AND EFFECT ON PRICES

5.1.1 Import volumes

The following table shows the volume of allegedly dumped imports of the subject products obtained from SARS:

Table 5.1.1: Import volumes

Spades and Shovels				
	2021	2022	2023	2024*
Alleged dumped imports (Kg): China	2 507	16 119	10 630	330 056
Other imports (Kg)	108 101	34 507	3 782	3 782
Total Imports:	110 608	50 626	14 412	333 838
Alleged dumped imports (%): China	2.27	31.84	73.76	98.87
Other imports as a % of total imports	97.73	68.16	26.44	1.13
Total %	100	100	100	100
Spades and Shovels (Units) Conversion from Kg to Unit 2.2039				
	2021	2022	2023	2024*
Alleged dumped imports (Units): China	1 137	7 314	4 823	149 760
Other imports (Units)	49 050	15 657	1 716	1 716
Total Imports:	50 187	22 971	6 539	151 476
Alleged dumped imports (%): China	1,14	19,63	73.76	98.87
Other imports as a % of total imports	98,86	80,37	26.24	1.13
Total %	100	100	100	100
Picks				
	2021	2022	2023	2024*
Alleged dumped imports (Kg): China	9 583	34 601	2 799	93 371
Other imports (Kg)	832 597	141 707	251 285	251 285
Total Imports:	842 180	176 309	254 084	344 656
Alleged dumped imports (%): China	1,14	19,63	1,10	27,09

Other imports as a % of total imports	98,86	80,37	98,90	72,91
Total %	100	100	100	100
Conversion from Kg to Unit 2.5003 Picks				
	2021	2022	2023	2024*
Alleged dumped imports (Units): China	3 833	13 839	1 120	37 344
Other imports (Units)	332 999	56 676	100 502	100 502
Total Imports:	336 832	70 515	101 621	137 846
Alleged dumped imports (%): China	1,14	19,63	1,10	27,09
Other imports as a % of total imports	98,86	80,37	98,90	72,91
Total %	100	100	100	100
Rakes				
	2021	2022	2023	2024*
Alleged dumped imports (Kg): China	62 797	67 697	36 310	123 604
Other imports (Kg)	180 816	104 982	11 467	11 467
Total Imports:	243 612	172 680	47 777	135 071
Alleged dumped imports (%): China	25,78	39,20	76,00	91,51
Other imports as a % of total imports	74,22	60,80	24,00	8,49
Total %	100	100	100	100
Conversion from Kg to Unit 1.5002 Rakes				
	2021	2022	2023	2024*
Alleged dumped imports (Units): China	41 859	45 125	24 203	82 392
Other imports (Units)	120 528	69 979	7 643	7 643
Total Imports:	162 387	115 104	31 847	90 035
Alleged dumped imports (%): China	25,78	39,20	76,00	91,51
Other imports as a % of total imports	74,22	60,80	24,00	8,49
Total %	100	100	100	100
Forks				
	2021	2022	2023	2024*
Alleged dumped imports (Kg): China	3 865	1 886	5 972	35 118
Other imports (Kg)	123 226	69 644	4 372	4 372
Total Imports:	127 092	71 531	10 344	39 490
Alleged dumped imports (%): China	3,04	2,64	57,73	88,93
Other imports as a % of total imports	96,96	97,36	42,27	11,07
Total %	100	100	100	100
Conversion from Kg to Unit 2.2001 Forks				
	2021	2022	2023	2024*
Alleged dumped imports (Kg): China	1 757	857	2 714	15 962
Other imports (Kg)	56 009	31 655	1 987	1 987
Total Imports:	57 766	32 513	4 702	17 949
Alleged dumped imports (%): China	3,04	2,64	57,72	88,93
Other imports as a % of total imports	96,96	97,36	42,26	11,07
Total %	100	100	100	100

*Estimates should the anti-dumping duties expire

The above table indicates that the alleged dumped imports of spades and shovels from China increased from 2 507 kilograms in 2021 to 16 119 kilograms in 2022 and decreased to 10 630 kilograms in 2023. It is estimated that the imports will increase to the year 1990's import volumes should the anti-dumping duties expire, which was the period prior to the imposition of anti-dumping duties when volumes of Chinese

imports peaked. The same trend is observed with rakes, garden picks and forks where imports increased from 2021 to 2022 and decreased between 2022 and 2023.

The table above also indicates that other imports decreased from 108 101 to 34 507 kilograms between 2021 and 2022, and further decreased from 34 507 to 3 782 between 2022 and 2023. However, it is estimated to remain unchanged should the anti-dumping duties expire.

The Applicant stated that the Chinese import volumes (unit and kg) for spades and shovels showed an increasing trend over the POI, although there was a decrease in 2023 from 2022, but volumes remained higher than the 2021 volume. The Applicant also stated that the Chinese import volumes (unit and kg) for picks experienced a decreasing trend over the POI, although there was a sharp increase of 261 percent experienced from 2021 to 2022, before the reduction in 2023 to below the 2021 volume. The Chinese import volumes (unit and kg) for rakes also indicate a decreasing trend over the POI, with an increase occurring in 2022 from 2021, with the volume reducing in 2023 to below the 2021 level. The Chinese import volumes (unit and kg) for forks show an increasing trend over the POI, with a decrease occurring in 2022 from 2021, but with the 2023 volume increasing to above the 2021 volume.

The Applicant further stated that the import volumes from China, prior to the imposition of the anti-dumping duties in 1993, were at its highest in 1990.

The 1990 quantities were as follows:

	1990 Import Units	1990 kg (Import volume equivalent) (kg)
Shovels & Spades	149 730	329 990
Picks	37 344	93 371
Rakes	82 392	123 604
Forks	15 962	35 118

The Applicant stated that normally the import volume prior to the imposition of anti-dumping duties is used to estimate the import volume should the anti-dumping duties

be allowed to expire. The combined import volumes from China in 2023 indicate much lower import volumes as in 1990 (depicted in the above table), as the existing imports from China are subject to anti-dumping duties, which duties did act as an important deterrent against the high volumes of dumped imports.

The Applicant stated that the 2023 import data is depicted in the table below as follows:

	2023 Import Volume (Units)	2023 Import volumes (kg)
Shovels & Spades	4 823	10 630
Picks	1 120	2 799
Rakes	24 203	36 310
Forks	2 714	5 972

The Applicant concluded that it can reasonably be expected that if the anti-dumping duties expired, the dumped imports would surge and exceed the 2023 volumes. The volume estimates for the period October 2023 to September 2024, for imports from China if the anti-dumping duties expire, are based on the 1990 volumes in units and kilograms.

5.2 Effect on Domestic Prices

5.2.1 Price undercutting

Table 5.2.1: Price undercutting

		2021	2022	2023	2024*
Spades and shovels					
Applicant's selling price	(Rand/Unit)	100	113	120	116
China Landed	(Rand/Unit)	100	118	103	29
Undercutting per unit	(Rand/Unit)	100	(144)	(13)	429
Undercutting as a percentage	%	-100	-1%	-0.1%	4%
Picks					
		2021	2022	2023	2024*
Applicant's selling price	(Rand/Unit)	100	111	118	114
China) Landed	(Rand/Unit)	100	101	119	58
Undercutting per unit	(Rand/Unit)	100	101	119	386
Undercutting as a percentage	%	1%	1%	1%	3%
Rakes					
		2021	2022	2023	2024*
Applicant's selling price	(Rand/Unit)	100	116	124	121

China Landed	(Rand/Unit)	100	109	80	22
Undercutting per unit	(Rand/Unit)	100	(100)	(23)	109
Undercutting as a percentage	%	100	-1%	-0.2%	1%
Forks					
China		2021	2022	2023	2024*
Applicant's selling price	(Rand/Unit)	100	110	120	117
China Landed	(Rand/Unit)	100	112	318	125
Undercutting per unit	(Rand/Unit)	100	106	(572)	88
Undercutting as a percentage	%	100%	1%	-5%	1%

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

The Applicant stated that there was price undercutting for 2021 to 2023 for picks, while no undercutting was experienced in the same period with regard to shovels and spades and rakes. For forks, there was also price undercutting for 2021 and 2022, but because of the distorted and overstated FOB price for 2023 no price undercutting for 2023 could be calculated.

The Applicant also indicated that the 2024 import prices (per kg and unit) are based on the 2023 SARS data (except for forks) but it can be reasonably expected that in an attempt to capture the market share, the Chinese exporters would reduce their selling prices even further to gain additional market share if the anti-dumping duties are allowed to expire. The Applicant stated that there is clear evidence of price undercutting, indicating that it will experience material injury if the anti-dumping duties are allowed to expire.

The Applicant also stated that it is important to note that the imported subject products FOB prices were, throughout the POI, well below its (the Applicant) total production cost per unit (except with regard to the forks in 2023, due the distorted high FOB price). The Applicant also stated that if the anti-dumping duties expire, it is estimated that the products from China will continue to be landed well below its selling prices in 2024 and cause material injury to the SACU Industry. The Applicant stated further that should it try to prevent severe market share losses, it would need to sell at depressed prices at close to or below the same level as the dumped imported subject products, to be able to sell its product in SACU.

The Applicant further stated that its estimated selling prices in 2024 were calculated using the 2023 ex-factory selling prices as the base, with the discount per unit being kept the same as in 2023 and a CPI increase to distribution costs that was applied. The effect hereof is that slightly lower ex-factory selling prices are reflected in 2024. The Applicant also stated that the Chinese 2024 import prices are based on the estimated FOB price for shovels and spades, picks and rakes, (except for forks). The Applicant predicts that the Chinese exporters will reduce their selling prices to below the Applicant's level of the selling price in 2024 and close to the other countries' importers import prices, to recapture SACU market share.

In conclusion, the Applicant stated that if the duties were to expire, its sales will decrease and the company will lose market share against the dumped imports, which will force a cutback in production to prevent stock levels from increasing.

Commission's consideration

The Commission considered that the Applicant experienced price undercutting for the period 2021 to 2023 for picks, while no undercutting was experienced in the same period with regard to shovels and spades and rakes. The Commission also considered that for forks, there was also price undercutting for 2021 and 2022, but because of the distorted and overstated FOB price for 2023 no price undercutting for 2023 could be calculated.

The Commission is of the opinion that if the forecasted export prices to SACU are used it is evident that for the 2024 period, if the anti-dumping duties expire, price undercutting will occur, leading to the SACU industry experiencing material injury.

5.2.2 Price depression

The table below shows the domestic industry's selling price from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.2.2: Price depression

Spades and Shovels	2021	2022	2023	2024*
Applicant's selling price	100	113	120	116
Picks	2021	2022	2023	2024*
Applicant's selling price	100	111	118	115
Rakes	2021	2022	2023	2024*
Applicant's selling price	100	116	124	121
Forks	2021	2022	2023	2024*
Applicant's selling price	100	111	120	117

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

The Applicant stated that it is evident from the table above that it did not experience price depression for the period 2021 to 2023, as a result of the anti-dumping duties that are currently in place. The Applicant also stated that if the anti-dumping duties are allowed to expire, it will not be able to depress its selling price, as it has to retain the profit margin to allow for it to re-invest and to maintain the plant. However, should the anti-dumping duties be allowed to expire, it is estimated that the product from China will land at prices below those of the Applicant in 2024, again causing material injury to the SACU industry.

The Applicant further stated that as a result of these dumped imports, it will be forced to depress its selling price to retain market share, which would result in it selling at a loss in 2024.

The Applicant stated that if the anti-dumping duties expire, the subject product's selling prices will be exposed to severe pressure caused by the dumped imports, which prices will undercut its selling prices. The Applicant stated that in an attempt to retain and regain lost market share, it would be forced to depress its selling prices, causing it to experience material injury.

The Applicant stated that the estimates for its selling prices in 2024 were calculated using the 2023 ex-factory selling prices as the base, with the discount per unit being

kept the same as in 2023 and a CPI increase to distribution costs that was applied. The effect hereof is that slightly lower ex-factory selling prices are reflected in 2024.

5.2.3 Price suppression

Price suppression takes place where the cost-to-price ratio of the SACU industry increases.

The following table shows the Applicant's average costs of production and its average selling prices for the subject products from 2021 to 2023 and an estimate (2024*) in the event of the duties expiring:

Table 5.2.3: Price suppression

Spades and Shovels	2021	2022	2023	2024*
Applicant's ex-factory price per kg	100	113	120	116
Applicant's cost (production) per kg	100	124	115	157
Applicant's gross profit per kg	100	95	129	53
Applicant's gross %	100	84	107	45
Applicant's cost of production as a percentage of ex-factory price (%)	100	110	95	136

Picks	2021	2022	2023	2024*
Applicant's ex-factory price per kg	100	111	118	115
Applicant's cost (production) per kg	100	121	118	152
Applicant's gross profit per kg	100	93	120	47
Applicant's gross %	100	84	101	41
Applicant's Cost of production as a percentage of ex-factory price (%)	100	109	99	133

Rakes	2021	2022	2023	2024*
Applicant's ex-factory price per kg	100	116	124	121
Applicant's cost (production) per kg	100	121	122	153
Applicant's gross profit per kg	100	110	126	82
Applicant's gross %	100	95	102	67
Applicant's Cost of production as a percentage of ex-factory price (%)	100	104	99	127

Forks	2021	2022	2023	2024*
Applicant's ex-factory price per kg	100	111	120	171
Applicant's cost (production) per kg	100	134	127	228
Applicant's gross profit per kg	100	84	111	107

Applicant's gross %	100	76	93	62
Applicant's Cost of production as a percentage of ex-factory price (%)	100	122	107	133

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

The Applicant stated that it experienced price suppression for the four subject products categories from 2021 to 2023. For shovels and spades, pick and rakes, the cost of production as a percentage of ex-factory prices decreased in 2023 to slightly below the 2021 levels, resulting in decreasing trends for the POI, while the dumping duties are in place. The Applicant also stated that in the case of the forks, the cost of production as a percentage of ex-factory price also decreased in 2023, but remained above the 2021 level, resulting in an increasing trend for the POI. However, notwithstanding the declining trends, price suppression was prevailing, causing material injury.

The Applicant further stated that the subject products were already selling at suppressed prices over the POI, with the aim of retaining market share, in competing against the low-priced imports from China. The Applicant stated that if the anti-dumping duties expire, it is evident that the cost of production will increase, while the selling prices will need to be reduced in order to compete with the dumped imports and in the process, it will not be able to increase selling prices to recover costs, resulting in increased price suppression.

Commission's consideration

The Commission considered that the Applicant experienced an increasing trend on price suppression. Thus, the tables above indicate that for spades and shovels, garden picks and rakes there was an increase in the cost of production as a percentage of the Applicant's selling price from 2021 to 2022. The Commission also considered that there was a decrease from 2022 to 2023, which was below the 2021 percentage. For forks there was an increase from 2021 to 2022 and there was a decrease in 2023 from the 2022 percentage. However, the percentage was higher than the 2021 percentage.

5.3.1 Economic factors and indices having a bearing on the state of the industry

5.3.1.1 Actual and potential decline in volumes

The following table shows the Applicant's sales volume of garden picks, spades and shovels, rakes and forks from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.1 (a) Sales volume

Spades and Shovels	2021	2022	2023	2024*
Applicant's sales volume to SACU (kg)	100	93	88	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Export Sales (Outside SACU) (kg)	100	123	76	76
Total Sales kg	100	93	89	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)

Picks	2021	2022	2023	2024*
Applicant's sales volume to SACU (kg)	100	86	77	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Export Sales (Outside SACU) (kg)	100	140	110	110
Total Sales kg	100	89	78	[CONFIDENTIAL] (A

				decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
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Rakes	2021	2022	2023	2024*
Applicant's sales volume to SACU (kg)	100	92	86	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Export Sales (Outside SACU) (kg)	100	103	83	83
Total Sales kg	100	92	86	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)

Forks	2021	2022	2023	2024*
Applicant's sales volume to SACU (kg)	100	86	73	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Export Sales (Outside SACU) (kg)	100	140	110	110
Total Sales kg	100	91	76	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

The Applicant stated that sales volumes with regard to all four subject product categories decreased over the period 2021 to 2023. The Applicant also stated that if the anti-dumping duties on Chinese imports expire, it is estimated that the sales volumes of all four product categories would in 2024 decline even further to below the

2021 sales volume, causing material injury as a result of the loss of sales to imported Chinese products. The Applicant stated that such a turn of events would place the sustainability of its subject products manufacturing operations in jeopardy.

Table 5.3.1.2 (b) Sales value

Spades and Shovels	2021	2022	2023	2024*
SACU Sales	100	105	106	77
Export Sales (Outside SACU)	100	141	98	94
Total Sales	100	107	105	78

Picks	2021	2022	2023	2024*
SACU Sales	100	96	91	70
Export Sales (Outside SACU)	100	156	134	129
Total Sales	100	99	93	73

Rakes	2021	2022	2023	2024*
SACU Sales	100	106	107	86
Export Sales (Outside SACU)	100	115	101	98
Total Sales	100	107	106	87

Forks	2021	2022	2023	2024*
SACU Sales	100	95	87	72
Export Sales (Outside SACU)	100	70	48	46
Total Sales	100	94	84	71

*Estimates should the anti-dumping duties expire

The Applicant stated that sales values increased over the period of 2021 to 2023. However, in 2024 it is estimated that sales values will decline as it would not be able to increase selling prices to address cost increases as a result of reduced production volumes and this will result in the recurrence of material injury. The Applicant further stated that should it reduce its selling prices to counter the dumped import prices, the sales values would decline even further causing it to suffer even more material injury.

With regard to the 2024 estimates, the Applicant stated that the import volume from China in 1990 prior to the imposition of the duties were substantial. Therefore, it can reasonably be expected that if the anti-dumping duties expire, that the dumped imports would at least surge again to the same volumes as in 1990. In that case, the Applicant's sales volumes are estimated to decline in 2024 in the face of at least these

import volumes, which will negatively affect the sales values, even if there were increases in selling prices. The Applicant stated that it is estimated that it will depress or suppress its selling prices, resulting in significant decreases in 2024 compared to 2023, causing material injury.

Commission's consideration

The Commission considered that the Applicant's sales value increase from 2021 to 2023. It is however estimated that for 2024, sales value will decline should the anti-dumping duties be allowed to expire. The decline will cause further material injury as the Applicant will not be in a position to increase selling prices to offset rising costs, exacerbated by reduced production volumes. The Commission also considered that there's a potential price reduction to counter dumped imports, leading to further sales value decreases.

5.3.1.2 Profit

The following table shows the Applicant's profit before interest and tax from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.2: Profit

Spades and Shovels	2021	2022	2023	2024*
kgs sold: Local	100	93	88	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
kgs sold: Export	100	123	76	76
kgs sold: Total	100	95	87	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's gross profit** (SACU only) Rand	100	88	113	35
Applicant's net profit** (SACU only) Rand	100	66	112	22

Picks	2021	2022	2023	2024*
kgs sold: Local	100	35	31	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
kgs sold: Export	100	140	110	110
kgs sold: Total	100	89	78	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Applicant's gross profit** (SACU only) Rand	100	80	92	29
Applicant's net profit** (SACU only) Rand	100	55	89	(34)

Rakes	2021	2022	2023	2024*
kgs sold: Local	100	92	86	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
kgs sold: Export	100	103	83	83
kgs sold: Total	100	92	86	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's gross profit** (SACU only) Rand	100	101	108	58
Applicant's net profit** (SACU only) Rand	100	93	103	31

Forks	2021	2022	2023	2024*
kgs sold: Local	100	86	73	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
kgs sold: Export	100	140	110	75
kgs sold: Total	100	81	67	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's gross profit** (SACU only) Rand	100	72	80	45
Applicant's net profit** (SACU only) Rand	100	56	69	20

*Estimates should the anti-dumping duties expire

The above table has been indexed due to confidentiality using 2021 as a base year

The Applicant stated that gross and net profit value showed increasing trends over the POI with regard to shovels and spades, picks and rakes. However, the gross and net profit values for forks indicated decreasing trends over the POI.

The Applicant also stated that if the anti-dumping duties against China expire, it is estimated that the imports into the SACU market would increase considerably. The Applicant stated that it would then lose sales and would be required to reduce production, to keep the inventory at reasonable levels. The resulting effect would be costs of production increases for all of the subject products.

The Applicant further stated that it would need to increase their selling prices significantly to maintain the same profit levels in 2023 as in 2022, to prevent it from suffering substantial injury. However, with the dumped products in the SACU market, the Applicant would not be able to increase its selling price, as it will lose sales, placing profits under pressure. Therefore, it is estimated that all four subject products net and gross profit values will decline in 2024, and it may even realise a net loss with regard to picks, causing material injury.

5.3.1.3 Output

The following table outlines the Applicant's domestic production volume of the subject products from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.3: Output

Spades and Shovels	2021	2022	2023	2024*	2024**
Total production of the product concerned					
Applicant's Total production kg	100	84	80	80	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's production for SACU consumption (kg)	100	82	80	80	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Total Production for SACU Industry (kg)	100	82	80	80	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Picks	2021	2022	2023	2024*	2024**
Producer's total production of the product concerned					
Applicant's total Production kg	100	62	64	64	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Applicant's production for SACU consumption (kg)	100	59	62	62	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Other producers Total Production	-	-	-	-	

Total Production for SACU Industry (kg)	100	59	62	62	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Rakes	2021	2022	2023	2024*	2024**
Producer's total production of the product concerned					
Applicant's Total Production kg	100	85	75	75	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's production for SACU consumption (kg)	100	84	74	74	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Other producers Total Production***	Unknown	Unknown	Unknown	Unknown	Unknown
Total Production for SACU Industry (kg)	100	84	74	74	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Forks	2021	2022	2023	2024*	2024**
Producer's total production of the product concerned					
Applicant's Total production kg	100	60	64	44	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Applicant's production for SACU consumption (kg)	100	62	68	47	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)

Total production for SACU Industry (kg)	100	62	68	47	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
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*Estimates should the anti-dumping duties expire

**Estimate if the duty expires, leading to the reduction in SACU sales volume, which requires a decrease in the SACU production volumes. The above table has been indexed due to confidentiality using 2021 as a base year

The table above indicates that the Applicant's output for all four categories of the subject products decreased over the period of investigation.

The Applicant stated that there is a decreasing trend in output over the period 2021 to 2023 applicable to all four subject product categories, for total and SACU production. The Applicant also stated that it is estimated that if the anti-dumping duties expire, the dumped imports of the subject products would at least surge significantly. These imports volumes will cause material injury and potentially replace its sales volumes and, as a result, it will be forced to cut back on production, to reduce inventory levels. Therefore, it is estimated that production volumes would further decline in 2024 with regard to the subject products.

5.3.1.4 Market share

The following table shows the market share for the subject products from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.4: Market share (Volume)

Spades and Shovels	2021	2022	2023	2024*
Applicant's sales volume	100	104	106	80
Total SACU producers' sales volume	100	104	106	80
Import volume of alleged dumped imports by country				
- China	100	713	513	15 831
- Other imports	100	36	4	4
Total import volume	100	51	16	365
Total SACU market (local produced & imports)	100	100	100	100
Picks	%	%	%	%
Applicant's sales volume	100	180	155	124

Total SACU producers' sales volume	100	180	155	124
Import volume of alleged dumped imports by country				
- China	100	754	60	1972
- Other imports	100	36	61	61
Total import volume	100	44	61	83
Total SACU market (local produced & imports)	100	100	100	100
Rakes				
Applicant's sales volume	100	107	129	107
Total SACU producers' sales volume	100	107	129	107
Import volume of alleged dumped imports by country				
- China	100	126	87	295
- Other imports	100	68	10	10
Total import volume	100	83	29	83
Total SACU market (local produced & imports)	100	100	100	100
Forks				
Applicant's sales volume	100	112	140	119
Total SACU producers' sales volume	100	112	140	119
Import volume of alleged dumped imports by country				
- China	100	64	296	1740
- Other imports	100	74	7	7
Total import volume	100	73	16	60
Total SACU market (local produced & imports)	100	100	100	100

*Estimates should the anti-dumping duties expire

The above table has been indexed due to confidentiality using 2021 as a base year

The Applicant stated that the information provided above reflects an increasing market share (based on volume and expressed as a percentage of the SACU market) trend for shovels and spades, picks, rakes and forks over the years 2021 to 2023. According to the Applicant, the Chinese market share (based on volume and expressed as a percentage of the SACU market) present increasing trends for shovels and spades and forks over the POI, while the market shares of picks and rakes show declining trends.

The Applicant also stated that should the anti-dumping duties expire, the importers will change over to the dumped Chinese products and the Applicant's sales volume will be lost and, as a result, the market share (volume) will reduce to levels that are below the 2021 market share percentages. Conversely, the subject products' import volumes from China will increase their SACU market share percentages, which increases would be considerable in 2024, causing material injury to the SACU Industry.

Commission's consideration

The Commission considered that there was an increase in the Applicant's market share for all subject products for the POI. It is estimated that the Applicant will experience material injury and loss of market share if the anti-dumping duties expire, due to an expected surge in Chinese imports.

5.3.1.5 Productivity

Using the production and employment figures sourced from the Applicant, its productivity in respect of the subject products was as follows from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.5: Productivity

Spades and Shovels	2021	2022	2023	2024*	2024**	2024***
Total production volume (Units)	100	84	80	80	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Number of employees (Direct labour only)	100	75	67	67	67	51
Units per employee	100	112	119	119	119	119
Picks	2021	2022	2023	2024*	2024**	2024***
Total production volume (Units)	100	62	64	64	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Number of employees (Direct labour only)	100	94	75	75	75	60
Units per employee	100	67	86	86	86	86
Rakes	2021	2022	2023	2024*	2024**	2024***

Total production volume (Units)	100	85	75	75	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Number of employees (Direct labour only)	100	89	79	79	79	64
Units per employee	100	96	95	95	95	95
Forks	2021	2022	2023	2024*	2024**	2024***
Total production volume (Units)	100	60	64	64	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Number of employees (Direct labour only)	100	89	77	77	77	67
Units per employee	100	68	83	83	83	83

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

** Estimate if the duty expires, that will lead to the reduction in SACU sales volume, which requires a decrease in the SACU production volumes and direct labour, whilst achieving to maintain the same productivity level as in 2023.

*** Estimate if the duty expires, leading to the reduction in SACU sales volume, which requires a decrease in the SACU production volumes, whilst maintaining the same direct labour in 2023, but resulting in a decrease in productivity.

The Applicant stated that production decreased, as did productivity over the period 2021 to 2023 for picks, rakes and forks, even with fewer direct laborers. The Applicant stated that the shovels and spades' productivity showed an increase.

Furthermore, two columns were added for '2024' to the table above to reflect the different scenarios affecting production, employment and productivity that will lead to material injury being experienced by the Applicant if the anti-dumping duties expire.

The Applicant stated that if the anti-dumping duties expire and production levels are kept the same (assuming all that units produced are sold), with employment also staying the same, productivity will remain constant in 2024. However, as the

Applicant's sales are estimated to decline, there would be a reduction in production, to address and prevent the build-up of inventory and thus productivity will decline in 2024 causing material injury. The Applicant also stated that if production declines and it wishes to retain the same productivity level in 2024 as in 2023, it would be forced to reduce its employment during 2024. Therefore, it will suffer material injury as a result of the expiry of the anti-dumping duties.

5.3.1.6 Return on investment

The following table shows the Applicant's return on investment on some earnings before interest and tax basis from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.6: Return on investment

Total Company	2021	2022	2023	2024*
Net profit (product concerned)	100	84	104	62
Net assets total company **	100	130	161	161
Return on net assets (%)	100	65	65	39
Spades and Shovels	2021	2022	2023	2024*
Net profit (product concerned)	100	66	112	22
Net assets total company **	100	130	161	161
Return on net assets (%)	100	51	70	14
Picks	2021	2022	2023	2024*
Net profit (product concerned)	100	55	89	(34)
Net assets total company **	100	130	161	161
Return on net assets (%)	100	42	56	(21)
Rakes	2021	2022	2023	2024*
Net profit (product concerned)	100	93	103	31
Net assets total company **	100	130	161	161
Return on net assets (%)	100	72	64	19
Forks	2021	2022	2023	2024*

Net profit (product concerned)	100	56	69	20
Net assets total company **	100	130	161	161
Return on net assets (%)	100	43	43	12

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

** Net Assets Formula = Assets – Liabilities. (Total Company only)

The Applicant stated that return on net assets for each of the subject product categories show decreasing trends over the period 2021 to 2023, which are indicative of material injury being experienced.

The Applicant also stated that should the anti-dumping duties expire, it is estimated that the return on net assets would reduce further to below 1 percent, and result in a negative return for picks, as a result of the decline in sales volume, sales value and profit, which is caused by the increase in dumped import volumes from China that enter the SACU market, causing material injury to be experienced.

5.3.1.7 Utilization of production capacity

The following table provides the Applicant's production capacity, production and capacity utilization for the subject products from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.7: Production capacity

Spades and Shovels	2021	2022	2023	2024*	2024**
Applicant's capacity (kg)#	100	100	100	100	100
Applicant's actual production (kg)	100	84	80	80	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's capacity utilisation %	100	84	80	80	60
Rest of SACU capacity (kg) ***	100	100	100	100	100
Picks	2021	2022	2023	2024*	2024**

Applicant's capacity (kg)#*	100	100	100	100	100
Applicant's actual production (kg)	100	62	64	64	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Applicant's capacity utilisation %	100	62	64	64	52
Rakes	2021	2022	2023	2024*	2024**
Applicant's capacity (kg)#*	100	100	100	100	100
Applicant's actual production (kg)	100	85	75	75	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)
Applicant's capacity utilisation %	100	85	75	75	61
Forks	2021	2022	2023	2024*	2024**
Applicant's capacity (kg)#*	100	100	100	68	68
Applicant's actual production (kg)	100	60	64	64	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 60 index points, and below the 2023 level.)
Applicant's capacity utilisation %	100	60	64	94	82

The above table has been indexed due to confidentiality using 2021 as a base year

**Estimate if the duty expires, leading to the reduction in SACU sales volume, which requires a decrease in the SACU production volumes.

#* Capacity submission was determined, based on the current market environment of utilizing the existing shift production process.

The table above indicates that the Applicant's capacity utilisation for all four categories of the subject product decreased over the period of investigation.

The Applicant stated that if the anti-dumping duties expire, the dumped imports of the subject products would at least surge to the volumes as in the table above. These volumes are significant and will cause material injury to the SACU producers.

The Applicant also estimated that these imported volumes would replace the sales volumes and, as a result, it would be forced to cut back on production to reduce inventory levels. As a result, capacity utilisation will decrease in 2024, to the lowest level compared to the period 2021 to 2023, causing serious injury. The Applicant stated that an additional '2024**' column was added to the table above, to reflect the difference if production is kept the same as in 2023 and if production is reduced, due to the decline in SACU sales volume to substantiate the material injury that would be suffered.

5.3.1.8 Actual and potential negative effects on cash flow

The following table provides the Applicant's cash flow from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.8: Cash flow

Company in Total	2021	2022	2023	2024*
Cash flow: incoming	100	106	105	100
Cash flow: outgoing	100	103	84	88
Net cash flow	100	(296)	(2 584)	472
Debtors (value)	100	122	153	119
Debtors: average days outstanding	100	76	144	189
Spades and Shovels	2021	2022	2023	2024*
Cash flow: incoming	100	106	106	80
Cash flow: outgoing	100	118	105	131
Net cash flow	100	67	112	(130)
Debtors (value)	100	132	164	95
Debtors: average days outstanding	100	76	144	189
Picks	2021	2022	2023	2024*
Cash flow: incoming	100	96	91	73
Cash flow: outgoing	100	105	92	110
Net cash flow	100	56	89	(183)
Debtors (value)	100	111	133	96
Debtors: average days outstanding	100	76	144	189
Rakes	2021	2022	2023	2024*
Cash flow: incoming	100	107	107	89

Cash flow: outgoing	100	113	109	113
Net cash flow	100	94	103	32
Debtors (value)	100	123	156	105
Debtors: average days outstanding	100	76	144	189
Forks	2021	2022	2023	2024*
Cash flow: incoming	100	97	88	75
Cash flow: outgoing	100	116	98	153
Net cash flow	100	57	69	(147)
Debtors (value)	100	112	129	99
Debtors: average days outstanding	100	76	144	189

The above table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

The Applicant stated that it experienced a total company negative cash flow in 2021 that improved over the POI. The net cash flow for shovels and spades and rakes also improved over the POI. However, for picks and forks there were decreasing net cash flow trends over the POI, with considerable decreases experienced in 2022 before improving in 2023, but remaining below the 2021 levels, indicating that material injury has been experienced. The Applicant also submitted that the SACU Industry was throughout the POI under pressure from the subject product imports from China in the SACU market.

The Applicant estimated that, based on the reduced sales value should the anti-dumping duties expire, that the net cash flows will decline in 2024 to a negative cash flow situation for the subject products, except for rakes, which cash flow will reduce substantially and causing material injury.

5.3.1.9 Inventories

The Applicant provided the following levels of inventories from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.9: Inventories

Spades and Shovels	2021	2022	2023	2024*	2024**
Volume units	100	62	43	146	43
Volume kg	100	62	43	146	43

Value Rand	100	76	49	211	62
Picks	2021	2022	2023	2024*	2024**
Volume units	100	48	33	76	33
Volume kg	100	48	33	76	33
Value Rand	100	59	39	108	47
Rakes	2021	2022	2023	2024*	2024**
Volume units	100	72	29	43	29
Volume kg	100	72	29	43	29
Value Rand	100	88	35	62	41
Forks	2021	2022	2023	2024*	2024**
Volume units	100	41	56	206	56
Volume kg	100	41	56	206	56
Value Rand	100	56	71	303	82

The above tables were indexed due to confidentiality using 2021 as a base year

** Estimate if the duty expires, leading to the reduction in SACU sales volume, which requires a decrease in the SACU production volumes.

*Estimates should the anti-dumping duties expire

The Applicant stated that the information contained in the table above reflects their inventory levels over the POI and that their policy is to keep inventory levels stable and under containment. The Applicant also stated that the 2021 inventory levels of the subject products were high as a result of the inventory build-up during COVID-19, with decreasing trends for each of the subject product categories over the POI.

The Applicant stated that it can be expected that if the anti-dumping duties expire the dumped imports of the subject products would at least surge to the volumes in 1990 prior to the imposition of the anti-dumping duties. These volumes are significant and will cause material injury as the sales volumes are estimated to decline. Production will therefore need to be reduced to maintain similar inventory levels as in 2023.

The Applicant stated that should it maintain the same production in 2024 as in 2023, with the estimated dumped subject products' imports increasing from China to the SACU market and the produced products cannot be sold, the inventory level (2024*) as depicted in the table above, will increase to an unacceptable level that will carry

additional storage costs and further negatively affect the cash flow, causing material injury to be suffered.

5.3.1.10 Employment

The following table shows the Applicant's employment level from 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.10: Employment

Spades and Shovels	*Monthly/weekly/ daily / hourly	2021	2022	2023	2024**	2024***
Direct labour (Units): production	Hourly	100	75	66	66	50
Indirect labour (Units): production	Hourly	100	100	98	98	98
Total labour (Units): production		100	77	68	68	54
Rest of SACU total labour (Units)		Unknown	Unknown	Unknown	Unknown	Unknown
Picks	*Monthly/weekly/ daily / hourly	2021	2022	2023	2024**	2024***
Direct labour (Units): production	Hourly	100	94	75	75	60
Indirect labour (Units): production	Hourly	100	100	100	100	100
Total labour (Units): production		100	95	79	79	66
Rest of SACU total labour (Units)		-	-	-	-	-
Rakes	*Monthly/weekly/ daily / hourly	2021	2022	2023	2024**	2024***
Direct labour (Units): production	Hourly	100	89	79	79	64
Indirect labour (Units) production	Hourly	100	100	47	47	47
Total labour (Units) production		100	91	73	73	61
Rest of SACU total labour (Units)		Unknown	Unknown	Unknown	Unknown	Unknown
Forks	*Monthly/weekly/ daily / hourly	2021	2022	2023	2024**	2024***
Direct labour (Units) production	Hourly	100	89	77	77	67
Indirect labour (Units) production	Hourly	100	100	543	543	543

Total labour (Units) production		100	89	82	82	72
Rest of SACU total labour (Units)		Unknown	Unknown	Unknown	Unknown	Unknown
Total Company	*Monthly/weekly/daily / hourly	2021	2022	2023	2024**	2024***
SGA labour (Units): Total Lasher Tools	Monthly	100	107	108	108	108

The above table has been indexed due to confidentiality using 2021 as a base year

** Average Employment was calculated based on the number of labourers that were employed during the specific periods, inclusive of contract labourers. Contract labourers were employed in terms of fixed short-term contracts, based on production requirements per period. Do note that as month-end closures for Lasher Tools are the last Friday of each month, year-end employment numbers would be exclusive of contract labourers whose contracts came to term prior to the year-end dates.

***Estimate if the duty expires, leading to the reduction in SACU sales volume, which requires a decrease in the SACU production volumes and direct labour.

**** SGA labour is not Subject product category specific

The Applicant stated that the subject products' manufacturing methodology leans more towards being labour intensive than capital intensive, hence the large number of employees involved in the manufacturing of the subject products, and it is these jobs that are dependent on the continuation and increase in production volumes.

The Applicant stated that it is estimated that if the anti-dumping duties of the dumped imports of the subject products would at least surge to the high volumes as set out above table, impacting negatively on its sales. The Applicant also stated that it is estimated that should the anti-dumping duties expire in 2024, the employment with regard to the subject products would initially remain the same as it does not have a culture of just retrenching. However, if market share is lost to the increased imported volumes from China, which is estimated to replace its sales volumes, it would be forced to cut back on production to reduce inventory levels, resulting in employment levels coming under threat, with an estimated cut in the (direct) labour force of at least 15 people.

5.3.1.11 Wages

Using the production wages and employment figures sourced from the Applicant, its production wages per employee in respect of the subject products from 2021 to 2023 and an estimate in the event of the duties expiring are as follows:

Table 5.3.1.11: Wages

Spades and Shovels	2021	2022	2023	2024*
Direct Wages: Production	100	88	87	89
Indirect Wages: Production	100	106	110	112
Total wages: Production	100	90	91	92
Wage/time period: Production	Weekly	Weekly	Weekly	Weekly
Picks	2021	2022	2023	2024*
Direct Wages: Production	100	63	80	82
Indirect Wages: Production	100	83	77	79
Total wages: Production	100	67	79	81
Wage/time period: Production	Weekly	Weekly	Weekly	Weekly
Rakes	2021	2022	2023	2024*
Direct Wages: Production	100	93	105	108
Indirect Wages: Production	100	96	41	42
Total wages: Production	100	93	94	97
Wage/time period: Production	Weekly	Weekly	Weekly	Weekly
Forks	2021	2022	2023	2024*
Direct Wages: Production	100	65	62	64
Indirect Wages: Production	100	83	89	92
Total wages: Production	100	84	88	90
Wage/time period: Production	Weekly	Weekly	Weekly	Weekly

The table has been indexed due to confidentiality using 2021 as a base year

*Estimates should the anti-dumping duties expire

The Applicant stated that the wages presented a decreasing trend for the POI, mostly due to the declining employment numbers over the POI. If the anti-dumping duties expire it will be forced to reduce employment in 2024 as a result of reduced production in a bid to retain the same productivity, the wages are estimated to eventually decrease but will first reflect an increase in 2024 as indicated in the above table as a result of the retrenchment costs that will be incurred.

5.3.1.12 Growth

The Applicant forecast that it will show no, or negative growth should the duties expire. The following table shows data for 2021 to 2023 and an estimate in the event of the duties expiring:

Table 5.3.1.12: Growth

Spades and Shovels	2021	%	2022	%	2023	%	2024*	%
Applicant's sales volume	100		93	(100)	88	(75)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 340 and 370 index points.)
Other SACU producers' sales volume	Unknown		Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Total SACU producers' sales volume	100		93	(100)	88	(75)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 340 and 370 index points.)
Import volume of alleged dumped imports by country								
- China	2 507		16 119	100	10 630	(6)	330 056	553
- Other imports	108 101		34 507	(100)	3 782	(131)	3 782	0
Total import volume	110 608		50 626	(100)	14 412	(132)	333 838	4 087
Total SACU market (local produced & imports)	100		90	(100)	83	(74)	83	0
VOLUME (kg)								
Picks	2021	%	2022	%	2023	%	2024*	%

Applicant's sales volume	100		86	(100)	77	(80)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 140 and 170 index points.)
Other SACU producers' sales volume	0		0	0	0	0	0	0
Total SACU producers' sales volume	100		86	(100)	77	(80)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 140 and 170 index points.)
Import volume of alleged dumped imports by country								
- China	9 583		34 601	100	2 799	(35)	93 371	1 239
- Other imports	832 597		141 707	(100)	251 285	93	251 285	0
Total import volume	842 180		176 309	(100)	254 084	56	344 656	45
Total SACU market (local produced & imports)	100		48	(100)	49	6	49	0
VOLUME (kg)								
Rakes	2021	%	2022	%	2023	%	2024*	%
Applicant's sales volume	100		92	(100)	86	(77)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 80 index	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 200 and 230 index points.)

							points, and below the 2023 level.)	
Other SACU producers' sales volume	Unknown		Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Total SACU producers' sales volume	100		92	(100)	86	(77)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 30 and 80 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 200 and 230 index points.)
Import volume of alleged dumped imports by country								
- China	62 797		67 697	100	36 310	(594)	123 604	3 081
- Other imports	180 816		104 982	(100)	11 467	(212)	11 467	0
Total import volume	243 612		172 680	(100)	47 777	(248)	135 071	628
Total SACU market (local produced & imports)	100		86	(100)	67	(155)	67	0

**VOLUME
(kg)**

Forks	2021	%	2022	%	2023	%	2024*	%
Applicant's sales volume	100		86	(100)	73	(118)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 100 and 130 index points.)

							below the 2023 level.)	
Other SACU producers' sales volume	Unknown		Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Total SACU producers' sales volume	100		86	(100)	73	(118)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 20 and 50 index points, and below the 2023 level.)	[CONFIDENTIAL] (A decreasing variance from the 2021 base value of 100, of between 100 and 130 index points.)
Import volume of alleged dumped imports by country								
- China	3 865		1 886	(100)	5 972	423	35 118	953
- Other imports	123 226		69 644	(100)	4 372	(216)	4 372	0
Total import volume	127 092		71 531	(100)	10 344	(196)	39 490	645
Total SACU market (local produced & imports)	100		77	(100)	52	(139)	52	0

*Estimates should the anti-dumping duties expire

The above table has been indexed due to confidentiality using 2021 as a base year

The Applicant state that the SACU market (volume) experienced negative growth over the POI, for each of the subject product categories, also showing year-on-year negative growth over the POI. The subject products imported from China also showed negative growth over the POI. The Applicant is of the view that the anti-dumping duties that are in place, played an important role in containing the low-priced dumped import from China.

The Applicant further indicated that it can reasonably be estimated that if the anti-dumping duties expire that the dumped imports of the subject products would at least surge to the high volumes as set out in the table above, resulting in the imports from China showing considerable increases in growth. These volumes would replace their sales volumes. The Applicant estimates that this would result in significant negative growth in 2024 and cause it material injury.

The Applicant further stated that as the other countries' estimated import volume are kept the same in 2024 as in 2023, with Chinese imports expected to increase and negatively impact on the SACU industry's sales volumes and negatively affect the SACU industry's future growth, the 2024 total SACU market volume remains the same.

5.3.1.13 Ability to raise capital or investments

Table 5.3.1.13: Ability to raise capital or investments

Spades and Shovels	2021	2022	2023	2024*
Total capital/investment in the subject product (Rand)*	100	100	100	100
Capital expenditure during year on subject product (Rand)	-	-	-	-
Picks	2021	2022	2023	2024*
Total capital/investment in the subject product (Rand)*	100	100	100	100
Capital expenditure during year on subject product (Rand)	-	-	-	-
Rakes	2021	2022	2023	2024*
Total capital/investment in the subject product (Rand)*	100	100	100	100
Capital expenditure during year on subject product (Rand)	-	-	-	-
Fork	2021	2022	2023	2024*
Total capital/investment in the subject product (Rand)*	100	100	100	100
Capital expenditure during year on subject product (Rand)	-	-	-	-

*Estimates should the anti-dumping duties expire

The above table has been indexed due to confidentiality using 2021 as a base year

The Applicant stated that it has no difficulty in raising capital or drawing on investment to expand production where such investment can be shown to be viable – viability includes effective protection from unfair and harmful trading practices, such as injurious dumping that impacts on their profits and return on investment. The Applicant further indicated that they have large unutilized installed capacity and thus there is no need to expand capacity at this stage.

5.4 SUMMARY – RECURRENCE OF MATERIAL INJURY

The information submitted by the Applicant demonstrates that it would continue to experience injury in the form of price undercutting, and decrease in profitability, sales volumes, output, productivity, cash flow and return on investment should the duties be allowed to expire. It is clear that should the anti-dumping duties be allowed to expire, the dumped imports would enter the SACU market at a higher rate, thereby resulting in the continuation of injury and having a negative impact on the performance of the domestic industry.

The Commission made a final determination that the expiry of the anti-dumping duties would likely lead to the continuation of material injury.

6. SUMMARY OF FINDINGS

6.1 Continuation or recurrence of dumping

From the information available, it is evident that the expiry of the anti-dumping duties imposed on the subject products would likely lead to the recurrence of dumping of the subject product originating in or imported from China.

6.2 Continuation or recurrence of material injury

There is sufficient information to indicate that if the anti dumping duties expire, the SACU industry would experience a continuation of material injury in the form of:

- (a) Increase in volume of imports;
- (b) Decline in sales volume;
- (c) Decline in gross and net profit;
- (d) Decline in output;
- (e) Decline in market share;
- (f) Decline in return on investment;
- (g) Decline in productivity;
- (h) Decline in cash flow;
- (i) Decline in capacity utilisation;
- (j) Ability to raise capital.

7. FINAL DUTIES

7.1 Amount of duties

The table below is provided for the purposes of comparison between the applicable anti-dumping duties and the calculated anti-dumping margins in the investigation:

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty	Calculated dumping margin
215.11	8201.10.10	Spades and shovels, of a maximum blade width of more than 200 mm but not exceeding 320 mm	China	4 796c/kg	4 904c/kg
215.11	8201.30.03	Picks	China	3 295c/kg	1 261c/kg
215.11	8201.30.90	Rakes with more than 8 prongs	China	3 466c/kg	4 047c/kg
215.11	8201.90.20	Forks, with a prong length exceeding 150 mm (excluding forks with 8 or more prongs)	China	4 668c/kg	1 941c/kg

The above table compares the current anti-dumping duties with the calculated dumping margin. No properly documented responses from the manufacturers of the subject products in China were received, and therefore the determination of the likelihood of the recurrence of dumping is made on the best information available, being that provided by the Applicant.

In these circumstances, it is the Commission's practice to recommend that the anti-dumping duties be maintained at the current levels unless there are compelling reasons to deviate from its practice.

8. RECOMMENDATION

The Commission made a final determination that there is sufficient information to indicate that the expiry of the duties would lead to the recurrence of dumping and the continuation of material injury.

The Commission therefore decided to recommend to the Minister of Trade, Industry and Competition that the current anti-dumping duties on garden picks, spades and shovels, rakes and forks originating in or imported from China be maintained as follows:

Item	Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
215.11	8201.10.10	Spades and shovels, of a maximum blade width of more than 200 mm but not exceeding 320 mm	China	4 796c/kg
215.11	8201.30.03	Picks	China	3 295c/kg
215.11	8201.30.90	Rakes with more than 8 prongs	China	3 466c/kg
215.11	8201.90.20	Forks, with a prong length exceeding 150 mm (excluding forks with 8 or more prongs)	China	4 668c/kg