



Addendum to the Statement of Essential Facts for AD0047: Dumping investigation into certain excavators imported into the United Kingdom from the People’s Republic of China

1. Following the publication of the Notice of Initiation on 15 November 2023, the Trade Remedies Authority (TRA) has been conducting an investigation into alleged dumping of certain excavators imported into the United Kingdom (UK) from the People’s Republic of China (PRC).
2. On 25 November 2024, the TRA published its Statement of Essential Facts (SEF) onto the public file¹. Following this publication, the TRA received comments from interested parties and contributors, which are also available to view on the [public file](#). These comments will be addressed as part of the Final Recommendation.
3. As set out in the [Note to File](#) published on 18 March 2025, in early 2025 the Caterpillar Group made a submission to the TRA in the form of a questionnaire response. The TRA decided to accept the questionnaire response after considering the impact this would have on the timeline of the case.
4. The TRA has now analysed the data provided by the Caterpillar Group and, on that basis, updated the intended final recommendation and the anti-dumping measure it intends to recommend to the Secretary of State for Business and Trade (Secretary of State).
5. This addendum to the SEF sets out updates made to the SEF following the inclusion of Caterpillar Group’s data: updated summary of the facts considered by the TRA during the investigation, the updated recommendation, and an update to those facts that have formed the basis of the intended recommendation.
6. Interested parties, contributors and any other person who has supplied information to the TRA are invited to make submissions within 7 calendar days of the publication date of this addendum to the SEF, i.e. before 23:59 hours (BST) on 17 April 2025, as per regulation 62(2) of the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450) (as amended) (the Regulations).
7. Any submissions received after this date may not be accepted by the TRA if to do so would significantly impede the progress of this investigation. Where the TRA rejects information for any reason, it will publish the reasons for rejection in the final determination.

¹ In accordance with Regulation 62 of The Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019



8. Registered interested parties to the case can make submissions on the Trade Remedies Service online platform (TRS). These submissions must be accompanied by a non-confidential version for the public file, as per regulation 45(6)(a) of the Regulations. Those not registered on the TRS may send submissions by email to AD0047@traderemedies.gov.uk. These submissions must also be accompanied by a non-confidential version for the public file.
9. In exceptional circumstances, it may not be possible to summarise confidential information. If this is the case, interested parties must provide a 'statement of reasons' setting out the reasons why the TRA should treat the information as confidential and why summarisation of the information is not possible, as per regulation 45(6)(b) of the Regulations.
10. For further information about the TRA's investigations, please see its [public guidance](#).

Amended Summary and Findings

A. Introduction

11. On 18 March 2025, following the agreement of the TRA to include its data in our assessment and calculate an individual rate, Caterpillar Group, an overseas exporter, registered as an interested party and submitted a questionnaire response.
12. The individual companies in the Caterpillar Group are:

Caterpillar Group	Caterpillar (Xuzhou) Limited	Overseas Exporter
	Caterpillar SARL	Overseas Exporter
	Caterpillar SARL Singapore Branch	Overseas Exporter
	Caterpillar (China) Investment Co., Ltd	Domestic Sales Company

13. The TRA also accepted a late registration from Finning (UK) Ltd. (Finning), a UK importer which imports the goods concerned into the UK from the PRC.
14. The below information details the conclusions of the assessments made on the interested parties' data. The below facts will be included in, and help to form the basis of, the intended final recommendation and the anti-dumping measure that the TRA will recommend to the Secretary of State for Business and Trade.

A1. Sampling



15. The TRA decided to treat the Caterpillar Group as part of the sample of PRC exporters while calculating an individual rate.
16. Caterpillar Group have a greater proportion of market share for imports from the PRC than either of the other sampled exporters, therefore the data provided was considered material to the robustness of the wider assessment conducted and the understanding of injury to the UK industry.

A2. Verification of data

17. The TRA undertook verification activities in relation to the information provided by the cooperating interested parties, during which the completeness, relevance and accuracy of that information was assessed. Further general details of verification conducted in this investigation can be found in section C3 of the SEF.
18. Table 1 shows the dates on which the TRA conducted remote verification and provides links to the relevant verification report of each company.

Table 1: Remote verification and associated verification reports

Company	Remote verification	Verification report
Caterpillar (Xuzhou) Limited	11 March – 14 March 2025	Verification report
Caterpillar SARL Singapore Branch	11 March – 14 March 2025	Verification report
Caterpillar SARL	11 March – 14 March 2025	Verification report
Caterpillar (China) Investment Co., Ltd	11 March – 14 March 2025	Verification report
Finning (UK) Ltd.	17 March 2025	Verification report

19. Secondary source information was used in accordance with the Regulations. This secondary information was treated with special circumspection and, where practicable, was subject to verification activity using independent sources. This included, but was not limited to, official import statistics and data pertaining to relevant markets. Where the TRA did not consider the data to be verifiable, the areas have been highlighted.

B. Dumping

20. The TRA has, where relevant and reasonable, applied the same methodology to the Caterpillar Group dumping calculation as it has to the calculations conducted for the Liugong Group and the Sany Group. Any departures to the methodology in Caterpillar Group's assessment are discussed below.



B1. Normal Value

B1.1 Particular market situation (PMS)

21. As part of its [questionnaire submission](#), the Caterpillar Group stated that it disagrees with the TRA finding of a PMS in the PRC with regards to the excavator market and the inputs used in the production of the goods concerned. The TRA rejects this statement on the basis that the Caterpillar Group have offered no new information on the existence of a PMS in the PRC. As such, the TRA continues to conclude that a PMS exists in the PRC for the industry of the like goods in the exporting market on the basis that the market reflects non-commercial factors as set out in Section F2.1 in the SEF.

B1.2 Constructed normal value

22. The TRA has treated the approach to constructing normal value for the Caterpillar Group as per Section F2.2 of the SEF, apart for the methodology for calculating a reasonable level of profit.
23. Since the publication of the SEF, the TRA has revised the approach taken for calculating a reasonable level of profit, which has been applied for all sampled exporters, and has resulted in changes to the margins that were calculated for the SEF. Details have been provided below for the methodology used with Caterpillar Group's data, but full details of additional changes not impacting the calculation for Caterpillar Group will be provided in the Final Recommendation.

Profit

24. The TRA determined the total percentage of unprofitable sales per PCN by conducting the ordinary course of trade test on the sampled exporters' domestic sales data in accordance with regulation 9 of the Regulations.
- For those PCNs with fewer than 20% unprofitable sales, the profit margin was based on all domestic sales to non-associated parties in the ordinary course of trade during the POI.
 - For those PCNs with equal to or greater than 20% unprofitable sales, the profit margin was based on profitable domestic sales to non-associated parties in the ordinary course of trade.
25. The TRA then calculated a reasonable level of profit using the weighted average profit margin for all PCNs. As in the SEF, a separate profit margin was calculated for each sampled exporter.



PMS adjustments - steel

26. The Caterpillar Group did not provide data regarding steel purchase transactions, so the TRA used data from [Platts Connect](#) (part of S&P Global Inc.) to obtain PRC steel plate prices to act as a benchmark. This was compared with Brazilian steel plate prices obtained from Platts Connect. Table 2 shows how the PRC steel cost element was compared:

Table 2: PRC steel cost - how comparisons were made

Exporter Costs	Benchmark
The Caterpillar Group – PRC steel benchmark price (from Platts Connect)	Brazilian steel benchmark price (from Platts Connect)

27. The percentage difference between the costs detailed in Table 2 was determined for each PCN and an overall average was taken. The percentage differences were then calculated for the Caterpillar Group (Table 3):

Table 3: PRC steel cost comparison - percentage difference

Exporter	Percentage difference
The Caterpillar Group – PRC steel benchmark price (from Platts Connect)	Brazilian steel benchmark price found to be 55 - 75% higher

28. This analysis showed that the Brazilian benchmark steel prices are higher than the average PRC steel costs paid by the Caterpillar Group. As such, the TRA has determined that steel prices in the PRC are artificially low. For the Caterpillar Group, the cost of PRC steel was increased based on the associated percentage difference with the Brazilian benchmark costs.

PMS adjustments – non-steel component of excavator inputs

29. In its submissions the Caterpillar Group suggest that, should the TRA maintain its position on the existence of PMS in the PRC, it should include Caterpillar Brasil Limitada as a third country producer for the purposes of making PMS adjustments to excavator inputs.
30. The TRA has not accepted this request as the benchmark country was consulted on in February 2024 and only JCB do Brasil Limitada (JCB Brasil) registered. Therefore, the TRA decided to use JCB Brasil as the third country producer. The data provided to the TRA from JCB Brasil was subject to verification activities, and we are satisfied that JCB Brasil is an appropriate third country benchmark producer.



31. Using the information provided by the Caterpillar Group and the previously selected third country benchmarking producer (JCB Brasil), the TRA compared the cost of the non-steel elements of the excavator components. The percentage differences were then calculated (Table 4):

Table 4: Non-steel cost comparison - percentage difference

Exporter	Percentage difference
The Caterpillar Group	Brazilian benchmark price found to be 30-220% higher*

* The upper part of the range is attributable to one part. Were this part removed, the range would extend from 30-55%

32. This analysis showed that the Brazilian benchmark costs are higher than the average PRC costs paid by the Caterpillar Group. As such, the TRA has determined that the non-steel elements of excavator components in the PRC are artificially low. For the Caterpillar Group, the cost of the non-steel elements of the excavator components was increased based on the associated percentage difference with the Brazilian benchmark costs.

B2. Export price

33. The TRA has treated the approach to export price for the Caterpillar Group as per Section F3 of the SEF.
34. The TRA has made fair comparison adjustments to the net sales price.

B3. Fair comparison

35. The Caterpillar Group reported fair comparison adjustments in its sales data.
36. The TRA considered whether the fair comparison adjustments made to the domestic sales would need to be made to the constructed normal value to be able to compare to the export price at the same level.
37. For the Caterpillar Group, fair comparison adjustments for credit, insurance and freight, as per conditions and terms of sale, were deducted from the constructed normal value in accordance with the data received.

B4. Dumping margins

38. The dumping margin for the Caterpillar Group is shown in the table below:

Table 5: Dumping margins

	Dumping margin (%)
Sampled exporter/producer	
Caterpillar Group	37.24%



B5. Changes following SEF comments and the inclusion of Caterpillar's data

39. Following publication of the SEF, the TRA invited interested parties, contributors and any other parties who supplied information to the TRA to make submissions in response. In light of these comments², the TRA has, to date, made changes to the dumping calculations relating to AS&G costs and profit and export price, in addition to the change detailed in Section B1.2. These assessments, calculations and rates are subject to change as the Final Recommendation is prepared.

Impact on dumping margins

40. The above adjustments, both from the changes made to the methodology resulting from the SEF comments, and the inclusion of the data from the Caterpillar Group have had the following sequential impacts on the dumping margins.
- a. Impact 1: The changes made in response to the SEF comments resulted in a decrease to the non-sampled cooperating rate and the residual rate.
 - b. Impact 2: After inclusion of the data from the Caterpillar Group, the non-sampled cooperating rate and the residual rate (that already had decreased due to impact 1) increased by 7.5 percentage points and 2.2 percentage points, respectively.

Dumping margins

41. In accordance with regulation 17(1)(a) of the Regulations, the TRA compared a weighted average normal value with a weighted average of prices of all comparable export transactions to calculate the dumping margin for each sampled overseas exporter.
42. The final margins for the Liugong Group and the Sany Group will be published as part of the Final Recommendation as the changes resulting from the SEF comments are still being worked through. These margins have not been impacted by the inclusion of the Caterpillar Group in the sample.
43. In accordance with regulation 37(3) of the Regulations, the dumping amount for cooperating non-sampled overseas exporters is calculated as the weighted average of the amounts determined for the overseas exporters in the sample.
44. The TRA calculated a combined dumping margin for each group of the sampled overseas exporters who cooperated in the investigation.

² As noted in paragraph 2, these comments will be addressed in full as part of the Final Recommendation



45. In accordance with regulation 38(4)(b) of the Regulations the TRA established a residual amount for all other overseas exporters in the PRC. This has been determined by using a method of selecting the highest dumping margin established for a PCN that had a high export sales volume for each sampled exporter. From these PCNs a weighted average dumping margin was calculated.
46. The dumping margins are shown in the table below:

Table 6: Dumping margins

	Dumping margin (%)
Caterpillar Group	37.24%
Non-sampled cooperating exporter/producer	
XCMG Group	32.55%
Sunward	32.55%
All other overseas exporters/producers	
Residual dumping margin	48.57%

C. Injury

47. The TRA has conducted further analysis, incorporating the verified information from the Caterpillar Group, to determine whether UK industry is suffering or has suffered injury from imports of the relevant goods. In line with regulation 30 of the Regulations, the TRA re-examined the following factors:
- the volume of the dumped goods during the injury period;
 - the effect of the dumped goods on prices of the like goods in the UK market during the injury period;
 - the consequent impact of the dumped goods on UK industry during the injury period;
 - any other factors it considers relevant.
48. The information from the Caterpillar Group has been incorporated into the existing sample of PRC exporters. The TRA has subsequently reconsidered the price effects based on the inclusion of the additional data in the expanded sample as set out in Section G1.2 in the SEF. It also reviewed the impacts on the volume of PRC imports identified in the HMRC data that was previously extracted as detailed in Section G1.1 of the SEF.
49. The TRA's conclusions on injury, based on a holistic assessment of the all the available evidence, has not materially departed from what was set out in the SEF.
50. Having fully considered the available information, including the additional information detailed in this Addendum, the TRA's determination in accordance with regulation 27(2)(a) of the Regulations, that UK industry has suffered or is suffering injury in accordance with regulation 30 of the Regulations (determination of injury)



remains consistent. The TRA remains satisfied that the majority of the economic factors indicate that UK industry has suffered injury by showing negative developments during the injury period, as described in Section G1.3 of the SEF.

51. In accordance with regulation 35 the TRA has assessed whether the new information provided materially affects the factors considered in relation to causation and non-attribution considered in Section G2 of the SEF or gives rise to any other previously unknown factors. The TRA's determination that the UK industry has suffered injury during the injury period which is caused by the imports of the relevant goods remains consistent.
52. Thereafter, in line with regulation 36(2) of the Regulations, an individual injury margin has been calculated for the Caterpillar Group. This is the relevant amount which the TRA is satisfied is necessary to prevent injury to UK industry.
53. The Caterpillar Group's injury margin was calculated with reference to the same target price for UK industry that was used in the SEF (set out in Section G4.1). The methodology for calculating the landed price remains the same as that used in the SEF – described in Section G4.2, except that for the Caterpillar Group, the TRA included post importation costs that were provided by Finning (UK) Limited for each of the specific transactions. The injury margin that was calculated for the Caterpillar Group is set out below:

Table 7: Injury margins

	Injury margin (%)
Sampled exporter/producer	
Caterpillar Group	28.37%

54. In line with Section B5 above, the TRA also updated its injury margin calculations in response to comments it received to the SEF. These changes resulted in a decrease to both the non-sampled cooperating rate and the residual rate.
55. After inclusion of the data from the Caterpillar Group, the non-sampled cooperating rate and the residual rate further decreased by 14.11 percentage points and 19.88 percentage points, respectively.
56. The final margins for the Liugong Group and the Sany Group will be published as part of the Final Recommendation as the changes following the SEF comments are still being worked through. These margins have not been impacted by the inclusion of the Caterpillar Group.
57. The methodology detailed in the SEF at Section G4.3, for the injury margin calculation for non-sampled cooperating exporters, as well as the residual injury margin for all other overseas exporters/producers, remains unchanged. The



inclusion of the Caterpillar’s data in the expanded sample of PRC exporters means the injury margins are now as follows:

Table 8: Injury margins

	Injury margin (%)
Non-sampled cooperating exporter/producer	
XCMG Group	37.27%
Sunward	37.27%
All other overseas exporters/producers	
Residual injury margin	55.45%

D. Conclusions on Dumping and Injury

58. After careful consideration of the Caterpillar Group’s information which was subject to verification activity and considered appropriate, and in accordance with paragraph 11(1) of Schedule 4 to the Taxation (Cross-border Trade) Act 2018 (the Act), the TRA’s determination remains unchanged, and it considers that:

- the relevant goods have been dumped in the UK; and
- the dumping of the relevant goods has caused injury to a UK industry in those goods.

59. Therefore, in addition to its previous SEF calculations, the TRA has now determined individual anti-dumping amounts and injury margins for the Caterpillar Group. In line with the methodology set out in the SEF, the recommended import duty equates to an ad valorem duty based the lower of the dumping amounts and the injury margins.

60. The duty amounts for the Caterpillar Group, as well as the revised duty amounts for non-sampled cooperating exporters and the residual injury margin, are shown below:

Table 9: Recommended ad-valorem duty rates

	Injury Margin	Dumping Margin	Duty Amount
Sampled exporter/ producer			
Caterpillar Group	28.37%	37.24%	28.37%
Non-sampled co-operating exporter/ producer			
XCMG Group	37.27%	32.55%	32.55%
Sunward	37.27%	32.55%	32.55%
All other overseas exporters/ producers			
Residual margin	55.45%	48.57%	48.57%

61. The TRA confirms that the intended final determination set out in Section J of the SEF, alongside the relevant recommendations, remain unchanged at this juncture.



The changes to the duty amounts following SEF comments will be explained fully in the Final Recommendation.

E. Economic Interest Test

62. In receipt of new evidence submitted and import data which has become available since the publication of the SEF, the TRA has reconsidered the Economic Interest Test (EIT).
63. In regard to the factors set out under SEF headings I3, I4, I6, I7, I8 and I9; the TRA has not identified any new evidence which alters the overall conclusions reached in each.
64. The TRA has identified that the stated welfare impacts set out under heading I5 will be different in light of changes to anti-dumping duty rates and new evidence available from Caterpillar. These will be detailed in the Final Recommendation.