Report No. 772

INVESTIGATION INTO THE ALLEGED DUMPING OF FULLY AUTOMATIC TOP LOAD MACHINES, OF A DRY LINEN CAPACITY EXCEEDING 10 KG BUT LESS THAN 17 KG, CLASSIFIABLE UNDER TARIFF SUBHEADING 8450.20.20 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND THE KINGDOM OF THAILAND: FINAL DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its **Report No. 772: INVESTIGATION INTO THE ALLEGED DUMPING OF FULLY AUTOMATIC TOP LOAD MACHINES, OF A DRY LINEN CAPACITY EXCEEDING 10 KG BUT LESS THAN 17 KG, CLASSIFIABLE UNDER TARIFF SUBHEADING 8450.20.20 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA AND THE KINGDOM OF THAILAND: FINAL DETERMINATION**

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CHIEF COMMISSIONER

PRETORIA
09/04/2026

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

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INVESTIGATION INTO THE ALLEGED DUMPING OF FULLY AUTOMATIC TOP LOAD MACHINES, OF A DRY LINEN CAPACITY EXCEEDING 10 KG BUT LESS THAN 17 KG, CLASSIFIABLE UNDER TARIFF SUBHEADING 8450.20.20 ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA ("CHINA") AND THE KINGDOM OF THAILAND ("THAILAND"): FINAL DETERMINATION

SYNOPSIS

On 25 October 2024, the International Trade Administration Commission of South Africa ("the Commission") initiated an investigation into the alleged dumping of top load washing machines originating in or imported from China and Thailand through Notice No. 2794 of 2024, which was published in Government Gazette No. 51431.

The application was lodged by Defy Appliances (Pty) Ltd, the only producer of the subject product in the Southern African Customs Union ("SACU"). Upon initiation of the investigation, the diplomatic representatives and all known importers, foreign producers/exporters of the subject product in China and Thailand were sent relevant questionnaires to complete, including the non-confidential version of the

application.

Questionnaire responses and comments were received from foreign producers/exporters in China and Thailand and their related importers in South Africa. On 22 June 2025, after considering responses and comments received from interested parties, the Commission made a preliminary determination that the subject product originating in or imported from China and Thailand is being imported into the SACU market at dumped prices, thereby causing material injury and threat of material injury to the SACU industry.

The Commission therefore decided to request the Commissioner for the South African Revenue Service ("SARS") to impose the following provisional measures on imports of the subject product for a period of 6 months:

Country	**Tariff subheading**	**Producer**	**Rate of provisional payment**
China	HS 8450.20.20	Hefei Midea Laundry Appliances Co., Ltd	9.39%
		Wuxi Little Swan Electric Co., Ltd	9.39%
		Hisense Refrigerator Co., Ltd	8%
		All other producers and exporters (excluding, Wuxi Little Swan Electric Co., Ltd, Hefei Midea Laundry Appliance Co., Ltd and Hisense Refrigerator Co., Ltd)	13.42%
Thailand	HS 8450.20.20	All producers and exporters in Thailand (including Thai Samsung Electronics Co., Ltd)	67.11%

On 18 July 2025, provisional payments were imposed. The final date for comments to the Commission's preliminary determination report was 4 August 2025.

On 12 and 17 November 2025, the Commission sent out letters to all interested parties, informing them of the "essential facts" which were being considered by it, and invited comments from interested parties on those "essential facts" for the Commission's consideration prior to making a final determination.

On 12 and 17 November 2025, essential facts letters were sent out to interested parties for comment. The deadline to comment on the essential facts letters was 19 November 2025.

As there was a correction to Thai Samsung's constructed export price, which resulted in a change to its dumping margin, and a decision to deduct the Applicant's own imports from total imports and market share in order to assess the impact on causality, the Commission decided that second essential facts letters be issued to interested parties for comment before the Commission could make a final recommendation to the Minister.

That was done to ensure compliance with the Promotion of Administrative Justice Act (PAJA), given that new and revised information has been considered, thereby affording interested parties a further opportunity to make representations.

Taking all information available to it into account, including comments received during the investigation, the Commission made a final determination that the subject product originating in or imported from China and Thailand is being dumped onto the SACU market and the SACU industry is experiencing material injury and a threat of material injury; and there is a causal link between the dumped imports of the subject product originating in or imported from China and Thailand.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002 (Act 71 of 2002) ("the ITA Act") and the International Trade Administration Commission Anti-Dumping Regulations ("ADR") read with the World Trade Organization ("WTO") Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 ("the Anti-Dumping Agreement").

1.2 APPLICANT

The application was lodged by Defy Appliances (Proprietary) Limited ("the Applicant"), the only manufacturer in the SACU industry.

1.3 ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with ADR 21 on 14 October 2024.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that imports of the subject product, originating in or imported from China and Thailand were being dumped on the SACU market, thereby causing material injury and a threat of material injury to the SACU industry. The basis of the alleged dumping was that the goods are being exported to SACU at prices less than the normal value in the country of origin.

The Applicant further alleged that as a result of the dumping of the subject product from China and Thailand it was suffering material injury in the form of:

(i) Price suppression;
(ii) Declining sales volumes;
(iii) Declining profits and losses;
(iv) Decline in productivity;

(v) Decline in return on investment;
(vi) Declining utilisation of production capacity;
(vii) Declining cash flow; and
(viii) Declining growth.

1.5 INVESTIGATION PROCESS

A properly documented application was submitted by the Applicant on 18 July 2024. The information submitted by Defy was verified on 13 August 2024. The verification report was sent to Defy on 19 August 2024.

The Commission initiated an investigation into the alleged dumping of fully automatic top load machines, of a dry linen capacity exceeding 10 kg but less than 17 kg, classifiable under tariff subheading 8450.20.20 originating in or imported from China and Thailand, pursuant to Notice No. 1164 of 2024, which was published in *Government Gazette* No. 2794 on 25 October 2024.

Prior to the initiation of the investigation, the trade representatives of the countries concerned were notified of the Commission's intention to investigate in terms of ADR 27.1. All known interested parties were informed and requested to respond to the questionnaires and the non-confidential version of the application.

1.6 INVESTIGATION PERIODS

The investigation period for dumping is from 01 April 2023 to 31 March 2024. The injury investigation involves evaluation of data for the period 01 April 2022 to 31 March 2024.

1.7 PARTIES CONCERNED

1.7.1 SACU industry

The SACU industry consists of one manufacturer of the subject product, the Applicant.

1.7.2 Responses by Importers

The deadline to submit responses to the Commission's importer questionnaire was 4 December 2024. Extensions were requested and granted until 18 December 2024.

The following importers responded to the Commission's investigation:

- Samsung South Africa (Pty) Ltd ("Samsung SA")
- Tevo (Pty Ltd ("Tevo")
- Livance (Pty) Ltd ("Livance'')
- Hisense SA (Pty) Ltd ("Hisense SA")

Samsung South Africa and Hisense South Africa were verified on 20 and 24 March 2024. The verification reports for Hisense SA and Samsung SA were sent out on 3 and 4 April 2025. Tevo and Livance were verified on 26 and 28 March 2025 and the verification reports were sent out on 4 April 2025.

Samsung SA

The Commission noted that prior to verification, Samsung SA was provided with all the information to be verified by the Investigators. However, during verification, it was found that transactions for 7 items were found to be outside the period of investigation. The importer noted the errors and submitted the updated information after the verification.

Tevo

Tevo was not directly identified by the Applicant but submitted a response to the Commission's importer questionnaire. The Commission noted that during verification, it could not verify the importer's costs in the cost-built-up. Tevo indicated that this information was confidential as per their company policy.

The Commission made a preliminary and final determination not to consider Samsung SA and Tevo's information for purposes of its preliminary

determination.

1.7.3 Responses by exporters/manufacturers

The deadline to submit responses to the Commission's exporter questionnaire was 4 December 2024. Extensions were requested and granted until 18 December 2024.

The following exporters responded to the Commission's investigation:

- Wuxi Little Swan Electrical Co., Ltd ("Wuxi Little Swan")
- Hefei Midea Laundry Appliances Co., Ltd ("Hefei Midea'')
- Hisense Refrigerator Co., Ltd ("Hisense Refrigerator")
- Thai Samsung Electronics Co., Ltd ("Samsung Electronics")

Hisense Refrigerator's information was verified from 24 to 25 February 2025. The verification report was sent on 31 March 2025. Verifications of Wuxi Little Swan and Hefei Midea were conducted from 27 February to 04 March 2025 and the verification reports were sent out on 27 March 2025. Samsung Electronics' information was verified from 6 to 11 March 2025 and the verification report was sent out on 1 April 2025.

Samsung Electronics

During verification it was found that "third country sales transactions" for Samsung Electronics included "SACU sales transactions". Total sales volumes and values of sales schedule could not be reconciled with those in the accounting system. A sample of invoices were randomly selected, and the Commission could not link them with sales schedule provided. The exporter acknowledged that the information regarding third country sales was incorrect. An updated version of the sales schedules was provided after verification.

The Commission made a preliminary decision not to consider Samsung Electronics' information for purposes of its preliminary determination.

1.8 PRELIMINARY DETERMINATION

The Commission made a preliminary determination that:

- the subject product originating in or imported from China and Thailand is being dumped onto the SACU market;
- the SACU industry experienced material injury and a threat of material injury during the POI; and
- there is a causal link between the dumped imports of the subject product originating in or imported from China and Thailand, and the material injury and threat of material suffered by the SACU industry.

The Commission therefore decided to request the Commissioner for SARS to impose the following provisional measures on imports of the subject product for a period of 6 months as follows:

Country	Tariff subheading	Producer	Rate of provisional payment
China	HS 8450.20.20	Hefei Midea Laundry Appliances Co., Ltd	9.39%
		Wuxi Little Swan Electric Co., Ltd	9.39%
		Hisense Refrigerator Co., Ltd	8%
		All other producers and exporters (excluding, Wuxi Little Swan Electric Co., Ltd, Hefei Midea Laundry Appliance Co., Ltd and Hisense Refrigerator Co., Ltd)	13.42%
Thailand		All producers and exporters in Thailand (including Thai Samsung Electronics Co., Ltd)	67.11%

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product of this application is fully automatic top load washing machines, with a dry linen capacity exceeding 10 kg but less than 17 kg classifiable under tariff subheading 8450.20.20.

2.1.2 Country of origin/export

The subject product originates in and is exported from China and Thailand.

2.1.3 Possible tariff loopholes

The Applicant was not aware of any loopholes in the tariff description.

2.1.4 Tariff classification

The subject product is currently classifiable as follows:

Customs classification

Table 2.1.4

HS Tariff subheading	Description	Statistical unit	Rate of duty					
			General	EU/UK	EFTA	SADC	MERCOSUR	AfCFTA
84.50	**Household or laundry-type washing machines, including machines which both wash and dry:**							
8450.20	**- Machines, each of a dry linen capacity exceeding 10 kg:**							
8450.20.20	- - Top load machines, fully automatic	unit	free	free	free	free	free	free

2.1.5 Negligibility test

The following table shows the alleged dumped imports as a percentage of the total imports:

Table 2.1.5: Import Volumes

Alleged dumped import volumes (units)	**Volumes**	**%**	**Volumes**	**%**	**Volumes**	**%**
	2022	**2022**	**2023**	**2023**	**2024**	**2024**
China	67 984	48%	73 740	47%	112 306	56%
Thailand	69 694	49%	75 433	48%	83 186	42%
Cumulative dumped Import Volumes	**137 678**	**97%**	**149 173**	**95%**	**195 492**	**98%**
Other imports	4 946	3%	7 042	5%	3 084	2%
Total imports	**142 624**	**100%**	**156 215**	**100%**	**198 576**	**100%**

The Commission made a final determination that the cumulated imports from China and Thailand are above the negligibility level.

2.2 SACU PRODUCT

The SACU product is described as fully automatic top load washing machines, with a dry linen capacity exceeding 10 kg but less than 17 kg classifiable under tariff subheading 8450.20.20.

2.3 LIKE PRODUCT ANALYSIS

In determining the likeness of products, the Commission uses the following criteria:

Table 2.3 like product determination

	Imported product	SACU product
Raw materials	The main raw materials/components are sheet metal, plastic, aluminium, copper wiring, and electronic and electrical components.	The main raw materials/components are sheet metal, plastic, aluminium, copper wiring, and electronic and electrical components.
Production process	The manufacturing process is split into fabrication (making parts), sub-assembly (putting parts together to make components), and assembly (putting the components together to form the final product). The fabrication process comprises of several different procedures, each specific to a particular type of raw material - sheet metal, plastic, or aluminium. Once the constituent parts have been made, they are assembled. Major sub-assemblies, or components, include the transmission, the pump, the spin and wash tubs, the balance ring, and the painted parts. Finally, the sub-assemblies are put together inside the shell of the washer, which is then complete.	The manufacturing process is split into fabrication (making parts), sub-assembly (putting parts together to make components), and assembly (putting the components together to form the final product). The fabrication process comprises of several different procedures, each specific to a particular type of raw material - sheet metal, plastic, or aluminium. Once the constituent parts have been made, they are assembled. Major sub-assemblies, or components, include the transmission, the pump, the spin and wash tubs, the balance ring, and the painted parts. Finally, the sub-assemblies are put together inside the shell of the washer, which is then complete.

Physical appearance	There are various models available within the subject product grouping, which vary in operational setting features. The only difference between the domestic type and laundromat top-load washers, is the ruggedness of construction, but these products and models are interchangeable. The washing machine operates by a motor, which is connected to the agitator through a unit called a transmission. The motor and transmission are near the bottom of the machine, while the agitator extends up through the middle of the machine. The transmission is similar to the transmission in your automobile in that it changes the speed and direction of the agitator. In one direction (agitate), the transmission changes the rotation of the agitator and spin tub—the inside tub with small holes in it—into a back-and-forth motion. When the motor is reversed by the controls (spin), the transmission locks up and the agitator, transmission, and spin tub all rotate as a unit. Without the transmission changing the speed or direction, the unit uses centrifugal force to remove as much water from the clothes as possible. The motor is also connected to a pump. When the motor is moving in the spin direction, the pump removes the water from the tub and discards it through the drainpipe. Top load washing machines features a lid on top, meaning clothes are loaded through the top of the machine. They are often but not always covered with a hinged door. With this layout, you can load your laundry comfortably without having to bend over and most importantly, add or remove laundry mid-cycle. It has drum rotating around a horizontal axis like a front loader, but there is no front door. They have a liftable top load	There are various models available within the subject product grouping, which vary in operational setting features. The only difference between the domestic type and laundromat top-load washers, is the ruggedness of construction, but these products and models are interchangeable. The washing machine operates by a motor, which is connected to the agitator through a unit called a transmission. The motor and transmission are near the bottom of the machine, while the agitator extends up through the middle of the machine. The transmission is similar to the transmission in your automobile in that it changes the speed and direction of the agitator. In one direction (agitate), the transmission changes the rotation of the agitator and spin tub—the inside tub with small holes in it—into a back-and-forth motion. When the motor is reversed by the controls (spin), the transmission locks up and the agitator, transmission, and spin tub all rotate as a unit. Without the transmission changing the speed or direction, the unit uses centrifugal force to remove as much water from the clothes as possible. The motor is also connected to a pump. When the motor is moving in the spin direction, the pump removes the water from the tub and discards it through the drainpipe. Top load washing machines features a lid on top, meaning clothes are loaded through the top of the machine. They are often but not always covered with a hinged door. With this layout, you can load your laundry comfortably without having to bend over and most importantly, add or remove laundry mid-cycle. It has drum rotating around a horizontal axis like a front loader, but there is no front door. They have a liftable top load lid like a standard washer. These machines operate and spin just

	lid like a standard washer. These machines operate and spin just like a front-loader and use half the amount of water required for a standard washer. Many parts of a washing machine are manufactured from sheet steel, usually coated with zinc to improve rust resistance. The steel manufacturer supplies the metal in a coil, which allows the material to be cut to size with minimum waste or automatically fed into the forming process. On some models, the spin tub is made of stainless steel. All other models use a steel (called enamelling iron) designed for a porcelain coating. For the wash tub, which isn't visible unless you open the machine cabinet, iron with a porcelain coating is generally used. Many other parts are plastic as well. Manufacturers receive raw plastic from which they fabricate parts in pieces about the size of a small ant, using them for machine components that do not bear weight and/or require extremely good rust resistance. Such parts include the pump, the tub guards (which prevent your clothes from being thrown out of the spin tub into the wash tub or the cabinet area), and the agitator.	like a front-loader and use half the amount of water required for a standard washer. Many parts of a washing machine are manufactured from sheet steel, usually coated with zinc to improve rust resistance. The steel manufacturer supplies the metal in a coil, which allows the material to be cut to size with minimum waste or automatically fed into the forming process. On some models, the spin tub is made of stainless steel. All other models use a steel (called enameling iron) designed for a porcelain coating. For the wash tub, which isn't visible unless you open the machine cabinet, enameling iron with a porcelain coating is generally used. Many other parts are plastic as well. Manufacturers receive raw plastic from which they fabricate parts in pieces about the size of a small ant, using them for machine components that do not bear weight and/or require extremely good rust resistance. Such parts include the pump, the tub guards (which prevent your clothes from being thrown out of the spin tub into the wash tub or the cabinet area), and the agitator.
Tariff classification	**84.50** Household or laundry-type washing machines, including machines which both wash and dry **8450.20** - Machines, each of a dry linen capacity exceeding 10 kg: **8450.20.20** -Top load machines, fully automatic	**84.50** Household or laundry-type washing machines, including machines which both wash and dry **8450.20** - Machines, each of a dry linen capacity exceeding 10 kg: **8450.20.20** -Top load machines, fully automatic
Application or end use	Top load washing machines is a category of electrical popular household or laundry appliance that is used to wash laundry. The term is mostly applied to machines that use water as opposed to dry cleaning (which uses alternative cleaning fluids and is	Top load washing machines is a category of electrical popular household or laundry appliance that is used to wash laundry. The term is mostly applied to machines that use water as opposed to dry cleaning (which uses alternative cleaning fluids and is performed by

	performed by specialist businesses) or ultrasonic cleaners.	specialist businesses) or ultrasonic cleaners.
Substitutability	The SACU subject product is fully substitutable with the imported product	The SACU subject product is fully substitutable with the imported product

After considering all the above factors, the Commission made a final determination that the SACU product and the imported products are “like products”, for purposes of comparison in this investigation, in terms of the relevant provisions of the ADR.

3. SACU INDUSTRY

3.1 INDUSTRY STANDING

The application was submitted by Defy (Proprietary) Limited ("the Applicant"), with 100 percent of the production by the SACU industry, therefore representing the totality of production in the SACU.

The Commission made a final determination that the application can be regarded as being made "by or on behalf of the domestic industry".

4. DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR CHINA

GENERAL

Volumes on the domestic market

ADR 8.3 provides that:

"Domestic sales of the like product shall normally be considered a sufficient volume to determine a normal value if such sales constitute five per cent or more of the sales volume of the product to the SACU. Sales representing less than 5 per cent of export sales to the SACU may nevertheless be deemed sufficient where such sales are of sufficient magnitude to provide a proper comparison."

Commission's consideration

The Commission made a final determination that sales representing less than 5 per cent of export sales to the SACU be considered not a sufficient volume to determine a normal value. The Commission further made a final determination to use the constructed normal value method or sales to third country in such instances.

Reasonable Profit

When constructing the normal value, the normal value is based on the cost of production of the goods in the country of origin when destined for domestic consumption, plus a reasonable addition for selling, general and administrative costs and for profit.

A reasonable profit in terms of the provisions of ADR 8.13 is as follows:

(a) “With reference to the actual profit realised on sales of the product under investigation; or

(b) with reference to the actual profit realised on sales of the narrowest range of products that can be identified; or

(c) with reference to the average such as actual profit realised by other sellers on sales of the same category of products in that market if the profit margin cannot be properly isolated from the information kept by the producer under investigation; or

(d) on any other reasonable basis;

provided that the profit so included shall normally be based on the actual profit realised on sales before extraordinary items, interest, tax and any other circumstances that may affect such profit margins”.

Commission’s consideration

The Commission made a final determination to use a reasonable profit for constructing normal value in accordance with ADR 8.13.

4.2 METHODOLOGY IN THIS INVESTIGATION FOR HEFEI MIDEA LAUNDRY APPLIANCE CO., LTD (“HEFEI MIDEA”)

4.2.1 Calculation of the normal value

During the period of investigation top load washing machines of different capacities of 11kg, 12kg,13kg,13.5kg and 16kg were sold in the domestic market. Among these sales, the 13 kg washing machines were only sold to related parties, while the 11 kg, 12 kg, 13.5 kg, and 16 kg washing machines were sold to both related and unrelated customers.

Hefei Midea also included sales which were outside the period of investigation when calculating the normal value and these sales were disregarded for determining the domestic selling price.

It was found that 10.5 kg machines were not sold in the domestic market but were sold in the SACU market. Furthermore, 12 kg and 13 kg were also the capacities which were sold in the SACU market.

In terms of ADR8.2, domestic sales, or export sales to a third country may be considered to be not in the ordinary course of trade if the Commission determines that such sales–

(a) Took place at prices below total costs, including cost of production and administrative, selling, general and packaging costs, provided such sales took place;
    (i) In substantial quantities equalling at least 20 percent by volume of the total domestic sales during the investigation period; and
    (ii) Over an extended period of time, which the period shall normally be a year, but in no case less than 6 months.
(b) Were made to a related party or
(c) Do not reflect normal commercial quantities.

ADR9.2 provides that, “where a party has domestic sales through both related and unrelated parties, the Commission may decide to use those sales to unrelated parties.”

Capacity – 12kg top load washing machines

Hefei Midea sold 12 kg washing machines to both related and unrelated parties in the domestic market.

The Commission made a final determination that sales made by Hefei Midea to related parties in the domestic market are not in the ordinary course of trade, as per ADR8.2(b), and could not be utilised for normal value determination.

Additionally, in terms of ADR9.2, “where a party has domestic sales through both related and unrelated parties, the Commission may decide to use those sales to unrelated parties.” Seeing that Hefei Midea made sales to unrelated parties, the Commission elected to place reliance on sales made to unrelated parties.

During the period of investigation, it was found that 12kg top load washing machines sales accounted for more than 5% of export sales to the SACU market. Furthermore, the actual invoice sales were used to calculate the normal value.

In calculating the normal value for 12kg top load washing machines, it was also found that sales made at a loss accounted for 17%. Since these sales were less than 20%, they were included in the calculation of the weighted average normal value.

Adjustments to the normal value

The following adjustments were claimed by the exporter in order to arrive at the ex-factory normal value:

- **Discounts**

Hefei Midea gives the following types of discounts and rebates to their customers. Hefei Midea indicated that it grants discount to domestic customers. The discount policy is described in the annual sales contract or structural sales contract. It could be a general discount with certain percentage, or discount after reaching certain sales value.

- **Price difference discounts and rebates**

Hefei Midea offers discounts to its domestic customers. Discounts can be a percentage off the price or given after reaching certain sales. Hefei indicated that the accounting treatment of these discount varies based on the specific requirements of each transaction. For every sale, customers

negotiate with Hefei Midea staff to decide whether the discount is reflected in the sales VAT invoice along with the sales price, or Hefei Midea summarizes the total discount for a specific period and issues it in an independent negative invoice. The company first records the discount in their accounts and subsequently issues the negative invoice, resulting in a time difference between these two actions. If a customer wants the discount urgently, it may choose the first option. If there's no urgency, it might opt for the second option. Such negotiation and requirements may occur in a phone call, online contacting, WeChat message, etc., with no written agreement.

Commission's consideration

The Commission noted that there are no formal contracts governing this type of discounts. Negotiations take place through phone calls, online communication, WeChat messages, etc., without any written agreement.

It is the Commission's practice to consider adjustments to the normal value only if the adjustments affected price comparability at the time of setting prices. The calculation of the discount can only be made once the sales have been made, the discount therefore did not affect the setting of the price, and the exporter could not have considered this at the time of setting its prices. The Commission also noted that the discounts are a real cost to the company and timing is of essence.

The Commission made a final determination not to allow the adjustment for price difference discounts, as it did not affect price comparability at the time setting prices.

- **Delivery charges**

Hefei Midea indicated that it delivers the products from the factory of Hefei Midea to the place of domestic customers. Hefei Midea arranges the transportation and pays the charges to the logistic company. The

accounting system records monthly total of domestic delivery charges for all products. The allocation rate of domestic delivery charges is calculated by considering the monthly domestic delivery charges of top load washing machines/monthly sales value of top load washing machines. Selection of delivery charges invoice as well as proof of payments were verified and found to be correct. The delivery charges were calculated by taking the delivery charge per unit multiplied by the sales quantities.

Commission's consideration

It is the Commission's practice to only consider adjustments if they affected price comparability at the time of setting prices. The delivery charge was verified and found to be correct, which supports the claim for the adjustment.

The Commission made a final determination to allow the adjustment.

Capacity – 10.5 of top load washing machines

Hefei Midea did not sell 10.5 kg top load washing machines in the domestic market but made sales to the SACU market during the investigation period. The normal value for 10.5 kg top load washing machines was therefore calculated based on sales made to unrelated parties in a third country.

Normal value based on exports to a third country

Where normal value is based on sales to a third country, the country selected is evaluated based on the following criteria:

- Volumes exported to that country are comparable to the volumes exported to the SACU;
- Customers exported to in the country are comparable to the customers exported to in the SACU, i.e., if the company only exported to

wholesalers, a country should be selected where exports were only to wholesalers, etc.; and

- Country exported to should have a domestic industry.

In terms of the information submitted by Hefei Midea during verification, 10.5kg units of top load washing machines were sold to Iraq. The volumes exported to Iraq are comparable to volumes exported to the SACU market during the investigation period. Iraq also has the domestic industry for the manufacture of top load washing machines.

Commission's consideration

The Commission made a final determination that sales made by Hefei Midea to related parties are not in the ordinary course of trade as per ADR8.2(b) and cannot be utilised for normal value determination.

Also, in terms of ADR9.2, "where a party has domestic sales through both related and unrelated parties, the Commission may decide to use those sales to unrelated parties." Seeing that Hefei Midea made sales to unrelated parties, the Commission elected to place reliance on sales made to unrelated parties.

During the period of investigation, it was found that 10.5kg top load washing machines sales to Iraq accounted for more than 5% of export sales to the SACU market. Furthermore, the actual invoice sales were used to calculate the normal value.

In calculating the normal value for 10.5kg top load washing machines, it was also found that there were no sales made at a loss. All sales were included in the determination of the normal value.

Capacity – 13kg of top load washing machines

Since Hefei Midea did not sell 13 kg top load washing machines in the domestic market but made sales to the SACU market during the investigation period, the normal value for 13 kg was therefore calculated based on sales made to unrelated parties in a third country.

Normal value based on exports to a third country

Where normal value is based on sales to a third country, the country selected is evaluated based on the following criteria:

- Volumes exported to that country are comparable to the volumes exported to the SACU;
- Customers exported to in the country are comparable to the customers exported to in the SACU, i.e., if the company only exported to wholesalers, a country should be selected where exports were only to wholesalers, etc.; and
- Country exported should have a domestic industry.

In terms of the information submitted by Hefei Midea during verification, washing machines were sold to Iraq. The volumes exported to Iraq are comparable to the volume of exports to the SACU market during the investigation period. Iraq also has the domestic industry for the manufacture of top load washing machines.

Commission's consideration

The Commission made a final determination that sales made by Hefei Midea to related parties are not in the ordinary course of trade as per ADR8.2(b) and cannot be utilised for normal value determination.

Also, in terms of ADR9.2, "where a party has domestic sales through both related and unrelated parties, the Commission may decide to use those sales to unrelated parties." Seeing that Hefei Midea made sales to

unrelated parties, investigating officials elected to place reliance on sales made to unrelated parties.

During the period of investigation, it was found that 13kg top load washing machines sales accounted for more than 5% of export sales to the SACU market. Furthermore, the actual invoice sales were used to calculate the normal value.

In calculating the normal value for 13kg top load washing machines, it was also found that there were sales made at a loss. Since these sales were less than 20%, they were included in the calculation of the weighted average normal value.

Adjustments to the normal value in the third country

The following adjustments were claimed on sales to third country to arrive at ex-factory price for all capacities:

- **Cost of payment terms**

Hefei Midea indicated that it used 3.65% as a one-year Loan Prime Rate ("LPR") published in April 2023 by the People's Bank of China to calculate the cost of payment terms. The payment days used by Hefei Midea to calculate the cost of payment terms were displayed on the invoices. Cost of payment terms was calculated by using the days specified in each payment term divided by number of days multiplied by the interest rate multiplied by sales value. Hefei Midea provided substantiation on why it is using 360 days instead of 365 days in the calculation.

Commission's consideration

It is the Commission's practice to consider adjustments only if they affected price comparability at the time of setting prices. The cost of

payment terms was displayed on the invoices, verified, and found to be correct. The cost of payment terms supports the claim for the adjustment.

The Commission made a final determination to allow the cost of payment terms adjustment as it was demonstrated to have affected price comparability at the time of setting price.

- **Delivery Charges**

Hefei Midea delivers the products from its factory to the port in China. It arranges the transportation and pay the charges to the logistic company. Hefei Midea was unable to identify the domestic delivery charges for every transaction. To calculate the delivery charges for third country sales, it used the average unit of delivery charges of the SACU sales. Since the charges for ports on export sales are the same for SACU sales and third countries sales, Hefei Midea considers that its proper to use average unit charges for SACU. The delivery charges were calculated by taking delivery charge per unit multiplied by sales quantities.

Comments by the Applicant on the Commission's essential facts letter

In response to the Commission essential letter on Hefei Midea, the Applicant stated that the adjustment for delivery charges claimed by the exporter should not have been allowed as it was calculated on an allocation basis taking total monthly and delivery cost and total monthly transactions into account. It stated that it is a cost and not directly related to the sale under consideration and not known when the exporter set its prices. The Applicant requested the Commission to reject the adjustment.

Commission's consideration

In response to the Applicant's argument, the Commission noted that Hefei's accounting system records monthly total of domestic delivery charges for all products based on invoices. The allocation rate of domestic

delivery charges is calculated by considering the monthly domestic delivery charges of top load washing machines/monthly sales value of top load washing machines. The delivery charges were then calculated by taking the delivery charge per unit multiplied by the sales quantities. Samples of invoices of delivery charges and proof of payments were requested by the Commission and provided and verified to be correct.

It is its practice to consider adjustments to the normal value to bring the price back to the ex-factory level. The delivery charge adjustment was verified and found to be correct, which supports the claim for the adjustment.

The Commission made a final determination to allow the adjustment as this was demonstrated to have affected price comparability at the time of setting price.

- **Port Charges**

Hefei Midea indicated that it pays the charges to a logistic company for handling issues incurred in the port. Due to thousands of third countries sales reported, Hefei Midea was unable to identify the port charges for every transaction. Hefei Midea used the average unit port charges of SACU sales, to calculate port charges for the foreign market. Since the export sales ports are the same for SACU sales and third countries sales, Hefei Midea stated that it considers proper to use average unit charges for SACU. The port charges were calculated by taking the average unit port charges of SACU sales multiplied by sales quantities.

Commission's consideration

It is the Commission's practice to consider adjustments to the normal value to bring the price back to the ex-factory level. The port charges were verified and found to be correct, which supports the claim for the adjustment.

The Commission made a final determination to allow the adjustment as this was demonstrated to have affected price comparability at the time of setting price.

4.2.3 Dumping Margin

The following margin of dumping was calculated:

Producer	Dumping margin %
Hefei Midea	8%

The Commission made a final determination that the subject product originating in or imported from China and manufactured by Hefei Midea was being dumped onto the SACU market during the period of investigation.

4.3 METHODOLOGY IN THIS INVESTIGATION FOR WUXI LITTLE SWAN ELECTRIC CO., LTD ("WUXI LITTLE SWAN")

4.3.1 Calculation of the normal value

During the period of investigation, Wuxi Little Swan sold different capacities of 11kg, 12kg and 13.5kg top load washing machines in the domestic market. It was found that there were no sales of 16 kg top load washing machines in the domestic market. However, they were sold in the SACU market.

Capacity – 16kg of top load washing machines

As there were no domestic sales, the normal value for 16kg was constructed. When normal value cannot be calculated based on either sale in the domestic market of the exporting country or a constructed normal value, it may be based on export prices to a third country. The constructed normal value was therefore, calculated based on the actual production costs and adding the selling, general and administrative

expenses and a reasonable profit. Delivery expenses were excluded from this calculation to get to a net-ex factory constructed normal value. A reasonable profit for Wuxi Little Swan was then added to the total production cost for the investigation period.

The Commission made a final determination to use Wuxi Little Swan's company profit as a reasonable profit to calculate the constructed normal value.

Comments by the Applicant on the Commission's essential facts letter

In response to the Commission's essential facts letter on Wuxi Little Swan, the Applicant stated that it noted that there were sales of 11kg, 12kg, 13.5kg in the domestic market but the Commission intended to use 16kg to determine normal value. It requested the Commission to clarify the normal values for 11kg, 12 kg and 13.5kg.

The Applicant also stated that since the trading companies involved in the distribution of the subject product for Wuxi Little Swan did not submit their responses, the exporter's response was deficient.

Commission's consideration

The Commission is of the view that it is unnecessary to clarify the normal value calculations for the 11 kg, 12 kg, and 13.5 kg models, as these products were sold exclusively in the domestic market and not in the SACU market. Consequently, determining the normal values for these models is not required. The Commission highlighted that the only model utilized for calculating the dumping margin was the 16 kg model, which was sold in the SACU market but not in the domestic market.

With respect to the trading companies not having submitted response, the Commission noted that the responses for the two trading companies were consolidated in a response submitted by Wuxi Little Swan.

The Commission made a final determination to use the constructed domestic selling price as a basis for calculating normal value for Wuxi Little Swan.

4.3.2 Calculation of export price

During the period of investigation, Wuxi Little Swan sold 16 kg capacities of the subject product to the SACU market.

In its response, the exporter stated that there are two related trading companies involved in the export sales of the subject products to SACU. The first related distributor is Midea Electric Trading (Singapore) Co. PTE. Ltd ("Midea Singapore") situated in Singapore. Wuxi Little Swan sells the products under investigation to Midea Singapore. Then, Midea Singapore exports these products to SACU importers, who are not related to either Wuxi Little Swan or Midea Singapore.

The second related distributor is Midea Consumer Appliances DMCC ("Midea Consumer") situated in the United Arab Emirates ("UAE"). Wuxi Little Swan sells the products under investigation to Midea Consumer. Then, Midea Consumer exports these products to SACU importers, who are not related to either Wuxi Little Swan or Midea Consumer.

Adjustments to the export price

The following adjustments were claimed by the exporter in order to arrive at the ex-factory export price:

- **Cost of payment terms**

Wuxi Little Swan indicated that it used 3.65% as a one-year Loan Prime Rate ("LPR") published in April 2023 by the People's Bank of China to calculate the cost of payment terms. The payment days used by Wuxi Little Swan to calculate the cost of payment terms were displayed on the invoices. Wuxi Little Swan indicated that in its system, the date of receiving payment is recorded. Wuxi Little Swan calculates the period of collection by payment date less the invoice date. Cost of payment terms was calculated by using the days specified in each payment term divided by days displayed on invoice multiplied by interest rates multiplied by sales value.

Commission's consideration

The payment terms used to calculate this adjustment were displayed on the invoices. It is the Commission's practice to consider adjustments to the export price only if the adjustments affected price comparability at the time of setting prices.

The Commission made a final determination to allow the adjustment for the cost of payment terms, as it was demonstrated to have affected price comparability at the time of setting prices.

- **Delivery Charges**

Wuxi Little Swan delivers the products from its factory to the port in China. It arranges the transportation and pays the charges to the logistic company. The logistic company records delivery charges incurred by each transaction. In every month, the logistic company provides a detailed settlement list that records delivery charges and port charges of each transaction delivered during that month, and it issues VAT invoices to Wuxi Little Swan. Invoices for delivery charges were verified and found to be correct.

Commission's consideration

It is the Commission's practice to consider adjustments to the export price to bring the price back to the ex-factory level. The delivery charges were shown to have affected price comparability at the time of setting prices.

The Commission made a final determination to allow the delivery charges adjustment.

- **Port Charges**

Wuxi Little Swan indicated that it pays the charges to the logistic company for handling issues incurred in the port. The logistic company records port charges incurred by each transaction. In every month, the logistic company provides a detailed settlement list that records delivery charges and port charges of each transaction delivered during that month. Port charges were calculated by taking port charges per unit multiplied by sales quantities.

The Commission made a final determination to allow port charges adjustments as they were demonstrated to have affected the price comparability at the time of setting prices.

- **Bank Charges**

In the system of Wuxi Little Swan, payment amounts, and corresponding bank charges are recorded. The bank charges were calculated by taking bank charges of a transaction divided by the total quantity of that transaction. Bank charges per unit were multiplied by sales quantity. From the proof of payments and the bank slips there were no charges incurred.

Commission's consideration

The Commission made a final determination not to allow bank charges adjustments as they were not demonstrated to have affected price

comparability at the time of setting prices as no bank charges were recorded.

Comments by the Applicant to Wuxi's Exporters Response

The Applicant stated that it noted on Wuxi Little Swan Electric Co., Ltd. ("Wuxi") exporter's response questionnaire that Wuxi lists two related traders, one being Midea Electric Trading (Singapore) Co. Pty Ltd ("Midea Singapore") and the other Midea Consumer Appliances DMCC ("Midea Consumer") in Dubai involved in the exports of the subject product to the Southern African Customs Union ("SACU"). The Applicant further stated that Wuxi's sales are therefore made to related parties, and the export prices cannot be regarded as reliable, and the Commission must construct the export price. Wuxi Little Swan sold to its related sales distributors Midea Electric Trading (Singapore) and Midea Consumer Appliances who then resell to the SACU market.

Commission's consideration

In response to the Applicant's comment, the Commission noted that although Wuxi Little Swan sold to related parties, the information was not utilized. To calculate the export price, sales made to unrelated parties were used.

4.3.3 Dumping margin

The following margin of dumping was calculated:

Producer	Dumping margin %
Wuxi Little Swan	**10.95%**

Commission's consideration

The Commission noted that all information submitted by Wuxi Little Swan and its trading companies were verified. It should also be noted that the dumping is based on actual verified information by the Commission.

Comments by Wuxi Little Swan on the Commission's essential facts letter

In response to the Commission's essential facts letter, Wuxi Little Swan stated that the Commission has not considered the profit margin calculation raised in both the preliminary determination and its essential facts letter. It stated that it noted that for the Commission to calculate profit margin, it decided to consider the actual production costs, the selling, general and administrative expenses and expenses which is unreasonable. It argued that the profit margin should have been calculated by considering profit of company total / sales Income of company total. It also stated that it is incorrect for the Commission to equate "Sales Income of Company Total" to "Production Cost & SG&A Expenses plus Profit of Company Total". The exporter hence requested the Commission to calculate profit margin by using profit divided by total sales income.

Commission's consideration

The Commission noted that ADR 8.13 states that when constructing the normal value, the normal value is based on the constructed cost of production of the goods in the country of origin when destined for domestic consumption, plus a reasonable addition for selling, general and administrative costs and for profit.

A reasonable profit in terms of the provisions of ADR 8.13 is as follows:

(a) With reference to the actual profit realised on sales of the product under investigation; or

(b) with reference to the actual profit realised on sales of the narrowest range of products that can be identified; or

(c) with reference to the average such as actual profit realised by other sellers on sales of the same category of products in that market if the profit margin cannot be properly isolated from the information kept by the producer under investigation; or

(d) on any other reasonable basis;

Provided that the profit so included shall normally be based on the actual profit realised on sales before extraordinary items, interest, tax and any other circumstances that may affect such profit margins.

To determine a reasonable profit, the Investigating officials used the company net profit as provided in the exporter's cost build- up. The company net selling profit is the difference between the selling price and the total cost (including production cost and selling, general and administrative expenses) of the goods.

For final determination, the Commission decided to calculate constructed normal value based on a reasonable profit. The Commission made a final determination to use a profit percentage as a basis for calculating constructed normal value for Wuxi Little Swan.

4.3.4 Dumping margin for Hefei Midea and Wuxi Little Swan

According to the definition of related parties in Regulation 1 of the ADR, Hefei Midea and Wuxi Little Swan are related parties. They are related by virtue of their conduct, in terms of buying and selling goods from and to each other.

On the basis of the above, the Commission made a final determination that the companies indicated above (Hefei Midea and Wuxi Little Swan) are related in terms of ADR1 and that they be considered as a single entity

in terms of panel ruling in the case of Korea-anti-dumping duties on imports of certain paper from Indonesia.

In terms of the Panel's view the following determination was made:
"Article 6.10 does not necessarily preclude treating distinct legal entities as a single exporter or producer for purposes of dumping determinations in anti-dumping investigations. Having said that, however, we do not consider that Article 6.10 provides with unlimited discretion to do so. … In our view, in order to properly treat multiple companies as a single exporter or producer in the context of its dumping determinations in an investigation, the IA has to determine that these companies are in a relationship close enough to support that treatment."
"In Korea on Certain Paper, the Panel considered that the KTC's decision to treat three companies as a single exporter or producer and assign a single margin was consistent with Article 6.10, because the three companies were majority owned by the same company, had common shareholdings and management and could shift production amongst themselves, harmonize commercial activity and corporate objectives, and make domestic sales through a single company. Based on an analysis of Article 6.10 in light of its context, particularly Articles 9.5, 2.3, and 2.1, the Panel found that the term
"exporter" in Article 6.10 should not be read in a way to require an individual margin of dumping for each independent legal entity under all circumstances" (WTO Analytical Index, Anti-Dumping Agreement – Article 6 (DS reports), 1.10.3.1).

Commission's consideration
The Commission made a final determination that a single final dumping margin be imposed on these exporters to minimise the risk of circumvention of the applicable anti-dumping duty.

The dumping margins which apply to Hefei Midea and Wuxi Little Swan are as follows based on a weighted average methodology:

Producer	Dumping margin
Hefei Midea	8%
Wuxi Little Swan	10.95%
	9.39%

4.4 METHODOLOGY IN THIS INVESTIGATION FOR HISENSE REFRIGERATOR CO., LTD ("HISENSE REFRIGERATOR")

4.4.1 Calculation of the normal value

During the investigation period, Hisense Refrigerator sold top load washing machines with various capacities of 10.5 kg, 11 kg, 12 kg, 13 kg, and 14 kg to related parties, Guangdong Hisense Refrigerator Marketing Co., Ltd., Qingdao Hisense International Marketing Co., Ltd., and one domestic one-time customer.

Out of the total domestic sales, 10.5 kg, 11 kg, 12 kg, 13 kg, and 14 kg top load washing machines were sold as samples for testing the product. Hisense Refrigerator sold 12kg washing machines in the domestic market.

It was found that 10.5 kg, 11kg,13kg and 14kg were not sold in the domestic market but sold in the SACU market.

Capacity – 10.5kg of top load washing machines

As 10.5kg top load fell within the sample sales, such sales could not be used to calculate the normal value. The normal value for 10.5kg was therefore constructed. The constructed normal value was calculated based on the actual production costs and adding the selling, general and administrative expenses to get to a net-ex factory constructed normal value. A reasonable profit was then added to the total production cost for the investigation period.

It was found that other sellers sold the subject product at a loss but made profits on the other products which are not subject to the investigation. To calculate a reasonable profit, the Commission used Hisense company-wide profit.

Commission's consideration

The Commission made a final determination to use Hisense Refrigerator's company-wide profit as a reasonable profit to calculate the constructed normal value.

Capacity – 11kg of top load washing machines

During the period of investigation, it was also found that 11kg of washing machines fall within the sample domestic sales. These were the samples that exporter sold to its related party for testing. The normal value was constructed. The normal value was based on a constructed method. The constructed normal value was calculated based on the actual production costs and adding the selling, general and administrative expenses to get to a net-ex factory constructed normal value. A reasonable profit was then added to the total production cost.

Capacity – 13kg of top load washing machines

During the period of investigation, it was found that 13kg washing machines were also within the sample sales. The normal value was constructed. The constructed normal value is calculated based on the actual production costs and adding the selling, general and administrative expenses to get to a net-ex factory constructed normal value. A reasonable profit was then added to this total production cost for the investigation period.

Capacity – 14kg of top load washing machines

Since the 14kg washing machines also fall within the sample sales, the normal value was constructed. The constructed normal value is calculated based on the actual production costs and adding the selling, general and

administrative expenses to get to a net-ex factory constructed normal value. A reasonable profit of 4% was then added to this total production cost for the investigation.

Commission's consideration

The Commission noted that even though sales were made to related and unrelated parties, it was found that out of the total sales, 10.5 kg, 11 kg, 12 kg, 13 kg, and 14 kg were sold to Qingdao Hisense International Marketing Co., Ltd as samples. It was found that only one transaction was made to unrelated party, a one-time customer. Hisense Refrigerator sold 12kg washing machines to Guangdong Hisense in the domestic market. The 12 kg was not sold in the SACU market. Based on this, the Commission decided to construct the normal value.

4.4.2 Calculation of export price

Hisense Refrigerator sold its export sales to its related distributors, Hisense Middle East-Africa and Hisense Middle East-Africa (Hong Kong). Hisense Middle East-Africa sold to Hisense Middle East-Africa (Hong Kong). Hisense Middle East-Africa (Hong Kong) sold to its related importer, Hisense SA Sales Holdings ("Hisense SA") in the SACU market.

It was also found that there were also direct sales from Hisense Refrigerator to Hisense Middle East-Africa (Hong Kong), which were then sold to the related importer. Hisense SA sold to unrelated parties and related parties, being Hisense Manufacturing (Pty) Ltd.

The export price was determined by using the ex-factory price of the manufacturer. The price was at ex-factory level from Hisense Refrigerator to the first channel of sales to the distributor.

Commission's consideration

The Commission noted that due to the channel of distribution, it was not

practical to construct the export price from the first independent buyer. The price was at ex-factory level from Hisense Refrigerator to the first channel of sales to the distributor. The Commission determined that as a reasonable basis, the export price should be calculated based on the exporter's price. Since the exporter's price was at ex-factory level, the export price was calculated by adding the adjustments back to arrive at the FOB price. The Commission made a final determination to accept the FOB price of the exporter for calculating the export price.

The following adjustments were added to the ex-factory price in order to arrive at the FOB price:

- **Inland freight**

The inland freight adjustment claimed was for expenses incurred for transportation of goods from the factory to the port. The inland freight was reported for each invoice and allocated to each type of product on the invoice based on sales quantity. In the sales package, the inland freight incurred for a whole invoice was displayed. To obtain a unit inland freight, the total inland freight was divided by the total quantity of all products on the invoice. The inland freight per unit was then multiplied by the quantity of the line reported in the SACU sales sheet to get the inland freight.

Commission's consideration

The Commission made a final determination to allow inland freight adjustment as it was demonstrated to have affected the price comparability at the time of the setting prices.

- **Handling fee**

The exporter claimed an adjustment for handling fees (including customs declaration fee) of subject products to the SACU market. The handling fees were reported for each invoice and allocated to each type of product on the invoice based on sales quantity. In the sales package, the handling charges

and customs declaration fee incurred for a whole invoice could be seen. The total expenses were divided by the total quantity of all products on the invoice to obtain unit expenses. The sum of unit handling charges and unit customs declaration fees was then multiplied by the quantity of the line reported in the SACU sales sheet to get the total handling fee.

Commission's consideration

The Commission made a final determination to allow a handling fee adjustment as it was demonstrated to have affected the price comparability at the time of the setting of prices.

4.4.3 Dumping Margin

The following margin of dumping for Hisense was calculated:

Producer	Dumping margin %
Hisense Refrigerator	7.67%

Comments by the Applicant to the Commission's essential facts letter

In response to the Commission's essential facts letter on Hisense Refrigerator, the Applicant stated that the trading companies responsible for distributing the subject product ought to have submitted their own response with information indicating costing and sales to enable the Commission to determine the export price from the first point of resale to an independent buyer. It indicated that, without this information, the response was deficient and unverifiable. The Applicant also indicated that the dumping margin calculated was supposed to be based on a comparison between ex-factory price and ex-factory normal value, and not free-on-board price.

Commission's consideration

The Commission noted that all normal values were determined using a constructed method, which reflects the ex-factory normal value. In this case, the dumping margin was calculated by comparing the constructed ex-

factory normal value with the ex-factory export price. Since SARS imposes duties at the FOB level, the dumping margin was expressed as a percentage of the FOB price.

4.5 METHODOLOGY IN THIS INVESTIGATION FOR ALL OTHER PRODUCERS AND EXPORTERS FROM CHINA PRODUCING TOP LOAD WASHING MACHINES (RESIDUAL DUMPING MARGIN)

It is the general policy of the Commission to impose separate anti-dumping duties on specific exporters that responded to the questionnaire, and in addition, a residual duty against the country in question, to cater for other possible manufacturers of the subject product who might also have exported the subject product to the SACU but did not participate in the investigation.

Commission's consideration

It is the Commission's practice to calculate a residual dumping margin for all non-co-operating producers and exporters of the subject product.

On this basis, the Commission made a final determination to calculate a residual dumping margin using the highest verified ex-factory normal value and the lowest adjusted export price for the subject product.

Normal value

The Commission made a final determination to use the highest verified ex-factory normal value to calculate the residual dumping margin.

Export price

The Commission made a final determination to use the lowest verified adjusted export price to calculate the residual dumping margin.

Dumping margin

Using this information, a dumping margin for all other exporters in China was calculated as follows:

Producers and exporters	Dumping margin
All other producers and exporters (excluding Wuxi Little Swan Electric Co., Ltd, Hefei Midea Laundry Appliance Co., Ltd and Hisense Refrigerator Co., Ltd)	16.41%

Since duties by SARS are imposed at an FOB level, the Commission made a final determination that the residual anti-dumping margin be calculated as 13.42%.

4.6 METHODOLOGY IN THIS INVESTIGATION FOR THAI SAMSUNG ELECTRONICS CO., LTD ("THAI SAMSUNG")

4.6.1 Calculation of the normal value

During the investigation period, top load washing machines of different capacities, 10kg, 11kg,12kg, 13kg, 14kg,15kg and 16kg, were sold in domestic market.

It was found that top load washing machines of 11 kg, 12 kg, and 16 kg capacities were sold in the domestic market but not in the SACU market.

In order for domestic sales of top load washing machine of 10kg,13kg,14kg and 15kg machine to be used for normal value calculation, a 5% threshold test was performed to determine whether the domestic sales constitute 5% or more of the volume of exports of the subject product sold to SACU.

It was found that 10kg,13kg,14kg and 15kg were sold to the SACU market, together they constituted more than 5% of export sales to SACU. Since these sales passed the 5% threshold test, the normal value was calculated based on the verified domestic sales.

It was further found that there were sales of 10kg top load washing machines that were sold at a loss in the domestic market. In the instance where sales below cost were below 20 per cent all transaction should be included in the determination of a normal value. In this case the below cost sales were included in the calculation of the normal value.

Adjustments to the normal value

The following adjustments were claimed to arrive at the ex-factory normal value:

- **Cost of payment terms**

Thai Samsung Electronics indicated that it allocates payment terms to its customers in the domestic market. However, the payment days regarding the payment terms were not shown on the invoices. During verification, it was clarified that payment terms are determined by credit score criteria and that there is no formal contract outlining them. The cost of payment terms was calculated by taking the total invoice value, multiplying it by the interest rate, multiplying that result by the number of payment days, and dividing the result by 365. The lending rate used for this calculation was sourced from the Bank of Thailand.

Comments made by Samsung Electronics on the Commission's first essential facts letter

Samsung Electronics stated that it claimed an adjustment for cost of payment terms as this likewise affects price comparability. The essential facts letter did not mention this adjustment nor provide any explanation for its exclusion. Samsung stated that during the verification, Samsung fully explained the basis for this adjustment and substantiated it with supporting evidence. As recorded in the verification report, the adjustment is calculated as: total invoice value × interest rate × payment days / 365.

The verification report clearly confirmed that "it was verified and found to be correct." It further stated that it is unclear why the Commission has not considered this verified adjustment or provided reasons for its omission. If the omission should have been a mistake, it requested the Commission to re-issue the essential facts letter to include the correct set of adjustments. Should the Commission not accept this adjustment, it requested a clear explanation and the reasons for such a decision.

Response by the Applicant to Samsung Electronics' comments

The Applicant noted that the Consultant argued that "Samsung fully explained the basis for this adjustment and provided supporting evidence." However, the fact that everything was substantiated and explained does not change the fact that the adjustment must affect the price at the time of setting price, which clearly did not happen here.

Commission's consideration

The payment terms used to calculate this adjustment were not displayed on the invoices. As stated in the verification report, it was explained that payment terms are allocated depending on the credit score criteria. After the verification, a Word document was provided; however, this document does not suffice as a formal contract for its customers, as the adjustment was not properly substantiated. It is important to note that just because an adjustment was verified and found to be accurate, it does not automatically mean it will be considered. All criteria outlined in regulation 11.2 must still be met. It is the Commission's practice to consider adjustments to the normal value only if the adjustments affected price comparability at the time of setting prices.

Comments made by Samsung Electronics on the Commission's second essential facts letter

Samsung Electronics stated that it noted with concern that the Commission has again disregarded the cost of payment terms adjustment. It further stated that the Commission indicates that the adjustment was not properly substantiated as the payment terms were not provided on the invoice. This is incorrect and not relevant. Neither the ADR nor the ADA requires the display of credit terms on an invoice. Nevertheless, the invoices themselves indicate the payment due dates, which align directly with the payment terms described in the sales spreadsheets and explanatory documentation.

Comments made by the Applicant on the Commission's second essential facts letter

The Applicant stated that it agrees with the Commission's intended final determination, not to allow the adjustment claimed for the cost of payment terms, as the payment terms used to calculate this adjustment were not displayed on the invoices and therefore could not have affected price comparability at the time of setting prices.

Commission's consideration

The Commission reiterates that the cost of payment terms used to calculate this adjustment was not displayed on the invoices and was not substantiated. As stated in the verification report, it was explained that payment terms are allocated depending on the credit score criteria. After the verification, a Word version was provided; however, the document did not suffice as a formal contract for its customers, concluding that the adjustment was not properly substantiated. It is important to note that just because an adjustment was verified and found to be accurate, it does not automatically mean it will be considered. All criteria outlined in Regulation 11.2 must still be met. It is the Commission's practice to consider adjustments to the normal value only if the adjustments affected price comparability at the time of setting prices.

The Panel in EC – Fasteners (China) considered a claim that the antidumping authorities had violated Article 2.4 by denying certain adjustments. The Panel noted that "[t]here is no methodological guidance in Article 2.4 as to how due allowance for differences affecting price comparability is to be made". It found that although the investigating authorities are obligated to make a fair comparison, "[U]nder Article 2.4, it is the investigating authorities, not the foreign exporters, that must ensure a fair comparison between the normal value and the export price. This does not, however, mean that the exporters have no obligation in this process. Although the obligation to make a fair comparison lies with the investigating authorities, it is for the exporters, who would be expected to have the necessary knowledge of the product in question, to make substantiated requests for adjustments in order to ensure such comparison. If it is not demonstrated to the authorities that there is a difference affecting price comparability, there is no obligation to make an adjustment.

Moreover, the fair comparison obligation does not mean that the authorities must accept each request for an adjustment. The authorities 'must take steps to achieve clarity as to the adjustment claimed and then determine whether and to what extent that adjustment is merited'. If no adjustment is requested, or if an adjustment is requested with respect to a difference that is not demonstrated to affect price comparability, or if the authority determines that an adjustment is not merited, no adjustment need be made. It follows that, in order to make a prima facie case of violation of Article 2.4 in this dispute, China has to demonstrate to the Panel that an adjustment should have been made with respect to (1) a difference (2) that was demonstrated to affect price comparability between the normal value and the export price, and that the Commission failed to make the adjustment".

Based on the above, the Commission made a final determination not to allow the adjustment for the cost of payment terms, as this cost was not demonstrated to have affected price comparability at the time of setting prices, and it was not properly substantiated.

- **Discounts and rebates**

Thai Samsung Electronics has stated that this adjustment pertains to sales promotion activities. These activities include offering price or volume discounts and incentives to customers. The discount and rebate amounts range in percentages. This is based on a yearly contract between Thai Samsung Electronics and its customers. A written agreement was provided to each customer, outlining the terms, conditions, and rates of the discount. Furthermore, the contract will state the target sales volumes the customer must meet during the period. It was found that there were also customers who did not have any contract in place for the discount. In these instances, the discount adjustment was claimed.

Comments made by Samsung Electronics on the Commission's first essential facts letter

Samsung argued that the Commission incorrectly calculated adjustments related to discounts and rebates, highlighting a clear error. It is essential to note that presenting a corrected figure does not imply acceptance of the methodology used.

The company argued that the Commission should not aggregate broad capacities or SKUs and should utilize groupings that accurately reflect product comparability with exports to SACU. Accordingly, Samsung requested that the Commission amend the essential facts letter with verified amounts or provide an explanation for any deviations from this information.

The company maintained its position that the Commission should not have aggregated broad capacities or SKUs in the manner it has done, nor should have relied on groupings that did not adequately reflected product comparability with exports to SACU. Therefore, Samsung requested that the Commission correct the essential facts letter by using the accurate, verified amounts or, alternatively, provide a detailed explanation for any deviation from the verified information.

Response by the Applicant to comments made by Thai Samsung on the Commission's essential facts letter

The Applicant indicated that it is extremely concerned with regard to the discounts and rebate adjustments, as these adjustments are normally only available and known after an extended period, normally a year, and not at the time of setting the price. Therefore, although calculations can be made, based on historical data, of what the discounts and rebate adjustments should be, these discounts and rebates are normally not known at the time of setting the price and thus should not have been allowed by the Commission. It further submitted that the consultant is complaining with bread under its arm as to how these adjustments must be made in favour of Samsung, while these adjustments must, in fact, be rejected. The Commission was requested to cut the quibbling by disallowing these adjustments as they did not affect the price at the time of setting the price.

Commission's consideration

Each customer received a contract that detailed the discount and rebates rates, and the sales volumes required to qualify for those discounts. Thai Samsung Electronics was aware of the volume each customer needed to purchase to receive a discount, as well as the discount rates when setting prices. It is the Commission's practice to consider adjustments to the normal value only if the adjustments affected price comparability at the time of setting prices.

It was also found that there were instances where a transaction indicated No T&C/ No MOU and Thai Samsung Electronics explained that for these transactions, there was no contract in place with the customer that specified the terms of the discount. The total amount for the discount was determined and verified.

Comments made by Applicant on the Commission's second essential facts letter

With regard to discounts and rebates as well as delivery charges, the Applicant stated that, as indicated in its response, the Commission's first essential facts letter did not contain any details with regard to the decision-making considerations by the Commission to make these decisions and thus prevented the Applicant from defending its interest and responding in a meaningful manner. It further stated that the second essential facts letter also did not contain this information and therefore the Applicant was not offered an opportunity to comment on this information. The Applicant further indicated that the contracts, in certain instances, did not specify the terms of the discount. It argued that the adjustment must not be allowed.

Commission's consideration

The Commission reiterates that the total discount and rebate amount was verified. There were transactions with terms and conditions and those without terms and conditions. Based on the above, the Commission made a final determination to allow the full amount of the discount.

The Commission made a final determination to allow the adjustment for the discounts and rebates since substantiation was provided and demonstrated to have affected price comparability at the time of setting prices.

- **Delivery charges**

Thai Samsung Electronics indicated that the delivery charges adjustment claimed was for transporting goods within the domestic market. This cost was calculated once a year and remained fixed for the entire year, which helped businesses budget consistently. There can be mixed containers where the number of units may differ. The total cubic meter volume (CBM) was then calculated, and each product's cost was split proportionally. This ensured bulk items, which occupied more space, bear a larger share of the transportation cost.

Commission's consideration

It is the Commission's practice to consider adjustments to the normal value to bring the price back to the ex-factory level. The delivery charges adjustment was verified and found to be correct.

The Commission made a final determination to allow the delivery charges adjustment.

4.6.2 Calculation of export price

During the period of investigation, Thai Samsung Electronics exported different capacity of 10kg, 13kg, 14kg and 15kg and of top loader washing machines to the SACU market.

In its response, it was noted that Thai Samsung Electronics - Sales (TSE-S) is responsible for the sales of the subject product under investigation in the domestic market and to neighbouring countries.

Thai Samsung Electronics – Production (TSE-P) is responsible for manufacturing the subject product and exporting to South Korea and other export markets.

There is no physical or payment movement between TSE-S and TSE-P as they fall under the same legal entity. It is important to note that Samsung Electronics (SEC) in South Korea invoices and sells to SSA. However, the products under investigation are being delivered to Samsung South Africa (SSA) directly from TSE-P.

Commission's consideration

ADR 1 defines "related parties" as follows: "Related parties" are parties deemed to be related for purposes of an anti-dumping investigation, and sales may be considered not to be at arm's length, if:

(a) one directly or indirectly owns controls or holds five per cent or more of the equity shares of the other;

(b) one has the power to directly or indirectly nominate or appoint a director to the management of the other;

(c) one is an officer or director of the business of the other;

(d) they are legally recognised partners in business;

(e) one is employed by the other;

(f) they are both directly or indirectly controlled by a third person;

(g) together they directly or indirectly control a third person;

(h) they appear to be related by virtue of their conduct;

(i) They are blood relatives or are related by marriage, common-law partnership or adoption; or

(j) If their relationship is otherwise of such a nature that trade between them cannot be regarded to be at arm's length

Therefore, it was found that the exporter in the country under investigation is related to the importer in the SACU, or if a compensatory agreement exists between the parties, the basis of the export price will be the price at which the subject product is resold by the importer to an unrelated party in the SACU. This price will then be constructed backwards by subtracting all relevant costs and profits to arrive at an ex-factory price in the country of origin.

All costs between the exporter's ex-factory price and the first independent resale price were considered by the Commission.

Reasonable profit was based on the average profit of the exporter and importer.

Comments made by Samsung Electronics on the Commission's first essential facts letter

Samsung raised several concerns regarding the Commission's methodology for constructing the export price, particularly highlighting issues of double counting and improper deductions.

Double Counting: *Samsung asserted that the Commission made a significant error by deducting specific importer costs twice, which led to an inflated constructed export price. The Commission mistakenly calculated a total importer cost and then separately deducted discounts, resulting in an inaccurate total deduction per unit rather than the correct figure. Samsung firmly urged the correction of this error to ensure they can offer substantive feedback on the revised calculations.*

Discounts Deduction: *Samsung argued that the Commission improperly deducted discounts on top of importer costs that were already accounted for. Since the resale price to independent buyers was calculated on a net basis, further discount deductions artificially reduced the constructed export price and inflated the dumping margin, which is inconsistent with the WTO Anti-Dumping Agreement.*

Profit Allocation: *Samsung expressed concern with the Commission's basic approach to calculate profit, which simply added up importer and exporter profits. This strategy did not comply with WTO agreements on profit allocation between related parties. Samsung requested the Commission to*

update its calculations to adhere to the correct guidelines for profit distribution.

In summary, Samsung urged the Commission to correct its methodologies for import cost deductions and profit calculations. This will ensure accurate determinations of the constructed export price and dumping margin.

Commission's consideration

The Commission agreed with Samsung that the total cost was counted twice, resulting in an overstatement. This error has since been corrected.

It was found that there was a discrepancy between the selling price provided in the cost build and domestic sales. Based on that, to determine the constructed export price, the Commission utilized the net price realized from the cost build-up provided by the importer. Additionally, a reasonable profit was calculated according to ADR10.3, where the profits of the importer and exporter are combined. This total profit was then apportioned based on the ratio of SACU expenses as a percentage of the manufacturing and selling expenses.

Comments made by Samsung Electronics on the Commission's second essential facts letter

Samsung Electronics stated that it has reviewed the updated calculations relating to the constructed export price. While Samsung acknowledged that the Commission has corrected double-counting issues, it did not agree with the revised starting point used to construct the export price. It further stated that the applicable regulations clearly state that the export price may be constructed on the basis of the price at which the imported product was first resold to an independent buyer. Accordingly, the starting point must be the actual price charged to independent customers namely, the verified sales reflected in the importer response. Using the "net price realised" derived from the cost build-up as the starting point understates the true value of

sales to independent buyers and was inconsistent with the regulatory framework. The starting point should have been the actual sum of money paid by independent customers, after which appropriate adjustments may be made in accordance with the regulations. Samsung further stated that if any discrepancy existed, this should have been identified and addressed during verification, it was therefore unclear why the Commission would rely on a figure that was not verified. It was therefore unclear why this changed between the 1st and 2nd essential facts letter.

Samsung reiterated that it appeared as if the Commission was shifting methodologies to artificially lower the export price and derive a high dumping margin.

Commission's consideration

The Commission disagreed with Samsung's allegation that the Commission relied on unverified figures. As noted in the verification report, cost elements in the cost build-up, including landed cost and other overhead expenses, were verified. However, because of the discrepancy between the net price in the cost build-up and the net price of domestic sales, the domestic net price is not considered reliable. The Commission therefore used any other reasonable basis for constructing the export price, specifically the verified net price submitted by the importer in the cost build-up.

4.6.3 The following margin of dumping was calculated for Thai Samsung Electronics:

Producer	**Dumping margin %**
Thai Samsung Electronics	47.23%

Comments made by the Applicant on the Commission's second essential facts letter

The Applicant stated that is unclear what the cause of the huge change in the weighted average dumping margin was and noted with concern that the margin has reduced from 162 percent to 47.23 percent. It further stated that the Commission was requested to ensure that the correct dumping margin was calculated and recommended for imports manufactured by Samsung Electronics.

Comments made by Samsung Electronics on the Commission's second essential facts letter

Samsung Electronics stated that it recalculated the dumping margin using the Commission's own methodology based on capacity although it maintained that it disagreed with the approach. The revised calculations provided by Samsung's constructed export price were recalculated by using the actual amount paid by the first independent buyer, based on verified domestic sales. The dumping margin calculated by Samsung was -6.24% and this was based on the domestic sales net price.

Commission's consideration

In response to the Applicant's concern about the significant change in the dumping margin from 162% to 47.23%, the Commission noted that this difference resulted from correcting errors and using a more reliable net price based on cost analysis. After these adjustments, the dumping margin was calculated as 47.23%.

4.7 METHODOLOGY IN THIS INVESTIGATION FOR ALL OTHER MANUFACTURES/EXPORTERS FROM THAILAND PRODUCING TOP LOAD WASHING MACHINES

It is the general policy of the Commission to impose separate anti-dumping duties on specific exporters that responded to the questionnaire, and in

addition, a residual duty against the country in question, to cater for other possible manufacturers of the subject product who might also have exported the subject product to the SACU but did not participate in the investigation.

Comments made by the Applicant on the Commission's second essential facts letter

The Applicant stated that it noted that the Commission intended to determine the residual dumping margin for all other manufactures/exporters from Thailand producing top load washing machines to be the same as the margin of dumping calculated for Samsung Electronics. The Applicant also stated that it noted the Commission's practice of using the highest verified unadjusted ex-factory normal value and the lowest adjusted export price of other exporters in the investigation.

It further stated that as there were no other exporters verified in Thailand, the Commission should deduct the export volume and value of the verified and cooperating parties from the South African Revenue Service ("SARS") statistical volume and value data, to then arrive at the non-cooperating parties' export/imports volume and value, which calculated price is then adjusted downwards. The Applicant further stated that notwithstanding that, although it did not agree with the applied approach of the Commission, it agreed that the residual anti-dumping duty should be higher than that calculated for Samsung Electronics.

Commission's consideration

In determining the residual anti-dumping duties for all other exporters in Thailand, the Commission relied on verified information of Samsung, an exporter in Thailand, as there were no other exporters who responded in Thailand.

To calculate a residual dumping margin, the Commission's practice is to consider the highest verified ex-factory normal value and the lowest verified

adjusted export price of the exporters that cooperated in the investigation. The Commission noted that to calculate the residual dumping margin for all other manufactures/exporters from Thailand producing top load washing machines, the highest verified ex-factory normal value and the lowest verified adjusted export price (constructed export price) was used. However, the calculated residual margins resulted in the same margin as that calculated for Samsung. The residual dumping margin was therefore calculated as 47.23%. Since price disadvantage of 26.06% was calculated for Thai Samsung Electronics, the Commission opted to use the dumping margin of 47.23% as residual dumping margin for all other manufactures/exporters from Thailand producing top load washing machines.

Determination

The residual dumping margins for all the other manufactures/exporters from Thailand producing top load washing machines was calculated as 47.23%

The Commission made a final determination that dumping of the subject product originating in or imported from China and Thailand is taking place.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis in this submission relates to the Applicant and constitutes 100 percent of the total domestic production of the subject product in SACU.

The Commission made a final determination that this constitutes “a major proportion” of the total domestic production, in accordance with the ADR.

5.2 CUMULATIVE ASSESSMENT

There are two countries involved in this investigation, namely China and Thailand. In terms of the ADR 16.3, the Commission may cumulatively assess the effect of the dumped imports only if it finds that cumulating is appropriate in light of –

- Competition between imports from the different countries; and
- Competition between the imported products and SACU like products; and if
- The imports from the countries are not negligible as contemplated in subsection 2.1.5 and
- The dumping margin is not *de minimus* in that it is 2 percent or more when expressed as a percentage of the export price.

In considering whether cumulating is appropriate with regard to the imports from China and Thailand, the Commission considered the following:

Consideration for cumulation

Imports from the countries are not negligible	The imports from all countries are not negligible, as contained in table 2.1.5. They each account for more than 3 percent of total imports.
The margin of dumping is above the *de minimis* level	The dumping margins calculated are above 2 percent. This is evident in tables 4.2
Competition between imports from the different countries	• They are all like products for purposes of comparison, their end use and substitutability is similar. • They are all traded in the SACU market, and that the SACU market share analysis and the fluctuating market share throughout the period of investigation for both the Applicant and the alleged dumped imports as contained in table 5.3.1 is evidence of competition. • The price undercutting of the imports from the two countries is evidence of competition as they are undercutting the Applicant's prices at different levels.
Competition between imported product and SACU like product	• The imported product and the SACU product are like products for purposes of comparisons, they are fully substitutable and have a similar end use. • They are both traded in the SACU market and that the market share analysis shows that there is competition as indicated in table 5.4.4 throughout the period of investigation. • The imported product from the two countries is undercutting the SACU prices.

The Commission made a final determination that imports from China and Thailand be cumulatively assessed to determine their effect on the SACU industry.

5.3 IMPORT VOLUMES AND EFFECT ON PRICES

5.3.1 Import volumes

The following table shows the volume of allegedly dumped imports in units for the subject product:

Table 5.3.1: Import volumes

Units	2022	2023	2024
Alleged dumped imports (units): Cumulatively assessed	137 678	149 173	195 492
China	67 984	73 740	112 306
Thailand	69 694	75 433	83 186
Other imports	4 946	7 042	3 084
Total dumped imports	142 624	156 215	198 576
Alleged dumped imports as % of total imports: cumulatively assessed	96%	95%	99%
China	48%	47%	57%
Thailand	48%	48%	42%
Other imports	4%	5%	1%

The information in the table above indicates that the alleged dumped imports when cumulatively assessed for the two countries shows that the alleged dumped imports of the subject product increased to 8 percent in 2023 and further increased to 31 percent in 2024. Over the investigation period, when imports are cumulatively assessed, this resulted in an overall increase of 41 percent. As a percentage of total imports, the alleged dumped imports decreased from 96 percent in 2022 to 95 percent in 2023 and increased to 99 percent in 2024.

5.3.2 Effect on Domestic Prices

5.3.2.1 Price depression

Price depression takes place where the Applicant industry's ex-factory selling price decreases during the investigation period.

The table below showed the Applicant industry's ex-factory selling price per unit:

Table 5.3.2.1: Price depression

HS 8450.20.20 exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Ex-factory selling price (R/unit)	100	116	113

***The information above was indexed using 2022 as base year**

The Applicant stated that its ex-factory selling prices for the subject product increased from 2023, followed by a decrease in 2024. Although the price in 2024 was above the price in 2022 and thus not reflecting a decreasing trend over the POI, the 2024 price was depressed compared with the price in 2023 and this is because of import pressure over the last 12 months. The Applicant further stated that it was forced to decrease its selling prices during the 2024 period, which was done to regain lost SACU market share.

Comments by Samsung Electronics

Samsung Electronics stated that the Applicant argued that its prices decreased by 2.5% from 2023 to 2024, but this followed on the back of a very healthy price increase of 6% the year before. It also stated that it is worth noting that inflation was 6.9% in 2022, less than half of the price increase by the Applicant.

Samsung Electronics further stated that assuming the Applicant's arguments are valid, which they are not, it indicates that import prices from China increased in both 2023 and 2024, and that prices from Thailand increased in 2024, when its prices decreased. In essence, the Applicant is arguing that they were under price pressure from China and Thailand who were busy increasing their prices and in the face of this assault of high prices, they had no choice but to reduce their own prices.

Commission's consideration

In response to Samsung Electronics' comments, the Commission noted that although there was no depression from 2022 to 2023, the Applicant experienced price depression in 2024. This was as a result of imports into the SACU market over the last 12 months. To gain market share, the Applicant had to reduce its prices during this period.

Comments made by Samsung Electronics on the Commission's second essential facts letter

Samsung Electronics stated that during the POI the Applicant's prices increased by 13%. This means that there was no price depression during the POI. The Commission could not have elected which year it wished to focus on (2024), where the ADR is clear that the price for the entire POI must be considered. No evidence to the contrary has been presented, yet the Commission still found price depression which was not possible given the information at its disposal.

Commission's consideration

In response to Samsung Electronics' comments, the Commission noted that although there was no depression from 2022 to 2023, the Applicant experienced price depression in 2024. This was a result of imports into the SACU market over the last 12 months. To gain its market share, the Applicant had to reduce its prices during this period.

5.3.2.2 Price undercutting

The following table compares the Applicant ex-factory prices with the landed cost of the imported product:

Table 5.3.2.2 (a): Price undercutting

China	**2022**	**2023**	**2024**
Domestic Selling Price	100	116	113
Alleged Dumped products			
Import Price FOB	100	112	117
Import Price landed	100	111	114
Price undercutting	[CONFIDENTIAL] Yes	[CONFIDENTIAL] Yes	[CONFIDENTIAL] Yes
Price undercutting %	[CONFINDENTIAL] [Between 15 and 45 percent]	[CONFINDENTIAL] [Between 20 and 50 percent]	[CONFINDENTIAL] [Between 15 and 45 percent]
Thailand	**2022**	**2023**	**2024**
Domestic Selling Price	100	116	113
Alleged Dumped products			
Import Price FOB	100	98	104
Import Price landed	100	98	103
Price undercutting	[CONFIDENTIAL] Yes	[CONFIDENTIAL] Yes	[CONFIDENTIAL] Yes
Price undercutting %	[CONFINDENTIAL] [Between 0 and (30) percent]	[CONFINDENTIAL] [Between 10 and 40 percent]	[CONFINDENTIAL] [Between 5 and 35 percent]

***The information above was indexed using 2022 as base year**

The information in the above table shows that the Applicant was experiencing price undercutting over the investigation period due to depressed selling prices.

The Applicant stated that when 2024 imported prices from China and Thailand are compared with its unsuppressed selling price, even greater price undercutting situations were clearly evident, which emphasized

the extent of the material injury and further threat thereof, due to the dumped imports from China and Thailand, into a much clearer context.

Commission's consideration

The Commission noted that the Applicant has experienced price undercutting during the period of investigation, and this was due to lower selling prices resulting from dumped imports.

5.3.2.3 Price suppression

Price suppression is the extent to which an increase in the cost of production of the product concerned, cannot be recovered in selling prices.

The following table shows the Applicant's average costs of production and its actual average selling prices for the subject product:

Table 5.3.2.3: Price Suppression

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Ex-factory selling price (R/unit)	100	116	113
Cost of production (R/unit)	100	116	114
Gross Profit (R)	100	119	104
Gross Profit %	100	103	92
Cost of production % selling price (%)	100	100	101

***The information above was indexed using 2022 as base year**

The Applicant stated that it experienced price suppression over the whole POI. Although price suppression declined in 2023, it increased in 2024. This is because the cost to price ratios were also very high throughout the POI. It also stated that the increasing price suppression trend for the POI is indicative of material injury experienced by the SACU industry. This is because of dumped imports from China and Thailand.

Commission's consideration

The Commission noted that the price suppression experienced by the Applicant increased over the investigation period.

5.4 Consequent Impact of the dumped imports on the Industry

5.4.1 Actual and potential decline in sales

The following table shows the Applicants' sales volume of the subject product:

Table 5.4.1: Sales volume

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Applicant - sales volume (units)	100	151	192
Sales by other SACU producers - volumes (units)	-	-	-
Total SACU Producers - sales volume (units)	100	151	192

***The information above was indexed using 2022 as base year**

The above table indicates that sales volume of the subject product showed an increase over the POI.

Comments by Samsung Electronics

Samsung Electronics stated that the Applicant's sales volume increased each year of the POI, from 100 to 151 to 191 points, indicating no injury in respect of this factor. It is stated that this is an enormous increase, and this could not have resulted in the material loss of sales volume to imports.

Response by the Applicant to Samsung Electronics comments

The Applicant stated that it increased its domestic sales during the POI. It stated that there is no requirement for experiencing material injury that sales volumes must decrease to support material injury.

Commission's consideration

In response to Samsung Electronics' comments, the Commission agreed with the Applicant's response. Although the Applicant's sales volumes increased during the POI, the market share of imports increased over the same period. The Commission noted that a single injury indicator is sufficient to make a determination on material injury and that an injury finding may be based solely on import volumes or import prices, or both.

5.4.2 Profit

The following table shows the Applicants' profit margins for the subject products:

Table 5.4.2: Profit

HS 8450.20.20 - exceeding 10 kg but less than 17	**2022**	**2023**	**2024**
Units sold (units)	100	151	192
Total gross profit (R)	100	180	200
Total net profit (R)	(100)	(144)	(235)

***The information above was indexed using 2022 as base year**

The Applicant indicated that the injury was amplified when the net profit (Rand) for the subject product is considered and thus indicated a loss situation throughout the POI; thus, a net loss situation exists. The net profit deteriorated from a negative 100 index points in 2022 to 144 index points in 2023, followed by a net loss deterioration that followed in 2024 of 235 index points. The ongoing net loss position and increasing loss trend throughout the POI, clearly indicated that Applicant is suffering

material injury.

Comments by Samsung Electronics

In response to the Applicant's allegations, Samsung Electronics stated that the Applicant experienced a healthy position because its gross profit increased by 80% in 2023 and a further 20% in 2024. This, according to Samsung Electronics, the Applicant's gross profit doubled over the period and indicated a lack of injury. Samsung Electronics further stated that the overall gross profit would have shown if imports were causing injury to the domestic market particularly only if import penetration would have raised the cost of the local product per unit.

Samsung Electronics claimed that over the POI, the Applicant's total cost increased by 13.94 index points, but in 2024, it actually dropped by 0.66 index points compared to 2023. In response, the selling price rose 13.19 index points above the POI, or just 0.75 index points less than the increase in the whole cost of sales. This marginally lower increase in price cannot be attributed to the alleged dumped imports.

Samsung Electronics indicated that indicated that the standard required to impose anti-dumping is positive evidence of material injury, not marginal injury, unlikely to be connected to alleged dumping. The exporter further argued that the Applicant made a small loss in 2022 and this is prior to any allegation of dumping or injury caused by imports. The loss doubled but it is extremely small.

Response by the Applicant to Samsung Electronics' comments

The Applicant stated that it noted comments from Samsung Electronics regarding gross profit realized per unit. It stated that it is very clear that the profit per unit over the period of investigation increased slightly, while in 2024 compared with the gross profit 2023 declined and continued to make net losses.

Commission's consideration

The Commission considered that even if the Applicant's gross profit and sales volumes have increased over the POI, it continued to experience a net loss because of the pressure resulting from the alleged dumped imports of the subject product during the investigation period. Although, the dumped imports from Thailand slightly decreased from 49 percent to 42 percent of total imports over the POI, those from China increased from 48 percent to 56 percent of total imports during the same period. This analysis confirmed that the Applicant is indeed suffering material injury as a result of dumped imports, and this resulted in it experiencing a net loss over the POI.

5.4.3 Output

The following table outlines the Applicants' domestic production volume of the subject product:

Table 5.4.3: Output

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Total production: All subject product non-SACU (units)	100	109	68
Total production: All subject product SACU only (units)	100	171	160
Total production: Applicant	100	170	159
Other SACU producers SACU only	-	-	-
Total SACU Industry Production (units)	100	170	159
Less: Production Applicant Non-SACU (units)	100	109	68
Total SACU Industry Production - SACU only (units)	100	171	160

***The information above was indexed using 2022 as base year, due to confidentiality**

The Applicant stated that its total production volume for the subject product increased and that the SACU production volume increased from 100 index points in the 2022 to 170 index points in 2023, whereafter it

decreased in 2024 to 159 index points.

The Applicant also indicated that the decreased production from 2023 to 2024 is indicative of material injury it experienced. Further, it indicated that the ongoing increase in dumped subject product imports from China and Thailand have placed the SACU industry under constant pressure and that its sales volume increase would have allowed it to improve on its net loss position and continue to increase production.

5.4.4 Market share

The following table shows the SACU Industry market share for the subject product

Table 5.4.4: Market share

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	units	**2022**	**%**	**2023**	**%**	**2024**	**%**
Applicant volumes SACU	units	100	100	151	128	192	128
Other SACU producers Sales	units	-	0,00%	-	0,00%	-	0,00%
Total SACU market share	units	100	100	151	128	192	128
Market share: Imports							
China	units	67 984	100	73 740	91	112 306	110
Thailand	units	69 694	100	75 433	91	83 186	79
Other countries	units	4 946	100	7 042	120	3 084	41
Total imports	units	142 624	100	156 25	92%	198 576	92
Total Market	units	100	100	119	100	151	100

***The information above was indexed using 2022 as a base year**

The Applicant stated that there is an increasing trend in its market share over the POI from 100 index points percent in 2022 to 128 index points 2024. Chinese and Thai combined import market share increased from 2023 to 2024. The total SACU market experienced an increasing trend

over the POI, with the Applicant market share for the POI showing an increase.

Comments by Samsung Electronics

Samsung Electronics stated that the Applicant did not aggregate the information for China and Thailand, confirming that imports from China and Thailand cannot be cumulated. This is important because China and Thailand's trends are quite different. The total market (local and imports) grew by 51% over the POI, but local sales grew by 92% over the period. Imports from Thailand, where Samsung Electronics' imports came from, saw growth of only 20% over that period. Thai washing machines were losing significant market share. It was indicated that it should be borne in mind that the local industry was selling almost twice as many washing machines (92% increase), while their prices rose by 13% and their gross profit doubled.

Response by the Applicant to Samsung Electronics' comments

The Applicant acknowledged that there is an increasing trend in its subject product market share percentage over the POI. It indicated that its market share in 2023 was 127.61 index points, while its market share in 2024 was 127.58 index points, a decrease of 0.03 index points or 0.02%.

Commission's consideration

The information in the table shows that although the Applicant's market share increased over the POI, the alleged dumped imports from China and Thailand also increased, thus dominating the SACU market. The table also indicates that imports from China and Thailand when cumulatively assessed declined by 8.61% index points from 2022 to 2023 but increased to 0.13% from 2023 to 2024. The table further shows that there was a decline of 8.74% when imports from China and Thailand are cumulatively assessed over the investigation period.

5.4.5 Productivity

Using the production and employment figures sourced from the Applicant, productivity in respect of the subject product is as follows:

Table 5.4.5: Productivity

HS 8450.20.20 - exceeding 10 kg but less than 17 kg		**2022**	**2023**	**2024**
Total production volume	unit	100	170	159
Number of employees (Production)	No	100	101	111
Unit per employee	unit	100	168	143

***The information above was indexed using 2022 as base year**

The Applicant stated that its productivity increased from 2022 to 2023. However, it decreased in 2024 as a result of declining production and sales that were under pressure from the dumped imports, causing it to experience material injury.

Comments by Samsung Electronics

Samsung Electronics stated that although productivity decreased in 2024, the Applicant's productivity increased by 43 index points over the POI, showing a lack of injury. It also stated that the decrease in productivity in 2024 can be attributed to two things. First, the Applicant's over-production in 2023, which necessitated a cut-back of 6% in production. Second, the Applicant increasing its production staff by 10 index points in 2024. Thus, despite production staff increasing by 11 index points over the POI, productivity still increased by a massive 43 index points.

Response by the Applicant to Samsung Electronics' comments

The Applicant stated that its output declined from 2023 to 2024. It also stated that its productivity decreased with 25 index points from 2023 as a result of declining production. It indicated also that since sales were

under pressure from the dumped imports, this resulted in it suffering material injury by cutting back on production that then affected the productivity.

5.4.6 Return on investment

Return on investment is normally regarded by the Commission as being the profit before interest and tax as a percentage of the net value of assets. The following table provides the Applicants' profit after interest and tax expressed as a percentage of its net value of assets:

Table 5.4.6: Return on investment

	2022	**2023**	**2024**
Net profit (total company) (Rands)	100	128	110
Net assets Total Company * (Rands)	100	103	85
Return on net assets (%)	100	124	130
HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Net profit (subject product) (Rands)	(100)	(143)	(238)
Net assets Total Company * (Rands)	100	103	85
Return on net assets (%)	(100)	(139)	(281)

***The information above was indexed using 2022 as base year**

The Applicant stated that its return on investment of the subject product is based on the profit of the subject product. It is further stated that this is expressed as a percentage of the total investment at acquisition cost and the net assets for the manufacturing of top load washing machines. The return on net assets (percentage) declined from negative 100 index points to 281 negative index points over the POI. It argued that this indicated the material injury that it experienced during the POI.

Comments by Samsung Electronics

Samsung Electronics stated that the allegation that the Applicant's return on net assets declined over the period of investigation is irrelevant as the Applicant could not provide investment based on the subject product, but only in respect of the company as a whole. Bearing in mind the massive depreciation recorded related to the like product in the CBU, this would have impacted return on investment (ROI) for the product. It also stated that it indicated the Applicant's increased loss cannot be linked to the dumped imports for several reasons, including the fact that it decreased its price in 2024 despite import prices increasing. Consequently, ROI also cannot be linked to the alleged dumped imports. It indicated further that the Applicant's return on investment was not negatively impacted.

Response by the Applicant to Samsung Electronics' comments

In response to Samsung Electronics' comments, the Applicant stated that it is unclear how Samsung Electronics could come to the opportunistic conclusion that an injury factor would be "irrelevant" merely because the information cannot be narrowly provided for the subject product only regarding investment.

It indicated that Article 3.6 of the Anti-Dumping Agreement clearly states that: "The effect of the dumped imports shall be assessed in relation to the domestic production of the like product when available data permit the separate identification of that production on the basis of such criteria as the production process, producers' sales and profits. <u>If such separate identification of that production is not possible, the effects of the dumped imports shall be assessed by the examination of the production of the narrowest group or range of products, which includes the like product, for which the necessary information can be provided</u>." (own emphasis)

It further stated that from the information it provided it is clear that the return on investment, expressed as a percentage of total net assets,

which is a clear injury indicator, is not only negative, but deteriorated over the POI. It is thus clear that a declining trend exists, which is indicative of the material injury that is suffered by the Applicant, clearly very far from being "irrelevant".

Commission's consideration

The above table shows that the Applicant's return on net assets (total company) increased in 2022 to 2023. It further increased in 2024. However, there was a decline in the return on net assets for the subject product over the period of investigation.

5.4.7 Utilisation of production capacity

The following table provides the Applicants' capacity and production for the subject product.

Table 5.4.7: Utilization of production capacity

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Total installed capacity	100	100	100
Dry linen capacity not exceeding 10kg	100	87	91
Dry linen capacity exceeding 10kg	100	170	159
Actual production (units)	100	140	135
Dry linen capacity exceeding 10kg capacity utilisation %	100	170	159
Applicant capacity utilisation %	100	140	135

***The information above was indexed using 2022 as base year**

The Applicant stated that its total installed production capacity for top load washing machines remained unchanged over the POI at 100 index points units and this based on the number of shifts and possible workdays and injection mould limitations. If no washing machines below 10 kg are manufactured, the line can be used to manufacture only

machines above 10kg. Therefore, capacity utilisation of all top load machines showed an increase from 100 index points percent in 2022 to 135 index points percent in 2024. However, there was a decrease in capacity in 2024 from the 140-index points percent in 2023 and this is because of the declining sales volumes and subsequent reduction of production to reduce inventory levels.

The Applicant further stated that when the top load washing machines production that exceeds 10kg is compared with the actual total production capacity, its capacity utilisation was very low over the POI for the subject product which were 100, 170 and 135 index points percent in 2022, 2023 and 2024, respectively. Both scenarios are indicative of material injury being experienced by the SACU Industry as a result of low levels of capacity utilisation.

5.4.8 Factors affecting domestic prices

The Applicant stated that there are no other known factors, which could affect the domestic prices negatively.

5.4.9 Actual and potential negative effects on cash flow

The following table reflects the Applicant's cash flow situation with regard to the product under investigation.

Table 5.4.9 (a): Cash flow

Total Company	2022	2023	2024
Cash flow: incoming	100	110	118
Cash flow: outgoing	100	118	126
Net cash flow	100	(58)	(45)

***The information above was indexed using 2022 as base year**

Table 5.4.9 (b): Cash flow

Subject Product	2022	2023	2024
Cash flow: incoming	100	174	217
Cash flow: outgoing	100	188	231
Net cash flow	100	(91)	(83)

***The information above was indexed using 2022 as base year**

The Applicant indicated that its subject product net cash flow reflected a declining trend over the period 2022 to 2024, which was mostly due to the price suppression and depression that was experienced. The net cash flow decreased from 100 index points in 2022 to (91) index points in 2023, with the 2024 still remaining at a negative cash flow level of (83) index points.

The Applicant also stated that the subject product manufacturing operation is dependent on achieving the sales volumes required to justify the sustainability of the operation, which is threatened by the Chinese and Thai imported dumped products' increasing trend, which has applied pressure on Applicant's ability to increase its domestic sales volumes and values to the levels required.

5.4.10 Inventories

Table 5.4.10: Inventories

8450.20.20 - exceeding10 kg but less than 17 kg		**2022**	**2023**	**2024**
Volume	Units	100	1 103	832
Value	Rand	100	1 349	927

***The information above was indexed using 2022 as base year, due to confidentiality**

The Applicant stated that the total subject product inventory volume experienced an increasing trend during the POI. The Applicant's volume increased from 100 index points in 2022 to 1 103 index points in 2023,

followed by a decline in 2024 to 832 index points.

5.4.11 Employment

The following table provides the Applicants' employment figures for the subject product:

Table 5.4.11: Employment

SACU Industry	2022	2023	2024
HS 8450.20.20 - exceeding 10 kg but less than 17 kg			
Direct labour (units): Production (Average over the year)	100	100	111
Indirect labour (units): Production (Average over the year)	100	117	117
Total labour (units): Production	100	101	111
Management Admin & Selling (Average over the year) (units)	100	100	100
Rest of SACU total labour (units)	-	-	-

***The information above was indexed using 2022 as base year**

The Applicant stated that direct labour units relate to the personnel component assigned to the actual manufacturing of the subject product and the allocation is done in accordance with a shift roster system. The indirect labour units relate to the personnel component allocated in support of and complimentary to the manufacturing process. The subject product direct production employment allocation increased from 100 index points in 2022 and 2023, to 111 index points in 2024.

With regards to indirect production employment, there was an increase from 100 index points in 2022, to 117 index points in 2023, which was maintained in 2024. The Applicant further stated that total production staff increase in 2024 occurred as result of the anticipated increase in sales and production in 2024, which did not materialise as a result of

the increased imports from China and Thailand, causing the Applicant to experience material injury.

5.4.12 Wages and salaries

The following table provides the Applicant's wages paid:

Table 5.4.12: Wages & Salaries

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Direct wages: Production	100	122	157
Indirect wages: Production	100	148	164
Total wages production	100	133	160
Wages per employee direct	100	122	142
Wages per employee Indirect	100	127	140

***The information above was indexed using 2022 as base year**

The Applicant stated that increasing trends existed for direct and indirect production wages over the POI, whilst the wages per employee for direct and indirect workers follow the same trends. These increases impacted on the increasing the cost of production and because its prices are suppressed, these cost increases could not all be passed on to the customers. Such costs had to be absorbed by the Applicant, causing it to experience material injury.

5.4.13 Growth

The following table indicates the growth of the SACU market as provided by the Applicant:

Table 5.4.13: Growth

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	2022	% Growth	2023	% Growth	2024	% Growth
Applicant subject product sales volumes SACU (units)	100	N/A	151	100	192	53
Other SACU producers' sales	-	N/A	-	-	-	-
Total SACU market share (units)	100	N/A	151	100	192	53
Market share: imports (units)		N/A				
China	67 984	N/A	73 740	8,47%	112 306	52,30%
Thailand	69 694	N/A	75 433	8,23%	83 186	10,28%
Other	4 946	N/A	7 042	42,38%	3 084	-56,21%
Total imports	142 624	N/A	156 215	9,53%	198 576	27,12%
Total Market	100	N/A	119	100	151	146

***The information above was indexed using 2022 as base year**

The Applicant stated that although it experienced a positive subject product growth over the period 2023 to 2024, its growth margin reduced from 100 index points percent to 53 index points percent. Imports from China of the subject product experienced substantial growth over the POI, with its growth from 2023 to 2024 increasing to 52.30 percent. The Chinese imports of the subject product increased from 67 984 units in 2022 to 73 740 units in 2023, with a considerable increase in 2024 to 112 306 units.

Imports from Thailand of the subject product experienced substantial growth over the POI, with its growth from 2023 to 2024, increasing with 10.28 percent. The Thai imports of the subject product increased from 69 694 units in 2022 to 75 433 units in 2023, with a further increase in 2024 to 83 186 units. China and Thailand remained the two most dominant players in the SACU market during each year of the POI and played an influential role in subject product total SACU market growth.

5.4.14 Ability to raise capital or investments

The Applicant provided the following information with regard to the

SACU industry's ability to raise capital or investments.

Table 5.4.14: Ability to raise capital or investments

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Total capital/investment total Company (Rands)	100	113	119
Capital expenditure during year on subject product (Rands)	100	90	48
HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Total capital/investment in the subject product (Rands)	100	125	142
Capital expenditure during year on subject product (Rands)	100	1 140	756

***The information above was indexed using 2022 as base year**

The Applicant stated that it has one top load production line for the subject product, as well as for the manufacture of the fully automatic top load washing machines with a dry linen capacity of below 10kg. Capital expenditure increased from 100 index points in 2022 to 1 140 index points in 2023, before decreasing to 756 index points in 2024. An increase capital expenditure trend thus exists for the POI, with capital/investment also following the same trend.

The Applicant stated that as a result of an underutilisation of the existing production capacity, with a decreasing utilisation trend occurring from 2023 to 2024, there is no need to raise additional capital or investment. However, as a capital-intensive business there is ongoing spending to maintain the current *status quo.*

5.4.15 SUMMARY – MATERIAL INJURY

The examination of the impact of the dumped imports on the domestic industry shall include import volumes, price effects, the relevant economic factors and any other relevant information brought before the Commission that would have a bearing on the state of the industry.

Commission's consideration

Based on the information above, it is evident that the Applicant is experiencing price suppression, price undercutting, decrease in profits, decline in return on investments, negative effects on net cash flow and increase in inventory.

Comments made by the Applicant on the Commission's second essential facts letter

The Applicant stated that it noted and agreed with the Commission's consideration that although its market share had increased, imports from China and Thailand have increased far beyond its potential sales. In deciding on material injury, the Commission has noted that at times, an industry may only suffer either price or volume injury.

Commission's consideration

The Commission noted, amongst others, that although the Applicant's market share had increased, the imports from China and Thailand have increased far beyond the Applicant's potential sales.

In making a determination on material injury, the Commission noted that, at times, an industry may only suffer either "price" or "volume" injury.

From the information above, it is evident that the Applicant is suffering price injury, if considering price undercutting, price suppression, decline in profits and cash flow.

It is also clear from the above information that although the Applicant's market share increased, there was also a significant increase in the market of imports from China and Thailand compared to those of the Applicant.

The Commission made a final determination that the SACU industry is experiencing material injury.

6. THREAT OF MATERIAL INJURY

6.1 Freely disposable capacity of the exporters

China

The Applicant stated that the actual capacity of top load washing factories in China and Thailand is not known and that China is not only the world's largest manufacturer of the subject product but also the world's largest exporter of the subject product. This is because China has been experiencing rapid increases in manufacturing capacity and expanding consumer consumption. That Xiaoya Household Appliances has the ability to produce 600,000 top-load washers, which is more than the whole SACU washing machine market, confirms this fact.

It is stated that according to market analysts, the Chinese market for the subject product is expected to grow from USD 17.28 billion in 2024 to USD 20.39 billion by 2029, at a compound annual growth rate ("CAGR") of greater than 3.5% during the forecast period (2024-2029). This would subsequently lead to a rise in production to fully realize the projected growth potential. In order to lower production costs and outcompete competitors with lower price-imports, increases in production would then have to take place. Such situations would also lead to oversupply, including exports markets that are meant to increase total product to identified countries such as SACU because they are considered profitable by some Chinese manufacturers. This also confirms why China has annual growth of 3.91% (CAGR 2024-2028), leading with a revenue of USD17,120m in 2024.

Thailand

The Applicant indicated that throughout the course of the three years between 2021 and 2023, the electrical appliance market was expected to develop by 2.0 to 3.0% annually. This is as a result of factors such as

recovery in the market for residential housing and in the economy. In addition, over the same period, exports of electrical appliances from Thailand were expected to grow slightly from 3.0 - 4.0%. This is because of its rise in the world economy and the ongoing trade conflicts between the United States of America (“USA“) and China.

The Applicant further stated that washing machines are among the products from Thailand that show a strong competitive edge in these product categories based on their market share and growth trajectory in foreign markets. It is further said that the rising need for energy-efficient electrical equipment is the reason why healthy growth estimates for the Thailand laundry appliances market are anticipated in the upcoming years. It is also argued that Thailand Laundry Appliances Market is expected to witness sound growth projections in the coming years because of the increased demand for energy-efficient electrical equipment. For the foreseeable future, Thailand's laundry appliances market is expected to increase as a result of the country's fast urbanization. The country's high demand for laundry appliances is predicted to continue in the coming years as the growing urban population has improved access to efficient and sufficient energy and water supplies. This is expected to support the Thailand laundry appliances market's promising growth.

6.2 Significant increase of alleged dumped imports

Imports of the alleged dumping imports under the tariff subheading 8450.20.20 are indicated as follows:

Table 6.2: Volume of alleged dumped imports

(units)	2022	2023	2024
Alleged dumped imports: Cumulatively assessed	137 678	149 173	195 492
China	67 984	73 740	112 306
Thailand	69 694	75 433	83 186
Other imports	4 946	7 042	3 084
Total imports	142 624	156 215	198 576
Alleged dumped imports as % of total imports: cumulatively assessed	97%	95%	98%
China	48%	47%	56%
Thailand	49%	48%	42%
Other imports as % of total imports	3%	5%	2%

The Applicant stated that as long as imported subject product is offered at prices that undercut the domestically manufactured SACU product selling price, the demand for the imported products from China and Thailand will continue to increase. It also stated that imports from China and Thailand of the subject product experienced an increasing trend over the POI, with combined increases from 137 678 units in 2022, to 149 173 units in 2023 and then increased to 195 492 units in 2024, with volumes present a growth of 41.99 percent for the POI. The Applicant further indicated that imports from other countries experienced a negative growth from 2022 to 2024 of 37.65 percent.

It further stated that a real threat exists in that the subject product imports from China and Thailand will increase even further in the remainder of 2024 onwards, if there is no definitive action is taken against the dumped subject product from China and Thailand into the SACU market. It therefore, expects that the SACU industry will be faced with a bigger onslaught from China and Thailand, which would further increase the material injury it suffered to a level that could have an even bigger restraining effect on its sales volumes and market share in the SACU.

6.3 Prices of imports which will have a significant depressing or suppressing effect on domestic prices

The Applicant stated that the Chinese prices contributed to an increase in its price suppression and profitability causing it to experience material. The Applicant also stated that although the Thai FOB import price declined in 2023 from 2022, it increased in 2024. It further stated that with the dumped subject product from China and Thailand, it is faced with the threat of further material injury, should no action be taken to prevent the further dumped imports from China and Thailand.

Table 6.3(a): Price suppression

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	**2022**	**2023**	**2024**
Ex-factory selling price (R/unit)	100	116	113
Cost of production (R)	100	116	114
Gross profit (R)	100	119	104
Gross profit %	100	103	92
Cost of production as a % selling price (%)	100	100	101

***The information above was indexed using 2022 as base year**

The Applicant indicated that the cost to price ratio was very high throughout the POI. It also stated that the dumped imports of the subject product from China and Thailand were exerting pressure, resulting in it selling at suppressed prices during the POI to increase sales.

Commission's consideration

From the above table, cost as a percentage of selling price remained constant at 100 index points percent from 2022 to 2023 but slightly increased in 2024 to 101 index points percent.

Table 6.3 (b): Price Depression

HS 8450.20.20 - exceeding 10 kg, (excluding 17 kg and above)	**2022**	**2023**	**2024**
Ex-factory selling price (R/unit)	100	116	113

***The information above was indexed using 2022 as base year**

The Applicant indicated that its ex-factory selling prices for the subject product increased from 100 index points in 2022 to 116 index points in 2023, with a decrease that followed in 2024 to 113 index points. It also indicated that although its price in 2024 was above the price in 2022 and thus not reflecting a decreasing trend over the POI, the 2024-price was depressed compared with the price in 2023, as a result of the import pressure.

Commission's consideration

The increase in dumped imports from China and Thailand over the 2022 to 2024 period caused the SACU industry to experience material injury, with the potential for further import increases also causing a threat of material injury.

6.4 Exporter's inventories of the subject product

The Applicant stated it has no first-hand knowledge of the exporters in China and Thailand's actual inventory levels.

6.5 State of the economy of the country of origin

China

According to the Applicant, China has a developing, mixed, socialist market economy with an upper middle class that employs industrial policy and five-year strategic planning. When defined by purchasing

power parity (PPP), it has been the world's largest economy since 2016. It is also the second-largest economy in the world by nominal GDP, trailing only the US economy.

It further said that China's GDP, expressed in US dollars, varies greatly because of an erratic currency exchange rate. In nominal terms, it made up about 18 percent of the world economy in 2022, and 19 percent in PPP terms. It also showed that, historically, during the most of the two millennia from the first to the nineteenth centuries, it was among the major economic powers in the globe. This is because its economy consists of public sector enterprise, state-owned enterprises (SOE's) and mixed-ownership enterprises, as well as a large domestic private sector and openness to foreign businesses in a system. Private investment and exports are the main drivers of economic growth in China, but the Chinese government has also emphasized domestic consumption.

China is the world's largest manufacturing economy and exporter of goods. It is also the world's fastest-growing consumer market and second-largest importer of goods. China is also the world's largest consumer of numerous commodities and accounts for about half of global consumption of metals. China is a net importer of services products. It is the largest trading nation in the world and plays a prominent role in international trade. China is the largest recipient of foreign direct investment in the world as of 2020, receiving inflows of USD163 billion. It has the second largest outward foreign direct investment, at USD136.91 billion for 2019 alone, following Japan at USD226.65 billion for the same period.

China has the world's largest foreign-exchange reserves worth USD3.1 trillion, but if the foreign assets of China's state-owned commercial banks are included, the value of China's reserves rises to nearly USD4

trillion. With 778 million workers, the Chinese labour force was the world's largest as of 2020. It ranks 28th on the Global Competitiveness Report per the Global Innovation Index in 2022 and was ranked 11th in the world, 3rd in Asia & Oceania region and 2nd for countries with a population of over 100 million. It is the only middle-income economy and the only newly industrialized economy in the top 30. It is often ranked among the world's most innovative countries, leading to several measures of global patent filings. China has the second-largest financial assets in the world, valued at USD17.9 trillion as of 2021. It also has two (Shenzhen-Hong Kong-Guangzhou and Beijing in the 2nd and 3rd spots respectively) of the global top 5 science and technology clusters, which is more than any other country. As of March 2022, China has over 500 million 5G users and 1.45 million base stations installed. Almost 493 million Chinese people categorized as middle class and 242 million are upper middle class, according to a 2021 Pew Research Center survey. In 2022, mainland China's ten largest trading partners were European Union, United States, South Korea, Japan, Taiwan, Hong Kong, Vietnam, Australia, Malaysia, and Russia. China has free trade agreements with many nations, some of which are already in force (such as the Regional Comprehensive Economic Partnership, the largest trade bloc in history) or are still in the negotiation phase. China is widely regarded as the "powerhouse of manufacturing" or "the factory of the world" and exports in 2023 contributed to 18.5 percent of the Chinese economy. Of the world's 500 largest companies, 142 are headquartered in China. It has four of the world's top ten most competitive financial centers and three of the world's ten largest stock exchanges (both by market capitalization and by trade volume). China's economy is both a contributor to rising global greenhouse gas (GHG) emissions causing climate change and severely affected by its adverse impacts, although its per capita emissions are still much lower than developed economies such as the United States.

China has sustained growth due to export relations, its manufacturing sector, and low-wage workers. China was the only major world economy to experience GDP growth in 2020, when its GDP increased by 2.3 percent. It was the only major economy to avoid COVID-19 economic decline, although being negatively affected by the pandemic. In 2023, IMF predicted China to continue being one of the fastest growing major economies.

Like Japan and South Korea before it, China's economy has grown rapidly, raising the income levels and living standards of its citizens while producing goods that are consumed globally. China has a strong position global position in the production of industrial goods and some of its companies are global leader in the areas of steel, solar energy, and telecommunications accessories. As of 2022, industry accounts for 39.9 percent of China's GDP. As of 2023, China manufactures approximately one fifth of the world's total output of industrial products.
The Applicant further stated that major industries include mining and ore processing; iron and steel; aluminium; coal; machinery; armaments; textiles and apparel; petroleum; cement; chemical; fertilizers; food processing; automobiles and other transportation equipment including rail cars and locomotives, ships, and aircraft; consumer products including footwear, toys, and electronics; telecommunications and information technology.

Since the founding of the China, industrial development has been given considerable attention; as of 2011, 46 percent of China's national output continued to be devoted to investment; a percentage far higher than any other nation. Among the various industrial branches, the machine-building and metallurgical industries have received the highest priority. These two areas alone now account for about 20–30 percent of the total gross value of industrial output. In these, as in most other areas of industry, however, innovation has generally suffered at the hands of a

system that has rewarded increases in gross output rather than improvements in variety, sophistication and quality. China, therefore, still imports significant quantities of specialized steels. Overall industrial output has grown at an average rate of more than ten percent per year, having surpassed all other sectors in economic growth and degree of modernization.

Thailand

The Applicant stated that economy of Thailand is dependent on exports, which accounted in 2021 for about 58 percent of the country's gross domestic product (GDP). Thailand itself is a newly industrialized country, with a GDP of 17.367 trillion baht (USD495 billion) in 2022, the 9th largest economy in Asia. As of 2018, it has an average inflation of 1.06 percent and an account surplus of 7.5 percent of the country's GDP. Its currency, the Thai Baht, was ranked as the tenth most frequently used world payment currency in 2017. The Applicant indicated that the industrial and service sectors are the main sectors in the Thai gross domestic product, with the former accounting for 39.2 percent of GDP. Electrical and Electronics (“E&E”) equipment is Thailand's largest export sector, amounting to about 15 percent of total exports. In 2014 Thailand's E&E exports totaled USD55 billion. The E&E sector employed approximately 780,000 workers in 2015, representing 12.2 per cent of the total employment in manufacturing.

It further stated that over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income to an upper middle-income country in less than a generation. As such, Thailand has been a widely cited development success story, with sustained strong growth and impressive poverty reduction. The Applicant also stated that Thailand has made remarkable progress in reducing poverty from 58 percent in 1990 to 6.8 percent in 2020 driven by high growth rates and structural transformation.

According to the East Asia and Pacific Economic Update April 2024, growth is projected to accelerate from 1.9 percent in 2023 to 2.8 percent in 2024.

6.6 Give any other information relevant to your allegation that the infliction of material injury is imminent

The Applicant stated that as indicated the SACU industry is under extreme pressure due to the imports from China and Thailand and is losing sales and market share to these imported products. This is especially evident in the last 12 months of the POI.

The Applicant further stated that it is clear that if there is no government intervention by way of an anti-dumping investigation and eventually without imposition of dumping duties Applicant it will suffer even more injury, and even serious injury.

Comments by the Applicant to Hefei Midea Exporters' Response

The Applicant stated that in line with its claim that exports from China are causing injury to the SACU industry and that available production capacity in the Chinese market is a threat of material injury to the SACU industry.

Commission's consideration

In response to the Applicant's comment, the Commission noted that although there was information to indicate that imports and available production capacity would result in material injury and a threat of material injury to the SACU industry, such an analysis was confirmed during preliminary determination. The Commission also noted that imports are indeed causing injury and that the available capacity from China is a threat to the SACU industry.

6.7 SUMMARY ON THREAT OF MATERIAL INJURY

The Commission made a final determination that there is threat of material injury to the SACU industry.

7. CAUSAL LINK

7.1 GENERAL

In order for the Commission to make a final determination, it must be satisfied that there is sufficient evidence to indicate that the material injury experienced by the SACU industry is as a result of the dumping of the subject product.

7.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent of the increase of volume of the subject imports from China and Thailand the extent to which the market share of the domestic industry has decreased since the commencement of injury, with a corresponding increase in the market share of the dumped product.

The following table compares the market share of the SACU industry with that of the alleged dumped imports:

Table 7.2 (a): Market share

HS 8450.20.20 - exceeding 10 kg but less than 17 kg	units	**2022**	**%**	**2023**	**%**	**2024**	**%**
Applicant volumes SACU	units	100	100	151	128	192	128
Other SACU producers Sales	units	-	0,00%	-	0,00%	-	0,00%
Total SACU market share	units	100	100	151	128	192	128
Market share: Imports							
China	units	67 984	100	73 740	91	112 306	110

Thailand	units	69 694	100	75 433	91	83 186	79
Other countries	units	4 946	100	7 042	120	3 084	41
Total market	units	142 624	100	156 215	92	198 576	92
Total Market	units	100	100	119	100	151	100

***The information above was indexed using 2022 as a base year**

The Applicant stated that there is an increasing trend in its market share over the POI from 100 index points percent in 2022 to 128 index points 2024. Chinese and Thai combined import market share increased from 2023 to 2024. The total SACU market experienced an increasing trend over the POI, with the Applicant market share for the POI showing an increase.

The Applicant stated that although there is an increasing trend in the subject product market share over the period of investigation from 100 basis points percent in 2022 to 128 basis points percent in 2024, its market share in 2024 declined from its 2023 market share in a growing SACU market, which is indicative of material injury being experienced. This while the Chinese and Thai combined import market share increased from 2023 to 2024 by 4.69 percentage points.

The following table shows the volume of imports after deducting Applicants own imports:

Table 7.2 (b): Import volumes after deducting Applicants own imports

(units)	**2022**	**2023**	**2024**
Alleged dumped imports: Cumulatively assessed	137 678	149 173	195 492
Applicant's own imports*	100	91.25	(8.01)
Alleged dumped imports cumulatively assessed (after deducting Applicant's own imports)*	100	3.17	24.89
Other imports	4 946	7 042	3 084
Total imports	141 952	148 535	191 472

Other imports as % of total imports	3.48%	4.74%	1.61%

***The data was indexed due to confidentiality.**

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects of the Applicant:

Table 7.3: Price depression, price suppression and price undercutting

HS 8450.20.20 - exceeding 10 kg, or more (excluding 17 kg and above)	**2022**	**2023**	**2024**
Ex-factory selling price in SACU (price depression)	100	116	113
Cost of production % of selling price (price suppression)	100	100	101
Price Undercutting %: China	[CONFINDENTIAL] [Between 15 and 45 percent]	[CONFINDENTIAL] [Between 20 and 50 percent]	[CONFINDENTIAL] [Between 15 and 45 percent]
Price Undercutting %: Thailand	[CONFINDENTIAL] [Between 0 and (30) percent]	[CONFINDENTIAL] [Between 10 and 40 percent]	[CONFINDENTIAL] [Between 5 and 35 percent]

7.4 CONSEQUENT IMPACT OF DUMPED IMPORTS

Material injury indicator	**Analysis**
	(2022 – 2024)
Price suppression	Positive
Price depression	Negative
Price undercutting	Positive
Sales volumes	Positive
Market share (Applicant)	Positive
Profit	Negative
Productivity	Positive
Return on investment	Negative

Utilisation of production capacity	Positive
Cash flow	Negative
Inventory levels	Positive
Growth	Positive

7.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

7.5.1 Examination of causality link under Article 3.5

The Applicant provided the following information:

China: HS 8450.20.20 - exceeding 10 kg but less than 17 kg

Variable	**Year**			**Change (%)**
	2022	**2023**	**2024**	**2022/2024**
Prices of imports not sold at dumping prices (fob price) (R/unit)	2 433,01	2 733,25	2 836,57	17%
Volume of imports not sold at dumped prices (R/unit)	4 946	7 042	3 084	(38%)
Contraction in demand:				
Growth rate for the subject product industry (units)	181 985	215 765	274 253	51%

Thailand: HS 8450.20.20 - exceeding 10 kg but less than 17 kg

Variable	**Year**			**Change (%)**
	2022	**2023**	**2024**	**2022/2024**
Prices of imports not sold at dumped prices (fob price) (R/unit)	3 108,15	3 053,33	3 228,49	4%
Volume of imports not sold at dumped prices (units)	4 946	7 042	3 084	(38%)
Contraction in demand:				
Growth rate for the subject product industry (units)	181 985	215 765	274 253	51%

Changes in the patterns of consumptions	The Applicant stated that the SACU total market for the products classifiable under HS 8450.20.20 experienced an increasing trend for the period of investigation.
Trade-restrictive practices of foreign and domestic producers	The Applicant stated that there are no ordinary customs duty applicable to tariff subheading HS 8450.20.20 and hence the subject product is imported freely from anywhere in the world and compete with the SACU industry.
Developments in technology	There were no known recent developments in technology that would place Defy at a disadvantage.
Export performance of the domestic industry	The Applicant stated that it manufactures the subject product primary to supply the domestic market but does export to countries outside SACU at an *ad hoc* basis as part it attempts to increase its African market footprint, where it already has to compete with dumped product. If the dumped product continues to enter the SACU market, taking away its market share, this will have an impact on its ability to compete on the export market, negating its economies of scale. The Applicant further stated that the primary material injury data as supplied in the Application relates only to the information of the SACU market for the subject product segment (not export data).
Productivity of the domestic industry	The Applicant believes that its productivity compares favourably with its competitors. However, as a result of the dumped imports its productivity is negatively affected as these imports impact on the production of Applicant.
The effect of changing exchange rate has been on: **(a) production cost;** **(b) selling price; and** **(c) the price of the imported Product**	The exchange rate has an influence on the Applicant, with fluctuations in the currency impacting the Applicant selling prices (and the dumped imported product), as well as Applicant production costs, as certain parts that cannot be sourced locally must still be imported.

Commission's consideration

The Commission noted that prices of dumped imports from China and Thailand increased by 17 percent and 4 percent over the investigation period. However, the volume of imports not sold at dumped prices decreased over the period 2022 to 2024.

The Commission also noted that although the growth for the subject product over the investigation period was 51 percent, imports from China and Thailand also increased 65.20 percent and 19.36 percent over the same period, respectively.
The Commission further noted that the alleged dumped imports had a negative impact on the Applicant's prices and this included amongst others, price undercutting and price suppression. Furthermore, it took into account that the consequent impact of the dumped imports resulted amongst others, in a decline in gross profit as a percentage of the Applicant's selling price and return on net assets over the investigation period.

Comments by Samsung Electronics in response to the Commission's essential facts letter–the question of whether the Applicant imported the subject during the period of investigation

Samsung Electronics requested the Commission to verify whether the Applicant imported the subject product during the investigation period. The exporter also stated that the Commission needed to decide in dealing with the Applicant's non-disclosure of its own imports since in terms of the ITA Act guidance is provided on the penalties for knowingly disclosing false information to the Commission. Thai Samsung Electronics referred the Commission to the Wispeco case (2006) where the domestic industry was responsible for importing 10% of the total imports from China during the investigation period, thereby contributing injury to the domestic industry.

Response by the Applicant to Samsung Electronics' comments

In response to Samsung Electronics' comments, the Applicant confirmed that it did not import the subject product during the investigation period. It stated that as verified by the Commission, the sales values and percentage contributions that Samsung Electronics refers to as reflected in its application, were sales of the subject product that were imported prior to the POI and thus sold from inventory on hand.

The Applicant further stated that the actual 2022 imported sales value (Rands) contribution of the total company sales (Rands), expressed as percentage, fall into the thousandth of a percent decimal value. Thus, due to the minuscule base value, any increase thereafter (even a very small one in absolute terms) would present a very big, indexed increase. The Applicant further indicated that not only do the imported sales values as reflected in its Application amount to fractions of a percentage of its total sales value for ***SACU*** *and NON-SACU sales, but the actual sales volumes of the imported subject products, expressed as a percentage of the SACU and NON-SACU sales volumes, also amount to percentage fractions of less than a percent throughout the POI.*

Comments made by Samsung Electronics on the Commission's second essential facts letter

Samsung Electronics stated that is no longer contested that Applicant imported the subject product in the period of investigation, but the significance of this is not properly understood. It further stated that despite evidence of the Applicant's imports, it still contended this did not happen, although Applicant's stance has now shifted to these imports happening before the period of investigation. Samsung stated that it appreciates the Commission sticking with the evidence from SARS.

Samsung further stated that when an Applicant has imported the subject product during the period of investigation (POI), they are obliged to provide reasons for the importation and a list of transactions for the POI (the three years, not merely the most recent year). It further stated that this has not been provided.

Comments made by Applicant on the Commission's second essential facts

letter

The Applicant stated that it noted the Commission's consideration with regards to the allegation of own imports and the effect thereof on the determination of material injury and causal link. It further stated that it still maintains that it did not import the subject during the period of investigation. The Applicant stated further that it agreed with the Commission's intended determination that even if its own non-subject product imports that were classified under tariff subheading 8450.20.20 were subtracted from the total cumulatively assessed imports, it be concluded that these imports, which made up only a small portion of the total, did not contribute to the injury Applicant experienced with regard to the subject product.

Response by the Applicant on BOEs information

On January 21, 2026, the Applicant followed up with SARS regarding an information request. By January 23, SARS provided data on imports from 2023 and 2024, which it compared with its own records. The reconciliation revealed no evidence to support the Commission's claim of additional models imported during the period of investigation (POI), specifically concerning top-load washing machines with a dry line capacity below 17kg. The Applicant requested further BOE data from January 1, 2021, to December 31, 2022, for top load imports on January 25 and 26, 2023. However, on January 27, SARS confirmed that their records showed no entries for that commodity during the requested period. This conclusion was reiterated on January 29, with the Applicant reaffirming that there was no record of imported products related to the investigation during the POI.

Commission's consideration

As the Applicant submitted quantities relating to the alleged imports of 17 kg-capacity washing machines for the entire period of investigation, which correspond to SARS' BOEs, it was referred to SARS regarding its own customs transactions.

The Applicant provided the Commission with information from the BOEs obtained from the SARS. However, SARS was unable to acquire import data for the period from 2021 to 2022. The Commission confirmed that the import information

submitted by the Applicant for the years 2022- 2023 and 2023- 2024 are identical. However, the information provided by SARS did not include product descriptions on a line-item basis, per the BOE. Consequently, it was not possible to distinguish 17 kg capacity washing machines from machines with capacities between 10 kg and 16 kg, which constitute the subject products of the investigation, as both are classified under the same tariff subheading.

In light of this limitation, the Commission made a final determination to rely on the best information available, derived from the BOE data, and deduct the Applicant's own imports from the cumulatively alleged dumped imports to assess the impact of the remaining imports on the domestic industry.

Furthermore, the Commission reiterates that the volumes of the Applicant's own imports were very low. The Commission made a final determination that, based on the information in Table 7.2 (b), the Applicant's imports did not contribute to the injury it experienced during the investigation period.

The Commission made a final determination that it can be concluded that the Applicant's own imports, constituting only a small fraction of total imports, did not contribute to the injury it experienced.

7.6 SUMMARY ON CAUSAL LINK

The Commission made a final determination that there is a causal link between the dumped imports and material injury and/ or a threat of material injury suffered by the SACU industry.

8. SUMMARY OF FINDINGS

8.1 DUMPING

CHINA

The Commission found that the subject product manufactured by Hefei Midea, Wuxi Little Swan, and Hisense Refrigerator originating in or imported from China was exported at dumped prices to the SACU market. The following dumping margins were calculated:

Producer	Dumping margins
Hefei Midea Electrical Appliances Co., Ltd	8%
Wuxi Little Swan Co., Ltd	10.95%
Hisense Refrigerator Co., Ltd	8%
All other producers and exporters (excluding Hefei Midea Electrical Appliances Co., Ltd; Wuxi Little Swan Co., Ltd and Hisense Refrigerator Co., Ltd)	16.41%

THAILAND

The Commission also found that the subject product manufactured by Thai Samsung Electronics, originating in or imported from Thailand was exported at dumped prices to the SACU market. The following dumping margin was calculated:

Producers	Dumping margins
Thai Samsung Electronics Co., Ltd	26.06%
All other producers and exporters (excluding Thai Samsung Electronics Co., Ltd)	47.23%

The Commission made a final determination that dumping of the subject product originating in or imported from China and Thailand is taking place.

8.2 MATERIAL INJURY

Based on the information of the Applicant, it is evident that the Applicant is experiencing material injury in a form of:

Material injury indicator	Analysis (2022-2024)
Price suppression	Increased
Price undercutting	Increased
Decrease in profit	Decreased
Return on investment	Decreased
Negative effects on net cash flow	Decreased
Increase in Inventory	Increase

8.3 THREAT OF MATERIAL INJURY

Based on the fact that China and Thailand increased its freely disposable capacity; the imports from these countries have increased; the average prices of the products from these countries were each well below other importing countries' prices for the same period, therefore, the threat of material injury exists.

The Commission made a final determination that a threat of material injury to the SACU industry exists.

8.4 CAUSAL LINK

It was established that the subject product is exported at dumped prices by exporters/manufactures from China and Thailand.

Although there are factors other than the dumping that contributed to the injury, such as increasing production cost of the domestic industry and the competition within the domestic industry, these factors did not sufficiently detract from the causal link between the dumping of the subject products and the material injury and threat of material injury.

The Commission made a final determination that there is a causal link between the dumping and the material injury and threat of material injury experienced by the SACU industry.

9. FINAL PAYMENTS

9.1 Lesser Duty Rule

The lesser duty rule provides that an anti-dumping duty may be imposed at a level lower than the calculated margin of dumping where such lower duty is sufficient to remove the injury caused by the dumped imports. In practice, the duty imposed is the lesser of the dumping margin and the margin of injury.

Although the Commission considers the application of the lesser duty rule in its investigations, its application is not mandatory.

In applying the lesser duty rule, the Commission compares the dumping margin with the price disadvantage. The price disadvantage represents the margin of injury and reflects the extent to which the landed price of the imported product undercuts the unsuppressed and undepressed ex-factory selling price of the SACU product. Where the price disadvantage is lower than the calculated dumping margin, a duty corresponding to the price disadvantage may be imposed.

Additionally, application of the lesser duty rule is conditioned on a finding that both the exporter and the corresponding importer have fully cooperated in the investigation by submitting properly documented questionnaire responses. In the present investigation, properly documented responses were received from certain exporters and their corresponding importers of the subject product.

Accordingly, the Commission made a final determination to apply the lesser duty rule where the calculated price disadvantage is lower than the dumping margin and only in respect of those exporters for which the corresponding importers fully participated in the investigation, as listed below:

The price disadvantage for Thai Samsung Electronics was calculated based on the landed cost of Samsung South Africa (cooperating importer). The price disadvantage was then expressed as a percentage of the FOB export price.

The price disadvantage for Hisense Refrigerator was calculated based on a weighted average landed costs of Hisense SA and Samsung SA (cooperating importers). The price disadvantage was then expressed as a percentage of the FOB export price.

The price disadvantage for Hefei Midea and Wuxi Little Swan was calculated based on weighted average landed cost of Livance (cooperating importer). The price disadvantage was then expressed as a percentage of the FOB export price.

The rates of duty to be imposed were concluded to be the following, being the lesser of the price disadvantage or the dumping margin expressed as a percentage of the fob export price:

Tariff subheading	**Producers**	**Final Duty**
HS 8450.20.20	Wuxi Little Swan Electric Co., Ltd	9.39%
	Hefei Midea Laundry Appliance Co., Ltd	9.39%
	Hisense Refrigerator Co., Ltd	7.67%
	Thai Samsung Electronics Co., Ltd	26.06%
	All the other producers and exporters in China (excluding, Wuxi Little Swan Electric Co., Ltd, Hefei Midea Laundry Appliance Co., Ltd and Hisense Refrigerator Co., Ltd	13.42%
	All the other exporters in Thailand (excluding Thai Samsung Electronics Co., Ltd)	47.23%

10. FINAL DETERMINATION

The Commission made a final determination that there is sufficient information to indicate that:

- dumping of the subject product originating in or imported from China and Thailand is taking place;
- the SACU industry is experiencing material injury and a threat of material injury, caused by the dumped imports of the subject product originating in or imported from China and Thailand; and
- there is a causal link between the dumped imports of the subject product originating in or imported from China and Thailand, and the material injury and threat of material suffered by the SACU industry.

The Commission therefore made a final determination to recommend to the Minister of Trade, Industry and Competition that definitive anti-dumping duties on fully automatic top load machines, of a dry linen capacity exceeding 10 kg but less than 17kg, classifiable under tariff subheading 8450.20.20, originating in or imported from China and Thailand be imposed as follows:

Tariff subheading	**Producers**	**Final Duty**
HS 8450.20.20	Wuxi Little Swan Electric Co., Ltd	9.39%
	Hefei Midea Laundry Appliance Co., Ltd	9.39%
	Hisense Refrigerator Co., Ltd	7.67%
	Thai Samsung Electronics Co. Ltd	26.06%
	All the other producers and exporters in China (excluding, Wuxi Little Swan Electric Co., Ltd, Hefei Midea Laundry Appliance Co., Ltd and Hisense Refrigerator Co., Ltd)	13.42%

	All the other exporters in Thailand (excluding Thai Samsung Electronics Co., Ltd)	47.23%

The Commission also recommended that the anti-dumping duties on imports of top load machines be listed in the rebate item column II in Schedule No. 2 to the Customs and Excise Act and therefore may not be imported under rebate of customs duty without payment of anti-dumping, countervailing and safeguard duties without a recommendation from ITAC.