

EXECUTIVE SUMMARY OF THE REQUEST RELATING TO THE CIRCUMVENTION OF THE ANTI-DUMPING MEASURES APPLICABLE TO HAND PALLET TRUCKS ORIGINATING IN CHINA BY MEANS OF ASSEMBLY OPERATIONS IN VIETNAM

1. The product subject to circumvention

The product concerned is hand pallet trucks, not self-propelled, used for the handling of materials normally placed on pallets, and their essential parts, i.e. chassis and hydraulics, originating in the PRC, falling within CN code ex 8427 90 00 and ex 8431 20 00.

Hand pallet trucks are 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 designed to raise a load, by pumping the tiller, to a height sufficient for transporting and do not have 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 (highlifters), (ii) to stack one pallet above the other (stackers), (iii) to lift the load to a working level (scissorlifts) or (iv) to lift and to weigh the loads (weighing trucks).

There are different types of hand pallet trucks and their essential parts depending mainly on the lift capacity, length of the forks, type of steel used for the chassis, type of hydraulics, type of wheels and existence of brakes

2. Case summary

Standing. The request was lodged on behalf of Union producers representing the majority of hand pallet trucks production in the Union (i.e. over 60% of Union production).

Circumvention. The request demonstrates that certain Chinese exporters have more recently started circumventing the measures in place by means of importing hand pallet truck components from China into Vietnam, performing assembly operations in Vietnam, and exporting the final assembled product to the EU while claiming Vietnamese origin for the assembled unit. The request shows that there is sufficient *prima facie* evidence that the conditions under which assembly operations will be deemed to constitute circumvention as set out in Article 13(2) of the EU basic anti-dumping regulation (2016/1036) are met.

Increase in imports from Vietnam. Eurostat import statistics show that imports from Vietnam increased dramatically over the course of the past five years starting from virtually nothing (i.e. less than 1,000 units) in 2011 to an unprecedented level of over 73,000 units in 2016. Import data also shows that the increase in imports from Vietnam started in the period 2012-2013, around the time the Commission conducted its interim review that led to a significant increase in the anti-dumping duty applicable to imports of hand pallet trucks from China (i.e. 70.8%).

Chinese origin of the parts. In their request, the applicants further provide detailed evidence showing that the majority of the parts of the product assembled in Vietnam (i.e. in the excess of 60%) are being imported from China. The applicants also provide evidence demonstrating links between Chinese exporters and their counterparts in Vietnam testifying to the ongoing circumvention.

The value added in Vietnam is below 25%. The request provides additional calculation and evidence estimating that the value added due to the assembly operations in Vietnam does not exceed 10% of the cost of the overall product, i.e. significantly below the 25% threshold.

Prices and quantities of the assembled product. Eurostat import data clearly shows that imports from Vietnam are entering the EU at low prices and big (and constantly increasing) volumes.

Dumping. The request further demonstrates (and provides evidence based on various sources) that imports from Vietnam are sold in the EU at dumped prices “*compared to the normal values previously established*”, and that the margins of dumping are significant (i.e. in some cases nearly 30%).

Undercutting/underselling. The request also contains evidence that imports from Vietnam are undercutting and underselling EU producers’ prices by significant amounts (in some cases exceeding 30%).

Registration: Finally, the applicants have also requested that, in line with its consistent practice, the Commission imposes registration of imports from Vietnam in line with Article 14(5) of the EU basic AD regulation.

3. List of parties suspected of circumvention in China as well as Vietnamese assemblers/producers

Ningbo Liftstar Material Handling Equipment (China), CNMHE (China), D&D Technologies (Vietnam), Viet Machine Trading and Producing Company Ltd (Vietnam), and possibly others.