

China Construction Machinery

Assessing the impact of the European Commission's anti-dumping investigation against China-made AWP

What is new? The European Commission announced yesterday (13 Nov) that it will initiate an anti-dumping proceeding concerning imports of mobile access equipment (MAE, or AWP) from China ([source](#)). While this looks negative to the Chinese AWP manufacturers at first glance, we think the estimated investigation time of 13-14 months will provide the Chinese manufacturers with time to take measures to mitigate the potential impact. For instance, they can localize their AWP production overseas to avoid the potential duties. Besides, given that different tariffs may be applied, manufacturers with more experience in dealing with the investigation will have the chance to fight for lower tariffs.

■ **Details of the anti-dumping investigation:** The complaint was lodged on 29 Sep 2023 by the "Coalition to restore a level-playing field in the EU Mobile Access Equipment Sector". The product under investigation is MAE designed for the lifting of persons and self-propelled, with a max. working height of 6 meters or more, and pre-assembled or read-to-assemble sections. The investigation of dumping and injury will cover the period from 1 Oct 2022 to 30 Sep 2023, while the examination of trends relevant for the assessment of injury will cover the period from 1 Jan 2020 to 30 Sep 2023. The investigation will be concluded normally within 13 months, but not more than 14 months of the date of publication of the notice (13 Nov).

Implications to major Chinese AWP manufacturers:

- **Zhejiang Dingli (603338 CH, BUY, TP: RMB70)** – Dingli generated 70% of revenue from overseas in 3Q23. Of the overseas revenue, both Europe and the US accounted for 35% (each). Currently, Dingli is subject to the anti-dumping (31.54%) and countervailing duties (11.95%) in the US but the duties are much lower than other Chinese players. Most importantly, Dingli has managed to achieve good revenue in the US market even with the duties. We believe Dingli's rich experience in dealing with the anti-dumping investigation will help it minimize the potential impact in the case of EU.
- **Zoomlion (1157 HK, TP: HK\$6.35 / 000157 CH, TP: RMB7.3, BUY)** – AWP sales overseas accounted for only 5% of Zoomlion's total revenue in 3Q23, and we believe the AWP sales in the EU is not significant. Therefore, we believe the potential impact will be limited. Besides, Zoomlion can leverage its overseas production bases (e.g. Italy, Germany, Mexico) to establish AWP capacity.
- **Jiangsu Hengli (601100 CH, BUY, TP: RMB83)** – Hengli offers hydraulic components and motors to both Chinese and overseas AWP manufacturers. Given that components are not the targets of the investigation, the potential impact on Hengli is insignificant, in our view.

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