

COMMISSION IMPLEMENTING REGULATION (EU) 2017/2206**of 29 November 2017****imposing a definitive anti-dumping duty on hand pallet trucks and their essential parts originating in the People's Republic of China following an expiry review pursuant to Article 11(2) of Regulation (EU) 2016/1036 of the European Parliament and of the Council**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union ⁽¹⁾ ('the basic Regulation'), and in particular Article 11(2) thereof,

Whereas:

1. PROCEDURE**1.1. Previous investigations and existing measures**

- (1) In July 2005, by Regulation (EC) No 1174/2005 ⁽²⁾ the Council imposed a definitive anti-dumping duty on imports of hand pallet trucks and their essential parts ('hand pallet trucks') originating in the People's Republic of China ('the PRC' or 'China'). The measures consisted of an *ad valorem* anti-dumping duty ranging between 7,6 % and 46,7 % ('the original measures').
- (2) In July 2008, by Regulation (EC) No 684/2008 ⁽³⁾ the Council, following an *ex officio* partial interim review under Article 11(3) of the basic Regulation, clarified the scope of the measures and excluded certain products, high lifters, stackers, scissor lifts and weighing trucks, that were found to be distinct from hand pallet trucks due to their characteristics and specific functions and end-uses, from the original anti-dumping measures.
- (3) In June 2009, by Regulation (EC) No 499/2009 ⁽⁴⁾ the Council, following an anti-circumvention investigation under Article 13 of the basic Regulation, extended the definitive anti-dumping duty applicable to 'all other companies' imposed by Regulation (EC) No 1174/2005 to hand pallet trucks consigned from Thailand whether declared as originating in Thailand or not.
- (4) In October 2011, by Implementing Regulation (EU) No 1008/2011 ⁽⁵⁾, the Council, following an expiry review pursuant to Article 11(2) of the basic Regulation, imposed a definitive anti-dumping duty on imports of hand pallet trucks originating in the PRC.
- (5) In April 2013, by Implementing Regulation (EU) No 372/2013 ⁽⁶⁾, the Council, following an interim review pursuant to Article 11(3) of the basic Regulation, amended Regulation (EU) No 1008/2011, and imposed a duty rate of 70,8 % applicable to all imports into the Union of hand pallet trucks originating in the PRC.

⁽¹⁾ OJ L 176, 30.6.2016, p. 21.

⁽²⁾ Council Regulation (EC) No 1174/2005 of 18 July 2005 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of hand pallet trucks and their essential parts originating in the People's Republic of China (OJ L 189, 21.7.2005, p. 1).

⁽³⁾ Council Regulation (EC) No 684/2008 of 17 July 2008 clarifying the scope of the anti-dumping measures imposed by Regulation (EC) No 1174/2005 on imports of hand pallet trucks and their essential parts originating in the People's Republic of China (OJ L 192, 19.7.2008, p. 1).

⁽⁴⁾ Council Regulation (EC) No 499/2009 of 11 June 2009 extending the definitive anti-dumping duty imposed by Regulation (EC) No 1174/2005 on imports of hand pallet trucks and their essential parts originating in the People's Republic of China to imports of the same product consigned from Thailand, whether declared as originating in Thailand or not (OJ L 151, 16.6.2009, p. 1).

⁽⁵⁾ Council Implementing Regulation (EU) No 1008/2011 of 10 October 2011 imposing a definitive anti-dumping duty on imports of hand pallet trucks and their essential parts originating in the People's Republic of China as extended to imports of hand pallet trucks and their essential parts consigned from Thailand, whether declared as originating in Thailand or not, following an expiry review pursuant to Article 11(2) of Regulation (EC) No 1225/2009 (OJ L 268, 13.10.2011, p. 1).

⁽⁶⁾ Council Implementing Regulation (EU) No 372/2013 of 22 April 2013 amending Implementing Regulation (EU) No 1008/2011 imposing a definitive anti-dumping duty on imports of hand pallet trucks and their essential parts originating in the People's Republic of China following a partial interim review pursuant to Article 11(3) of Regulation (EC) No 1225/2009 (OJ L 112, 24.4.2013, p. 1).

- (6) In September 2014, by Implementing Regulation (EU) No 946/2014 ⁽¹⁾, the Commission, following a new exporter review pursuant to Article 11(4) of the basic Regulation, amended Regulation (EU) No 1008/2011, imposing an individual duty rate of 54,1 % on imports of hand pallet trucks from Ningbo Logitrans Handling Equipment Co.
- (7) In August 2016, by Implementing Regulation (EU) 2016/1346 ⁽²⁾ the Commission, following an anti-circumvention investigation under Article 13 of the basic Regulation, extended the definitive anti-dumping duties in force to imports of slightly modified hand pallet trucks incorporating a weight indication system not integrated in the chassis (the forks) originating in the PRC.
- (8) The measures currently in force are a definitive anti-dumping duty on the importation of hand pallet trucks and their essential parts originating in the PRC consisting of an *ad valorem* duty established at 70,8 %.

1.2. Request for an expiry review

- (9) Following the publication of a notice of impending expiry ⁽³⁾ of the anti-dumping measures in force, the Commission received a request for the initiation of an expiry review of the measures in force against the PRC pursuant to Article 11(2) of the basic Regulation.
- (10) The request was lodged by two Union producers, Toyota Material Handling Manufacturing Sweden AB and PR Industrial S.r.l. (‘the applicants’), representing more than 25 % of the total Union production of hand pallet trucks and their essential parts.
- (11) The request was based on the grounds that the expiry of the measures would be likely to result in continuation of dumping and continuation of injury to the Union industry.

1.3. Initiation of an expiry review

- (12) Having determined, after consulting the Committee established by Article 15(1) of the basic Regulation, that sufficient evidence existed for the initiation of an expiry review, the Commission announced on 12 October 2016, by a notice published in the *Official Journal of the European Union* ⁽⁴⁾ (‘Notice of Initiation’), the initiation of an expiry review pursuant to Article 11(2) of the basic Regulation.

1.4. Parallel investigation for possible circumvention

- (13) On 19 July 2017, by Implementing Regulation (EU) 2017/1348 ⁽⁵⁾, the Commission initiated an investigation concerning the possible circumvention of the anti-dumping measures in force by imports of hand pallet trucks and their essential parts consigned from Vietnam, whether declared as originating in Vietnam or not, in accordance with Article 13 of the basic Regulation.

1.5. Investigation

1.5.1. Interested parties

- (14) In the Notice of Initiation, the Commission invited interested parties to contact it in order to participate in the investigation. In addition, the Commission specifically informed the applicants, other known Union producers, the known exporting producers, the Chinese authorities, known importers and users about the initiation of the investigation and invited them to participate.

⁽¹⁾ Commission Implementing Regulation (EU) No 946/2014 of 4 September 2014 amending Council Implementing Regulation (EU) No 1008/2011 imposing a definitive anti-dumping duty on imports of hand pallet trucks and their essential parts originating in the People’s Republic of China following a ‘new exporter’ review pursuant to Article 11(4) of Council Regulation (EC) No 1225/2009 (OJ L 265, 5.9.2014, p. 7).

⁽²⁾ Commission Implementing Regulation (EU) 2016/1346 of 8 August 2016 extending the definitive anti-dumping duty imposed by Council Implementing Regulation (EU) No 1008/2011, as amended by Council Implementing Regulation (EU) No 372/2013, on imports of hand pallet trucks and their essential parts originating in the People’s Republic of China to imports of slightly modified hand pallet trucks originating in the People’s Republic of China (OJ L 214, 9.8.2016, p. 1).

⁽³⁾ Notice of the impending expiry of certain anti-dumping measures (OJ C 34, 29.1.2016, p. 15).

⁽⁴⁾ Notice of initiation of an expiry review of the anti-dumping measures applicable to imports of hand pallet trucks and their essential parts originating in the People’s Republic of China (OJ C 373, 12.10.2016, p. 3).

⁽⁵⁾ Commission Implementing Regulation (EU) 2017/1348 of 19 July 2017 initiating an investigation concerning the possible circumvention of anti-dumping measures imposed by Council Implementing Regulation (EU) No 1008/2011, as amended by Implementing Regulation (EU) No 372/2013, on imports of hand pallet trucks and their essential parts originating in the People’s Republic of China by imports consigned from Vietnam, whether declared as originating in Vietnam or not, and making such imports subject to registration (OJ L 188, 20.7.2017, p. 1).

- (15) Interested parties had an opportunity to make their views known and to request a hearing with the Commission and/or the Hearing Officer in trade proceedings within the time limits set out in the Notice of Initiation.

1.6. Analogue country

- (16) In the Notice of Initiation, the Commission informed interested parties that it envisaged Brazil as a third market economy country ('analogue country') within the meaning of Article 2(7)(a) of the basic Regulation. Interested parties had an opportunity to comment on this choice. No comments were received.
- (17) The Commission contacted the Brazilian authorities and informed the two known producers of hand pallet trucks in Brazil about the initiation and invited them to participate. One of the producers in Brazil was willing to cooperate. No other known producer, nor any other Brazilian producer, replied.
- (18) The Commission also sought cooperation from known producers in other potential analogue countries and contacted the relevant authorities in Cambodia, India, Malaysia, Taiwan, Turkey and the USA inviting them to provide the names and addresses of producers' association and producers that are known to produce and sell hand pallet trucks on their market. However, none of the contacted countries provided such information and no producer from these countries was willing to cooperate.
- (19) As mentioned in recital 17 above, cooperation was only received from Brazil where one of the two large producers in the country was found willing to cooperate. In any event, after further examination of the available market information, Brazil is considered an appropriate analogue country also for its competitive market. The existence of genuine competition is evidenced by the presence of at least two domestic producers and the facts of imports. Brazil has no anti-dumping measures in place and despite a normal MFN import duty of 14 %, the Brazilian market was considered to be open for imports, as publicly available import data from ITC ⁽¹⁾ show for the years from 2012 to 2016. The investigation revealed no indications that Brazil would not be an appropriate choice given its competitive market situation. Brazil was thus selected as an analogue country.

1.7. Sampling

- (20) In its Notice of Initiation, the Commission stated that it might sample the interested parties in accordance with Article 17 of the basic Regulation.

1.7.1. Sampling of exporting producers in the PRC

- (21) In view of the potentially large number of exporting producers in the PRC, sampling was envisaged in the Notice of Initiation.
- (22) To decide whether sampling would be necessary and, if so, to select a sample, exporting producers in the PRC were requested to make themselves known within 15 days of the initiation of the review and to provide the Commission with the information requested in the Notice of initiation. However, none of the exporting producers came forward. Sampling was therefore not necessary.

1.7.2. Sample of importers

- (23) In view of the apparent large number of unrelated importers, it was considered appropriate, in accordance with Article 17 of the basic Regulation, to examine whether sampling should be used. In order to enable the Commission to decide whether sampling would be necessary and, if so, to select a sample, the above parties were requested to make themselves known within 15 days of the initiation of the review and to provide the Commission with the information requested in the Notice of initiation. However, no unrelated importers came forward to cooperate. Sampling was therefore not necessary.

⁽¹⁾ www.trademap.org from Market Analysis and Research, International Trade Centre (ITC).

1.7.3. *Sample of Union producers*

- (24) In the Notice of Initiation, the Commission stated that it had provisionally selected a sample of Union producers. According to the request for review, there are six producers of hand pallet trucks in the Union. Five Union producers came forward in the context of the standing exercise. One additional Union producer was known at the time of initiation. These six Union producers represent the entire Union production. The Commission intended to investigate all six producers and no sampling was applied. The Commission informed all interested parties accordingly and invited them to comment. No comments were received within the deadline.

1.8. **Questionnaires**

- (25) Questionnaires were sent to the six known Union producers and two producers of hand pallet trucks in Brazil. The Commission received replies to the questionnaire from five Union producers and one producer of hand pallet trucks in Brazil.
- (26) None of the users supplied the Commission with any information or made themselves known in the course of the investigation.

1.9. **Verification visits**

- (27) The Commission sought and verified all the information deemed necessary for a determination of the likelihood of continuation of dumping and resulting injury and of the Union interest. Verification visits pursuant to Article 16 of the basic Regulation were carried out at the premises of the following companies:

Union producers:

- PR Industrial S.r.l., Casole d'Elsa, Italy
- Toyota Material Handling Manufacturing Sweden AB, Mjölby, Sweden
- Logitrans A/S — Denmark, Ribe, Denmark
- ZAKREM Sp. z o.o., Grajewo, Poland
- VMH — Material Handling s. r. o., Veľký Šariš, Slovakia

Producer in the analogue country:

- Paletrans Equipamentos, Cravinhos, Brazil

1.10. **Investigation period and period considered**

- (28) The investigation of dumping and injury covered the period from 01 October 2015 to 30 September 2016 ('the review investigation period' or 'RIP'). The examination of trends relevant for the assessment of injury covered the period from 01 January 2013 to the end of the investigation period ('the period considered').

2. **PRODUCT UNDER REVIEW AND LIKE PRODUCT**

- (29) The product subject to this review is hand pallet trucks and their essential parts, i.e. chassis and hydraulics, currently falling within CN codes ex 8427 90 00 (TARIC codes 8427 90 00 11, 8427 90 00 13 and 8427 90 00 19) and ex 8431 20 00 (TARIC codes 8431 20 00 11, 8431 20 00 13 and 8431 20 00 19), originating in the People's Republic of China. The anti-dumping measures on this product were extended to the same product but presented at import with a so-called 'weight indication system' consisting of a weighing mechanism not integrated in the chassis, that is to say not integrated in the forks, currently falling within TARIC codes 8427 90 00 30 and 8431 20 00 50 ('the product under review'). The product definition above was updated in accordance with the corrigendum to Commission Implementing Regulation (EU) 2016/1346 of 8 August 2016 ⁽¹⁾.

⁽¹⁾ Corrigendum to Commission Implementing Regulation (EU) 2016/1346 of 8 August 2016 extending the definitive anti-dumping duty imposed by Council Implementing Regulation (EU) No 1008/2011, as amended by Council Implementing Regulation (EU) No 372/2013, on imports of hand pallet trucks and their essential parts originating in the People's Republic of China to imports of slightly modified hand pallet trucks originating in the People's Republic of China (OJ L 202, 3.8.2017, p. 8).

- (30) The investigation confirmed that, as in the original investigation, the product under review and the products manufactured and sold on the domestic market in the PRC, the products manufactured and sold on the analogue country market, as well as those manufactured and sold in the Union by the Union producers, have the same basic physical and technical characteristics as well as the same uses and are, therefore, considered to be like products within the meaning of Article 1(4) of the basic Regulation.

3. LIKELIHOOD OF A CONTINUATION OR RECURRENCE OF DUMPING

3.1. Preliminary remarks

- (31) In accordance with Article 11(2) of the basic Regulation, it was examined whether dumping was taking place during the review investigation period and whether the expiry of the existing measures would be likely to lead to a continuation or recurrence of dumping.
- (32) As mentioned in recital 22 none of the Chinese exporting producers cooperated in this investigation. Therefore, the Commission informed the Chinese authorities that in accordance with Article 18 of the basic Regulation facts available may be used with regard to the Chinese exporting producer in order to determine whether dumping is currently taking place and the likelihood of continuation or recurrence of dumping. The Commission did not receive any comments or requests for an intervention of the Hearing Officer from the Chinese authorities in this regard.
- (33) On this basis, in accordance with Article 18(1) of the basic Regulation, the findings in relation to the existence of dumping and the likelihood of continuation or recurrence of dumping set out below were based on facts available, in particular:
- (i) information contained in the request;
 - (ii) Eurostat statistics and the data reported to the Commission by the Member States pursuant to Article 14(6) of the basic Regulation ('Article 14(6) database');
 - (iii) publicly available statistics of the Chinese Export Statistics;
 - (iv) publicly available statistics of the U.S. International Trade Commission Interactive Trade DataWeb (USITC DataWeb), using data retrieved from the U.S. Bureau of the Census;
 - (v) publicly available statistics of the 'Trade Map' of Market Analysis and Research Division of the International Trade Centre (ITC) in Geneva, Switzerland.

3.2. Dumping

3.2.1. *Exporting producers who have been granted market economy treatment in the original investigation*

3.2.1.1. Normal value

- (34) One exporting producer was granted market economy treatment ("MET") in the new exporter review pursuant to Article 11(4) of the basic Regulation mentioned in recital 7. Due to its non-cooperation, in accordance with Article 18 of the basic Regulation, the normal value for this exporting producer was, accordingly, based on facts available.
- (35) The normal value was established on the basis of the export prices to an appropriate third country brought back to an ex-works China level. In this case import data of hand pallet trucks originating in China into the USA ⁽¹⁾ was used. In 2016 around 424 000 hand pallet trucks were imported in the USA originating in the PRC at a value of around USD 76,115 million. After applying the average EURO exchange rate for the same year and deducting the same level of adjustments for ocean freight (5,5 %), sea insurance (0,05 %) and inland freight (1,67 %) as used in the findings of the partial interim review mentioned in recital 5 the ex-works price was calculated.
- (36) This was considered the most reasonable methodology in the context of this expiry review given the lack of other information available due to the lack of cooperation.

⁽¹⁾ Source: U.S. International Trade Commission Interactive Trade DataWeb (USITC DataWeb), using data retrieved from the U.S. Bureau of the Census.

3.2.1.2. Export price

- (37) The export price for this exporting producer was based on its imports into the Union of the product under review during the review investigation period as recorded in the Article 14(6) database.

3.2.1.3. Comparison

- (38) The Commission compared the normal value and the export price thus established on an ex-works basis. For the purpose of a fair comparison, the export price and the normal value were adjusted for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. Adjustments were made for ocean freight, handling costs and inland freight based on information used in the findings of the partial interim review mentioned in recital 5 in accordance with Article 18 of the basic Regulation.

3.2.1.4. Dumping margin

- (39) The Commission compared the weighted average normal value to the weighted average export price as established above in accordance with Article 2(11) and (12) of the basic Regulation.
- (40) On this basis, the weighted average dumping margin expressed as a percentage of the CIF Union frontier price, duty unpaid was 5,7 % for Ningbo Logitrans Handling Equipment Co.

3.2.2. *Exporting producers who have not been granted market economy treatment during the original investigation*

3.2.2.1. Normal value

- (41) For those Chinese exporting producers who were not granted MET in the original investigation normal value should be established according to Article 2(7)(a) of the basic Regulation, i.e. on the basis of the price or constructed value in an appropriate market economy third country (the 'analogue country').
- (42) As explained in recitals 16 to 18, Brazil was selected as analogue country and one producer in Brazil cooperated in the investigation. Normal value was in this regard established on the basis of ex-works prices for the profitable sales of hand pallet trucks in the analogue country, representing more than 20 % of the total sales, and constructed in all other cases in accordance with Article 2(7)(a) of the basic Regulation.

3.2.2.2. Export price

- (43) Due to the non-cooperation from the Chinese exporting producers, export prices were established, in accordance with Article 18 of the basic Regulation, on the basis of the Article 14(6) database for imports made to the Union during the review investigation period. In particular, import prices as mentioned in recital 70 were used to calculate the export price during the RIP by deducting from these import prices the same level of adjustments for ocean freight, handling costs and inland freights as used in the findings of the partial interim review mentioned in recital 5.

3.2.2.3. Comparison

- (44) The Commission compared the normal value and the export price thus established on an ex-works basis. Where justified for the purpose of a fair comparison, the export price and the normal value were adjusted for differences affecting prices and price comparability in accordance with Article 2(10) of the basic Regulation. Adjustments were made for ocean freight, handling costs and inland freight based on information used in the findings of the partial interim review mentioned in recital 5, in accordance with Article 18 of the basic Regulation.

3.2.2.4. Dumping margin

- (45) The Commission compared the weighted average normal value to the weighted average export price as established above in accordance with Article 2(11) and (12) of the basic Regulation.

- (46) On this basis the weighted average dumping margin expressed as a percentage of the cost, insurance, freight ('CIF) Union frontier price, duty unpaid was 29,2 % for all producers of the PRC which were not granted market economy treatment during the original investigation.

3.2.3. *Development of imports should measures be repealed*

- (47) Further to the finding of dumping during the review investigation period, the Commission analysed whether there was a likelihood of a continuation of dumping, should the measures be repealed. The following elements were analysed: the production capacity and spare capacity in the PRC, Chinese export behaviour in other third countries and the attractiveness of the Union market.
- (48) Given the non-cooperation of the Chinese exporting producers, in accordance with Article 18 of the basic Regulation, the findings in relation to the likelihood of recurrence of dumping set out below were based on facts available, namely the sources mentioned in recital 22.

3.2.4. *Production capacity and spare capacity in China*

- (49) Concerning production and production capacity in China, in the absence of other sources of information, the analysis was made on the basis of data submitted during the investigation by the applicants for the 22 largest Chinese producers.
- (50) On this basis the production capacity in China was estimated to be minimum 2,5 million pieces per year, actual production around 2,0 million pieces per year and, as a result, the Chinese spare capacity was estimated to be at least half a million pieces per year. However, this is a conservative estimate as according to the applicants there are an additional 34 known Chinese companies which are manufacturing hand pallet trucks in China on a smaller scale.
- (51) This estimated spare capacity corresponds to about 100 % of the average total yearly consumption of the Union market from 2014 to 2016. In light of no evidence to the contrary, the Commission accepted this estimate as reasonable.

3.2.5. *China's export behaviour in other third countries*

- (52) Regarding China's export behaviour to other third countries there are no statistics available on the product under review in isolation. The relevant commodity codes of the Chinese Export Statistics database include also other products, namely 'Trucks fitted with lifting or handling equipment, non-powered', which have a higher unit price than hand pallet trucks, which increases the average export price.
- (53) The request for review does not provide any data. As a proxy to provide a rough indication of the trends of the export volumes, however with the limitations highlighted above in recital 52, the Chinese Export Statistics data base could be used ⁽¹⁾. On this basis it was established that export volumes remained significant and relatively stable from 2014 to 2016.
- (54) According to the China export database, in the RIP, the average selling price in the EU was EUR 221/piece while it amounted to only EUR 162/piece in other third country markets. For the same reasons as described above in recital 52, it should be recalled that the price level in other third countries of the product under review is actually even lower.
- (55) Concerning domestic consumption in China, the request indicated that it is about half a million pieces per year. However, in view of the lack of cooperation and other data, there are no further indications about the possibility for China to absorb any spare capacity in the future. Nevertheless, it is expected that the Union market would attract the product under review, as discussed below in recitals 56 and 57.

3.2.6. *Attractiveness of the Union market*

- (56) The Union market has always been attractive to Chinese exporting producers of hand pallet trucks. This is shown by their continuous presence dating back to the original investigation as well as by the efforts deployed trying to circumvent the measures in place in the past via Thailand as mentioned in recital 3 and via a slight modification of the product mentioned in recital 7.

⁽¹⁾ The relevant commodity code of the Chinese export statistics database also includes other products namely 'Trucks fitted with lifting or handling equipment, non-powered', which have a higher unit value. Using such database might result in overstating the export prices of hand pallet trucks.

- (57) In addition the attractiveness of the Union market would be confirmed by the fact that the Chinese exporting producers can achieve higher prices in the Union market as compared to the prices they achieve on average in other third country markets as mentioned in recital 54.

3.3. Conclusion on the likelihood of a continuation of dumping

- (58) Based on the above, the Commission considered that should the measures be repealed there is a strong likelihood of continuation of dumping. Indeed, based on the dumping margins found during the RIP for imports into the Union market, it is likely that imports from China will continue to be made at dumped prices. Moreover, in view of the significant production capacity and spare capacity available in China, even though there are no indications about the absorption capacity, and given the attractiveness of the Union market, it is likely that these imports will continue to enter the Union market in large quantities that are likely to significantly further increase should measures be allowed to lapse.

4. LIKELIHOOD OF CONTINUATION OR RECURRENCE OF INJURY

4.1. Definition of the Union industry and Union production

- (59) The like product was manufactured by six producers in the Union during the review investigation period. They constitute the 'Union industry' within the meaning of Article 4(1) of the basic Regulation.
- (60) Only five Union producers replied to the questionnaire. The sixth Union producer was willing to cooperate but did not reply to the questionnaire. It represents 2 % of total Union production. Accordingly, the Commission could base its findings on five producers representing 98 % of the total Union production, as well as on the estimation for the sixth producer on the basis of the information provided during the standing exercise.

4.2. Union consumption

- (61) The Commission established the Union consumption on the basis of the sales volumes of the Union industry on the Union market and import data from Eurostat.
- (62) Total Union industry sales were obtained on the basis of the questionnaire replies of the five Union producers and an estimate for the sixth company, based on its market share.
- (63) On this basis, the Union consumption developed as follows:

Table 1

Union Consumption

	2013	2014	2015	RIP
Union Consumption (pieces)	363 641	543 535	427 879	529 212
<i>Index (2013 = 100)</i>	100	149	118	146

Source: Questionnaire of the Union industry and Eurostat statistics.

- (64) From 2013 to the RIP the Union consumption increased by 46 %. It showed a decrease from 2014 to 2015, but increased again to levels similar to those in 2014 during the RIP.

4.3. Imports from the country concerned

- (65) In the absence of cooperation of any Chinese exporting producers, the Commission used the statistics available in Eurostat to establish the volume and prices of imports from the PRC to the Union during the period considered.

4.3.1. *Volume and market share of the imports from the country concerned*

- (66) The imports into the Union from the country concerned and market share developed as follows:

Table 2

Import volume and market share

	2013	2014	2015	RIP
Chinese imports (pieces)	239 251	113 929	85 976	85 482
<i>Index</i>	100	48	36	36
Chinese market share (%)	66	21	20	16
<i>Index</i>	100	32	31	25

Source: Eurostat statistics.

- (67) In the period considered, import volumes from China have decreased by 64 %. This decrease took mainly place between 2013 and 2015, while import levels during the RIP were at similar levels than in 2015.
- (68) This decrease has to be seen in the light of the increase of the anti-dumping duty (from 46,7 % to 70,8 %) that took place in 2013 following the interim review mentioned in recital 5.
- (69) During the period considered the Chinese market share decreased from 66 % to 16 %, an overall drop of 50 percentage points (or 75 %).

4.3.2. *Prices of the imports from the country concerned and price undercutting*

- (70) The weighted average price of imports into the Union from the country concerned developed as follows:

Table 3

Import prices

	2013	2014	2015	RIP
Chinese import prices (EUR/piece)	117	119	146	154
<i>Index</i>	100	102	125	132

Prices do not include anti-dumping duties in place.

Source: Eurostat statistics.

- (71) Prices of imports from China continuously increased over the period considered and in total by 32 % between 2013 and the RIP.
- (72) In the absence of cooperation from any Chinese exporting producer subject to this investigation, the Commission determined the price undercutting during the review investigation period by comparing:
- the weighted average sales price of the Union producer charged to independent customers on the Union market, adjusted to an ex-works level, and
 - the average Chinese import price based on Eurostat statistics including the anti-dumping duties.
- (73) On this basis, in the RIP, Chinese import prices were undercutting the Union industry's prices by 1,9 % (or 41 %, when considering the Chinese import prices without anti-dumping duties).

4.4. Imports from third countries

- (74) The volume of imports into the Union from third countries other than the country concerned is shown in the table below. The quantity and the price trends are based on Eurostat. On this basis, imports into the Union from third countries developed as follows:

Table 4

Import volumes, market share and prices from third countries

	2013	2014	2015	RIP
Malaysia (pieces)	2 933	252 004	136 046	182 177
<i>Index</i>	100	8 592	4 638	6 211
Market share (%)	1	46	32	34
<i>Index</i>	100	5 748	3 942	4 268
Average price (EUR/piece)	118	146	153	149
<i>Index</i>	100	124	130	127
Vietnam (pieces)	6 817	22 133	30 329	58 512
<i>Index</i>	100	325	445	858
Market share (%)	2	4	7	11
<i>Index</i>	100	217	378	590
Average price (EUR/piece)	112	123	141	135
<i>Index</i>	100	110	126	121
Other third countries (*) (pieces)	6 893	9 328	11 442	17 528
<i>Index</i>	100	135	166	254
Market share (%)	2	2	3	3
<i>Index</i>	100	91	141	175
Average price (EUR/piece)	951	430	288	346
<i>Index</i>	100	45	30	36
Total third countries (pieces)	16 643	283 465	177 817	258 217
<i>Index</i>	100	1 703	1 068	1 552
Market share (%)	5	52	42	49
<i>Index</i>	100	1 139	908	1 066
Average price (EUR/piece)	461	153	160	160
<i>Index</i>	100	33	35	35

(*) excluding Malaysia and Vietnam.

Source: Eurostat statistics and statistics available in the Article 14(6) database (for Malaysia in 2014).

- (75) Volumes of imports from third country markets increased significantly (passing from 16 643 in 2013 to 258 217 pieces in the RIP) over the period considered. During the RIP, their combined market share reached 49 %. This increase should be seen in the light of the loss of market share of the Chinese imports (– 75 %) discussed in recital 69.

- (76) The average price of imports from third countries rose by 13 % between 2013 and the RIP.
- (77) Of these imports, volumes from Malaysia increased steeply over the period considered and their market share rose from 1 % in 2013 to 34 % in the RIP. Import prices from Malaysia increased by 27 % during the period considered. In the RIP they were on average 3 % lower than Chinese prices (without anti-dumping duties) and 13 % lower than the Union industry prices.
- (78) Similarly, imports volumes from Vietnam rose significantly and their market share increased from 2 % to 11 % between 2013 and the RIP. Import prices from Vietnam increased by 21 % during the period considered. In the RIP they were on average 12 % lower than Chinese prices (without anti-dumping duties) and 22 % lower than the Union industry prices.

5. ECONOMIC SITUATION OF THE UNION INDUSTRY

5.1. General remarks

- (79) In accordance with Article 3(5) of the basic Regulation, the examination of the impact of the dumped imports on the Union industry included an evaluation of all economic indicators having a bearing on the state of the Union industry during the period considered.
- (80) For the injury determination, the Commission distinguished between macroeconomic and microeconomic injury indicators. The Commission evaluated the macroeconomic indicators on the basis of data contained in the questionnaire replies and made estimation for the sixth producer on the basis of the information provided during the standing exercise. The Commission evaluated the microeconomic indicators on the basis of data contained in the questionnaires of the five Union producers who provided a reply.
- (81) The macroeconomic indicators are: production, production capacity, capacity utilisation, sales volume, market share, growth, employment, productivity and magnitude of the dumping margin and recovery from past dumping.
- (82) The microeconomic indicators are: average unit prices, average unit cost, labour costs, inventories, profitability, cash flow, investments, return on investments, and ability to raise capital.

5.2. Macroeconomic indicators

5.2.1. Production, production capacity and capacity utilisation

- (83) The total Union production, production capacity and capacity utilisation developed over the period considered as follows:

Table 5

Union Production, production capacity and capacity utilisation

	2013	2014	2015	RIP
Production volume (pieces)	134 632	187 979	194 129	226 379
<i>Index</i>	100	140	144	168
Production capacity (pieces)	412 539	412 305	422 716	422 862
<i>Index</i>	100	100	102	103
Capacity utilisation (%)	33	46	46	54
<i>Index</i>	100	140	141	164

Source: Questionnaire replies, estimation for the sixth producer (based on standing reply).

- (84) Between 2013 and the RIP the Union industry's production steadily increased and by 68 % over the total period considered, while its capacity remained fairly stable, increasing by only 3 % over the same period. As a result, the capacity utilisation rose by 64 %. Despite this increase, the capacity utilisation remained low and reached only 54 % in the RIP.

5.2.2. Sales volume and market share

- (85) The Union industry's sales volume and market share developed over the period considered as follows:

Table 6

Sales volume and market share

	2013	2014	2015	RIP
Sales volume (pieces)	107 747	146 141	164 086	185 513
<i>Index</i>	100	136	152	172
Market share (%)	30	27	38	35
<i>Index</i>	100	91	129	118

Source: Questionnaire replies, estimation for the sixth producer (based on standing reply).

- (86) During the period considered the sales volume of the Union industry to unrelated customers in the Union continuously and significantly increased, overall by 72 %.
- (87) The market share decreased by 9 % between 2013 and 2014, since the sales volumes rose slower (36 %) than the consumption (49 %). The following year, the sales volumes continued to increase by 12 %, while the consumption fell by 21 %. As a result the market share increased by 42 %. Finally, between 2015 and the RIP, the market share decreased by 8 %.

5.2.3. Growth

- (88) Between 2013 and the RIP, the increase of sales volumes (72 %) occurred in a context of increasing consumption (34 %) as observed in recital 64. Moreover, the import volumes from other third countries (excluding China) also increased over the period by 34 % as shown in recital 75, while the Chinese import volumes fell by 64 % (see recital 67). As a result, the market share of the Union industry increased from 30 % in 2013 to 35 % in the RIP (up of 5 percentage points).

5.2.4. Employment and productivity

- (89) Employment and productivity developed over the period considered as follows:

Table 7

Employment and productivity

Index	2013	2014	2015	RIP
Number of employees	222	265	271	289
<i>Index</i>	100	119	122	130
Productivity (pieces/employee)	607	710	716	785
<i>Index</i>	100	117	118	129

Source: Questionnaire replies, estimation for the sixth producer (based on standing reply).

- (90) The number of employees of the Union industry increased by 30 % during the period considered. Since the production rose even faster during the same period (i.e. by 68 %), the productivity, reflecting the average number of pieces produced per employee, increased by 29 %.

5.2.5. Magnitude of the dumping margin and recovery from past dumping

- (91) Anti-dumping measures against imports from PRC have first been imposed in 2005. The level of these measures increased in 2013 following an interim review.
- (92) During the RIP, as established in the recitals 40 and 46 the dumping margins found were above the *de minimis* level. During the period considered import volumes from the PRC were decreasing by 34 % which translated also in a decrease in Chinese market share from 66 % in 2013 to 16 % during the RIP. As described in recital 73, Chinese import prices undercut the Union industry sales prices on the Union market during the RIP by 1,9 %. The anti-dumping measures in force can therefore be considered effective. During the period considered the Union industry was able to increase its sales volume and market share significantly with positive effects on its financial situation and was therefore able to start to recover from the effect of past injurious dumping.

5.3. Microeconomic indicators

5.3.1. Prices and factors affecting prices

- (93) The average unit sales prices of the five Union producers to unrelated customers in the Union developed over the period considered as follows:

Table 8

Average sales prices and unit costs

	2013	2014	2015	RIP
Average unit selling price in the Union (EUR/piece)	304	283	280	277
<i>Index</i>	100	93	92	91
Unit cost of production (EUR/piece)	321	285	285	264
<i>Index</i>	100	89	89	82

Source: Questionnaire replies.

- (94) The average unit sales prices of the Union industry decreased overall by 9 % during the period considered. At the same time, the unit cost of production of the Union industry decreased by 18 %. The main driver for this decrease was the fall of raw material prices (namely steel).

5.3.2. Labour costs

- (95) The average labour costs of the five Union producers which replied to the questionnaire developed over the period considered as follows:

Table 9

Average labour cost per employee

	2013	2014	2015	RIP
Average labour cost per employee (EUR)	31 607	35 860	32 403	30 519
<i>Index</i>	100	113	103	97

Source: Questionnaire replies.

- (96) Between 2013 and the RIP, the average labour cost per employee of the Union producer slightly decreased by 3 %. It was first increasing between 2013 and 2014, but then decreased continuously and reached during the RIP a lower level than in 2013.

5.3.3. Inventories

- (97) Stock levels of the five Union producers who replied to the questionnaire developed over the period considered as follows:

Table 10

Inventories

	2013	2014	2015	RIP
Closing stock (pieces)	5 949	9 509	6 011	8 048
<i>Index</i>	100	160	101	135
Closing stocks as percentage of production (%)	4	5	3	4
<i>Index</i>	100	114	70	80

Source: Questionnaire replies.

- (98) The closing stocks of the Union industry increased from 2013 to 2014 by 60 % and subsequently decreased by 59 % from 2014 to 2015. From 2015 to RIP the stocks again increased by 34 %. Over the period considered closing stocks increased by 35 % overall.
- (99) However, when looking at the closing stocks as percentage of production there was a decrease of 20 % over the period considered.

5.3.4. Profitability, cash flow, investments, return on investments and ability to raise capital

- (100) Profitability, cash flow, investments and return on investments of the five Union producers which replied to the questionnaire developed over the period considered as follows:

Table 11

Profitability, cash flow, investments and return on investments

	2013	2014	2015	RIP
Profitability of sales in the Union to unrelated customers (% of sales turnover)	- 5,7	- 0,7	- 1,7	4,6
<i>Index</i>	100	187	170	281
Cash flow (EUR)	1 351 755	850 864	3 391 912	4 086 913
<i>Index</i>	100	63	251	302
Net investments (EUR)	689 176	2 072 908	782 675	837 146
<i>Index</i>	100	301	114	121
ROI (profit in % of net book value of investments)	- 96	- 9	- 23	68
<i>Index</i>	100	190	176	270

Source: Questionnaire replies.

- (101) The Commission established the profitability of the five Union producers which replied to the questionnaire by expressing the pre-tax net profit of the sales of the like product to unrelated customers in the Union as a percentage of the turnover of those sales. The profitability improved from – 5,7 % in 2013 to + 4,6 % in the RIP. The Union industry was loss making throughout the period considered, with the exception of the RIP.
- (102) Cash flow, which is the ability of the Union producers to self-finance their activities, had a two-fold increase over the period considered.
- (103) Investments increased by 21 % over the period considered and in particular in 2014, when these were 201 % higher than in the previous year. This was mainly driven by the acquisition of a business unit, partly manufacturing hand pallet trucks, by one of the Union producers.
- (104) The return on investments is the profit in percentage of the net book value of investments. It improved from – 96 % in 2013 to 68 % in the RIP. Overall, the increase of return on investment (+ 170 %) is fairly in line with the increase of profitability (181 %) over the period considered.

5.4. Conclusion on injury

- (105) Due to anti-dumping duties in place, and in particular since their increase to 70,8 % in 2013 following the interim review mentioned in recital 5, the Union industry was able to start to recover from the effect of past injurious dumping.
- (106) Over the period considered, almost all indicators, namely production volume, capacity utilisation, sales volume, employment, productivity, inventories, investments and return on investments and finally the profitability showed visible improvements. Unit cost of production decreased partly due to the lower raw material costs and the increase in production volume.
- (107) Nevertheless, the Union industry only started to recover from the past dumping recently and this recovery is still fragile. This is evidenced by the fact that the Union industry managed to book profits only at the end of the period considered, i.e. during the RIP. Likewise, in a context of steep consumption increase (+ 46 %), the Union industry could only expand its market share by 5 percentage points.
- (108) In conclusion, the Union industry did not suffer material injury during the period considered within the meaning of Article 3(5) of the basic Regulation. As mentioned above, since the recovery of the Union industry is still recent, its situation remains however fragile.

6. LIKELIHOOD OF RECURRENCE OF INJURY

6.1. Preliminary remark

- (109) The investigation has shown that the Chinese imports were made at dumped price levels during the RIP and that there was a likelihood of continuation of dumping should measures be allowed to lapse.
- (110) In view of the finding that the Union industry did not suffer material injury during the RIP, it was analysed whether material injury would recur should the measures be allowed to lapse. For this analysis, the Commission took into account the findings as described in recitals 49 to 57, namely:
- the significant production and spare capacity in the PRC (recitals 49 to 51),
 - the export behaviour of Chinese exporting producers to other third country markets (recitals 52 to 55), and
 - the attractiveness of the Union market (recitals 56 and 57).
- (111) In addition, the Commission assessed the likely impact of Chinese imports on the Union industry should these resume in significant quantities.

6.2. Possible price levels of Chinese imports to the Union market

- (112) The Commission used the price of Chinese imports without anti-dumping duties applicable in the RIP in order to assess the likely price level of Chinese imports into the Union market should the measures be repealed. On this basis Chinese prices would likely undercut the Union industry sales prices on average by around 41 % as revealed in recital 73 above.
- (113) When faced with such price pressure in large volumes, the profitability of the Union industry is likely to immediately deteriorate with the risk to even turn back to losses. Indeed the Union industry will either be forced to decrease its prices, having a direct negative impact on the profitability. Alternatively, it could decide to maintain its price levels unchanged in an effort to maintain its profitability. However, as observed in the past, this would have a negative impact on its sales volume to the benefit of the Chinese exporters. Also, when decreasing sales volume, the share of fix costs per piece would increase in particular in view of fact that this is a capital intensive industry. In turn, this would also affect negatively the Union industry's profitability. Therefore, to maintain sales prices in the Union market at similar levels as during the RIP cannot be considered as a viable strategy as it would not be sustainable in the long term.
- (114) In addition, the above scenario would remain valid even when taking into account an increasing consumption. Indeed, in view of the huge spare capacity available in China that is likely to be exported to the Union market at prices undercutting the Union industry's prices by around 41 %, the Union industry would not be able to cope with the expected significant resurgence of Chinese imports, which would not only take over the Union industry's current market share but also likely take over the increased consumption. In this respect, it is recalled that the market share of Chinese imports was as high as 83 % in the RIP of the first expiry review.
- (115) Finally, the underselling margin based on Chinese import prices without duty amounted to around 75 % in the RIP, which also gives a reasonable estimate of possible underselling margins should measures be allowed to lapse.

6.3. Impact of the imports from other third countries

- (116) As described in recital 77, in a market with increasing consumption, imports from Malaysia took over a large part of the Chinese market share during the period considered. Thus, while Malaysia gained 33 percentage points of market share, China lost 50 percentage points. At the same time the Union industry gained only 5 percentage points.
- (117) Should measures be allowed to lapse, Chinese import prices would likely significantly undercut the Union industry prices, as shown in recital 112. During the period considered, Chinese import prices (without anti-dumping duties) have also consistently been lower than the Malaysian import prices during the same period, except during the RIP when these were 3 % higher.
- (118) It is likely that Chinese exporting producers would be able to even further decrease their prices to regain market share. A strong indication in this respect is given by the price level of Chinese exports to other third countries recorded in the Chinese export database as described in recital 54 (!).
- (119) On this basis it can be expected that low priced Chinese imports are likely to affect both the Union industry sales volumes and the Malaysian import volumes. As the Union industry prices were on average higher than the Malaysian import prices, it can also be expected that the Chinese imports will likely have a greater negative impact on the Union industry's sales than on the Malaysian imports, as customers of the Union industry will have a much higher incentive to revert to Chinese suppliers than the customers of the Malaysian suppliers.
- (120) On this basis, it is likely that Chinese imports that would (re)enter the Union market at low prices will be able to regain market shares mainly at the expense of the Union industry.

(!) It is recalled that the relevant CN code of the Chinese Export Statistics database also includes other products namely 'Trucks fitted with lifting or handling equipment, non-powered', which have a higher unit value.

- (121) As to the imports from Vietnam, whose market share increased by 9 percentage points during the period considered, these are currently subject to an anti-circumvention investigation mentioned in recital 7 initiated on the grounds that these imports are allegedly of Chinese origin.
- (122) In any event, the price of the Vietnamese imports as shown in recital 78 was lower than the sales price of the Union industry throughout the whole period considered. As above described, it is therefore considered that customers of the Union industry will have higher incentive to switch to low priced imports from China than customers of the Vietnamese suppliers. The latter were selling hand pallet trucks on the Union market already below the Chinese import price except for 2014. On this basis, it can be expected that Chinese imports will likely have a greater negative effect on the Union industry than on the Vietnamese imports.

6.4. Conclusion on the likelihood of recurrence of injury

- (123) To summarise, the investigation has revealed that Chinese imports were made at dumped price levels during the RIP. Moreover the Commission established the presence of significant production and spare capacity in the PRC, assessed that the Chinese exporting producers sell at lower prices in third market than in the Union market, took into account the continuous presence of Chinese exporting producers in the Union market and noted the effort deployed to circumvent the measures in place. In addition the Commission estimated that the likely price of Chinese imports should measures be repealed would significantly undercut and undersell Union prices. Finally, the Commission assessed that the impact of the imports from other third countries will be lower than the impact of Chinese imports on the Union industry, should measures be repealed. On the basis of the above, it can be concluded that the repeal of the measures would in all likelihood result in a recurrence of injury to the Union industry.

7. UNION INTEREST

- (124) In accordance with Article 21 of the basic Regulation, the Commission examined whether the maintenance of the existing anti-dumping measures on imports of the product under review originating in the PRC following the findings of the present expiry review would be against the interest of the Union as a whole. The determination of the Union interest was based on an appreciation of all the various interests involved, including those of the Union industry, importers, and users. All interested parties were given the opportunity to make their views known under Article 21(2) of the basic Regulation.

7.1. Interest of the Union industry

- (125) The Commission found that during the RIP the Union industry has started to recover from the past dumping. However, should measures against China be repealed it is likely that the injury would recur as the Union industry would be exposed to dumped imports from China potentially in significant volumes and exerting significant price pressure.
- (126) As a consequence the economic situation of the Union industry would likely deteriorate, translating in a significant loss of sales volume and market share and would likely turn into loss-making.
- (127) On the contrary, maintaining the measures would allow the Union industry to consolidate its recently established positive economic situation

7.2. Interest of unrelated importers and users

- (128) The Commission contacted twelve known importers and nine known users at the initiation stage. None of the importers replied to the sampling form or came forward with comments. Likewise, none of the users came forward or submitted any comments.
- (129) It is recalled that in the investigation that led to the imposition of the original measures in 2005 and in the expiry review that led to the extension of these measures in 2011, it was found that the impact of measures would not have a serious effect on importers/users in the Union.
- (130) In the absence of any new evidence suggesting a different conclusion, the Commission therefore concluded that the continuation of measures will not affect the importers or users in the Union to any significant extent.

7.3. Conclusion on Union interest

(131) On the basis of the above, the Commission concluded that there were no compelling reasons in terms of Union interest that would speak against the maintenance of the definitive anti-dumping measures on imports of hand pallet trucks originating in the PRC.

8. ANTI-DUMPING MEASURES

(132) All interested parties were informed of the essential facts and considerations on the basis of which it was intended to maintain the anti-dumping measures in force. They were also granted a period within which they could submit comments subsequent to this disclosure. No comments contesting the above findings were submitted.

(133) It follows from the above considerations that, under Article 11(2) of the basic Regulation, the anti-dumping measures applicable to imports of hand pallet trucks originating in the PRC should be maintained.

(134) The Committee established by Article 15(1) of Regulation (EU) 2016/1036 did not deliver an opinion,

HAS ADOPTED THIS REGULATION:

Article 1

1. A definitive anti-dumping duty is hereby imposed on imports of hand pallet trucks and their essential parts, i.e. chassis and hydraulics, currently falling within CN codes ex 8427 90 00 (TARIC codes 8427 90 00 11, 8427 90 00 13 and 8427 90 00 19) and ex 8431 20 00 (TARIC codes 8431 20 00 11, 8431 20 00 13 and 8431 20 00 19), originating in the People's Republic of China as extended to the same product but presented at import with a so-called 'weight indication system' consisting of a weighing mechanism not integrated in the chassis, that is to say not integrated in the forks, currently falling within TARIC codes 8427 90 00 30 and 8431 20 00 50. For the purpose of this Regulation, hand pallet trucks shall be trucks with wheels supporting lifting fork arms for handling pallets, designed to be manually pushed, pulled and steered, on smooth, level, hard surfaces, by a pedestrian operator using an articulated tiller. The hand pallet trucks are only designed to raise a load, by pumping the tiller, to a height sufficient for transporting and do not have any other additional functions or uses such as for example (i) to move and to lift the loads in order to place them higher or assist in storage of loads (high lifters); (ii) to stack one pallet above the other (stackers); (iii) to lift the load to a working level (scissor lifts); or (iv) to lift and to weigh the loads (weighing trucks).

2. The rate of the definitive anti-dumping duty applicable to the net free-at-Union-frontier price, before duty, for the products described in paragraph 1 and produced by the companies listed below shall be as follows:

Company	Rate of duty (%)	TARIC additional code
Zhejiang Noblelift Equipment Joint Stock Co. Ltd, 58, Jing Yi Road, Economic Development Zone, Changxing, Zhejiang Province, 31300, PRC.	70,8	A603
Ningbo Logitrans Handling Equipment Co., Ltd,	54,1	A070
All other companies	70,8	A999

3. Unless otherwise specified, the provisions in force concerning customs duties shall apply.

Article 2

This Regulation shall enter into force the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 29 November 2017.

For the Commission
The President
Jean-Claude JUNCKER
