



## Subsidy Questionnaire (UK Producer) Case AS0046: Certain Excavators exported from the People's Republic of China

Period of Investigation (POI):	1 July 2022 – 30 June 2023
Injury period:	1 July 2019 – 30 June 2023
Deadline for response:	28 February 2024 (extended to 1 March)
Contact details:	<a href="mailto:AS0046@traderemedies.gov.uk">AS0046@traderemedies.gov.uk</a>
Completed on behalf of:	<i>JCB Heavy Products Limited ("JCB")</i>

When you have completed this form, indicate the **confidentiality status** of this document by placing an X in the relevant box below:

- Confidential  
 Non-Confidential – will be made publicly available

Your completed response must comprise this questionnaire and the corresponding annex. Please note that you will have to provide a **Confidential** and a **Non-Confidential** version of both the questionnaire and annex, as well as any additional documents you append. All documents should be uploaded to the Trade Remedies Service ([www.trade-remedies.service.gov.uk](http://www.trade-remedies.service.gov.uk)) by **28 February 2024**.



## Table of Contents

<b>Introduction</b> .....	<b>4</b>
About us, this case, and this questionnaire .....	4
Instructions on completing this questionnaire .....	5
Preparing confidential and non-confidential copies .....	6
Providing information from subsidiaries or associated parties .....	7
What happens next .....	7
Verifying the information you supply .....	8
<b>The scope of this investigation</b> .....	<b>9</b>
Goods concerned.....	9
Like goods .....	9
Product Control Numbers .....	9
<b>SECTION A: Company structure and operations</b> .....	<b>13</b>
A1 Identity and contact details.....	13
A2 About your company .....	14
A3 Organisational structure .....	15
A4 Board members and principal shareholders.....	15
A5 Operational links with other companies or persons .....	16
A6 Accounting practices .....	16
<b>SECTION B: About your goods</b> .....	<b>19</b>
B1 Understanding your like goods .....	19
B2 Understanding the UK market.....	20
<b>SECTION C: Costs and production</b> .....	<b>24</b>
C1 Cost to make and sell .....	24
C2 Cost and sales reconciliation .....	25
C3 Production process.....	25
C4 Joint products and by-products .....	26
C5 Raw material and input purchases .....	27
C6 Direct labour .....	27
C7 Purchases of like goods and/or goods concerned .....	27
<b>SECTION D: Sales</b> .....	<b>29</b>
D1 Domestic sales .....	29
D2 Export sales .....	29
D3 Sales reconciliation.....	29
D4 Distribution channels and price setting .....	30
D5 Captive use .....	31
<b>SECTION E: Injury to your company</b> .....	<b>33</b>
<b>SECTION F: Subsidies</b> .....	<b>40</b>
F1 General .....	40
F2 Grants .....	40
F3 Loans .....	41
F4 Loan guarantees.....	41



# Trade Remedies Authority

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F5 Debt-for-equity swaps .....	41
F6 Export credits and financing .....	42
F7 Equity infusion .....	42
F8 Provision of goods and services .....	42
F9 Preferential tax programmes .....	43
F10 Tariff and VAT Exemptions .....	43
F11 Unpaid Dividends .....	43
F12 Other subsidies provided in special economic zones .....	44
F13 Land-use rights .....	44
F14 Any other programmes .....	44
<b>SECTION G: Economic Interest Test .....</b>	<b>46</b>
G1 Background .....	46
G2 Your company .....	47
G3 Potential impacts of a measure .....	48
<b>SECTION H: .....</b>	<b>52</b>
<b>Checklist and appendices .....</b>	<b>52</b>



## Introduction

### About us, this case, and this questionnaire

The Trade Remedies Authority (TRA) investigates whether trade remedies are needed to prevent injury to UK industry. The TRA has been established to provide the UK with its own independent trade remedies system.

This case is investigating the allegation that Certain Excavators from the People's Republic of China (PRC) are causing injury to producers in the UK because the goods have benefited from a subsidy from a foreign authority.

A subsidy exists if there is:

- a financial contribution by a foreign authority which confers a benefit on the recipient (usually an industry or business manufacturing goods); or
- a form of income or price support.

Not all subsidies are countervailable (meaning they can be offset through trade remedies). A subsidy is countervailable if it is specific to certain companies or industries and granted either directly or indirectly for the manufacture, production, export or transport of goods.

### Why should I take part?

We are asking domestic producers to complete this questionnaire to help us understand the industry and market for this product and assess if a measure is needed. We need to establish whether the alleged subsidisation has occurred and has caused injury to the UK industry.

The information your company provides will help us to reach a fair and proportionate decision.

### How do I respond?

Detailed guidance on how to complete the questionnaire is provided in the [instructions](#) section below.

Please provide all the information requested by **28 February 2024**. We may need to issue a deficiency notice if we determine that the information supplied in the questionnaire is incomplete or inadequate. We may also send a notice requesting clarification or supplementary information if necessary. Therefore, please provide as much detail as possible in your responses.



## Where can I find more information?

Our [trade remedies guidance](#) provides general information about our investigations and processes we follow.

If you have any specific questions relating to the case, now or while you're completing the questionnaire, please contact the Case Team at [AS0046@traderemedies.gov.uk](mailto:AS0046@traderemedies.gov.uk).

You can also find out more about the regulatory basis of our investigations. The TRA investigates cases under the provisions of *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 as Amended by the Trade Remedies (Amendment) (EU Exit) Regulations 2019* and under the *Taxation (Cross-border Trade) Act 2018*.

## Instructions on completing this questionnaire

### Preparing your response

This section sets out guidance on how to complete this questionnaire.

If you think you won't be able to complete the questionnaire within the required time, please contact the Case Team ahead of the deadline using the contact details on the cover of this questionnaire. You should outline the length of extension you need and the reasons why. We will notify you of our decision.

If we can accommodate an extension, we will publish a note on our [public file](#) to record both the request and the extension granted.

### How to answer the questions

Please read and follow all the instructions carefully. Your company will need to substantiate all claims with relevant data and information. You may be asked to attach supporting documents in appendices to supplement your responses. To help us verify your information, please retain all these documents, your completed spreadsheet annex, and any calculations you made when developing your responses.

Please also note the following points:

- Do not leave any questions blank. If the question is not relevant to your organisation, please explain why. If the answer to a question is "zero", "no" or "none", please write this.
- Please complete the spreadsheet annex as requested. If you feel you cannot present the information as requested, please contact your Case Team as soon as possible.



- Please provide all formulas and calculations used within your questionnaire response.
- If there is insufficient space in any part of the questionnaire to provide the details requested, or we ask for copies of additional information, please submit this information as appendices. Please ensure that any attachments are given a corresponding appendix reference in the title of the document and that these are referenced in the boxes provided.
- Any documents not in English should be accompanied by an English translation.
- Please provide all dates in the format DD/MM/YYYY (e.g., 23/05/2019).
- Unless otherwise stated, 'year' or 'calendar year' refers to the period 1 January – 31 December and 'quarter' refers to the associated three-month periods e.g., 1 January – 31 March, 1 April – 30 June, etc.
- Identify all units of measurement and currencies used in tables, calculations, and lists, if not provided by the corresponding instructions, and use units of measurement consistently (e.g., do not use kg and metric tonnes interchangeably).
- For all numerical figures, where appropriate please express every third number with a comma (e.g., '1,300' for one-thousand three hundred, '1,300,000' for one million and three-hundred thousand).
- Please limit all sales/currency/income figures to two decimal places, apply a full point as a decimal separator and use the appropriate currency symbol or abbreviation (e.g. £1,300.00).
- Provide all costing figures as actual amounts. Where actual amounts cannot be provided and you have reported standard costing instead, please indicate this in the relevant answer, and explain the variance from actual costs, if any.
- All figures should be reported net of recoverable tax unless otherwise stated.
- Please refer to the case number, AS0046, in any correspondence with the TRA.

## Preparing confidential and non-confidential copies

You will need to submit one confidential version and one non-confidential version of your questionnaire and the corresponding spreadsheet annex by the due date. We will publish the non-confidential version on the public file. **Please ensure that each page of information you provide is clearly marked either “Confidential” or “Non-Confidential” in the header.**

Please see our guidance on [how to submit information](#) for further details on what can be considered confidential and how to prepare a non-confidential version of this questionnaire.

In preparing your response, please note the following:

- It is your responsibility to ensure that the non-confidential version does not contain any confidential information.
- Remember to include a statement explaining why information obtained in your response should be treated as confidential e.g. the data is commercially sensitive.



- Provide the source for all information or data you don't own and clearly state any restrictions on sharing it.
- If you do not provide a non-confidential summary (or a statement of reasons why you cannot provide this) each time you provide confidential information, the TRA may disregard the information you give us.

All information provided to the TRA in confidence will be treated accordingly and only used for this investigation (except in limited circumstance as permitted by regulation 46 of the *Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019*) and will be stored in protected systems. The non-confidential version of your submission will be placed on the public file, which is available on [www.trade-remedies.service.gov.uk/public/cases](http://www.trade-remedies.service.gov.uk/public/cases).

## Providing information from subsidiaries or associated parties

Section A of this questionnaire includes detailed questions about your company structure. Although this questionnaire is intended for your company, our investigation covers all subsidiaries and any other associated companies involved in the import, production, sale, R&D, distribution and/or supply of the like good and/or goods concerned.

Please note, both natural persons (individuals) and legal persons (e.g. companies) are considered to be associated where they meet the definition of 'Related Persons' in [Regulation 128 of the Customs \(Import Duty\) \(EU Exit\) Regulations 2018](#).

- If any of your subsidiaries or associated companies are also a UK producer of like goods, they should **also** complete a Producer questionnaire. Please make sure you provide your subsidiaries with access to it.
- Where your subsidiaries or associated companies are not producers but are involved in the sales of the like goods, your questionnaire response should include information from those companies.

If you have any queries about this part of the process, please contact the Case Team using the details provided on the cover of this questionnaire.

## What happens next

Once you have completed your questionnaire responses including the corresponding annex(es) and any additional documents requested, you must upload both confidential and non-confidential versions through our [Trade Remedies Service](#).

Following this:

- you will receive an email confirming the documents have been uploaded successfully
- the Case Team will contact you if further information is required



- the non-confidential responses will be placed on the public file; and
- the Case Team may contact you to arrange a visit to verify the information contained in your responses.

## Verifying the information you supply

We will verify, as far as possible, the information provided to us. As part of this process, we may conduct verification visits. If we need to verify information that you provide by visiting your premises, the Case Team will contact you to arrange this.

Visits can last several days, during which we will want to speak to management and staff to help establish the completeness, relevance and accuracy of the information provided.

Please keep a record of formulas and steps used in your calculations and other related material/documentation as it may be asked for during verification.

In some circumstances, verification may be conducted remotely.  
Please indicate any dates when you would be unable to host a verification visit.

*In the period April-July identified by the TRA for its verification visits, at the time of writing, JCB would be unable to host a verification visit on the following dates:*

*[Sensitive information removed – JCB's business operations]*

Appendix reference: N/A

Once verification is complete, the TRA will prepare a report and share a draft with you. We will then ask you to prepare a non-confidential copy of the report for the public record. If you feel some information in the report should be kept confidential, please provide your reasons for this.



## The scope of this investigation

### Goods concerned

This investigation covers 'Certain Excavators' exported from the PRC, described as:

- **Self-propelled track-laying (i.e. tracked) excavators with a 360° revolving superstructure and with an operating weight of 11,000 kg (i.e., 11 tonnes) or more.**

These excavators are currently classifiable within the following commodity code: **8429 5210 00**. This code is only given for information and includes 'mini' excavators under 11 tonnes.

**The units of measurement to be used in this investigation include kilogram (KG) and metric tonne (MT). For clarity where we refer to 'ton' in the goods description we do not mean the imperial measurement. For the purpose of this investigation ton refers to 1000kg, or metric tonne.**

In this questionnaire, these goods will be referred to as 'the goods **concerned**'. Any reference to 'goods concerned' in this questionnaire refers to the goods description above, regardless of the commodity code under which they are exported.

### Like goods

This questionnaire asks for information about your company's production and sales of goods which are **like** the goods concerned. Any reference to '**like goods**' in this questionnaire refers to goods produced in the UK or imported to the UK from a country other than the PRC which are like the goods concerned in all respects, or with characteristics closely resembling them.

**Please follow the instructions for each question to provide the appropriate information regarding the like goods or goods concerned. Instructions relating to the completion of the annexes can be found within the relevant annex.**

### Product Control Numbers

The TRA uses Product Control Numbers (PCNs) to define and distinguish the different types of products that fall under the goods description above.

PCNs, which come in the form of an **alphanumeric code**, help to create a categorisation system so that comparisons can be made between goods produced in the domestic UK market and those produced in foreign markets.



In this questionnaire and the corresponding annex, you will be asked to assign PCNs representing the different types of products you import. When stating your PCNs, please do not use any spaces, dashes or other means of separation, and ensure you follow the order of characteristics outlined in the table below. Please use this PCN structure consistently throughout your questionnaire response, including the corresponding spreadsheet annex.

Category	Description	Basic Operating weight
S	Small Excavators	>=11 tonnes <15 tonnes
M	Medium Excavators	>=15 tonnes <20 tonnes
L	Large Excavators	>=20 tonnes <30 tonnes
XL	Extra-Large Excavators	>=30 tonnes

Given the relatively low number of sales in the UK Certain Excavator market and the large number of configurations available for purchase (e.g., air conditioning for the cab, dozer blades or not, and different sizes of track shoes), we consider it is not useful to add further PCNs. Instead, any differences in physical characteristics relevant to the calculations (e.g., any costly attachments or options) should be addressed through adjustments.

1. Please provide details of any technical or physical characteristic not included in the PCN structure that may affect the price comparison between products.

*The PCN structure accurately reflects the technical and physical characteristics that affect price comparability between the in-scope excavators ("**Excavators**").*

2. Please comment on the suitability of the PCN structure regarding your product range. This may include areas such as:
  - Categorisation of features
  - Number of Products included under "Other" which may exclude a fair comparison
  - Specialised products which may unduly influence the comparison

*The PCN structure is suitable for JCB's Excavator product range.*

3. Please provide details of any manufacturing process differences which you feel may influence the PCN structure and the price comparison between the goods concerned and the like goods.

*There are no such differences.*



An Interested Party has requested that a maximum tonne weight is added to the PCN table as the largest Excavators manufactured in the UK are 50 Tonne. Please complete the below questions:

4. If a maximum weight limit of 50 tonnes was applied, how would this affect interchangeability and substitutability with excavators over 50 tons?

*The UK market for Excavators of  $\geq 50$  tonnes ("T") is currently very limited, as there are few circumstances in which a  $\geq 50$ T Excavator is the most appropriate machine.*

*However, in the circumstances where a  $\geq 50$ T Excavator can be used on the UK market, such  $\geq 50$ T Excavator competes with 30-50T Excavators, which can be used in a wider range of circumstances. That is because the end use of  $\geq 50$ T and 30-50T Excavators on the UK market is exactly the same.<sup>1</sup>*

*Therefore,  $\geq 50$ T Excavators should not be excluded from the scope of the investigation. Doing so would undermine the remedial effects of protective measures as subsidised Chinese Excavator manufacturers could sell  $\geq 50$ T Excavators at injuriously low prices to unfairly compete with 30-50T Excavators.*

5. How does the end use of an excavator with a maximum weight of 50 tonnes differ from the end use of an excavator over 50 tonnes?

*There is no difference between the end uses of  $\geq 50$ T Excavators and  $< 50$ T Excavators on the UK market.*

6. How would the imposition of an upper weight limit affect competition between excavators with a maximum weight of 50 tonnes and those above a maximum weight of 50 tonnes?

*See **Section 4** above.*

7. What is the difference in price and quality between an excavator with a maximum weight of 50 tonnes and an excavator above a maximum weight of 50 tonnes?

*There is no quality difference between  $\geq 50$ T Excavators and  $< 50$ T Excavators. In theory, there is a price difference as prices increase as Excavators become more heavier.*

*However, as JCB has explained, Chinese Excavator producers are selling Excavators at prices that undercut and undersell to such a high degree that the price*

<sup>1</sup> See JCB, Application AS0046 ("**Application**"), Section A.3.1.



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*difference on the UK market between  $\geq 50T$  Excavators made in China and  $< 50T$  Excavators made in the UK can be absorbed by the Chinese producers.*



## SECTION A: Company structure and operations

### A1 Identity and contact details

1. Please complete the table below, ensuring that the point of contact given has the authority to provide this information:

Legal name of company:	<i>JCB Heavy Products Limited</i>
Legal structure (e.g., limited company, sole trader, partnership):	<i>Private Limited Company</i>
Year of establishment:	<i>1990</i>
Other operating names:	<i>N/A</i>
Company registration number:	<i>02517503</i>
Registered address:	<i>Rocester, Uttoxeter, Staffordshire, ST14 5JP, UK</i>
Name (point of contact):	<i>[Sensitive information removed – Personal information]</i>
Position:	<i>[Sensitive information removed – Personal information]</i>
Address:	<i>JCB World Headquarters, Rocester, Uttoxeter, Staffordshire, ST14 5JP, UK</i>
Telephone No:	<i>[Sensitive information removed – Personal information]</i>
Email:	<i>[Sensitive information removed – Personal information]</i>
Website:	<i>http://www.jcb.com</i>

2. If you have appointed an external party to act on your behalf in this investigation, please provide their details and attach a letter confirming the TRA should contact them directly:

Name:	<i>[Sensitive information removed – Personal information]</i>
Address:	<i>[Sensitive information removed – Personal information]</i>
Telephone number:	<i>[Sensitive information removed – Personal information]</i>
Email:	<i>[Sensitive information removed – Personal information]</i>



Confirm they have signed authority to act (Yes/No):	<i>Yes, as uploaded with the Application.</i>
	Appendix reference: N/A

## A2 About your company

1. Describe the role of your company in the UK market for the like goods (e.g., producer, producer/exporter, producer/importer, or producer/distributor).

<i>JCB is a UK producer of Excavators and the Applicant.</i>
Appendix reference: N/A

2. Please provide details of any changes in the legal form of your business over the past 5 years, for example, mergers, acquisitions and/or sales.

Date	Legal form	Explanation of change
<i>[Sensitive information removed – JCB's business operations]</i>		

+Add additional rows as required.

3. List and explain all authorisations your company has been required to obtain to produce, sell, or to export the like goods. These may include licences, permits, permissions or mining concessions. Indicate if your company is subject to any direct or indirect, quantitative or other, restrictions on any of these activities.

<i>JCB does not need any authorization to produce, sell or export Excavators.<sup>2</sup> [Sensitive information removed – Commercially sensitive information]</i>
Appendix reference: N/A

4. List all international production standards (BS / EN etc) your company currently conforms to, for the like good.

<i>The list of standards that applies as of February 2024 is enclosed.</i>
Appendix reference: Appendix A2.4

5. State whether your company is a member of any representative organisations. If so, provide a copy of the relevant documentation.

<sup>2</sup> See JCB, Application, Section A.3.5.



*JCB Sales Limited, an associated party to JCB, is a member of the Construction Equipment Association.<sup>3</sup> This membership [Sensitive information removed – Commercial information].*

Appendix reference: *N/A*

### A3 Organisational structure

Please answer the questions below about the internal structure of your company and any associations with other companies. Both natural persons (individuals) or legal persons (e.g., companies) are associated where they meet the definition of ‘Related Persons’ in Regulation 128 of the *Customs (Import Duty) (EU Exit) Regulations 2018*.

1. Please complete **Annex 1 – Associated companies** for your company’s worldwide corporate structure and affiliations.

*See Annex 1.*

2. Please explain, or demonstrate in a diagram, the legal structure of your company showing the internal hierarchical and organisational structure, all sites/locations and departments which are involved in the production, sales, R&D, supply and distribution of the like goods for domestic and export markets.

*JCB's legal structure is enclosed.*

Appendix reference: Appendix A3.2

### A4 Board members and principal shareholders

1. Please complete the table below for any shareholder with >5% holding in the company who also has interest in any organisation related to the production, marketing, administration, and sale of the like good in the UK or the PRC.

Name	Shareholding in company	Name of other companies in which person holds interest	Activity of other companies
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*[Sensitive information removed – JCB's business operations]*

+Add additional rows as required

2. Please complete the table below for any member of the Board of Directors who also has interest in any organisation related to the production, marketing, administration and sale of the like good in the UK or the PRC.

<sup>3</sup> See CEA, Member Directory, available at <https://thecea.org.uk/member-directory/>.



Name	Position on Board of Directors	Name of other companies in which person holds interest	Activity of other companies
<i>Graeme Angus Macdonald</i>	<i>Company Director</i>	<i>Director / Company Director of several relevant companies. See <b>Appendix A4.2.1</b></i>	<i>[Sensitive information removed – JCB's business operations]</i>
<i>Mark William Turner</i>	<i>Company Director</i>	<i>Director / Company Director of several relevant companies. See <b>Appendix A4.2.2</b></i>	
<i>Steven Ernest Robert Ovens</i>	<i>Secretary</i>	<i>Director / Company Director / Secretary of several relevant companies. See <b>Appendix A4.2.3</b></i>	

+Add additional rows as required

## A5 Operational links with other companies or persons

1. Complete the table below if your company has established long term agreements and/or relationships with any non-associated company/companies located in the UK, the PRC or in third countries for the production (e.g., sub-contracting), supply and sale of the like goods, or other licensing, technical patent or compensatory agreements.

If your company has long-term agreements and/or relationships with other companies for the supply of goods destined for internal sale, e.g., captive use, please provide the contract to demonstrate this.

Company name and address	Nature of agreement	Company registration number and place of registration	Appendix number of contract
<i>[Sensitive information removed – JCB's business operations]</i>			

+Add additional rows as required

## A6 Accounting practices

1. Give the address where your company's accounting records are kept. If records are maintained in different locations, please indicate which records are kept at which location. If records are digital and do not have a physical location, please mark as N/A.



Records address	What records are held?
<i>[Sensitive information removed – JCB's business operations]</i>	

+Add additional rows as required

2. Please give the financial year convention your company uses for its accounts (e.g., 1 January – 31 December). If any changes have occurred with respect to this period or in your accounting practices over the last four financial years, please describe these changes.

<i>1 January to 31 December.</i>	Appendix reference: N/A
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3. For your company and any associated parties involved in the production, marketing, or sales of your goods, please attach a copy of your annual reports, covering the injury period, including the financial statements and audit report.

<i>The annual reports of JCB for 2019, 2020, 2021 and 2022 are enclosed.</i>	
<i>[Sensitive information removed – JCB's business operations]</i>	
	Appendix reference: Appendices A6.3.1-A6.3.4

4. If your accounts are unaudited, please attach a copy of your unaudited financial statements for the injury period (1 July 2019 – 30 June 2023).

<i>All of JCB's accounts are audited.</i>	Appendix reference: N/A
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5. Please attach a copy of your company's trial balance (in original and spreadsheet form) covering the POI, 1 July 2022 to 30 June 2023. If your financial year is fully aligned with the POI, this is all that is required.

Where your financial period is not aligned with the POI, please provide trial balances (in original and spreadsheet form) to cover the following periods:

- the trial balance which covers the beginning of your financial year and ends on 30 June 2022;
- the trial balance which starts from 1 July 2022 to the end of your next financial year; and
- the trial balance starting from the beginning of your following financial year and ends on 30 June 2023.



*JCB's financial period is not aligned with the POI. The requested trial balances are enclosed.*

Appendix reference: Appendix A6.5

6. For your company and any associated parties involved in the production, marketing or sales of the like goods or goods concerned, please attach copies of relevant management reports (e.g., profit and loss statement) for the profit centre that includes the like goods. Please provide these reports for the (i) POI and (ii) most recently completed financial year.

*Profit and loss statements for JCB [Sensitive information removed – JCB's business operations] are enclosed.*

Appendix reference: [Sensitive information removed]

7. If your company is part of a group of companies, please also attach a copy of the consolidated accounts of the group for your most recently completed financial year.

*[Sensitive information removed – JCB's business data]*

Appendix reference: [Sensitive information removed]

8. Please provide a detailed description of your financial accounting system, explaining how sub-ledgers (e.g., costing, debtors, creditors) and other sales or production systems integrate with the general ledger. Please provide a description of how they link to the management accounting system, including any manual interventions. Please also attach:

- your company's chart of accounts, and
- your company's cost centres.

*JCB's accounts [Sensitive information removed – JCB's business data]*

Appendix reference: Appendix A6.8

9. Have you changed your financial policies during the injury period? Please explain the changes (including dates and the reasons for them) along with the financial impact of those changes against the like goods.

*[Sensitive information removed – JCB's business operations]*

Appendix reference: N/A



## SECTION B: About your goods

### B1 Understanding your like goods

The goods concerned in this investigation are defined in '[the scope of this investigation](#)'.

We use a PCN number to help us compare the goods concerned and the domestic like goods. When you are completing this section, you must apply the PCN system set out above to describe your goods consistently throughout your responses. If you don't use the PCN table correctly, this could limit the TRA's ability to use the information you provide.

1. Explain the internal coding system your company uses to classify your range of like goods.

Technical documentation (such as sales catalogues, safety standards, technical data, etc.) should be attached for each model where available.

*The internal coding system of JCB for [Sensitive information removed – JCB's business operations]*

Appendix reference: Appendices A.2.001 – A.2.007 to the Application

2. Please complete **Annex 2 – PCN comparison**. If your company manufactures a range of like goods, list this information for each make and model in the range.

Please see additional notes in the annex for assistance on how to complete it.

*See Annex 2.*

3. If there are differences in characteristics within your range of like goods which cause distinguishable differences in price, explain those differences and the effect they have. Attach any evidence you have that is relevant. This could take the form of sales brochures, input costs, research papers or any other relevant documentation.

*The basic operating weight of an Excavator is the primary differentiator that affects differences in prices.*

Appendix reference: Appendix A.2.001 – A.2.007 of the Application



4. Indicate in the box below any physical, commercial, or functional differences between your products and the goods concerned. If these differences cause distinguishable variations in price, explain those differences and the effect they have. Attach any evidence you have that is relevant.

*Excavators originating in the PRC ("Chinese Excavators") and JCB's Excavators are like. For more details, see **Application, Section A.3, Question 1.***

Appendix reference: N/A

5. Please describe all the other products (not including the goods concerned / like goods) produced or sold by your company in the UK.

*Apart from Excavators, JCB also makes a series of products, such as wheeled excavators, mini excavators, and earthmoving equipment (backhoe loaders, dump trucks, and tractors).*

*Wheeled excavators are similar to Excavators, but with different chassis frame or undercarriage. Wheeled excavators have wheels, instead of tracks. They are used for purposes similar to Excavators. However, wheeled excavators are used where protecting the terrain is a concern, such as roads.*

*Mini excavators are similar to Excavators but smaller (i.e., with a basic operating weight <11T). They are used for smaller works.*

*Backhoe loaders are used in urban engineering and small construction projects, and are tractor-like, with a loader-style shovel/bucket on the front and a backhoe on the back.*

*Dump trucks are used for transporting materials such as sand or gravel, and are open-topped trucks that have a body that can be tilted to discharge its contents, such as sand or gravel, through an open tailgate.*

*Tractors are vehicles used in field of agriculture, mining or construction, and are used for, among other things, construction, landscaping, ploughing and tilling purposes.*

Appendix reference: N/A

## B2 Understanding the UK market

1. Please explain the end use of the goods concerned and the like goods. If there are multiple uses for the like goods, list them and, where possible, estimate what proportion of your sales goes to each.

*Chinese Excavators and JCB's Excavators have the same end uses. For more details, see **Application, Section A.3, Question 1.***



Appendix reference: N/A

2. Provide a general description of the nature of competition within the overall UK market for the goods concerned and the like goods.

*The UK Excavator market is a well-developed, mature market in which there has historically been significant competition. In recent years, Chinese Excavator producers started penetrating the UK market, increasing their market share by 378% between 2019 and POI. For more details, see **Application, Section A.3, Question 5, and Section G.1, Question 2.***

Appendix reference: N/A

3. How price-sensitive is demand for the goods concerned and like good? In other words, to what extent will the overall demand for Certain Excavators change in response to changes in price?

*The price sensitivity in demand for Excavators is high. For more details, see **Application, Section A.3, Question 5, Subsection VII.D.***

Appendix reference: N/A

4. Do consumers buy Certain Excavators from the cheapest producer, or are there other factors that influence their decision such as quality and service?

*Price is a major factor in consumers' choice to buy an Excavator. For more details, see **Application, Section A.3, Question 5, Subsection VII.D.***

Appendix reference: N/A

5. To what extent is it feasible for producers to change their level of production in response to changing market conditions such as increases in prices?

*[Sensitive information removed – Commercially sensitive information]*

Appendix reference: N/A

6. Provide a general description of the trends and drivers of demand within the UK market for the goods concerned and the like goods, including causes of demand fluctuations and any factors contributing to overall market growth or decline.

*The UK Excavator market is generally growing. That said, the market size depends on general factors such as the state of the economy, as well as on market segment specific factors. For more details, see **Application, Section G.2.***

Appendix reference: N/A

7. What are the major distribution and marketing channels within the UK market for the goods concerned and the like goods?



*Excavator manufacturers typically use a network of dealers to distribute and market Excavators to customers. In some cases, Excavator manufacturers also make direct sales to customers. For more details, see **Application, Section A.3, Question 5, Section V.***

Appendix reference: N/A

8. Who are the general users/consumers/customers within the UK market for the goods concerned and the like goods?

*Excavators are most often used in large-scale residential and commercial construction and demolitions, road and port improvement and building, and mining projects. Users, consumers and customers of Excavators operate in these industries.*

Appendix reference: N/A

9. Do the goods concerned and like goods compete directly with one another?

Yes.

Appendix reference: N/A

10. Provide a general description of any government regulations or tax incentives affecting the production or sale of the goods concerned and the like goods.

*Government regulations or taxes do not play a particular role in the production or sale of Excavators on the UK market. However, government incentives, policies and regulations in the PRC influence the production and sale of Chinese Excavators. For more details, see **Application, Section E.2.1.***

Appendix reference: Appendix E.2.1.001 of the Application

11. Provide a general description of developments in technology affecting the characteristics, demand or the production process of the goods concerned and the like goods.

*JCB is constantly striving to improve its Excavators by using the latest technology and to comply with the latest regulatory requirements. These technological developments do not materially alter the characteristics, demand or production process of Excavators. For more details, see **Application, Section H.3.***

Appendix reference: N/A

12. Are there any goods which could be substituted for the goods concerned and the like goods?



*Excavators manufactured in countries such as the European Union, Japan, South Korea or the United States are substitutes for Excavators manufactured in the UK or in the PRC.*

*For some discrete tasks, smaller Excavators could in theory be replaced by other vehicles or out-of-scope excavators. Doing so always entails a significant compromise and therefore these products are not viable, real-world substitutes for in-scope Excavators.*

*For more details, see **Application, Section A.3.5.***

Appendix reference: N/A

13. Provide a comment on any other factors which influence the market for the like goods and goods concerned (e.g., seasonality).

*There are no such other factors.*

Appendix reference: N/A



## SECTION C: Costs and production

### C1 Cost to make and sell

1. Please complete **Annex 3 – Cost to make and sell** for the POI for your like goods sold on the domestic market. All figures should be reported net of recoverable tax.

Please see additional notes in the annex for assistance on how to complete it.

2. Describe the individual components of the costs included in **Annex 3 – Cost to make and sell** and provide detail on how these costs are paid.

*See Annex 3.*

*[Sensitive information removed – JCB's business operations]*

Appendix reference: N/A

3. If your company is vertically integrated, please provide details of how the product cost is transferred from one production process to another (e.g., at cost, internal transfer).

*[Sensitive information removed – JCB's business operations]*

Appendix reference: N/A

4. If some of the inputs (e.g., raw materials, energy) used in the production of your like goods are produced by an associated party, provide details of this arrangement, and attach documentation demonstrating any agreements you have.

*[Sensitive information removed – JCB's business operations]*

Appendix reference: Appendices C1.4.1 – C1.4.2

5. If your company incurred any extraordinary costs (such as start-up or ramp up costs) during the POI, please provide details of these costs, explaining why they were extraordinary and how they have been included and amortised/depreciated in your accounts.

N/A.

Appendix reference: N/A



- Please explain how you finance your production of like goods, your sources of finance, whether there is any cost of finance associated with the production of like goods, and how you have reported this in the cost to make figures and company accounts.

[Sensitive information removed – JCB's business operations]

Appendix reference: N/A

- Please state the cost allocation method used for each cost type listed in **Annex 3 – Cost to make and sell**, including an explanation of the allocation under each subheading and to PCNs.

[Sensitive information removed – JCB's business operations]

Appendix reference: N/A

## C2 Cost and sales reconciliation

- Please complete the Cost reconciliation table in **Annex 4 – Cost reconciliation** starting from the bottom of the table and filling in only the white cells. This section will help us reconcile the cost data provided in section **Annex 3 – Cost to make and sell**.

Please see additional notes in the annex for assistance on how to complete it.

See *Annex 4*.

## C3 Production process

- Please provide a written summary and a diagram/flow, if available, of your production process clearly indicating the different production stages for your like goods carried out by your company.

*In a nutshell, Excavators are manufactured by first producing key components (e.g., the cab, the engine, or the boom) and then assembling the Excavator. The production process is complex, as an Excavator consists of numerous components, [Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: Appendix C3.1

- Identify what parts of your production process take place in the UK and explain at what stage the most value is added to your like goods in the production process. If a production process is performed outside the UK, please explain the nature of the activity and where this process step takes place.



*The entire production of Excavators takes place in the UK, [Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

3. Please provide the physical addresses (including town/city and county) of all your company's UK sites/facilities involved in the production of the like goods.

Company name	Physical address
<i>[Sensitive information removed – JCB's business operations and commercially sensitive information]</i>	
Appendix reference: N/A	

+Add additional rows as required

## C4 Joint products and by-products

1. Please explain any waste, scrap or by-products related to the production of the like goods. Please explain:

- how you differentiate your waste, scrap and by products
- what you do with your waste, scrap and by-products
- how any income or cost from waste, scrap or by-products is recorded
- the average waste, scrap and by-product ratio resulting from the production process of the goods concerned and like goods.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

2. Please identify any products which share a joint process with the like goods which you produce. Please indicate at which point in the manufacturing process the products diverge.

*[Sensitive information removed – JCB's business operations]*

Appendix reference: N/A

3. Please explain how your costs of production (per unit) differ between the like goods and its joint products, if applicable. Comment on the reason for this difference and explain your method(s) of calculation.

*[Sensitive information removed – Commercially sensitive information]*

Appendix reference: N/A



## C5 Raw material and input purchases

1. Please complete **Annex 5.1 – Raw materials and input purchases**, detailing by transaction, purchases for cost types used in the production of the like goods which account for more than 5% of total cost to make and sell (or if energy more than 1%), during the POI by your company.

Please see additional notes in the annex for assistance on how to complete it.

*See Annex 5.1.*

2. Please provide an invoice and any supporting documents for two of your purchases stated within **Annex 5.1 – Raw materials and input purchases**. Use the box below to give an overview of any supporting documents provided.

*The invoices are enclosed.*

Appendix reference: Appendices C5.2.1 – C.5.2.3

## C6 Direct labour

1. Please complete **Annex 5.2 – Direct labour costs**, detailing the monthly direct labour costs per PCN for the like goods during the POI by your company.

*See Annex 5.2.*

## C7 Purchases of like goods and/or goods concerned

1. Complete **Annex 6 – Purchases of like goods and/or goods concerned**. This should include information relating to your company's total annual purchases of the like goods and/or goods concerned over the injury period. All figures should be reported net of recoverable tax. Please list for each year every country you have purchased from in a separate row.

Please see additional notes in the annex for assistance on how to complete it

*See Annex 6.*

2. Describe how these purchases fit into your business model. Please attach copies of any agreements or contracts that you have relating to your purchases of like goods and/or goods concerned.



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Trade Remedies Authority  
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*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A



## SECTION D: Sales

### D1 Domestic sales

1. Please complete **Annex 7 – Transaction by transaction (T by T) domestic sales**.

Please contact the Case Team if you can't provide the relevant information in sufficient detail.

Please see additional notes in the annex for assistance on how to complete it.

See *Annex 7*.

### D2 Export sales

1. Please complete **Annex 8 – Export sales**.

- These should include all your export sales of like goods for the POI (1 July 2022 – 30 June 2023).
- Please ensure that you report your total volume and total value for your export sales by PCN, by country of destination.
- All figures should be reported net of recoverable tax.

Please see additional notes in the annex for assistance on how to complete it.

See *Annex 8*.

2. Please provide a list of overseas associated customers who purchase the like goods. Explain the nature of the association and any effect it has on the terms of sale to that customer.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

### D3 Sales reconciliation

1. Please complete the Sales reconciliation table in **Annex 9 – Sales reconciliation**.

See *Annex 9*.



2. Additionally, please provide quantitative estimates (e.g., projections or forecasts) for the sales revenue and quantity of like goods as well as all other goods you produce on the UK market for the next five years in the Sales Forecast table in **Annex 9 – Sales reconciliation**.

N/A.

## D4 Distribution channels and price setting

1. If applicable, please provide copies of price lists for the like goods for the POI (1 July 2022 – 30 June 2023).

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: Appendix D4.1

2. If any price reductions have been applied to any of your sales of like goods over the POI, please provide a description. This includes discounts, rebates, credit terms, allowances and commissions.

- Explain the terms and conditions that must be met for any price reduction.
- Indicate any price reduction not included in an invoice price. Explain how the invoice price and the price reduction have been calculated.
- If you have issued any credit notes that are not reflected in invoice prices, provide details of the criteria for issuing such notes and the impact that they have on prices (both past and future).

*Sales of Excavators are typically carried out through a network of dealers. JCB support such dealers in various ways. For more details, see **Application, Section A.3, Question 5, Subsection VII.B.***

Appendix reference: N/A

3. Please provide details of your distribution network for like goods if you have one.

*Excavator manufacturers typically use a network of dealers to distribute and market Excavators to customers. [Sensitive information removed – JCB's business operations and commercially sensitive information]. For more details, see **Application, Section A.3, Question 5, Subsection V.***

Appendix reference: N/A

4. Do your sales usually include delivery in the price? If so, please explain how you calculate delivery costs and prices?



*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

5. Does delivery price vary between customers? If so, then please explain what these differences may relate to.

*Delivery prices depend on distance and weight.*

Appendix reference: N/A

6. Attach sales contracts for the top five customers by volume in **Annex 7 – T by T domestic sales** that you have sold like goods to in the POI.

*Sales contracts for JCB's top five customers are the dealer agreements mentioned in response to **Question A.5.1** above.*

Appendix reference: Appendices A5.1-A5.8

7. Select examples of domestic sales of like goods to two different customers included in **Annex 7 – T by T domestic sales**. Attach as an appendix a complete set of documentation for these sales. Where possible, include purchase orders, commercial invoices, order acceptances, discounts or rebates, credit and debit notes, contracts of sale, freight and insurance details, bank documentation and all other relevant documents.

*The available documents are enclosed for two sample sales.*

Appendix reference: Appendices D4.7.1 – D4.7.4

## D5 Captive use

1. Please complete **Annex 10 – Captive sales and use**. This should include transaction-by-transaction information for the POI (1 July 2022 – 30 June 2023) detailing your company's individual transfers of the finished like good for internal or captive use. You will need to use the [PCN table](#) to categorise each of these transfers by PCN.

Please see additional notes in the annex for assistance on how to complete it.

*See Annex 10.*



## Trade Remedies Authority

Trade Remedies Authority  
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2. Please comment on whether your captive use of the like goods has changed over time and what has caused any changes. Please attach evidence to support your answer where required.

*[Sensitive information removed – JCB's business operations]*

Appendix reference: N/A



## SECTION E: Injury to your company

1. Is your company suffering from injury? If so, please describe the nature and degree of the injury. This can relate to the prices, volumes or profits associated with your production and sale of the like goods, or to wider aspects of your business. Please specify and substantiate your claims with evidence.

*Yes, JCB is suffering from injury caused by imports of Chinese Excavators. In sum, import volumes of Chinese Excavators increased sharply over the injury period, with the price of these imports significantly undercutting and underselling JCB on the UK market. As a result, Chinese Excavator producers sharply increased their market share. In contrast, JCB lost market share, despite turning to loss-making price levels in order to avoid losing more sales. These loss-making price levels meant that JCB did not manage to turn a profit in the injury period, despite significant sales volumes on the UK market as well as for export, and despite significantly increasing productivity. For more details, see **Application, Section G.1**.*

Appendix reference: N/A

2. Please estimate the date when the injury began to affect your company. Explain how it has developed since this date.

*JCB estimates that injury began to affect it around 2016-2017, when Chinese Excavators started making inroads on the UK market. Injury increased exponentially ever since, as the market share of Chinese Excavators increased sharply due to the injuriously low prices at which Chinese Excavators are being sold. This forces JCB to sell at loss-making price levels. For more details, see **Application, Section G.1**.*

Appendix reference: N/A

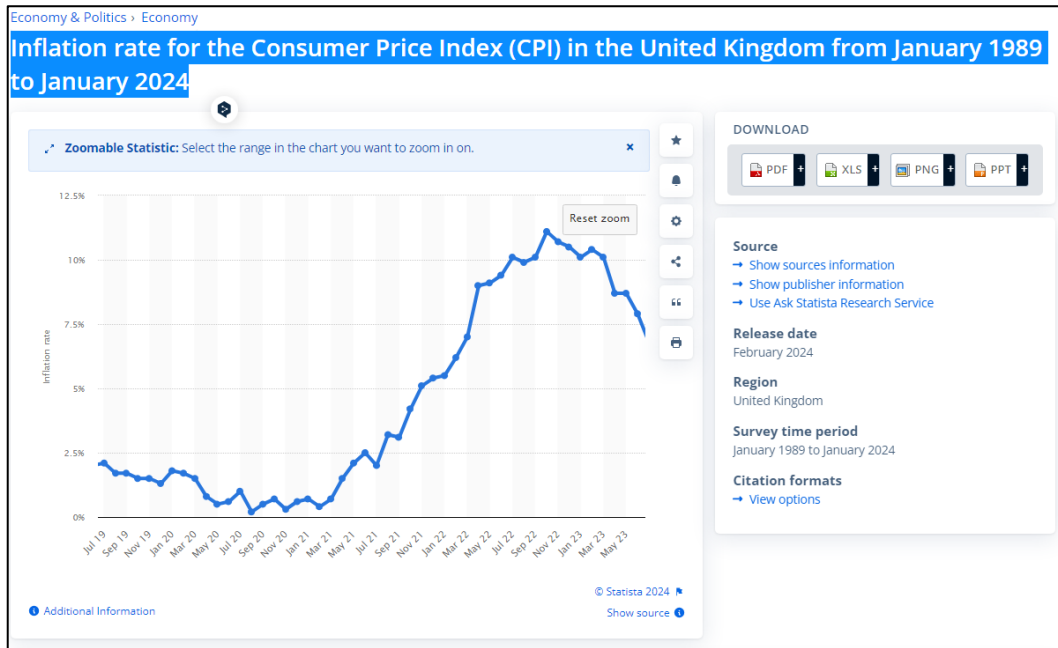
3. Please provide details if your cost of production of the like goods has changed significantly during the injury period. If so, please explain the cause(s) and, where possible, substantiate with evidence.

*JCB's costs increased due to general inflation and because of the increased cost of freight over (part of) the injury period. First, as **Figure 1** demonstrates,<sup>4</sup> general inflation in the UK ranged from 2.1% to 11.1% over the injury period.*

<sup>4</sup> Source: Statista, Inflation rate for the Consumer Price Index (CPI) in the United Kingdom from January 1989 to January 2024, available at: <https://www.statista.com/statistics/306648/inflation-rate-consumer-price-index-cpi-united-kingdom-uk/>.

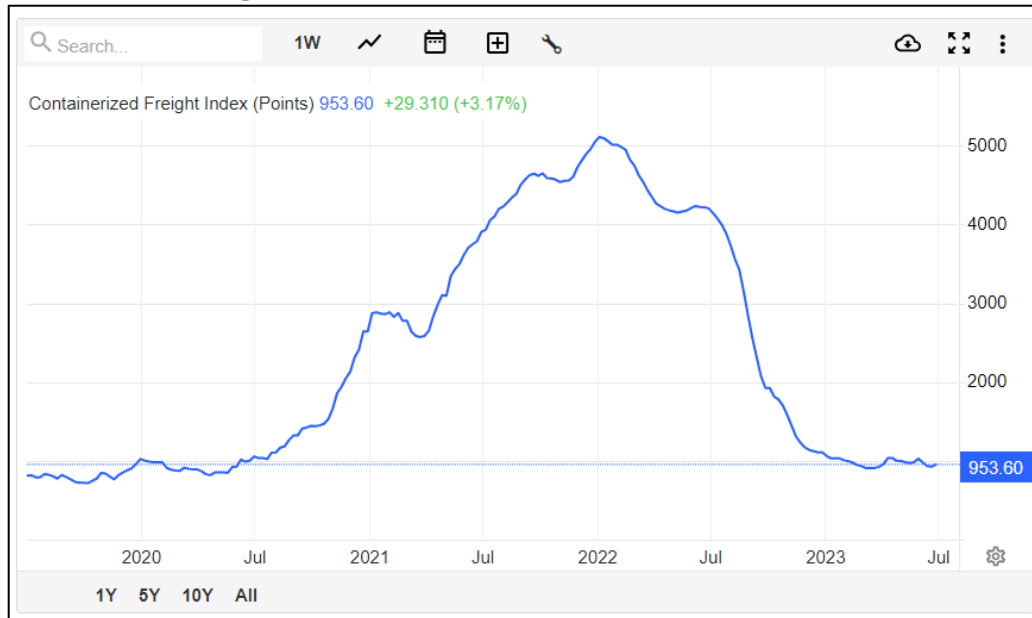


Figure 1 – UK inflation



Second, as **Figure 2** demonstrates,<sup>5</sup> container freight costs were elevated during much of the injury period.

Figure 2 – Container freight index



Appendix reference: N/A

<sup>5</sup> Source: Trading Economics, Containerized Freight Index, available at: <https://tradingeconomics.com/commodity/containerized-freight-index>.



4. Please complete **Annex 11 – Injury**. This should be completed in reference to your UK production of the like goods for the injury period (1 July 2019 – 30 June 2023).

See **Annex 11**.

5. Please explain how you calculated and apportioned your average net operating profit after tax (NOPAT) for the like goods.

See the response to **Section E, Question 1** above.

Appendix reference: N/A

6. Please explain how you calculated and apportioned your finance costs (e.g., interest) incurred for the like goods.

See the response to **Section C1, Question 6** above.

Appendix reference: N/A

7. Please explain how you assess your stock levels. Indicate if your stock levels were abnormally high during the injury period. If so, provide an explanation.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]. For more details, see **Application, Section A3, Question 5, Sub-section V**.*

Appendix reference: N/A

8. Please explain how you estimated your percentage of market share for the like goods.

*JCB relied on best available data, which is (1) for JCB's sales, its own data; plus (2) for all other manufacturers, data [Sensitive information removed – Copyrighted material, the disclosure of which would be a breach of copyrights]. For more details, see **Application, Section D.2, Question 1**.*

Appendix reference: N/A

9. Please explain how you calculated your production capacity and capacity utilisation for the like goods, and the cause of any significant variations.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

10. Please explain how you set your wages, and the causes of any significant variations.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*



Appendix reference: N/A

11. Please explain how your total employees involved in the UK manufacture of like goods are split across different sites/locations.

N/A.

Appendix reference: N/A

12. For your like goods only, please state what level of profit, before tax and as a percentage of turnover, your company would expect to achieve in the absence of injury and explain how you arrived at this figure.

*Absent injury from dumped and subsidised Chinese Excavators, JCB would expect a net profit level before tax of 11.0%. For more details, see **Application, Section G.1, Question 4.***

Appendix reference: N/A

13. Explain how you set your current sales price for your like goods. Is this the same as your target sales price? If not, please explain the reasons for this.

*JCB's current sales prices of Excavators are much lower than its target sales prices due to price pressure from Chinese Excavators. As a result of the injuriously low prices of dumped and subsidised imports of Chinese Excavators, JCB is left with no choice but to sell its Excavators on the UK market below its cost of production. For more details, see **Application, Section G.1, Question 5.***

Appendix reference: N/A

14. Explain any variances between your actual and forecasted budgets over the injury period, with reference to your cash flow statements. Would your forecasted budgets be affected if measures on the goods concerned were not applied? Please describe the nature of any change and substantiate your claims with evidence.

*[Sensitive information removed – JCB's business data]. This reflects the influx of injuriously low-priced Chinese Excavators, which increasingly created downward price pressure on the UK market. If no trade remedy measures are imposed, this trend will continue and exacerbate.*

*The forecasted budgets are enclosed.*

Appendix reference: Appendix E14

15. Please complete **Annex 12 – Investments and return on investments.**

See **Annex 12.**



16. Please provide details of your typical source(s) of finance (e.g., loans, debt, share issues, bond issues etc.) for each category of investment relating to your company-wide investments.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

17. Please describe any changes in your company's level and trends of returns on investment over the injury period. Please explain the nature and cause of this change and substantiate with supporting evidence e.g., funding proposals, loan approvals or other relevant financial documents.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

18. Please complete **Annex 13 – Forward sales contracts**. Describe and attach copies of all forward sales contracts/ongoing supply agreements for like goods. Comment on these forward sales contracts – are they a usual way of doing business in your industry? Has there been any variation in the volume and value of forward sales contracts over time? If so, what has caused this variation?

*See Annex 13. [Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

19. If your company is suffering from injury, please explain and indicate the degree to which this has been caused by the alleged subsidisation of the goods concerned. Please also explain and indicate the degree to which any other factors might have caused the injury, for example:

- volume and prices of imports that have not benefitted from a subsidy;
- contraction in demand or changes in patterns of consumption;
- restrictive trade practices of, and competition between, third country and UK producers;
- developments in technology; and
- export performance and the productivity of the UK.

Please substantiate your claim(s) with evidence.

*Dumped and subsidised imports of Chinese Excavators are the cause of injury to the UK industry. As demonstrated above, dumped and subsidised imports of Chinese*



*Excavators significantly undercut JCB's prices. The price pressure from these imports has a negative impact on factors such as JCB's:*

- *UK net sales prices, which decreased over the injury period*
- *Persistently negative profitability, cash flow and return on investment*

*In the meantime, leveraging aggressive pricing strategies, imports of Chinese Excavators are rapidly gaining market share, quadrupling between 2019 and POI. In an attempt to avoid losing more sales to Chinese Excavator manufacturers, JCB has had to resort to selling Excavators on the UK market at prices well below their cost of production.*

*The injury that JCB is suffering cannot be attributed in part or in full to any factors other than dumped and subsidised imports of Chinese Excavators.*

*For more details, see **Application, Section H, Question 3.***

Appendix reference: N/A

20. Is your company under threat of injury? If so, please describe the threat, its cause and how the injury is clearly foreseen and imminent.

*Yes. In addition to causing material injury to the UK Excavator industry due to dumped and subsidised imports of Chinese Excavators, there is also a clearly foreseeable and imminent threat of material injury to the UK Excavator industry. This is due to (1) the very high rate of increase of dumped and subsidised imports of Chinese Excavators; (2) the attractiveness of the UK market; (3) declining demand in the PRC; and (4) the injuriously low prices of Chinese Excavators. For more details, see **Application, Section G2.***

Appendix reference: N/A

21. Would there be any indirect effects on your industry and/or business if trade remedies are imposed on the goods concerned? In your answer please also comment on the effect of no measures.

*If effective trade remedy measures are imposed, JCB will be able to revert to selling Excavators on the UK market at profitable price levels, which will help the company return to profitability and ensure it can continue investing in its UK manufacturing facility.*

*If no effective trade remedy measures are imposed, JCB will continue being loss-making as it cannot sell Excavators at break-even or profitable prices. If JCB continues to be loss-making, it would ultimately have to reevaluate its decision to produce Excavators in the UK.*



Trade Remedies  
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Trade Remedies Authority  
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Appendix reference: N/A



## SECTION F: Subsidies

### F1 General

The programmes being investigated are listed in the table below. Refer to Application 'Appendix F.2.001: Subsidisation of Chinese Certain Excavators' for full allegations regarding to each potential subsidy. Please use this section of the questionnaire to provide any information you have on the programmes listed. You can also provide information on any other subsidy programmes that you believe relate to the production and/or sale of the goods concerned.

No.	Subsidy type
1	Grants
2	Loans
3	Loan Guarantees
4	Debt-for-equity swaps
5	Export credits and financing
6	Equity infusion
7	Provision for goods and services
8	Preferential tax programmes
9	Tariff and VAT Exemption
10	Unpaid Dividends
11	Other subsidies provided in special economic zones
12	Land-use rights
13	Any other programmes

### F2 Grants

The applicant has provided evidence that the GOC has directly transferred funds to domestic producers and exporters of the goods concerned. This evidence included financial reports from producers and exporters of the goods concerned in the PRC.

1. Please provide any further information you have regarding the direct transfer of funds.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application



### F3 Loans

The applicant has provided evidence that the GOC has provided preferential loans to domestic producers and exporters of the goods concerned. These preferential loans include:

- export-contingent loans;
- policy loans to the manufacturing industry;
- scientific and technological credit;
- high-tech enterprise loans.

1. Please provide any further information you have regarding the provision of preferential loans.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

### F4 Loan guarantees

The applicant has provided evidence that the GOC has provided preferential loan guarantees to producers and exporters of the goods concerned. Loan guarantees include credit lines and bank acceptance drafts.

1. Please provide any further information you have regarding the provision of preferential loan guarantees.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

### F5 Debt-for-equity swaps

Debt-to-equity swaps are a form of debt forgiveness where a bank purchases equity in a company to reduce that company's debt to the bank. The applicant has provided evidence that debt-to-equity swaps are provided by the GOC to producers and exporters of the goods concerned at preferential conditions that are not available under normal market conditions.

1. Please provide any further information you have regarding the provision of debt-for-equity swaps.

*See Application, Section F.*



Appendix reference: Appendix F.2.001 of the Application

## F6 Export credits and financing

The applicant has provided evidence that the GOC has provided preferential export credit and preferential credit insurance against non-payment risks for buyers and sellers of the goods concerned.

1. Please provide any further information you have regarding the provision of export credits and financing.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F7 Equity infusion

The applicant has provided evidence that the GOC provides financial contributions to producers and exporters of the goods concerned in the form of equity infusions such as corporate bonds and convertible corporate bonds.

1. Please provide any further information you have regarding equity infusions.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F8 Provision of goods and services

The applicant has provided evidence that the GOC has provided subsidies to producers and exporters of the goods concerned in the form of the provision of goods and services at less than adequate remuneration.

This includes:

- The provision of the raw material input steel
- The provision of energy
- The provision of shipping and logistic services
- The provision of land use rights

1. Please provide any further information you have regarding the provision of goods and services at less than adequate remuneration.



*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F9 Preferential tax programmes

The applicant has provided evidence that the GOC has foregone or not collected government revenue to the benefit of domestic producers and exporters of the goods concerned, including:

- Income tax reductions
- Land use tax exemptions
- Tax exemptions for policy-based relocations

2. Please provide any further information you have regarding preferential tax programmes.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F10 Tariff and VAT Exemptions

The applicant has provided evidence that the GOC provides import tariff and VAT exemptions on imported equipment and technology, as well as VAT refunds that benefit certain listed industries such as the manufacturing industry and producers and exporters of the goods concerned.

3. Please provide any further information you have regarding tariff and VAT exemptions.

*See Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F11 Unpaid Dividends

The applicant has provided evidence of a dividends exemption which lowers the taxable income of eligible companies, including producers and exporters of the goods concerned.

4. Please provide any further information you have regarding unpaid dividends.



See *Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F12 Other subsidies provided in special economic zones

The applicant has provided evidence of the GOC providing other subsidies for companies in special economic zones, which includes producers and exporters of the goods concerned.

5. Please provide any further information you have regarding other subsidies provided in special economic zones.

See *Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F13 Land-use rights

The applicant has provided evidence that the GOC has provided subsidies to producers and exporters of the goods concerned in the form of land-use rights at less than adequate remuneration.

6. Please provide any further information you have regarding the provision of land-use rights.

See *Application, Section F.*

Appendix reference: Appendix F.2.001 of the Application

## F14 Any other programmes

7. Please provide any further information you have regarding any other assistance programmes not previously addressed.

N/A.

Appendix reference: N/A

1. Please complete **Annex 14 – Subsidies** providing as much information for each of the subsidies listed as possible. Please substantiate with any evidence if possible.



Add additional lines for any further subsidy you would like the TRA to consider into the relevant tables depending on the type of subsidy it is (i.e., grants, loans etc).

See *Application, Section F, Appendix F.2.001*.

2. Please provide any further information on subsidies that you feel is relevant to the investigation.

N/A.

Appendix reference: N/A



## SECTION G: Economic Interest Test

The Economic Interest Test helps the TRA assess the economic impact of a measure compared to what would happen if it the measure was not in place. There are six factors which the TRA must consider as part of the Economic Interest Test:

- i) The injury caused by the importation of the subsidised goods to UK industry and the benefits to that industry in removing the injury.
- ii) The economic significance of affected industries and consumers in the UK.
- iii) The likely impact on affected industries and consumers in the UK.
- iv) The likely impact on particular geographic areas, or particular groups, in the UK.
- v) The likely consequences for the competitive environment and for the structure of markets for goods in the UK.
- vi) Other matters that the TRA considers relevant.

The questions in this section will contribute to this assessment. Please provide information broken down by each of your company's UK sites/facilities, where relevant and possible.

### G1 Background

1. Please provide the names, legal addresses and telephone numbers of the following domestic companies:

- Those that produce Certain Excavators in the UK;
- Those that are involved in the importation, distribution, or sale of Certain Excavators from third countries.

*JCB and Komatsu UK Limited are the only producers of Excavators in the UK. For more details, see **Application, Section C.1**.*

*It is likely that the UK subsidiaries of large third country Excavator producers are involved in the importation, distribution or sale of Excavators originating in third countries. This may include companies such as:*

- *Kobelco Construction Machinery Europe (UK), 9 The Felbridge Centre, Imberhorne Lane, East Grinstead, RH19 1XP*
- *Hitachi Construction Machinery (UK), Monkton Business Park North, Hebburn, Tyne & Wear, NE31 2JZ*
- *John Deere, 5th Floor Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL*
- *Liebherr – Great Britain, Normandy Lane, Stratton Business Park, Biggleswade, Bedfordshire, SG18 8QB*



- *Volvo Construction Equipment, C/O Volvo Group UK Limited Wedgnock Industrial Estate, Wedgnock Lane, Warwick, CV34 5YA*

Appendix reference: N/A

2. Please provide an overview of your upstream supply chain for Certain Excavators (e.g., producers of raw materials). Where possible, please describe the number, location and size of UK producers at each stage.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]. For more details, see **Pre-sampling Questionnaire, Section C5; Application, Section A.3, Question 4.***

Appendix reference: N/A

3. Please provide an overview of your downstream supply chain. Please indicate who the consumers of Certain Excavators are, which industry and level of trade they relate to and whether they are companies or private individuals.

*[Sensitive information removed – JCB's business operations and commercially sensitive information]. For more details, see **Application, Section C.2.3.***

Appendix reference: N/A

## G2 Your company

4. Please complete **Annex E1 – Economic Interest Test**, providing employment figures in full-time equivalents (FTE) for each of your company's UK sites or facilities.

*See Annex II: E1.*

5. How would these employment figures be affected if a countervailing measure was imposed? Please support your claims with evidence.

*JCB would be able to maintain or even expand employment levels. See also **Section E, Question 21.***

Appendix reference: N/A

6. How would your domestic sales of Certain Excavators be affected if a countervailing measure was imposed? Please support your claims with evidence.

*JCB would be able to maintain its market share and, as the market expands, thus increase its absolute sales volumes. In addition, JCB would be able to sell at profitable price levels, so that the company can return to profitability. For more details, see **Application, Section G.1. Question 1, Subsection I.B.***

Appendix reference: N/A



7. How significant is the production of Certain Excavators relative to your company's entire UK production?

As **Annex 12** shows, [Sensitive information removed – JCB's business operations and commercially sensitive information].

Appendix reference: N/A

### G3 Potential impacts of a measure

8. Please describe how you would expect an increase in the import prices of Certain Excavators to affect each of the following. Where possible, please support your claims with evidence.

- Domestic prices of Certain Excavators in the UK;

Trade remedy measures would increase the price of Chinese Excavators. This price increase would allow JCB to also increase its prices for Excavators on the UK market to return to profitable levels. See also **Question G2.6** above.

Appendix reference: N/A

- Total UK production of Certain Excavators;

See **Question G2.6** above.

Appendix reference: N/A

- Total imports of Certain Excavators from the PRC and other third countries to the UK; and

Trade remedy measures would slow down or stabilise the import volume of Chinese Excavators, as they would force Chinese Excavators to compete with other Excavators on a level playing field.

The impact on third country import volumes would be limited, given that imports from third countries account for approximately 75% of the UK sales volume of Excavators.

For more details, see **Application, Section G.1. Question 2, Figure 4.**

Appendix reference: N/A

- Total exports of Certain Excavators from the UK.

The impact of trade remedy measures on export volumes from the UK would be limited. However, if no (effective) trade remedy measures are imposed, UK production may disappear and exports thus collapse.

Appendix reference: N/A



9. Do you know of any related industries that would be affected if a countervailing measure was imposed?

Please consider in particular:

- Upstream industries – those who produce inputs (such as raw materials) needed for the production of Certain Excavators;

*Increased production in the UK would increase the need for inputs. [Sensitive information removed – JCB's business operations and commercially sensitive information]*

Appendix reference: N/A

- Downstream industries – those who purchase Certain Excavators;

*[Sensitive information removed – JCB's business operations and commercially sensitive information]. Trade remedy measures will help dealers make sales for JCB Excavators at fair prices, thereby helping the dealers' businesses.*

*Anti-subsidy measures would not significantly negatively affect downstream industries as the UK Excavator market is a well-developed, mature market and there would still be ample choices for consumers, such as Excavators from the EU, Japan, South Korea, or the U.S.*

Appendix reference: N/A

- Industries for complimentary goods – those which would typically be bought alongside Certain Excavators (such as ink being bought with printers); and

N/A.

Appendix reference: N/A

- Industries for substitute goods – those which might be bought instead of Certain Excavators (such as margarine instead of butter).

N/A.

Appendix reference: N/A

10. To what extent would you expect any changes in prices of Certain Excavators to be passed onto final consumers?

*[Sensitive information removed – Commercially sensitive information]. However, the cost of an Excavator makes up only a small part of the consumers' costs, so that any increase is unlikely to negatively affect the consumers.*

Appendix reference: N/A



11. Would your plans for investment or expansion in the UK over the next five years be affected if a countervailing measure was imposed? Please support your claims with evidence.

*JCB is a committed UK business, [Sensitive information removed – JCB business strategy]*

Appendix reference: N/A

12. As a public body, the TRA has an obligation under the Equality Act 2010 to ensure that the possible effects of its activities on different people are considered. This public sector Equality Duty covers the following protected characteristics:

- age,
- disability,
- gender reassignment,
- marriage or civil partnership,
- pregnancy and maternity,
- race,
- religion or belief,
- sex, and
- sexual orientation.

Please provide any relevant information about whether the imposition of a countervailing measure might disproportionately affect any of these groups or any other particular group.

N/A.

Appendix reference: N/A

13. How would the number or range of suppliers in the Certain Excavator market be affected if a countervailing measure was imposed? Please provide an explanation.

*See Section G.3, Question 9 above.*

Appendix reference: N/A

14. How would the suppliers' ability to differentiate their products by price, quality, service or innovation in the Certain Excavator market be affected if a countervailing measure was imposed? Please provide an explanation.

*Trade remedy measures would not affect suppliers' ability to differentiate their products by quality, service or innovation. As concerns price, trade remedy measures would ensure that Chinese Excavators have to compete on a level playing field.*

Appendix reference: N/A



15. How would the cost of switching between suppliers in the Certain Excavator market be affected if a countervailing measure was imposed? Please provide an explanation.

*There is no (or a very limited) cost of switching between Excavator suppliers. See Application, Section C.2, Question 3.*

Appendix reference: N/A

16. How would the suppliers' ability to set agreed prices between themselves or for certain consumers or products be affected if a countervailing measure was imposed? Please provide an explanation.

N/A.

Appendix reference: N/A

17. How would the choices of Certain Excavator available to consumers be affected if a countervailing measure was imposed? Please provide an explanation.

*See Section G.3, Question 9 above.*

Appendix reference: N/A

18. How would the ability of downstream businesses or consumers to make informed decisions be affected if a countervailing measure was imposed? Please provide an explanation.

*Downstream businesses' ability to make informed decisions would not be affected if trade remedy measures are imposed.*

Appendix reference: N/A

19. Are there any additional economic factors that you consider to be relevant for the Economic Interest Test in this investigation?

N/A.

Appendix reference: N/A



## SECTION H: Checklist and appendices

This section is an aid to ensure that you have completed all sections of this questionnaire.

Section	Please tick if you have responded to all questions
Section A – Company structure and operations	Y
Section B – About your goods	Y
Section C – Costs and production	Y
Section D – Sales	Y
Section E – Injury to your company	Y
Section F – Subsidies	Y
Section G – Economic Interest Test	Y

+Add additional rows as required

Please list any appendices that you have referenced in your responses and are attaching with this questionnaire.

Appendix reference	Document title
A4.2.1	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A4.2.1.pdf
A4.2.2	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A4.2.2.pdf
A4.2.3	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A4.2.3.pdf
A6.3.1	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A6.3.1.pdf
A6.3.2	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A6.3.2.pdf
A6.3.3	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A6.3.3.pdf
A6.3.4	20240301_AS0046 - CONFIDENTIAL - JCB - Questionnaire response - Appendix A6.3.4.pdf

+Add additional rows as required