

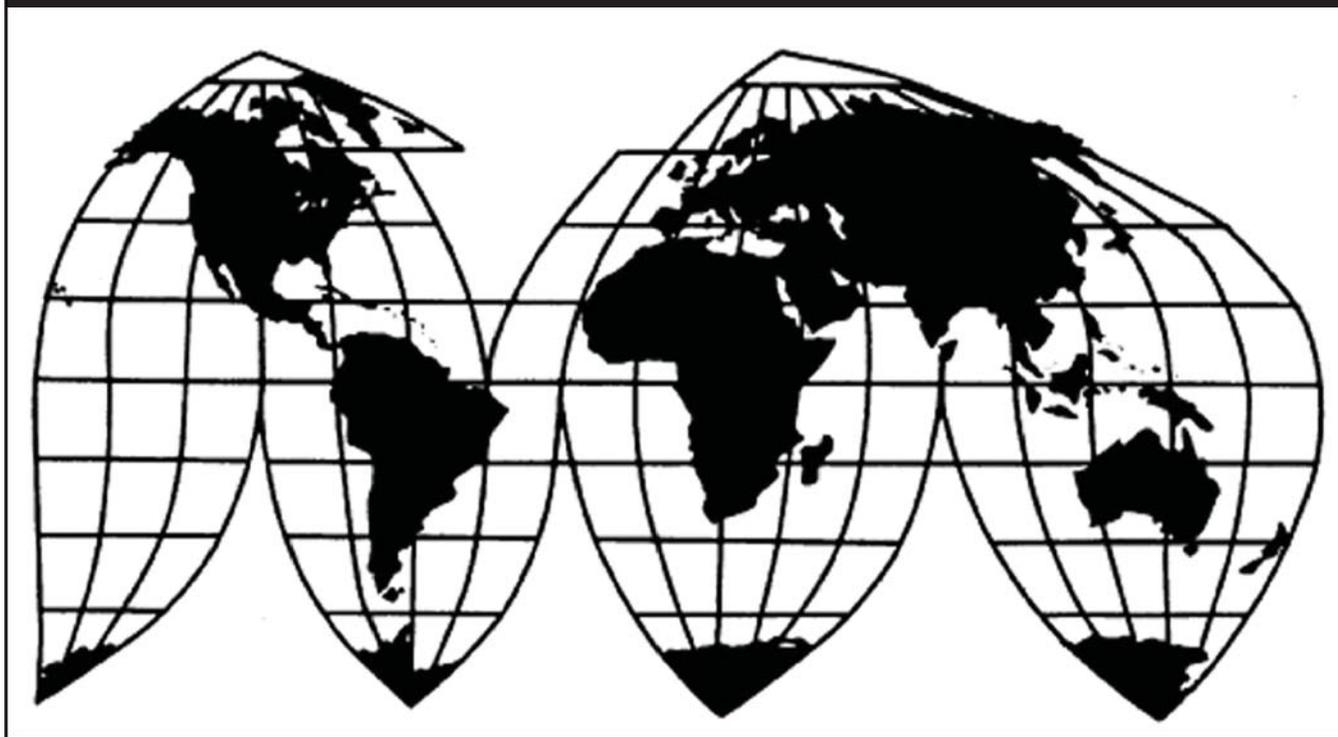
# Hand Trucks and Certain Parts Thereof from China

Investigation No. 731-TA-1059 (Second Review)

Publication 4546

July 2015

**U.S. International Trade Commission**



Washington, DC 20436

# U.S. International Trade Commission

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Note.—Information that would reveal confidential operations of individual concerns may not be published and therefore has been deleted. Such deletions are indicated by asterisks.

**UNITED STATES INTERNATIONAL TRADE COMMISSION**

Investigation No. 731-TA-1059 (Second Review)

Hand Trucks and Certain Parts Thereof from China

**DETERMINATION**

On the basis of the record<sup>1</sup> developed in the subject five-year review, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930, that revocation of the antidumping duty order on hand trucks and certain parts thereof from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

**BACKGROUND**

The Commission, pursuant to section 751(c) of the Tariff Act of 1930 (19 U.S.C. § 1675(c)), instituted this review on March 2, 2015 (80 F.R. 11226) and determined on June 5, 2015 that it would conduct an expedited review (80 F.R. 37661, July 1, 2015).

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<sup>1</sup> The record is defined in sec. 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR § 207.2(f)).



## Views of the Commission

Based on the record in this five-year review, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping duty order on hand trucks and parts thereof from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

### I. Background

The Commission instituted the original investigation of hand trucks and hand truck parts from China on November 13, 2003, in response to a petition filed by Gleason Industrial Products, Inc. and, as later amended, Precision Products, Inc., domestic producers of hand trucks, both of which are owned and operated by Gleason Corporation (collectively “Gleason”). In November 2004, the Commission determined that an industry in the United States was threatened with material injury by reason of subject imports of hand trucks and parts thereof sold at less than fair value from China.<sup>1</sup> Commerce imposed an antidumping duty order on imports of hand trucks and parts thereof from China on December 2, 2004.<sup>2</sup>

In the first five-year review of the order, the Commission conducted an expedited review.<sup>3</sup> On April 15, 2010, it determined that revocation of the antidumping duty order on hand trucks and parts thereof from China would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>4</sup> Commerce issued a continuation of the antidumping duty order on April 28, 2010.<sup>5</sup>

The Commission instituted this review on March 2, 2015.<sup>6</sup> The Commission received a response to its notice of institution from Gleason and did not receive a response to the notice of institution from any respondent interested party.<sup>7</sup> Because the Commission received an adequate response from domestic interested parties accounting for a substantial share of U.S. hand truck production, the Commission determined that the domestic interested party group response was adequate. In the absence of an adequate respondent interested party group

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<sup>1</sup> *Hand Trucks and Certain Parts Thereof*, Inv. No. 731-TA-1059 (Final), USITC Pub. 3737 (Nov. 2004) (“Original Determination”) at 3.

<sup>2</sup> *See Notice of Antidumping Duty Order: Hand Trucks from the People’s Republic of China*, 69 Fed. Reg. 70122 (Dec. 2, 2004).

<sup>3</sup> *Hand Trucks and Certain Parts Thereof*, Inv. No. 731-TA-1059 (Review), USITC Pub. 4138 (Apr. 2010) (“First Review”), Explanation of Commission Determination on Adequacy.

<sup>4</sup> First Review, USITC Pub. 4138 at 3.

<sup>5</sup> *Hand Trucks and Certain Parts Thereof from the People’s Republic of China: Continuation of the Antidumping Duty Order*, 81 Fed. Reg. 22369 (Apr. 28, 2010).

<sup>6</sup> *Hand Trucks and Certain Parts Thereof From China; Institution of a Five-Year Review*, 80 Fed. Reg. 11226 (Mar. 2, 2015).

<sup>7</sup> Gleason Response to Notice of Institution (Mar. 31, 2015) (“Response to Notice of Institution”). Gleason identified 21 other companies believed to be U.S. producers of hand trucks. *Id.* at Exhibit A.

response, or any other circumstances that would warrant a full review, the Commission determined to conduct an expedited review of the subject order.<sup>8</sup>

## II. Domestic Like Product and Industry

### A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”<sup>9</sup> The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”<sup>10</sup> The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigation and consider whether the record indicates any reason to revisit the prior findings.<sup>11</sup>

Commerce has defined the scope of the order in this five-year review as follows: hand trucks manufactured from any material, whether assembled or unassembled, complete or incomplete, suitable for any use, and certain parts thereof, namely the vertical frame, the handling area and the projecting edges or toe plate, and any combination thereof.<sup>12</sup>

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<sup>8</sup> *Hand Trucks and Certain Parts Thereof from China; Scheduling of an Expedited Five-Year Review*, 80 Fed. Reg. 37661 (July 1, 2015).

<sup>9</sup> 19 U.S.C. § 1677(4)(A).

<sup>10</sup> 19 U.S.C. § 1677(10); see, e.g., *Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); see also S. Rep. No. 249, 96<sup>th</sup> Cong., 1<sup>st</sup> Sess. 90-91 (1979).

<sup>11</sup> See, e.g., *Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

<sup>12</sup> *Hand Trucks and Certain Parts Thereof from the People’s Republic of China: Final Result of the Expedited Second Sunset Review of the Antidumping Duty Order*, 80 Fed. Reg. 39748 (July 10, 2015). (“Commerce Second Review Determination”). The subject merchandise is typically imported under subheading 8716.80.50.10 of the Harmonized Tariff Schedule of the United States (HTSUS), although it may also be imported under subheadings 8716.80.50.90 and 8716.90.50.60. *Id.* A full description of the scope of the order, including exclusions, is contained in Commerce’s *Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of the Antidumping Duty Order on Hand Trucks and Certain Parts Thereof from the People’s Republic of China* (Jun. 30, 2015) (“Commerce Decision Memorandum”).

As a result of a changed circumstances review that Commerce conducted after the first five-year review, it revoked the order in part to exclude a specific multifunction cart, the ‘Aerocart,’ capable of use as a wheelbarrow and dolly. *Hand Trucks and Certain Parts Thereof from the People’s Republic of*  
(continued...)

Hand trucks typically consist of (1) a frame; (2) a handling area; (3) two or more wheels; and (4) a projecting edge or edges perpendicular, or at an angle, to the frame. Hand trucks are used for tasks relating to material handling when there is a need to move objects of 1,000 pounds or less over short distances. They can be used indoors or outdoors, can roll over a variety of surfaces, and can carry various types of load.<sup>13</sup>

In the original investigation and first review, the Commission defined a single domestic like product consisting of hand trucks and parts thereof coextensive with Commerce's scope definition.<sup>14</sup>

In this review, Gleason agrees with the Commission's definition of the domestic like product in the original investigation and first review. There is no new information on the record indicating that the characteristics of the products at issue have changed in any substantial regard since the prior proceedings.<sup>15</sup> Accordingly, we continue to define the domestic like product as hand trucks and hand truck parts corresponding with the scope definition.

## **B. Domestic Industry**

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."<sup>16</sup> In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

In the original investigation and the first review, the Commission defined the domestic industry as consisting of all domestic producers of hand trucks and hand truck parts corresponding to Commerce's scope of the investigation.<sup>17</sup> Gleason agrees with that prior definition of the domestic industry.<sup>18</sup>

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(...continued)

*China: Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 80 Fed. Reg. 18812 (Apr. 8, 2015). Since the prior five-year review, Commerce also determined, on remand from the United States Court of International Trade, that the scope of the order does not include WelCom Products' MCK Magna Cart. *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Notice of Court Decision Not in Harmony With Final Scope Ruling and Notice of Amended Final Scope Ruling Pursuant to Court Decision*, 78 Fed. Reg. 25945 (May 3, 2013).

<sup>13</sup> Confidential Report ("CR") at I-6-7, Public Report ("PR") at I-5.

<sup>14</sup> *Original Determination*, USITC Pub. 3737, at 6; *First Review*, USITC Pub. 4138, at 5.

<sup>15</sup> See generally CR at I-5-10, PR at I-5-7.

<sup>16</sup> 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. See 19 U.S.C. § 1677.

<sup>17</sup> *Original Determination*, USITC Pub. 3737, at 7; *First Review*, USITC Pub. 4138, at 6. During both the original investigation and first review, the Commission identified related parties and either found that appropriate circumstances did not exist to exclude those firms from the domestic industry or that the

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There are no domestic industry issues in this review.<sup>19</sup> Accordingly, we define the domestic industry as all domestic producers of hand trucks and hand truck parts.

### **III. Revocation of the Antidumping Duty Order Would Likely Lead to Continuation or Recurrence of Material Injury within a Reasonably Foreseeable Time**

#### **A. Legal Standards**

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”<sup>20</sup> The Uruguay Round Agreements Act Statement of Administrative Action (“SAA”) states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”<sup>21</sup> Thus, the likelihood standard is prospective in nature.<sup>22</sup> The U.S. Court of International Trade has found that “likely,” as used in the five-year review provisions of the Tariff Act, means “probable,” and the Commission applies that standard in five-year reviews.<sup>23</sup>

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issue was moot in the absence of record data on a particular producer. *Original Determination*, USITC Pub. 3737, at 7; *First Review*, USITC Pub. 4138, at 6.

<sup>18</sup> Response to Notice of Institution at 16.

<sup>19</sup> See CR at I-11, PR at I-8 (Gleason reported that it did not import subject merchandise during the period of review and identifies no other producer as a related party); see also absence of correspondence between producers and importers identified by Gleason, Response to Notice of Institution at 15, Exhibits A (U.S. producers) and B (U.S. importers).

<sup>20</sup> 19 U.S.C. § 1675a(a).

<sup>21</sup> SAA, H.R. Rep. 103-316, vol. I at 883-84 (1994). The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

<sup>22</sup> While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

<sup>23</sup> See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140

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The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”<sup>24</sup> According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”<sup>25</sup>

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”<sup>26</sup> It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if the orders are revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).<sup>27</sup> The statute further provides that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission’s determination.<sup>28</sup>

In evaluating the likely volume of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.<sup>29</sup> In doing so, the Commission must consider “all relevant economic factors,” including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the

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Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

<sup>24</sup> 19 U.S.C. § 1675a(a)(5).

<sup>25</sup> SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

<sup>26</sup> 19 U.S.C. § 1675a(a)(1).

<sup>27</sup> 19 U.S.C. § 1675a(a)(1). Commerce has made no duty absorption findings with respect to the order under review. Commerce Decision Memorandum at 4.

<sup>28</sup> 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

<sup>29</sup> 19 U.S.C. § 1675a(a)(2).

existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.<sup>30</sup>

In evaluating the likely price effects of subject imports if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.<sup>31</sup>

In evaluating the likely impact of imports of subject merchandise if the orders under review are revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.<sup>32</sup> All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.<sup>33</sup>

As stated above, the Commission received no responses to the notice of institution from hand truck producers in China. The record, therefore, contains limited new information with respect to the industry in China. Accordingly, for our determination, we rely as appropriate on the facts available from the original investigation and first review, data submitted in the response to the notice of institution, and other public data.

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<sup>30</sup> 19 U.S.C. § 1675a(a)(2)(A-D).

<sup>31</sup> See 19 U.S.C. § 1675a(a)(3). The SAA states that “[c]onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices.” SAA at 886.

<sup>32</sup> 19 U.S.C. § 1675a(a)(4).

<sup>33</sup> The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

## B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”<sup>34</sup> The following conditions of competition inform our determination.

**Demand Conditions.** In the original investigation, the Commission found that the market for finished hand trucks was dominated by home improvement stores and club warehouses. Demand for hand trucks parts in the United States was derived from the demand for finished hand trucks. The Commission found that demand, as measured by apparent U.S. consumption, increased by 31.0 percent between 2001 and 2003, rising from 2.2 million to 2.9 million units.<sup>35</sup>

In the first review, the Commission stated that U.S. demand for finished hand trucks was determined by the needs of consumers and business customers for stacking and moving loads and found that demand had decreased since the original investigation. Demand, as measured by apparent U.S. consumption, was \*\*\* units in 2008.<sup>36</sup> The Commission cited the report of a purchaser that demand for hand trucks has decreased because consumers had stopped buying discretionary items due to current economic conditions.<sup>37</sup>

In this review, it appears that factors affecting buying patterns and demand for hand trucks in the United States have largely remained unchanged since the first review.<sup>38</sup> Apparent U.S. consumption of hand trucks on a quantity basis was \*\*\* units in 2014.<sup>39</sup>

**Supply Conditions.** In the original investigation, the Commission stated that Gleason was by far the largest domestic producer of hand trucks, accounting for \*\*\* percent of U.S. production. It indicated that capacity could be increased relatively easily, sometimes simply by adding production workers; by the same token, the industry was characterized by high variable costs relative to capital investment. Gleason argued that because of this the industry tended to

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<sup>34</sup> 19 U.S.C. § 1675a(a)(4).

<sup>35</sup> *Original Determination*, USITC Pub. 3737, at 10-11.

<sup>36</sup> *First Review*, USITC Pub. 4138, at 8-9: Confidential First Review Determination, EDIS Doc. 556097 at 12.

<sup>37</sup> *First Review*, USITC Pub. 4138, at 12.

<sup>38</sup> CR/PR at Appendix D (purchaser surveys). Responding purchasers reported no change in the business cycle for hand trucks in the U.S. market or China since 2009. CR at D-6, PR at D-4. They also reported no changes in the end uses or applications for hand trucks in the U.S. market or China since 2009. CR at D-5, PR at D-4.

<sup>39</sup> CR/PR at Table I-4. In this review, as in the original investigation and first review, the Commission relies primarily on quantity-based volume and consumption data for finished hand trucks, which are believed to comprise the majority of subject imports and apparent U.S. consumption, given the constraints of official import statistics regarding imports of hand truck parts and the difficulty of aggregating data for finished hand trucks with various combinations of parts. See, e.g., *First Review*, USITC Pub. 4138, at 9 n.44.

cut production rather than price in the face of price competition.<sup>40</sup> Nonsubject imports held only a small share of the U.S. market for finished hand trucks.<sup>41</sup>

In the first review, the Commission found that the market share of the domestic industry had increased markedly since imposition of the antidumping duty order and that of subject imports had declined.<sup>42</sup> Nonsubject imports more than doubled since 2003, but remained a relatively small presence in the U.S. market.<sup>43</sup>

In this review, Gleason identified 21 current U.S. producers of hand trucks and stated that it believes it accounted for \*\*\* percent of total U.S. production during the review period. It attributes the growth in its share of domestic production since the original investigation to its increased share of sales to big box retailers, which continue to increase their share of total U.S. retail sales.<sup>44</sup> The domestic industry was the largest individual supplier of hand trucks to the U.S. market in 2014. Its share of apparent U.S. consumption that year was \*\*\* percent, lower than its share during any year of the original period of investigation or in 2008.<sup>45</sup> Nonsubject imports accounted for the next largest share of apparent U.S. consumption in 2014, with a \*\*\* percent share.<sup>46</sup> Subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2014 and \*\*\* percent of total imports in that year.<sup>47</sup>

**Substitutability.** In the original determination, the Commission found a moderate to high degree of interchangeability between subject imports and the domestic like product.<sup>48</sup> The Commission found that price was important in purchasing decisions, observing that purchasers found the domestic like product and subject imports to be generally comparable with respect to non-price factors such as quality and availability.<sup>49</sup> In the first review the Commission, based on a limited record, found that the subject imports and the domestic like product continued to be moderately to highly interchangeable and that price continued to be an important factor in purchasing decisions.<sup>50</sup>

The information available in this review contains nothing to indicate that the substitutability between hand trucks, regardless of source, or the importance of price has changed since the original investigation and first review. Accordingly, we again find that

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<sup>40</sup> *Original Determination*, USITC Pub. 3737, at 12.

<sup>41</sup> *Original Determination*, USITC Pub. 3737, at 13.

<sup>42</sup> *Original Determination*, USITC Pub. 3737, at 12.

<sup>43</sup> *First Review*, USITC Pub. 4138, at 11-12.

<sup>44</sup> CR at I-11, PR at I-8.

<sup>45</sup> CR/PR at Table I-5.

<sup>46</sup> CR/PR at Table I-5. According to official import statistics, Taiwan and Vietnam were the principal sources of nonsubject imports during the review period. CR/PR at Table I-3. Official statistics may understate imports from all sources because they do not include finished hand trucks imported under statistical reporting number 8716.80.5090, which is a basket category, or imports under statistical reporting number 87.16.90.5060, under which parts are typically imported. *Id.*

<sup>47</sup> CR/PR at Tables I-4, I-5.

<sup>48</sup> *Original Determination*, USITC Pub. 3737, at 13.

<sup>49</sup> *Original Determination*, USITC Pub. 3737, at 14.

<sup>50</sup> *First Review*, USITC Pub. 4138, at 11.

subject imports and the domestic like product continue to be moderately to highly interchangeable and that price continues to be an important factor in purchasing decisions.

### C. Likely Volume of Subject Imports

**The Original Investigation.** In the original determination, the Commission found that the volume and market share of subject imports increased at a high rate from 2001 to 2003 and that both were stable or higher in interim 2004 as compared to interim 2003. U.S. shipments of subject imports increased by 44.2 percent between 2001 and 2002 and increased by an additional 43.6 percent in 2003.<sup>51</sup> Subject imports accounted for 46.8 percent of the U.S. market in 2003, up from 29.8 percent in 2001.<sup>52</sup> The Commission found that the rate of increase in subject import volume and market penetration over the period of investigation was significant.<sup>53</sup>

The Commission further found that there was a likelihood of further increases in subject import volume and market penetration in the imminent future. It emphasized that large purchasers of hand trucks in the United States would switch from purchasing domestic products to purchasing subject imports if duties were not imposed, based on their purchasing patterns before preliminary duties were imposed.<sup>54</sup> The Commission found that home improvement stores tended to purchase large volumes of a limited number of general-use hand truck models from a single supplier or a small number of suppliers. In light of this, the Commission found that, absent the imposition of duties, large purchasers would be likely to purchase a large percentage, if not all, of their hand trucks from subject sources. The Commission further found that, for competitive reasons, other purchasers would likely follow the lead of the large purchasers in switching sourcing of hand trucks from the domestic industry to subject suppliers.<sup>55</sup> Additionally, the industry in China had sufficient capacity to increase production and exports to the United States significantly; moreover, given relatively low capital costs, capacity could be increased easily, sometimes merely by increasing production personnel.<sup>56</sup> The Commission also cited high U.S. inventory levels of subject merchandise as supporting its conclusion that significant subject import volumes were imminent.<sup>57</sup>

**The First Review.** In the first review, subject import volumes declined from 1,025,865 units in 2004 to 252,245 units in 2008.<sup>58</sup> The market share of subject imports also declined following issuance of the order.<sup>59</sup>

The Commission found that nothing in the record of the first review contradicted the evidence on the record in the original investigation that the industry in China producing the

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<sup>51</sup> *Original Determination*, USITC Pub. 3737, at 15.

<sup>52</sup> *Original Determination*, USITC Pub. 3737, at 16.

<sup>53</sup> *Original Determination*, USITC Pub. 3737, at 17.

<sup>54</sup> *Original Determination*, USITC Pub. 3737, at 17-18.

<sup>55</sup> *Original Determination*, USITC Pub. 3737, at 18.

<sup>56</sup> *Original Determination*, USITC Pub. 3737, at 18-19.

<sup>57</sup> *Original Determination*, USITC Pub. 3737, at 20.

<sup>58</sup> *First Review*, USITC Pub. 4138, at 14.

<sup>59</sup> *First Review*, USITC Pub. 4138, at 14; EDIS Doc. 556097 at 22.

subject merchandise had substantial unused capacity, was export oriented, and had the ability to increase capacity and production quickly. The Commission stated that large-volume purchasers would likely resume plans to purchase low-priced subject imports in lieu of the domestic like product if the order were revoked.<sup>60</sup>

The Commission found that subject producers would have the ability and the incentive to increase their exports significantly if the order were revoked based on the increase in the volume and market share of subject imports during the original investigation, the substantial Chinese production capacity and unused capacity at the end of the original investigation, the ability of Chinese producers to increase capacity and production quickly, the export orientation of the Chinese industry, and the attractiveness of the U.S. market. The Commission therefore found that the likely increase in the volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant within the foreseeable future if the order were revoked.<sup>61</sup>

**The Current Review.** In the current review, the available information indicates that the absolute volume and market share of subject imports in 2014, although substantially lower than in 2003, the last full year of the original period of investigation, were substantially higher than in 2008, the final year of the first review period. The volume of subject imports was 538,430 units in 2014, compared with 1.3 million units in 2003 and 252,245 units in 2008.<sup>62</sup> Subject imports accounted for \*\*\* percent of apparent U.S. consumption in 2014, compared with \*\*\* percent in 2003 and \*\*\* percent in 2008.<sup>63</sup>

The record of this review continues to support the findings from the original investigation that the subject industry in China has substantial unused capacity, is export oriented, and has the ability to increase capacity and production quickly. The information available indicates that hand truck production processes have not changed since the prior proceedings;<sup>64</sup> consequently hand truck producers maintain the ability to quickly increase capacity and production. This is corroborated by information that Gleason has submitted indicating that Chinese hand truck producers promote their ability to ship product quickly.<sup>65</sup> Chinese exports of hand trucks within a broader classification that encompasses the subject merchandise increased substantially from 2009 to 2014.<sup>66</sup>

The United States remains an attractive market to the industry in China. Subject imports have remained in the U.S. market in substantial volumes, at a greater volume in 2014 than in 2008, and available data suggest that the United States is the largest export market for hand propelled vehicles from China, a category that includes hand trucks.<sup>67</sup> We find that, if the order were revoked, large-volume purchasers would likely institute plans such as those put in

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<sup>60</sup> *First Review*, USITC Pub. 4138, at 14.

<sup>61</sup> *First Review*, USITC Pub. 4138, at 10.

<sup>62</sup> CR/PR at Table I-4.

<sup>63</sup> CR/PR at Table I-5.

<sup>64</sup> See CR at I-8, PR at I-6.

<sup>65</sup> Response to Notice of Institution at 5-6.

<sup>66</sup> CR/PR at Table I-7.

<sup>67</sup> CR/PR at Tables I-3, I-4, I-5, I-6.

place prior to imposition of provisional duties in the original investigation to purchase low-priced subject imports in lieu of the domestic like product.

Based on the significant increase in the volume of subject imports during the period covered by the original investigation, especially at the end of the period, the continued presence of appreciable volumes of subject imports in the U.S. market since then, the capacity and export orientation of the Chinese industry, and the attractiveness and importance of the U.S. market to Chinese producers, we find that Chinese producers would have the incentive and ability to ship significant volumes of additional exports to the United States if the order were revoked. Therefore, we find that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would be significant if the order were revoked.

#### **D. Likely Price Effects**

***The Original Investigation.*** In the original investigation, the Commission found that the domestic like product and subject imports were moderately to highly interchangeable and that price was an important factor in purchasing decisions, particularly in the home improvement sector of the market. The Commission also found that underselling by subject imports of the domestic product was widespread.<sup>68</sup> Pricing data showed that subject imports undersold domestic products in 114 of the 122 possible quarterly price comparisons from January 2001 to June 2004 and that underselling margins ranged as high as 80 percent.<sup>69</sup> Widespread underselling was corroborated by purchaser data and confirmed lost sales and revenue allegations. The Commission found that the low import prices were likely to generate demand for higher volumes of subject imports in the imminent future.<sup>70</sup>

The Commission did not find evidence that subject imports were depressing or were likely to depress domestic prices, because the data collected indicated no clear pricing trends.<sup>71</sup> By contrast, the Commission found evidence of price suppression during the period of investigation, based on an increase in the domestic industry's ratio of cost of goods sold ("COGS") to net sales from 2001 to 2003.<sup>72</sup> The Commission found that this increase was insufficient to justify a finding of current significant price suppressing effects.<sup>73</sup> It also found, however, that the unfavorable changes in the COGS/net sales ratio were concentrated during the latter portion of the period of investigation, and would likely intensify absent imposition of duties. As a consequence, the domestic industry would lose sales from large purchasers and be forced to spread fixed costs over a smaller volume of sales. Accordingly, the Commission found that subject imports would likely have price suppressing effects in the imminent future.<sup>74</sup>

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<sup>68</sup> *Original Determination*, USITC Pub. 3737, at 21.

<sup>69</sup> *Original Determination*, USITC Pub. 3737, at 21.

<sup>70</sup> *Original Determination*, USITC Pub. 3737, at 21.

<sup>71</sup> *Original Determination*, USITC Pub. 3737 at 23.

<sup>72</sup> *Original Determination*, USITC Pub. 3737, at 23; EDIS Doc. 556095 at 39.

<sup>73</sup> *Original Determination*, USITC Pub. 3737 at 27. The Commission consequently did not find that the subject imports had current significant price effects.

<sup>74</sup> *Original Determination*, USITC Pub. 3737 at 23.

**The First Review.** In the first review, the Commission observed that there was no new product-specific pricing information on the record. It stated that price continued to be an important purchasing factor and that purchasers reported that subject import volumes had decreased since the original investigation because it was not cost-effective to purchase hand trucks from China due to the antidumping duties.<sup>75</sup> The Commission found that large-volume purchasers likely would resume their plans to purchase subject imports rather than the domestic like product if the order were revoked, resulting in lost sales by the domestic industry.<sup>76</sup> The Commission concluded that, if the order were revoked, subject imports from China would likely increase significantly at prices that likely would undersell the domestic like product and that those imports would likely have a depressing or suppressing effect on prices for the domestic like product.<sup>77</sup>

**The Current Review.** There is no new product-specific pricing information on the record of this expedited review. We find that price continues to be an important factor in purchasing decisions and that the widespread underselling observed in the original investigation would likely recur if the order were revoked. We find that low import prices are likely to generate demand for higher volumes of subject imports in the imminent future and that large-volume purchasers likely would again institute plans to purchase subject imports rather than the domestic like product if the order were revoked, resulting in lost sales in the domestic industry. In light of the consistent underselling that occurred during the period of investigation, we conclude that, if the order were revoked, subject imports from China would likely again undersell the domestic like product to gain market share, and those imports likely would have a depressing or suppressing effect on prices for the domestic like product.

For the foregoing reasons, we conclude that subject imports from China are likely to have significant price effects if the order were revoked.

#### **E. Likely Impact<sup>78</sup>**

**The Original Investigation.** In its original determination, the Commission found that the domestic industry was in a weakened condition that made it vulnerable to the effects of further subject imports. The domestic industry's key trade indicators such as production, capacity, capacity utilization, and shipments remained generally stable from 2001 to 2003 but were lower in interim 2004 than in interim 2003. Although the industry remained profitable, its

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<sup>75</sup> *First Review*, USITC Pub. 4138, at 15.

<sup>76</sup> *First Review*, USITC Pub. 4138, at 15.

<sup>77</sup> *First Review*, USITC Pub. 4138, at 15.

<sup>78</sup> Under the statute, "the Commission may consider the magnitude of the margin of dumping" in making its determination in a five-year review. 19 U.S.C. § 1675a(a)(6). The statute defines the "magnitude of the margin of dumping" to be used by the Commission in five-year reviews as "the dumping margin or margins determined by the administering authority under section 1675a(c)(3) of this title." 19 U.S.C. § 1677(35)(C)(iv); *see also* SAA at 887.

Commerce expedited its antidumping duty review determination and found that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping at weighted average margins up to 383.60 percent. 80 Fed. Reg. 39748 (July 10, 2015).

profitability declined throughout the period of investigation.<sup>79</sup> The Commission concluded that while the subject imports had some negative impact on the domestic industry, the impact was insufficient to warrant a determination of material injury by reason of subject imports.<sup>80</sup>

In its threat analysis, the Commission found that, in the absence of antidumping relief, the volume of subject imports and the price pressure exerted by these imports would increase, particularly given the domestic industry's likely loss of certain major accounts (such as Home Depot and Lowe's) if no order were imposed. The industry's condition would further deteriorate in the near future if the escalating volume and price pressure of the subject imports continued. The Commission found that this would result in further reductions in prices or the suppression of price increases that in turn would lead to declines in domestic industry revenues and profitability. Thus, the Commission concluded that, absent the issuance of an antidumping duty order, further subject imports were imminent and material injury by reason of subject imports would occur.<sup>81</sup>

**The First Review.** In the first review, the Commission noted that the limited information on the record showed that the domestic industry's shipments were lower in 2008 than in 2003, which was consistent with the decreases in apparent U.S. consumption of finished hand trucks during this time period. By contrast, the average unit value of U.S. sales and net sales were higher in 2008 than in 2003. Both the domestic industry's operating income and operating margins declined, though the industry was profitable. The Commission found that the limited and mixed evidence in that expedited review did not permit it to determine whether the domestic industry was vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>82</sup> The Commission concluded that the intensified subject import competition that would likely occur after revocation of the order would likely have a significant adverse impact on the domestic industry within a reasonably foreseeable time.<sup>83</sup>

**The Current Review.** Because this is an expedited review, information on the record concerning the performance of the domestic industry since the first review, which was provided by Gleason in response to the notice of institution, pertains only to certain factors and is available only for 2014. This limited information is insufficient for us to make a finding on whether the domestic industry is vulnerable to the continuation or recurrence of material injury in the event of revocation of the order.<sup>84</sup>

The information on the record indicates that in 2014 the capacity of the reporting domestic producer was \*\*\* units, production and U.S. shipments were \*\*\* units, and capacity

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<sup>79</sup> *Original Determination*, USITC Pub. 3737, at 24-25.

<sup>80</sup> *Original Determination*, USITC Pub. 3737, at 28.

<sup>81</sup> *Original Determination*, USITC Pub. 3737, at 24-26.

<sup>82</sup> *First Review*, USITC Pub. 4138, at 17.

<sup>83</sup> *First Review*, USITC Pub. 4138, at 18. The Commission also found that after imposition of the order, the domestic industry's market share increased substantially, while the volume and market share of nonsubject imports remained relatively small. *Id.*

<sup>84</sup> Vice Chairman Pinkert finds the domestic industry producing hand trucks to be vulnerable. The industry operated at \*\*\* in 2014, although it was \*\*\* in the original investigation and in the first review, and its capacity utilization rate in 2014 was \*\*\* percent. CR/PR at Table I-2; *First Review*, USITC Pub. 4138, at Table I-5.

utilization was \*\*\* percent.<sup>85</sup> The reporting domestic producer's ratio of operating income to net sales was \*\*\* percent.<sup>86</sup> Based on the limited information on the record, we find that, should the order be revoked, the likely significant volume and price effects of the subject imports would likely have a significant adverse impact on the domestic industry. Specifically, the domestic industry would likely lose market share to low-priced subject imports and experience lower prices due to competition from subject imports, which would adversely impact its production, shipments, sales, and revenue. These reductions would likely have a direct adverse impact on the industry's profitability and employment levels, as well as its ability to raise capital and make and maintain necessary capital investments.

We have also considered the role of factors other than subject imports, including the presence of nonsubject imports, so as not to attribute injury from other factors to the subject imports. Based on available data, nonsubject imports have increased in both relative and absolute terms since the first review.<sup>87</sup> Subject imports' market share, however, also increased since the prior review as the domestic industry's market share declined substantially.<sup>88</sup> Accordingly, notwithstanding the increase in nonsubject imports, subject imports have gained market share at the expense of the domestic industry, and we anticipate that upon revocation subject imports would continue to take market share from the domestic industry, as they did during the original investigation. In light of these considerations, we find that any likely effects of nonsubject imports are distinguishable from the likely adverse effects we have attributed to the subject imports.

Accordingly, we conclude that if the orders were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

#### **IV. Conclusion**

For the above reasons, we determine that revocation of the antidumping duty order on hand trucks and certain parts thereof from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

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<sup>85</sup> CR/PR at Table I-2. In 2008, the final full year of the first review period, the capacity of the industry was \*\*\* units, production was \*\*\* units, and capacity utilization was \*\*\* percent. *Id.* U.S. Shipments were \*\*\* units in 2008. *Id.*

<sup>86</sup> CR/PR at Table I-2. The ratio of operating income to net sales was \*\*\* percent in 2008. *Id.*

<sup>87</sup> CR/PR at Table I-3, I-5. The volume of nonsubject imports was 233,408 units in 2008 and 578,637 units in 2014. CR/PR at Table I-3. The market share of nonsubject imports was \*\*\* percent in 2008 and \*\*\* percent in 2014. CR/PR at Tables I-4, I-5.

<sup>88</sup> CR/PR at Table I-5. Subject imports' market share was \*\*\* percent in 2008 and \*\*\* percent in 2014; U.S. producers' market share was \*\*\* percent in 2008 and \*\*\* percent in 2014. *Id.*

## INFORMATION OBTAINED IN THE CURRENT REVIEW

### BACKGROUND

On March 2, 2015, the U.S. International Trade Commission (“Commission”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),<sup>1</sup> that it had instituted a review to determine whether revocation of the antidumping duty order on hand trucks and certain parts thereof (“hand trucks”) from China would likely lead to the continuation or recurrence of material injury to a domestic industry.<sup>2</sup> All interested parties were requested to respond to this notice by submitting certain information requested by the Commission.<sup>3 4</sup> The following tabulation presents information relating to the background and schedule of this proceeding:

Effective or statutory date	Action
March 2, 2015	Notice of institution and initiation by Commerce and Commission (80 FR 11226; 80 FR 11164)
June 5, 2015	Scheduled date for Commission vote on adequacy
June 30, 2015	Scheduled date for Commerce results of its expedited review
July 30, 2015 or October 28, 2015 (if extended)	Commission statutory deadline to complete expedited review
February 25, 2016 or May 25, 2016 (if extended)	Commission statutory deadline to complete full review

### RESPONSES TO THE COMMISSION’S NOTICE OF INSTITUTION

#### Individual responses

The Commission received one submission in response to its notice of institution in the subject review. It was filed on behalf of Gleason Industrial Products Inc. and Precision Products, Inc. (collectively “Gleason Group”), domestic producers of hand trucks (collectively referred to herein as “domestic interested parties”).

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<sup>1</sup> 19 U.S.C. 1675(c). Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission’s website ([www.usitc.gov](http://www.usitc.gov)).

<sup>2</sup> *Hand Trucks from China; Institution of a Five-Year Review*, 80 FR 11226, March 2, 2015. In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of a five-year review of the subject antidumping duty order concurrently with the Commission’s notice of institution. *Initiation of Five-Year (“Sunset”) Review*, 80 FR 11164, March 2, 2014.

<sup>3</sup> As part of their response to the notice of institution, interested parties were requested to provide company-specific information. That information is presented in app. B. Summary data compiled in prior proceedings are presented in app. C.

<sup>4</sup> Interested parties were also requested to provide a list of three to five leading purchasers in the U.S. market for the subject merchandise. Appendix D presents the responses received from purchaser surveys mailed to the purchasers identified in the adequacy phase of this review.

A complete response to the Commission’s notice of institution requires that the responding interested party submit to the Commission all the information listed in the notice. Responding firms are given an opportunity to remedy and explain any deficiencies in their responses. A summary of the number of responses and estimates of coverage for each is shown in the tabulation below.

**Table I-1**  
**Summary of responses to the Commission’s notice of institution**

Type of interested party	Completed responses	
	Number	Coverage
Domestic	1	***% <sup>1</sup>
<sup>1</sup> The coverage figure represents the domestic interested parties’ estimate of its share of total U.S. production of hand trucks. <i>Response to the notice of institution</i> , March 31, 2015, p. 14.  Note.—Gleason Corporation owns and operates hand truck factories Gleason Industrial Products and Precision Products, Inc.		

**Party comments on adequacy**

The Commission received one submission from parties commenting on the adequacy of responses to the notice of institution and whether the Commission should conduct expedited or full reviews. The submission was filed on behalf of the domestic interested parties. In their comments, the domestic interested parties maintain that the respondent interested party response is inadequate since there was no response from producers in China or from importers in the United States. They contend that the lack of responses from respondent interested parties along with the facts provided in Gleason Group’s response to the notice of institution warrant an expedited review.<sup>5</sup>

**RECENT DEVELOPMENTS IN THE INDUSTRY**

Since the Commission’s last five-year review, the following developments have occurred in the hand trucks industry.

- The domestic interested parties reported in their response to the Commission’s notice of institution that \*\*\*.<sup>6</sup>
- The domestic interested parties also note the increased import presence of hand trucks from Vietnam and Taiwan since the last review.<sup>7</sup>

<sup>5</sup> *Domestic interested parties’ comments on adequacy*, May 12, 2015, p. 1.

<sup>6</sup> *Domestic producers’ supplemental response*, April 27, 2015, pp. 3-4.

## THE ORIGINAL INVESTIGATION AND SUBSEQUENT REVIEWS

### The original investigation

The original investigation resulted from a petition filed on November 13, 2003, with Commerce and the Commission by Gleason Industrial Products, Inc., Los Angeles, California. The petition was later amended to include Gleason affiliate, Precision Products, Inc. In November 2004, the Commission completed its original investigation, determining that an industry in the United States was threatened with material injury by reason of LTFV imports of hand trucks from China.<sup>8</sup> After receipt of the Commission's final affirmative determination, Commerce issued an antidumping duty order on imports of hand trucks from China.<sup>9</sup> Data compiled during the original investigation are presented in appendix C. Data compiled during the first review are presented throughout this staff report.

### The first five-year review

On November 2, 2009, the Commission instituted the first five-year review of the subject order. On April 15, 2010, following an expedited review, the Commission determined that revocation of the antidumping duty order on hand trucks from China would likely lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>10</sup> Effective April 28, 2010, Commerce issued a continuation of the antidumping duty order.<sup>11</sup>

## PRIOR RELATED INVESTIGATIONS

The subject product has not been the subject of any prior antidumping or countervailing duty investigations in the United States. However, in 1972, the Commission made a unanimous negative determination with respect to hand pallet trucks from France.<sup>12</sup>

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<sup>8</sup> *Hand Trucks and Certain Parts Thereof From China*, 69 FR 69957, December 1, 2004.

<sup>9</sup> *Notice of Antidumping Duty Order: Hand Trucks and Certain Parts Thereof from the People's Republic of China*, 69 FR 70122, December 2, 2004.

<sup>10</sup> *Hand Trucks and Certain Parts Thereof from China; Determination*, 76 FR 20862, April 21, 2010.

<sup>11</sup> *Hand Trucks and Certain Parts Thereof from the People's Republic of China: Continuation of the Antidumping Duty Order*, 81 FR 22369, April 28, 2010.

<sup>12</sup> *Hand Pallet Trucks from France*, Investigation No. AA-1921-95, TC Publication 498, July 1972.

## **THE PRODUCT**

### **Commerce's scope**

Commerce has defined the subject merchandise as:

. . .hand trucks manufactured from any material, whether assembled or unassembled, complete or incomplete, suitable for any use, and certain parts thereof, namely the vertical frame, the handling area and the projecting edges or toe plate, and any combination thereof.

A complete or fully assembled hand truck is a hand-propelled barrow consisting of a vertically disposed frame having a handle or more than one handle at or near the upper section of the vertical frame; at least two wheels at or near the lower section of the vertical frame; and a horizontal projecting edge or edges, or toe plate, perpendicular or angled to the vertical frame, at or near the lower section of the vertical frame. The projecting edge or edges, or toe plate, slides under a load for purposes of lifting and/or moving the load.

That the vertical frame can be converted from a vertical setting to a horizontal setting, then operated in that horizontal setting as a platform, is not a basis for exclusion of the hand truck from the scope of this order. That the vertical frame, handling area, wheels, projecting edges or other parts of the hand truck can be collapsed or folded is not a basis for exclusion of the hand truck from the scope of the order. That other wheels may be connected to the vertical frame, handling area, projecting edges, or other parts of the hand truck, in addition to the two or more wheels located at or near the lower section of the vertical frame, is not a basis for exclusion of the hand truck from the scope of the order. Finally, that the hand truck may exhibit physical characteristics in addition to the vertical frame, the handling area, the projecting edges or toe plate, and the two wheels at or near the lower section of the vertical frame, is not a basis for exclusion of the hand truck from the scope of the order.

Examples of names commonly used to reference hand trucks are hand truck, convertible hand truck, appliance hand truck, cylinder hand truck, bag truck, dolly, or hand trolley. They are typically imported under heading 8716.80.5010 of the Harmonized Tariff Schedule of the United States (HTSUS), although they may also be imported under heading 8716.80.5090. Specific parts of a hand truck, namely the vertical frame, the handling area and the projecting edges or toe plate, or any combination thereof, are typically imported under heading 8716.90.5060 of the HTSUS. Although the HTSUS subheadings are provided for convenience and customs purposes, the Department's written description of the scope is dispositive.

Excluded from the scope are small two-wheel or four-wheel utility carts specifically designed for carrying loads like personal bags or luggage in which the frame is made from telescoping tubular materials measuring less than 5/8 inch in diameter; hand trucks that use motorized operations either to move the hand truck from one location to the next or to assist in the lifting of items placed on the hand truck; vertical carriers designed specifically to transport golf bags; and wheels and tires used in the manufacture of hand trucks. The written description remains dispositive.<sup>13 14</sup>

### **U.S. tariff treatment**

Hand trucks are currently imported under HTS statistical reporting numbers 8716.80.5010 (“industrial hand trucks”) and 8716.80.5090 (“‘other’ vehicles, not mechanically propelled, not elsewhere enumerated”) of the Harmonized Tariff Schedule of the United States (“HTS”). Hand truck parts are primarily imported under statistical reporting number 8716.90.5060. Hand trucks imported from China enter the U.S. market at a column 1-general duty rate of 3.2 percent *ad valorem*.

### **Description and uses<sup>15</sup>**

Hand trucks typically consist of (1) a frame; (2) a handling area; (3) two or more wheels; and (4) a projecting edge or edges perpendicular, or at an angle, to the frame. The frame is made primarily from steel, aluminum, or nylon, while the handling area and projecting edges are usually but not always made from the same material as the frame. Hand trucks sold in the United States typically are manufactured from steel components.

Hand trucks are used for tasks related to material handling when there is a need to move objects generally not exceeding 1,000 pounds over short distances. Hand trucks are multipurpose in that they can be used indoors or outdoors, can roll over a variety of surfaces, and carry every type of load. Although certain hand trucks are designed for specific tasks, the

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<sup>13</sup> *Hand Trucks and Certain Parts Thereof from the People's Republic of China: Continuation of the Antidumping Duty Order*, 75 FR 22369, April 28, 2010.

<sup>14</sup> Effective December 2, 2012, as a result of a changed circumstances review, the order was revoked, in part, as follows: “Excluded from the scope of the order is a multifunction cart that combines, among others, the capabilities of a wheelbarrow and dolly. The product comprises a steel frame that can be converted from vertical to horizontal functionality, two wheels toward the lower end of the frame and two removable handles near the top. In addition to a foldable projection edge in its extended position, it includes a permanently attached steel tub or barrow. This product is currently available under proprietary trade names such as the ‘Aerocart.’” *Hand Trucks and Certain Parts Thereof From the People’s Republic of China: Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 80 FR 18812, April 8, 2015.

<sup>15</sup> Unless otherwise noted this information is based on *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, pp. I-11-I-12.

majority of hand trucks sold are designed for general use. Newer designs and technology allow certain hand trucks to be folded or collapsed.<sup>16</sup>

Hand truck parts are used almost exclusively for the production of finished hand trucks.<sup>17</sup> U.S.-produced hand truck parts that are sold in the United States are commonly aluminum.

### **Manufacturing process<sup>18</sup>**

The frame, handling area, and projecting edges are typically manufactured during a continuous production process. For a basic two-wheel steel hand truck, the manufacturing process is as follows: (1) steel sheet is cut to form the projecting edge or base plate; (2) steel tubing is then cut and formed into the exterior portion of the frame; (3) crossbars that formed the interior portion of the frame are stamped and pressed; and (4) the axle and axle brace are manufactured from round bar. The component parts are then welded together to create an article that looks like a hand truck minus wheels. The final product is then cleaned and painted, and ready for the addition of wheels. Different styles of hand trucks generally are manufactured using the same production processes.

The wheels or casters used on the hand truck generally are manufactured by a separate production process. They can be manufactured in the same plant as the hand truck assembly, but it is just as likely that they are manufactured in a separate plant dedicated to the production of wheels and casters. For a basic two-wheel steel hand truck, the wheels are manufactured using the following components: tires, bearings, steel tubing, and wheel hubs. The finished wheels are then assembled on the axle of the hand truck. The finished hand truck is then hand tagged and packed for delivery.

### **The definition of the domestic like product**

The domestic like product is defined as the domestically produced product or products which are like, or in the absence of like, most similar in characteristics and uses with, the subject merchandise. In its original determination and its expedited first five-year review

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<sup>16</sup> Per Commerce's scope ruling, only hand trucks with all telescoping tubular material 5/8 inches or greater are within the scope.

<sup>17</sup> In the original investigation, only one out of the 10 responding U.S. producers reported using the hand truck components for anything other than the finished product. *Hand Trucks and Certain Parts Thereof From China, Investigation No. 731-TA-1059 (Final)*, USITC Publication 3737, November 2004, pp. I-4-I-5.

<sup>18</sup> Unless otherwise noted this information is based on *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, pp. I-11-I-12.

determination, the Commission defined the domestic like product as finished hand trucks and certain hand truck parts corresponding to Commerce's scope.<sup>19</sup>

In its notice of institution for this review, the Commission solicited comments from interested parties regarding the appropriate domestic like product. According to their response to the notice of institution, the domestic producers agree with this definition.<sup>20</sup>

## **ACTIONS AT COMMERCE**

### **Scope rulings**

Since the last review, Commerce amended its scope ruling regarding WelCom Products MCK Magna Cart, pursuant to a final court decision by the Court of International Trade, and now finds that the scope of the order does not cover WelCom's MCK Magna Cart.<sup>21</sup>

### **Changed circumstances reviews**

On April 8, 2015, Commerce published the final results of its changed circumstances review. Effective December 2, 2012, the order now excludes from the scope of the order "a multifunction cart that combines, among others, the capabilities of a wheelbarrow and dolly. The product comprises a steel frame that can be converted from vertical to horizontal functionality, two wheels toward the lower end of the frame and two removable handles near the top. In addition to a foldable projection edge in its extended position, it includes a permanently attached steel tub or barrow. This product is currently available under proprietary trade names such as the 'Aerocart.'"<sup>22</sup>

### **Current review results**

Commerce notified the Commission that it had not received adequate responses from respondent interested parties to its notice initiating the current five-year reviews of the antidumping order on imports of hand trucks from China. Consequently, Commerce intends to conduct an expedited review of the order and to issue the final results of that expedited review by June 30, 2015. In the original investigation as well as the first review, Commerce calculated a

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<sup>19</sup> *Hand Trucks and Parts Thereof from China, Investigation No. 731-TA-1059 (Final)*, USITC Publication 3737, (November 2004), pp. 4-6; and *Hand Trucks and Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138 (April 2010), pp. 4-5.

<sup>20</sup> *Response to the notice of institution*, March 31, 2015, p. 16.

<sup>21</sup> *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Notice of Court Decision Not in Harmony With Final Scope Ruling and Notice of Amended Final Scope Ruling Pursuant to Court Decision*, 78 FR 25945, May 3, 2013.

<sup>22</sup> *Hand Trucks and Certain Parts Thereof From the People's Republic of China: Final Results of Antidumping Duty Changed Circumstances Review and Revocation, in Part*, 80 FR 18812, April 8, 2015.

country-wide dumping margin of 383.60 percent as well as firm-specific rates for five companies ranging between 26.49-46.48 percent.<sup>23</sup>

## THE INDUSTRY IN THE UNITED STATES

### U.S. producers

At the time of the original investigation, 21 companies were believed to produce finished hand trucks and/or hand truck parts in the United States. U.S. industry data collected in the original investigation were based on the questionnaire responses of ten domestic producers that accounted for approximately 90 percent of U.S. production of hand trucks and parts during January 2001-June 2004. The three largest producers at the time were petitioning firm Gleason, accounting for \*\*\* of reported U.S. production, followed by Angelus Manufacturing and Harper Trucks, Inc., accounting for \*\*\* percent and \*\*\* percent of U.S. production, respectively. Magline and B&P were the only U.S. producers to report production of hand truck parts.<sup>24</sup>

During the expedited first review, the domestic interested parties reported in their response that there were 21 domestic producers of hand trucks and parts. Four of the 10 participants from the original investigation responded to the Commission's notice of institution of the first review.<sup>25</sup>

In response to the Commission's notice of institution in this current review, domestic producers of hand trucks provided a list of 21 known and currently operating U.S. producers of hand trucks and did not report any related parties. The responding domestic producers reported that they did not import subject merchandise during the period of review.<sup>26</sup> Gleason Group believes that it accounts for \*\*\* percent of total U.S. production during this review period, based on "\*\*\*\*." Specifically, Gleason Group has \*\*\*\*. Gleason also states that increased subject imports during the last half of the review period have also contributed to an overall decrease in domestic production.<sup>27</sup>

### Definition of the domestic industry and related parties issues

The domestic industry is defined as the U.S. producers as a whole of the domestic like product, or those producers whose collective output of the domestic like product constitutes a major proportion of the total domestic production of the product. In its original determination

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<sup>23</sup> *Notice of Antidumping Duty Order: Hand Trucks and Certain Parts Thereof From the People's Republic of China*, 69 FR 70122, December 2, 2004; and *Hand Trucks and Certain Parts Thereof from the People's Republic of China: Final Results of Expedited Five-year (Sunset) Review of Antidumping Duty Order*, 75 FR 11120, March 10, 2010.

<sup>24</sup> Original staff report, INV-BB-136, October 28, 2004, pp. I-2-I-3.

<sup>25</sup> *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, p. I-14.

<sup>26</sup> *Response to the notice of institution*, March 31, 2015, p. 15.

<sup>27</sup> *Domestic producers' supplemental response*, April 27, 2015, pp. 4-5.

and its expedited first five-year review determination, the Commission defined the domestic industry as consisting of all domestic producers of hand trucks and hand truck parts corresponding to Commerce's scope of the investigation.<sup>28</sup> The domestic interested parties believe that they account for \*\*\* percent of current domestic production of hand trucks.<sup>29</sup>

During the original investigation, the Commission identified five domestic hand truck producers as related parties by virtue of their importation of parts (\*\*\*) ; finished hand trucks (\*\*\*) ; or importation of subject merchandise by a related entity (\*\*\*) .<sup>30</sup> However, the Commission found that appropriate circumstances did not exist to exclude any of those firms from the domestic industry.<sup>31</sup> During the first review, the domestic interested parties indicated in their response to the Commission's notice of institution that Valley Craft was related to importer Safco Products, a division of LDI. However, Valley Craft did not respond to the Commission's notice of institution. Consequently, the record contained no data from Valley Craft, and thus the issue of whether appropriate circumstances existed to exclude it from the domestic industry was moot.<sup>32</sup>

### **U.S. producers' trade and financial data**

The Commission asked domestic interested parties to provide trade and financial data in their response to the notice of institution of the current five-year review.<sup>33</sup> Table I-2 presents a compilation of the data submitted from all responding U.S. producers as well as trade and financial data submitted by U.S. producers in the original investigation and first five-year review.

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<sup>28</sup> *Hand Trucks and Certain Parts Thereof From China, Investigation No. 731-TA-1059 (Final)*, USITC Publication 3737, November 2004, p. 7; and *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, p. 6.

<sup>29</sup> *Response to the notice of institution*, March 31, 2015, p. 14.

<sup>30</sup> Original Views of the Commission, pp. 8-12.

<sup>31</sup> *Hand Trucks and Certain Parts Thereof From China, Investigation No. 731-TA-1059 (Final)*, USITC Publication 3737, November 2004, p. 7.

<sup>32</sup> *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, pp. 6 n.25 and I-17.

<sup>33</sup> Individual company trade and financial data are presented in Appendix B.

Table I-2

## Hand trucks: Trade and financial data submitted by U.S. producers, 2001-03, 2008, and 2014

Item	2001	2002	2003	2008	2014
Capacity	2,403,689	2,401,915	2,413,768	***	***
Production	1,463,692	1,495,514	1,495,311	***	***
Capacity utilization (%)	60.9	62.3	61.9	***	***
<b>U.S. commercial shipments:</b>					
Quantity	1,468,849	1,425,093	1,467,009	***	***
Value	53,989	53,146	53,407	***	***
Unit value	\$36.76	\$37.29	\$36.41	\$***	\$***
Net sales (\$1,000)	53,658	52,831	53,400	***	***
COGS (\$1,000)	40,063	39,770	42,428	( <sup>1</sup> )	***
COGS/Net Sales (%)	74.7	75.3	79.5	( <sup>1</sup> )	***
Gross profit or (loss) (\$1,000)	13,595	13,061	10,972	( <sup>1</sup> )	***
SG&A expenses (loss) (\$1,000)	7,124	7,296	7,438	( <sup>1</sup> )	***
Operating income/(loss) (\$1,000)	6,471	5,765	3,534	( <sup>1</sup> )	***
Operating income (loss)/Net sales (%)	12.1	10.9	6.6	***	***

<sup>1</sup> Not presented in first review staff report.

Note.--Data presented for 2001-2003, January-June 2003, and January-June 2004 were provided by ten producers (American Power, Angelus, Anthony, B&P, Fairbanks, Gleason, Harper, Magline, Valley Craft, and Wesco) in the final phase of the original investigation. These ten firms were believed to have represented approximately 90 percent of the U.S. production of finished hand trucks and parts during the period of investigation. Data presented for 2008 were provided by Gleason Group, Harper, Magline, and Wesco. Together with Angelus (acquired by Harper in 2008), these firms are believed to have represented a great majority of reported domestic production during 2003. Data presented for 2014 were provided by Gleason Group, which accounted for \*\*\* percent of reported domestic production during 2003.

Source: For the years 2001-03, January-June 2003, and January-June 2004, data are compiled using data submitted in the Commission's original investigation. See appendix C. For the year 2008, data are compiled using data submitted in the first review, while 2014 data are compiled using data submitted by domestic interested parties. Response to the notice of institution, March 31, 2015, pp. 14-15; and Domestic producers' supplemental response, April 27, 2015, pp. 7-8.

## U.S. IMPORTS AND APPARENT CONSUMPTION

### U.S. importers

During the original investigation, the Commission received importer questionnaire responses from 36 companies that were believed to have accounted for nearly three-quarters of the quantity of U.S. imports from China during the period for which data were collected in the original investigation. Thirty-five firms reported imports of finished hand trucks from China, the largest of which was \*\*\*. Seven U.S. importers reported imports of hand truck parts from China, the largest of which was \*\*\*.<sup>34</sup>

In their responses to the Commission's notice of institution in the first review, the domestic interested parties identified 17 U.S. importers of hand trucks from China.

In their response to the Commission's notice of institution in this review, domestic producers provided a list of 15 known and currently operating U.S. importers of hand trucks from China.<sup>35</sup>

### U.S. imports

In the original investigation, the Commission found that the volume of subject imports and the increase in that volume were significant, both in absolute terms and relative to production and consumption.<sup>36</sup> With respect to finished hand trucks, the Commission found that the volume of subject imports as measured by quantity increased by 107.1 percent from 2001 to 2003 and was 0.4 percent higher in interim 2004 than in interim 2003.<sup>37</sup> It noted that the market penetration of subject imports of finished hand trucks increased from 29.8 percent in 2001 to 46.8 percent in 2003, for an overall increase of 17.0 percentage points. The Commission found that subject import market share was stable, although it was somewhat lower in interim 2004 (45.5 percent) than in interim 2003 (45.8 percent).<sup>38</sup>

In the first review, the Commission similarly found that the likely volume of subject imports, both in absolute terms and relative to production and consumption in the United States, would likely be significant within the reasonably foreseeable future if the order were revoked. Based on the increase in the volume and market share of subject imports during the original investigation, the substantial Chinese production capacity and unused capacity at the end of the original investigation, the ability of Chinese producers to increase capacity and production quickly, the export orientation of the Chinese industry, and the attractiveness of the

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<sup>34</sup> *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Final)*, USITC Publication 3737, November 2004, p. IV-1; and original staff report, INV-BB-136, October 28, 2004, p. IV-1.

<sup>35</sup> *Response to the notice of institution*, March 31, 2015, exh. B.

<sup>36</sup> *Hand Trucks and Certain Parts Thereof From China, Investigation No. 731-TA-1059 (Final)*, USITC Publication 3737, November 2004, p. 27.

<sup>37</sup> *Ibid.*, p. 15.

<sup>38</sup> *Ibid.*, p. 16.

U.S. market, the Commission found that Chinese producers have the ability and the incentive to increase their exports to the United States significantly if the order were revoked.<sup>39</sup>

Table I-3 presents the quantity, value, and unit value for imports from China as well as the other top sources of U.S. imports (shown in descending order of 2014 imports by quantity). Though lower in quantity than during 2001-03, hand trucks from China maintain a presence in the U.S. market, with unit values below the average for total imports in each year between 2009 and 2014.

**Table I-3**  
**Hand trucks: U.S. imports, 2008-14**

Item	2008	2009	2010	2011	2012	2013	2014
<b>Quantity (units)</b>							
China (subject)	252,245	793,094	811,731	332,782	593,278	710,138	538,430
Taiwan	189,168	227,020	336,974	343,786	286,141	265,880	344,758
Vietnam	32,799	32,177	30,740	98,871	74,185	132,636	179,948
All other imports (nonsubject)	11,441	25,504	43,934	42,709	32,255	40,566	53,931
Total imports	485,653	1,077,795	1,223,379	818,148	985,859	1,149,220	1,117,067
<b>Landed, duty-paid value (\$1,000)</b>							
China (subject)	7,708	16,700	18,890	10,240	13,333	14,605	10,640
Taiwan	7,312	8,418	12,719	12,693	12,086	12,391	13,873
Vietnam	677	631	643	2,000	1,896	5,454	4,147
All other imports (nonsubject)	3,002	2,413	2,833	3,080	3,021	8,159	6,949
Total imports	18,699	28,162	35,085	28,013	30,336	40,609	35,609
<b>Unit value (dollars per unit)</b>							
China (subject)	30.56	21.06	23.27	30.77	22.47	20.57	19.76
Taiwan	38.65	37.08	37.74	36.92	42.24	46.60	40.24
Vietnam	20.64	19.61	20.92	20.23	25.56	41.12	23.05
All other imports (nonsubject) <sup>1</sup>	262.39	94.61	64.48	72.12	93.66	201.13	128.85
Total imports	38.50	26.13	28.68	34.24	30.77	35.34	31.88

<sup>1</sup> Staff believes that the high unit values may be due to specialty hand trucks for heavy trucks.

Note.--Because of rounding, figures may not add to total shown.

Note.--The import data presented are for finished hand trucks classified in the official import statistics under the HTS statistical reporting number for industrial hand trucks, 8716.80.5010. Some finished hand trucks may also be imported under HTS statistical reporting number 8716.80.5090, which is a basket category. In addition, hand truck parts typically are imported under statistical reporting number 8716.90.5060. Therefore, the import data presented may be somewhat understated.

Source: Official statistics of Commerce for HTS statistical reporting number 8716.80.5010.

<sup>39</sup> *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, pp. 12-14.

### Apparent U.S. consumption and market shares

Table I-4 presents data on U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, while table I-5 presents data on U.S. market shares of U.S. apparent consumption.

**Table I-4**

**Hand trucks: U.S. producers' U.S. shipments, U.S. imports, and apparent U.S. consumption, 2001-03, 2008, and 2014**

Item	2001	2002	2003	2008	2014
	<b>Quantity (units)</b>				
U.S. producers' U.S. shipments	1,468,849	1,425,093	1,467,009	***	***
U.S. imports from--					
China	650,172	937,851	1,346,305	252,245	538,430
All other	63,912	131,700	66,251	233,408	578,637
Total imports	714,084	1,069,551	1,412,556	485,653	1,117,067
Apparent U.S. consumption	2,182,933	2,494,644	2,879,565	***	***
	<b>Value (\$1,000)</b>				
U.S. producers' U.S. shipments	53,989	53,146	53,407	***	***
U.S. imports from--					
China	9,622	14,839	21,366	7,708	10,640
All other	4,052	4,712	4,047	10,991	24,969
Total imports	13,673	19,551	25,413	18,699	35,609
Apparent U.S. consumption	67,662	72,697	78,820	***	***

*Source:* For the years 2001-03, data are compiled using data submitted in the Commission's original investigation. See *appendix C*. For the year 2008, data are compiled using data submitted in the Commission's first five-year review. For the year 2014, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS subheading 8716.80.5010.

**Table I-5**  
**Hand trucks: Apparent U.S. consumption and U.S. market shares, 2001-03, 2008, and 2014**

Item	2001	2002	2003	2008	2014
<b>Quantity (units)</b>					
Apparent U.S. consumption	2,182,933	2,494,644	2,879,565	***	***
<b>Value (\$1,000)</b>					
Apparent U.S. consumption	67,662	72,697	78,820	***	***
<b>Share of consumption based on quantity (percent)</b>					
U.S. producer's share	67.3	57.1	50.9	***	***
U.S. imports from--					
China	29.8	37.6	46.8	***	***
All other sources	2.9	5.3	2.3	***	***
Total imports	32.7	42.9	49.1	***	***
<b>Share of consumption based on value (percent)</b>					
U.S. producer's share	79.8	73.1	67.8	***	***
U.S. imports from--					
China	14.2	20.4	27.1	***	***
All other sources	6.0	6.5	5.1	***	***
Total imports	20.2	26.9	32.2	***	***

Source: For the years 2001-03, data are compiled using data submitted in the Commission's original investigation. See *appendix C*. For the year 2008, data are compiled using data submitted in the Commission's first five-year review. For the year 2014, U.S. producers' U.S. shipments are compiled from the domestic interested parties' response to the Commission's notice of institution and U.S. imports are compiled using official Commerce statistics under HTS subheading 8716.80.5010.

## THE INDUSTRY IN CHINA

In the original investigation, five Chinese producers of hand trucks provided responses to the Commission's request for information. The five Chinese producers are: (1) Qingdao Taifa Group Co. ("Taifa"), (2) Qingdao Huatian Hand Truck Co., (3) Jiaonan Tianhe Hand Truck Co., (4) Qingdao Xinghua Group, and (5) Qingdao Zhenhua Industrial Group.<sup>40</sup>

During the first review, the domestic interested parties stated that there were at least 25 producers of hand trucks in China.<sup>41</sup>

The Commission did not receive any responses to the notice of institution from foreign producers or exporters. The domestic interested parties provided a list of 20 firms that they believe currently manufacture, or in the past have manufactured, hand trucks in China.<sup>42</sup>

<sup>40</sup> Original staff report, INV-BB-136, October 28, 2004, p. VII-1.

<sup>41</sup> *Hand Trucks and Certain Parts Thereof from China, Investigation No. 731-TA-1059 (Review)*, USITC Publication 4138, April 2010, p. I-29.

<sup>42</sup> *Response to the notice of institution*, March 31, 2015, exh. C.

Table I-6 presents China’s top export destinations for “wheelbarrows, hand-carts, rickshaws, and other hand propelled vehicles,” which includes hand trucks. According to Global Trade Atlas, the United States was China’s largest export destination during the period of review, accounting for 27 percent of China’s exports in 2014.

**Table I-6**  
**Wheelbarrows, hand-carts, rickshaws, and other hand propelled vehicles: China’s top export destinations, 2009–14**

Partner Country	2009	2010	2011	2012	2013	2014
<b>Value (\$1,000)</b>						
United States	214,542	278,571	305,131	306,165	296,147	319,952
Japan	65,217	84,487	107,532	116,388	119,410	119,317
Germany	38,107	46,665	46,313	50,301	48,008	53,588
Netherlands	28,355	44,544	53,314	42,848	45,505	53,350
Australia	47,228	49,408	61,947	53,418	55,188	51,990
United Kingdom	42,911	69,362	91,962	60,202	48,805	51,743
Russia	10,191	20,776	33,929	36,725	41,891	48,534
Canada	23,881	24,793	37,332	33,353	30,929	32,073
France	21,591	20,324	25,303	32,554	20,520	22,530
Malaysia	12,048	13,878	16,862	22,028	25,058	19,438
All other	190,738	246,563	317,691	379,827	377,040	402,636
Total	694,809	899,371	1,097,315	1,133,809	1,108,500	1,175,152

Note.--Because of rounding, figures may not add to total shown.

Note.--HS subheading for exports used in this table includes not just hand trucks, but also other similar products, and thus likely overstates Chinese exports of hand trucks.

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 8716.80.00, retrieved April 7, 2015.

### **ANTIDUMPING OR COUNTERVAILING DUTY ORDERS IN THIRD-COUNTRY MARKETS**

Based on available information, hand trucks and parts from China have not been subject to any other import relief investigations in any other countries.

### **THE GLOBAL MARKET**

Based on Global Trade Atlas data, the five largest exporters of “vehicles (other than trailers and semi-trailers), not mechanically propelled, nesoi,”<sup>43</sup> which includes hand trucks, are

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<sup>43</sup> HS subheading 8716.80, “Vehicles (other than trailers and semi-trailers), not mechanically propelled, nesoi,” includes hand trucks, as well as other hand propelled vehicles that are outside the scope of this investigation.

China, Germany, the United States, Canada, and France. China is by far the largest exporter of these products, representing nearly 44 percent of global exports in 2014. From 2009 to 2014, global exports increased from \$1.7 billion in 2009 to \$2.7 billion in 2014 (54 percent). Of the top five exporters, exports from the United States increased by the highest percentage (156 percent), while France was the only top five exporter that experienced a decline in exports (17 percent).

Germany is the second-largest exporter of “vehicles (other than trailers and semi-trailers), not mechanically propelled, nesoi.” Its major markets are EU neighbors including the France, United Kingdom, Switzerland, Austria, and the Netherlands. In fact, the United States is the second-largest non-EU destination for German exports of such products (behind Russia), but it only received 1.6 percent of German exports.

Table I-7 presents the largest global export sources of “vehicles (other than trailers and semi-trailers), not mechanically propelled, nesoi,” which includes hand trucks, during 2009-14.

**Table I-7**  
**Vehicles (other than trailers and semi-trailers), not mechanically propelled, nesoi: Global exports by major sources, 2009–14**

Reporting Country	2009	2010	2011	2012	2013	2014
<b>Value (\$1,000)</b>						
China	695,025	899,468	1,098,143	1,134,167	1,108,661	1,174,817
Germany	257,126	276,623	349,240	289,170	320,346	342,294
United States	121,006	137,264	175,167	213,139	283,506	309,878
United Kingdom	21,563	24,091	39,885	49,664	54,206	72,977
Canada	41,368	47,433	53,378	70,254	73,631	70,627
Poland	48,499	50,796	67,195	60,878	59,696	68,395
France	71,820	71,240	66,683	63,346	67,097	59,620
Italy	36,479	41,571	45,541	43,434	47,554	56,438
Mexico	20,825	30,706	32,530	39,818	46,916	56,314
Netherlands	32,916	39,006	55,507	45,046	51,876	51,770
All other	350,228	361,214	411,157	438,586	381,073	424,063
Total	1,696,855	1,979,412	2,394,426	2,447,503	2,494,561	2,687,192

Note.--Because of rounding, figures may not add to total shown.

Note.--HS subheading for exports used in this table includes not just hand trucks, but also other similar products, and thus likely overstates exports of hand trucks from these countries.

Source: Global Trade Information Services, Inc., *Global Trade Atlas*, HS subheading 8716.80, retrieved May 20, 2015.

**APPENDIX A**

***FEDERAL REGISTER NOTICES***



The Commission makes available notices relevant to its investigations and reviews on its website, [www.usitc.gov](http://www.usitc.gov). In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
80 FR 11164 March 2, 2015	<i>Initiation of Five-Year ("Sunset Review")</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-03-02/pdf/2015-04300.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-03-02/pdf/2015-04300.pdf</a>
80 FR 11226 March 2, 2015	<i>Hand Trucks and Certain Parts Thereof From China; Institution of a Five-Year Review</i>	<a href="http://www.gpo.gov/fdsys/pkg/FR-2015-03-02/pdf/2015-04245.pdf">http://www.gpo.gov/fdsys/pkg/FR-2015-03-02/pdf/2015-04245.pdf</a>



**APPENDIX B**  
**COMPANY-SPECIFIC DATA**



## RESPONSE CHECKLIST<sup>1</sup> FOR U.S. PRODUCERS

Item	Gleason Industrial	Precision	Total
	Quantity=units; value=1,000 dollars; Unit values, unit labor costs, and unit financial data are per unit		
Nature of operation	✓	✓	✓
Statement of intent to participate	✓	✓	✓
Statement of likely effects of revoking the order	✓	✓	✓
U.S. producer list	✓	✓	✓
U.S. importer/foreign producer list	✓	✓	✓
List of 3-5 leading purchasers	✓	✓	✓
List of sources for national/regional prices	✓	✓	✓
<b>Production:</b>			
Quantity	***	***	***
Percent of total reported	***	***	***
Capacity	***	***	***
<b>Commercial shipments:</b>			
Quantity	***	***	***
Value	***	***	***
<b>Internal consumption:</b>			
Quantity	***	***	***
Value	***	***	***
Net sales	***	***	***
COGS	***	***	***
Gross profit or (loss)	***	***	***
SG&A expenses (loss)	***	***	***
Operating income/(loss)	***	***	***
Changes in supply/demand	✓	✓	✓
<p><b>Note.</b>—The production, capacity, and shipment data presented are for calendar year 2014. The financial data are for fiscal year ended December 31, 2014.</p> <p>✓ = response proved; ✗ = response not provided; NA = not applicable; ? = indicated that the information was not known.</p>			

<sup>1</sup> ✓ = response proved; ✗ = response not provided; NA = not applicable; ? = indicated that the information was not known.



**APPENDIX C**

**SUMMARY DATA COMPILED IN PRIOR PROCEEDINGS**



Table C-1

## Finished hand trucks: Summary data concerning the U.S. market, 2001-03, January-June 2003, and January-June 2004

Item	(Quantity=units, value=1,000 dollars, unit values, unit labor costs, and unit expenses are per unit; period changes=percent, except where noted)									
	Reported data					Period changes				
	2001	2002	2003	January-June		2001-03	2001-02	2002-03	Jan.-June	
			2003	2004				2003-04		
<b>U.S. consumption quantity:</b>										
Amount	2,182,933	2,494,644	2,879,565	1,476,579	1,490,942	31.9	14.3	15.4	1.0	
Producers' share (1)	67.3	57.1	50.9	51.7	48.3	-16.3	-10.2	-6.2	-3.4	
Importers' share (1):										
China	29.8	37.6	46.8	45.8	45.5	17.0	7.8	9.2	-0.3	
All other sources	2.9	5.3	2.3	2.5	6.2	-0.6	2.4	-3.0	3.6	
Total imports	32.7	42.9	49.1	48.3	51.7	16.3	10.2	6.2	3.4	
<b>U.S. consumption value:</b>										
Amount	67,662	72,697	78,820	40,493	41,770	16.5	7.4	8.4	3.2	
Producers' share (1)	79.8	73.1	67.8	68.5	63.1	-12.0	-6.7	-5.3	-5.4	
Importers' share (1):										
China	14.2	20.4	27.1	25.9	32.5	12.9	6.2	6.7	6.6	
All other sources	6.0	6.5	5.1	5.6	4.5	-0.9	0.5	-1.3	-1.2	
Total imports	20.2	26.9	32.2	31.5	36.9	12.0	6.7	5.3	5.4	
<b>U.S. imports from (2):</b>										
China:										
Quantity	650,172	937,851	1,346,305	675,556	678,309	107.1	44.2	43.6	0.4	
Value	9,622	14,839	21,366	10,480	13,562	122.1	54.2	44.0	29.4	
Unit value	\$14.80	\$15.82	\$15.87	\$15.51	\$19.99	7.2	6.9	0.3	28.9	
Ending inventory quantity	120,735	115,821	223,477	148,779	418,740	85.1	-4.1	93.0	181.5	
All other sources:										
Quantity	63,912	131,700	66,251	37,649	92,337	3.7	106.1	-49.7	145.3	
Value	4,052	4,712	4,047	2,276	1,862	-0.1	16.3	-14.1	-18.2	
Unit value	\$63.40	\$35.78	\$61.09	\$60.46	\$20.17	-3.6	-43.6	70.7	-66.6	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
All sources:										
Quantity	714,084	1,069,551	1,412,556	713,205	770,646	97.8	49.8	32.1	8.1	
Value	13,673	19,551	25,413	12,757	15,424	85.9	43.0	30.0	20.9	
Unit value	\$19.15	\$18.28	\$17.99	\$17.89	\$20.01	-6.0	-4.5	-1.6	11.9	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
<b>U.S. producers:</b>										
Average capacity quantity	2,403,689	2,401,915	2,413,768	1,208,406	1,320,557	0.4	-0.1	0.5	9.3	
Production quantity	1,463,692	1,495,514	1,495,311	816,444	736,204	2.2	2.2	-0.0	-9.8	
Capacity utilization (1)	60.9	62.3	61.9	67.6	55.7	1.1	1.4	-0.3	-11.8	
<b>U.S. shipments:</b>										
Quantity	1,468,849	1,425,093	1,467,009	763,374	720,296	-0.1	-3.0	2.9	-5.6	
Value	53,989	53,146	53,407	27,737	26,345	-1.1	-1.6	0.5	-5.0	
Unit value	\$36.76	\$37.29	\$36.41	\$36.33	\$36.58	-1.0	1.5	-2.4	0.7	
<b>Export shipments:</b>										
Quantity	***	***	***	***	***	***	***	***	***	
Value	***	***	***	***	***	***	***	***	***	
Unit value	***	***	***	***	***	***	***	***	***	
Ending inventory quantity	***	***	***	***	***	***	***	***	***	
Inventories/total shipments (1)	***	***	***	***	***	***	***	***	***	
Production workers	358	370	371	347	327	3.5	3.3	0.3	-5.7	
Hours worked (1,000s)	695	726	724	374	377	4.2	4.4	-0.2	0.6	
Wages paid (\$1,000s)	7,134	7,345	7,721	3,797	3,884	8.2	3.0	5.1	2.3	
Hourly wages	\$10.26	\$10.12	\$10.66	\$10.15	\$10.32	3.9	-1.4	5.3	1.7	
Productivity (units/hour)	2.0	2.0	2.0	2.1	1.9	-1.5	-1.9	0.4	-11.1	
Unit labor costs	\$5.04	\$5.07	\$5.32	\$4.77	\$5.46	5.5	0.5	4.9	14.3	
<b>Net sales:</b>										
Quantity	1,491,823	1,447,356	1,493,478	779,186	722,304	0.1	-3.0	3.2	-7.3	
Value	53,658	52,831	53,400	27,818	25,907	-0.5	-1.5	1.1	-6.9	
Unit value	\$35.97	\$36.50	\$35.76	\$35.70	\$35.87	-0.6	1.5	-2.0	0.5	
Cost of goods sold (COGS)	40,063	39,770	42,428	21,711	20,344	5.9	-0.7	6.7	-6.3	
Gross profit or (loss)	13,595	13,061	10,972	6,106	5,563	-19.3	-3.9	-16.0	-8.9	
SG&A expenses	7,124	7,296	7,438	3,581	3,562	4.4	2.4	1.9	-0.6	
Operating income or (loss)	6,471	5,765	3,534	2,525	2,002	-45.4	-10.9	-38.7	-20.7	
Capital expenditures	***	***	***	***	***	***	***	***	***	
Unit COGS	\$26.85	\$27.48	\$28.41	\$27.86	\$28.17	5.8	2.3	3.4	1.1	
Unit SG&A expenses	\$4.78	\$5.04	\$4.98	\$4.60	\$4.93	4.3	5.6	-1.2	7.3	
Unit operating income or (loss)	\$4.34	\$3.98	\$2.37	\$3.24	\$2.77	-45.4	-8.2	-40.6	-14.5	
COGS/sales (1)	74.7	75.3	79.5	78.0	78.5	4.8	0.6	4.2	0.5	
Operating income or (loss)/sales (1)	12.1	10.9	6.6	9.1	7.7	-5.4	-1.1	-4.3	-1.3	

(1) "Reported data" are in percent and "period changes" are in percentage points.

(2) Please refer to footnote 3, page IV-1, for additional details on import data.

Note.—Financial data are reported on a fiscal year basis and may not necessarily be comparable to data reported on a calendar year basis. Because of rounding, figures may not add to the totals shown. Unit values and shares are calculated from the unrounded figures.

Source: Compiled from data submitted in response to Commission questionnaires and from official Commerce statistics.



**APPENDIX D**  
**PURCHASER SURVEYS**



As part of their response to the notice of institution, interested parties were asked to provide a list of three to five leading purchasers in the U.S. market for the domestic like product. A response was received from domestic interested parties, and it named the following eight firms as the top purchasers of hand trucks and certain parts thereof: \*\*\*. Purchaser questionnaires were sent to these eight firms and seven firms (\*\*\*) provided responses, which are presented below.

1. a.) Have any changes occurred in technology; production methods; or development efforts to produce hand trucks that affected the availability of hand trucks in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in technology; production methods; or development efforts to produce hand trucks that will affect the availability of hand trucks in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*

2. a.) Have any changes occurred in the ability to increase production of hand trucks (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that affected the availability of hand trucks in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in the ability to increase production (including the shift of production facilities used for other products and the use, cost, or availability of major inputs into production) that will affect the availability of hand trucks in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*

3. a.) Have any changes occurred in factors related to the ability to shift supply of hand trucks among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that affected the availability of hand trucks in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in factors related to the ability to shift supply among different national markets (including barriers to importation in foreign markets or changes in market demand abroad) that will affect the availability of hand trucks in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*

4. a.) Have there been any changes in the end uses and applications of hand trucks in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in the end uses and applications of hand trucks in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*

5. a.) Have there been any changes in the existence and availability of substitute products for hand trucks in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in the existence and availability of substitute products for hand trucks in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*

6. a.) Have there been any changes in the level of competition between hand trucks produced in the United States, hand trucks produced in China, and such merchandise from other countries in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in the level of competition between hand trucks produced in the United States, hand trucks produced in China, and such merchandise from other countries in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*

7. a.) Have there been any changes in the business cycle for hand trucks in the U.S. market or in the market for hand trucks in China since 2009?

b.) Do you anticipate any changes in the business cycle for hand trucks in the U.S. market or in the market for hand trucks in China within a reasonably foreseeable time?

\* \* \* \* \*