

22 May 2026

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: AR0089 – Comments on registrations of interest**  
**Our client: JCB Heavy Products Limited ("Applicant")**

We refer to the registration forms in the captioned investigation ("**Investigation**") uploaded to the public file of the Investigation on 29 April 2026 submitted by (a) Shanghai Sany Heavy Machinery Co., Ltd. ("**SANY Shanghai**") and SANY Heavy Machinery Limited ("**SANY Kunshan**") (together: "**SANY**"); (b) Caterpillar (Xuzhou) Ltd. ("**Caterpillar**"); (c) XCMG Excavator Machinery Co., Ltd. ("**XCMG**"); (d) Liugong Changzhou Machinery Co., Ltd. and Liuzhou Liugong Excavator Co., Ltd. (together: "**LiuGong**"); and (e) Sunward Intelligent Equipment Co., Ltd. ("**Sunward**") (together: "**Chinese Exporters**").

In their registration forms, the Chinese Exporters comment on the development of their prices of in-scope tracked excavators ("**Excavators**") on the UK market since June 2023 (the end of the period of investigation in the original anti-dumping investigation) and during the Period of Investigation ("**POI**") for the Investigation, which covers calendar year 2025.

As an initial point, and crucially for the Investigation, the Chinese Exporters concede in their registration forms that they have not, or have not meaningfully, increased their prices on the UK market since the Trade Remedies Authority ("**TRA**") imposed anti-dumping duties ("**ADDs**") on UK imports of Excavators originating from China. In other words, it is now established that the Chinese Exporters are absorbing the ADDs, thereby denying the Applicant an effective remedy against injury inflicted by dumped (and subsidized) Chinese Excavators.

In the remainder of this submission, the Applicant addresses certain claims made by the Chinese Exporters, all of which unsuccessfully seek to excuse the absorption of the ADDs and the continued injury that the Chinese Exporters are inflicting on the Applicant.

## 1. The Chinese Exporters concede that they did not increase their prices of Excavators on the UK market and are thus absorbing the ADDs

1. In its application of 25 November 2025 for an absorption review (“**Application**”), the Applicant requested the TRA to maximally increase the applicable ADDs based on evidence of immediate and full absorption of the ADDs by the Chinese Exporters. The Applicant provided company-specific evidence that the ADDs have been absorbed as well as UK import statistics that show that UK import prices of tracked excavators from China decreased by 20% since the imposition of the ADDs.<sup>1</sup>
2. In their registration forms, the Chinese Exporters do not contest the factual evidence on the record and, in effect, concede that they have absorbed the ADDs. Attempting to excuse the absorption, certain Chinese Exporters make contradictory and implausible claims that there are reasons other than the ADDs that purportedly explain why the Chinese Exporters have not increased their prices of Excavators on the UK market. The Applicant, in turn, rebuts these specific claims made by SANY (Section 1.1), LiuGong (Section 1.2), and XCMG (Section 1.31.2).

### 1.1 SANY

3. In its registration forms, SANY argues that its pricing decisions for Excavators sold on the UK market have not been made “with the purpose or effect of offsetting or absorbing anti-dumping duties.”<sup>2</sup> SANY’s intention is irrelevant to the Investigation; what matters is whether SANY is absorbing the ADDs. SANY does not even try to claim that increased its prices – it only seeks to explain why its prices decreased. These explanations fail.
4. First, SANY claims that from mid-2023 to the end of 2025, there were simultaneous decreases both in its major input costs and non-manufacturing costs.<sup>3</sup> In essence, SANY claims that, coincidentally, (a) all drivers for a purported huge cost decrease occurred simultaneously and immediately following the imposition of the ADDs; and (b) these cost decreases together decreased SANY’s cost so much as to offset 32.8% in ADDs.
5. SANY’s remarkable claim is supported only by vague explanations: “fluctuations in major input costs” that are not identified, “operational efficiencies,” “economies of scale,” and “market-driven factors” that purportedly occurred like a *deus ex machina* to offset the ADDs.<sup>4</sup>
6. As an initial point, the Applicant fails to see why SANY refuses to disclose which inputs purportedly became so much cheaper. That information cannot be business-confidential so that the true reason for not disclosing the information appears to be the avoidance of scrutiny by the Applicant.

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<sup>1</sup> Application, pp. 9-10, 12.

<sup>2</sup> SANY Kunshan, Registration form, pp. 11 and 13; SANY Shanghai, Registration form, pp. 14 and 16.

<sup>3</sup> SANY Kunshan, Registration form, p. 8; SANY Shanghai, Registration form, pp. 10-11.

<sup>4</sup> SANY Kunshan, Registration form, pp. 8-9; SANY Shanghai, Registration form, pp. 10-11.

7. The implausibility of SANY's claims is underlined by the contradictory claims from almost all other Chinese Exporters regarding the development of raw material costs. LiuGong,<sup>5</sup> Sunward,<sup>6</sup> and Liebherr Machinery Dalian Co., Ltd. ("**Liebherr**") (which intends to export Excavators to the UK)<sup>7</sup> all state that they are not aware of any significant fluctuations in input costs. It would surprise the Applicant if only SANY could be aware of any "fluctuations in major input costs" so large that they could result in a cost decrease sufficient to offset 32.8% ADDs.
8. Second, SANY submits that its lower export prices to the UK may be due to "[a]ny adjustments to pricing arrangements ... driven by ordinary business, operational, and compliance considerations, ... not linked to the existence or level of anti-dumping duties."<sup>8</sup> What SANY is saying is that it has reduced the transfer price charged by Chinese entities to Sany Heavy Machinery (UK) Ltd. to reduce the customs value on which the ADDs are calculated.
9. Regardless of whether SANY's changes to their transfer prices are legal, which the Applicant doubts given the stringent rules on customs valuation precisely to avoid what SANY is doing, in any event, the effect of these changes to SANY's transfer prices is to ensure that the price of SANY Excavators on the UK market does not increase by the 32.8% ADDs. As a result, SANY's concession that it reduced its transfer prices proves that SANY is absorbing the ADDs.
10. Third, SANY claims that it decreased its export prices to the UK based, *inter alia*, on "competition in the UK market."<sup>9</sup> That claim is inoperative as it cannot show that SANY is not absorbing the ADDs. As the TRA found during the original investigation, SANY Excavators are price setters on the UK market – as illustrated by SANY's sky-high injury margin of 69.3%.<sup>10</sup> SANY's pricing behaviour has not changed since. The intention of the ADDs is precisely to restore fair competition on the UK market by eliminating SANY's injurious dumping practices.
11. In any event, SANY's claim about competition on the UK market is contradicted by import statistics, which, as **Table 1** below reports, show that the average price per kg of excavators imported from Japan, South Korea, and Germany – the three largest exporters by volume other than China – remained stable or increased, whereas the average price per kg of excavators imported from China decreased by 22%.

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<sup>5</sup> LiuGong, Registration forms, p. 6.

<sup>6</sup> Sunward, Registration form, p. 6.

<sup>7</sup> Liebherr Dalian, Registration form, p. 6.

<sup>8</sup> SANY Kunshan, Registration form, p. 13; SANY Shanghai, Registration form, p. 16.

<sup>9</sup> SANY Kunshan, Registration form, pp. 9, 11 and 13; SANY Shanghai, Registration form, pp. 11, 14 and 16.

<sup>10</sup> AD0047, TRA, Statement of Essential Facts, Table 30.

<b>Table 1 – Average UK import price (customs code 8429 52 10)<sup>11</sup></b>			
	<b>2023</b>	<b>2024</b>	<b>2025</b>
China	5.95	5.58	4.63
<i>Index</i>	100	94	78
Japan	6.19	5.96	6.18
<i>Index</i>	100	96	100
South Korea	4.92	5.01	5.34
<i>Index</i>	100	102	108
Germany	7.20	7.57	7.84
<i>Index</i>	100	105	109

12. In sum, SANY concedes that it decreased its export prices for Excavators to the UK market and its prices of Excavators on the UK market. SANY's claims that these price developments are caused by other factors than absorption fail.

## 1.2 LiuGong

13. In its registration forms, LiuGong claims that its prices of Excavators on the UK market absorb the ADDs because most Excavators that the Chinese Exporters sold in 2025 were sold from stocks.<sup>12</sup>
14. As UK import statistics show, this claim fails. UK imports of excavators from China under customs code 8429 52 10 amounted to ~20,000 MT in 2025.<sup>13</sup> There was thus a large volume of imports into the UK, and it is implausible that these imports were mainly for inventories as, in fact, the Excavator industry tends to use no or low inventories.
15. What LiuGong appears to be saying is that it stockpiled Excavators in the UK before the TRA imposed ADDs to evade the ADDs. This would explain the 19-25 units that LiuGong reported importing in the Investigation as opposed to the hundreds of units that it reported importing in the original investigation.<sup>14</sup> This behaviour is precisely why the TRA should have imposed retroactive ADDs in the original investigation.
16. In any event, LiuGong concedes that it did sell Excavators imported from China after the imposition of the ADDs,<sup>15</sup> so that its claim is, in any event, moot.
17. For completeness, the Applicant notes that LiuGong also claims that the Investigation is premature because there are pending appeals.<sup>16</sup> LiuGong errs: if anything, the Investigation comes too late as the absorption practices of the Chinese Exporters continue to deny the Applicant of the effective remedy that the TRA and the Secretary of

<sup>11</sup> Source: HMRC data by origin, obtained via paid subscription service.

<sup>12</sup> LiuGong Machinery UK Ltd., Registration form, p. 14.

<sup>13</sup> Source: HMRC data by origin, obtained via paid subscription service.

<sup>14</sup> Liuzhou Liugong Excavator Co., Ltd. reported exporting 230-300 units to the UK; LiuGong Changzhou Machinery Co., Ltd. reported exporting 90-120 units to the UK. See LiuGong entities, Pre-sampling questionnaires in AD0047, p. 9.

<sup>15</sup> LiuGong Machinery UK Ltd., Registration form, p. 14.

<sup>16</sup> LiuGong Machinery UK Ltd., Registration form, p. 14.

State intended to impose in order to help remedy the injury inflicted on the Applicant by the Chinese Exporters.

18. In any event, LiuGong's appeal concerns only the inclusion of electric-powered Excavators and thus has no bearing on the Investigation.
19. In sum, LiuGong does not contest that it decreased its export prices for Excavators to the UK market and its prices of Excavators on the UK market.

### 1.3 XCMG

20. In its registration form, XCMG does not contest that it did not increase its prices on the UK market to account for the ADDs. In fact, XCMG conceded "changes" to its export prices – i.e., reductions – that it attributed to two cost decreases.<sup>17</sup>
21. First, XCMG claims that its input costs decreased.<sup>18</sup>
22. As an initial point, the Applicant fails to see why XCMG, like SANY, refuses to disclose which inputs purportedly became so much cheaper. That information cannot be business-confidential so that the true reason for not disclosing the information appears to be the avoidance of scrutiny by the Applicant.
23. Further, XCMG's claim is contradicted by LiuGong,<sup>19</sup> Liebherr,<sup>20</sup> and Sunward,<sup>21</sup> who all state that they are not aware of any significant fluctuations in input costs. This makes XCMG's claim implausible in the same way as SANY's claim is implausible.
24. Second, XCMG claims that its non-manufacturing costs decreased. XCMG argues that these decreases are attributable to a reduction of "standard labour hours required for manufacturing the products," which resulted from "improved production efficiency through process optimisation and lean production management, reducing waste in the manufacturing process."<sup>22</sup>
25. Labour costs account for only a small share of total costs in Excavators. Accordingly, a gradual decrease in labour costs does not plausibly explain the extent of XCMG's price decreases.<sup>23</sup> What does explain the extent of XCMG's price decreases is absorption of the ADDs.
26. In sum, XCMG concedes that it decreased its export prices for Excavators to the UK market and its prices of Excavators on the UK market. XCMG's claims that these price developments are caused by other factors than absorption all fail.

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<sup>17</sup> XCMG, Registration form, pp. 12-13.

<sup>18</sup> XCMG, Registration form, p. 12.

<sup>19</sup> LiuGong, Registration forms, p. 6.

<sup>20</sup> Liebherr, Registration form, p. 6.

<sup>21</sup> Sunward, Registration form, p. 6.

<sup>22</sup> XCMG, Registration form, p. 10.

<sup>23</sup> XCMG, Registration form, pp. 10, 11 and 13.

**2. The TRA should assess the veracity of Caterpillar's claim that it did not export Chinese Excavators to the UK**

27. In its registration form, Caterpillar claims that it did not export Chinese Excavators to the UK market since the imposition of the ADDs.
28. As an initial point, the Applicant notes that this claim further undermines Caterpillar's credibility in the context of these matters, including in its pending appeal before the Upper Tribunal. If, as the Applicant said it could from the moment Caterpillar came forward in the original investigation, Caterpillar could easily supply the UK market with Excavators produced at production facilities outside of China, it beggars belief why Caterpillar took all the now well-known, fruitless actions before the TRA, the High Court, and now the Upper Tier Tribunal. This is another reason why the TRA should have never permitted Caterpillar to participate in, and delay, the original investigation.
29. In any event, the Applicant believes that the TRA should work with HMRC to assess the veracity of Caterpillar's claims. This is particularly necessary because, as Justice Saini found in Caterpillar's baseless challenge to the TRA's provisional findings in the original investigation, Caterpillar previously made factual claims "on a false basis" in the context of these proceedings.<sup>24</sup>
30. The Applicant recalls that Caterpillar's exclusive dealer Finning claimed to have imported 10-15,000 MT of Chinese Excavators into the UK market in the period of investigation in the original investigation.<sup>25</sup> Total UK imports under customs code 8429 52 10 from China in that period amounted to ~16,000 MT.<sup>26</sup> In 2025, import volumes amounted to ~20,000 MT.<sup>27</sup> If Caterpillar was no longer responsible for a significant volume of these exports, then which Chinese producer was?

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<sup>24</sup> *Caterpillar (Xuzhou) Ltd. v Secretary of State and TRA*, AC-2025-LON-000523, para. 165.

<sup>25</sup> Finning, Pre-sampling questionnaire in AD0047, p. 10.

<sup>26</sup> AD0047, TRA, Statement of Essential Facts, Table 7.

<sup>27</sup> Source: HMRC data by origin, obtained via paid subscription service.