

12 July 2024

Trade Remedies Authority
North Gate House
21-23 Valpy Street
Reading
Berkshire
RG1 1AF

via UK Trade Remedies Services

OPEN

Dear Mesdames,
Dear Sirs,

Re: AD0047 – Comments on change to PCN table
Our client: JCB Heavy Products Limited ("Applicant")

We refer to the Trade Remedies Authority's ("**TRA**") notification ("**Notification**") of a proposed change to the structure of the product control numbers ("**PCNs**") of 11 July 2024. The Applicant hereby provides its comments on the proposed change to the PCNs.

The Applicant considers that the PCNs should not be revised, for (at least) three reasons.

First, the Applicant understands that the verifications at (at least some of) the Chinese exporting producers of in-scope excavators ("**Excavators**") have already taken place.¹ Changing the PCNs requires significantly amending questionnaire responses, most notably (but not exclusively) as concerns costs of production.

Amending the PCNs after verification would mean that either (a) these amendments cannot be verified, which would not be appropriate as unverified information cannot be accepted; or (b) the TRA needs to partially reconduct verifications, which would lead to unnecessary delays. Neither option is workable or acceptable.

Second, as the Applicant explained,² there are very few circumstances on the UK market in which a $\geq 50T$ Excavator is the most appropriate machine, and most – if not all – $\geq 50T$ Excavators sold on the UK market will have an operating weight rather close to $\geq 50T$.

Adding PCNs for $\geq 55T$ and $\geq 80T$ Excavators risks convoluting the dynamics for the occasional sales of $\geq 55T$ machines, which in the specific context of the UK market will likely compete with $< 55T$ Excavators.³

Third, as the Applicant explained,⁴ the Chinese exporting producers (a) acknowledged that there is competition between $< 50T$ and $\geq 50T$ Excavators, including between machines that are not marginally heavier than $\geq 50T$; (b) limit their marketing materials for the UK market to $50T$ Excavators, suggesting the UK market for $\geq 50T$ machines is small; (c) referred to a

¹ TRA, AD0047, Note to the file, Updated external timeline.

² JCB, AD0047, Comments on interested parties' comments and questionnaires, paras. 2-3.

³ JCB, AD0047, Comments on interested parties' comments and questionnaires, paras. 2-6.

⁴ JCB, AD0047, Comments on interested parties' comments and questionnaires, paras. 5, 7.

segmentation where all >25T Excavators compete; and (d) did not raise issues with the PCNs when asked at the start of the investigation. As such, there is no – and certainly no timely – support from the Chinese exporting producers to add additional PCNs.

Finally, the Applicant recalls that the other UK Excavator manufacturer, Komatsu UK Limited ("**Komatsu**") reports on its website that it "manufactures medium-size and large crawler excavators (17 to 70 tonnes)."⁵ To the best of the Applicant's knowledge, Komatsu sells several ~70T Excavators on the UK market every year.

For those reasons, the Applicant considers that adding the proposed PCNs would be unnecessary and misguided.

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⁵ JCB, AD0047, Comments on interested parties' comments and questionnaires, paras. 9.