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**BEFORE THE
INTERNATIONAL TRADE ADMINISTRATION OF THE
U.S. DEPARTMENT OF COMMERCE
AND THE
U.S. INTERNATIONAL TRADE COMMISSION**

**ANTIDUMPING DUTY PETITION
VOLUME III
THE PEOPLE'S REPUBLIC OF CHINA**

**CERTAIN LINEAR HYDRAULIC CYLINDERS AND PARTS THEREOF FROM CANADA,
CHINA, INDIA, MEXICO, AND SOUTH KOREA**

**PETITIONERS:
HYDRAULIC CYLINDERS FAIR TRADE COALITION AND ITS INDIVIDUAL MEMBERS**

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I. CERTAIN LINEAR HYDRAULIC CYLINDERS AND PARTS THEREOF FROM CHINA ARE BEING SOLD OR OFFERED FOR SALE IN THE UNITED STATES AT LESS THAN FAIR VALUE**A. Introduction**

This Petition volume contains allegations regarding sales at less than fair value in the United States of Certain Linear Hydraulic Cylinders and Parts Thereof (“Hydraulic Cylinders”) exported from the People’s Republic of China (“China”). This volume presents information reasonably available to the Hydraulic Cylinders Fair Trade Coalition (“Petitioners”) demonstrating that Hydraulic Cylinders from China are being sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930, as amended (“the Act”). See 19 U.S.C. § 1673. As discussed below, application of the standard non-market economy (“NME”) antidumping methodology used by the U.S. Department of Commerce (“the Department”) demonstrates that producers and exporters in China have sold, or offered for sale, Hydraulic Cylinders in the United States for less than fair value.

The general and injury information required by section 351.202 of the Department’s regulations, 19 C.F.R. § 351.202, and section 207.11 of the regulations of the U.S. International Trade Commission (“ITC” or “the Commission”), 19 C.F.R. § 207.11, can be found in Volume I of this Petition. Based on information reasonably available to Petitioners contained in this volume, the Department should initiate an investigation into sales at less than fair value of Hydraulic Cylinders from China and should impose antidumping duties equal to the amount by which the normal value exceeds the export price.

B. Chinese Producers

To the best of Petitioners’ knowledge, Hydraulic Cylinders from China are manufactured and exported by several Chinese companies. Pursuant to 19 C.F.R. § 351.202(b)(7)(i)(A), the

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names and addresses of the known manufacturers and exporters of subject merchandise whom Petitioners believe sell the subject merchandise at less than fair value are provided in Volume I. See Petition Vol. I, **Exhibit GEN-5** (foreign producer list) and **GEN-12** (information on foreign producers). Although information about the proportion of total exports to the United States accounted for by each listed company is not reasonably available to Petitioners, Petitioners believe, based on their experience in the marketplace, that merchandise produced by the identified companies accounts for most or all U.S. imports of Hydraulic Cylinders from China during the proposed period of investigation (“POI”).¹

In keeping with the Department’s current policy for NME cases, Petitioners relied on three potential surrogate countries for this Petition: Malaysia, Türkiye, and Mexico.² Where Malaysia was used as the primary surrogate country, attachments are designated **AD-CN-MY**. Where Türkiye was used as the primary surrogate country, attachments are designated **AD-CN-TR**. Where Mexico was used as the primary surrogate country, attachments are designated **AD-CN-MX**.

C. Export Price

Petitioners have reason to believe or suspect that producers in China are selling Hydraulic Cylinders in the United States at less than fair value, with sales of the subject merchandise occurring before or after importation to the United States.

¹ Consistent with the Department’s practice, Petitioners have treated the two calendar quarters prior to the month in which the petition has been filed, January through June 2026, as the proposed period of investigation (“POI”).

² Petitioners reserve the right to advocate for a specific surrogate country(ies) later in this proceeding.

PUBLIC VERSION**1. Sources of U.S. Pricing**

Petitioners calculated U.S. pricing for Hydraulic Cylinders from China based on information Petitioners obtained from confidential sources concerning sales or offers for sale during the proposed POI. See Exhibit AD-CN-1.

2. Adjustments to U.S. Pricing

Petitioners believe that exporters sell Hydraulic Cylinders to U.S. purchasers both directly to end users in the United States as well as through distributors, trading companies, and sales agents in the United States. In Volume I, Petitioners provide the full names and addresses of U.S. importers of Hydraulic Cylinders from China. See Petition Vol. I at **Exhibit GEN-7.**

a. Primary Surrogate Country: Malaysia

To calculate ex-factory pricing for the U.S. sales, pursuant to 19 U.S.C. § 1677a(c)(2), Petitioners have deducted from the U.S. pricing, where applicable, the following charges and expenses where Malaysia serves as the primary surrogate market economy country:

ADJUSTMENT	SOURCE	EXHIBIT
Foreign inland freight	Doing Business in Malaysia	AD-CN-1, Att. 3-MY
Foreign brokerage and handling	Doing Business in Malaysia	AD-CN-1, Att. 3-MY

These adjustments and Petitioners' calculation of net export prices are provided at **Exhibit AD-CN-1, Att. 2-MY**

b. Primary Surrogate Country: Türkiye

To calculate ex-factory pricing for the U.S. sales, pursuant to 19 U.S.C. § 1677a(c)(2), Petitioners have deducted from the U.S. pricing, where applicable, the following charges and expenses where Türkiye serves as the primary surrogate country:

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ADJUSTMENT	SOURCE	EXHIBIT
Foreign inland freight	Doing Business in Turkey	AD-CN-1, Att. 3-TR
Foreign brokerage and handling	Doing Business in Turkey	AD-CN-1, Att. 3-TR

c. **Primary Surrogate Country: Mexico**

To calculate ex-factory pricing for the U.S. sales, pursuant to 19 U.S.C. § 1677a(c)(2), Petitioners have deducted from the U.S. pricing, where applicable, the following charges and expenses where Mexico serves as the primary surrogate country:

ADJUSTMENT	SOURCE	EXHIBIT
Foreign inland freight	Doing Business in Mexico	AD-CN-1, Att. 3-MX
Foreign brokerage and handling	Doing Business in Mexico	AD-CN-1, Att. 3-MX

D. **Calculation of Normal Value Based on the Factors of Production**

The Department has a long-standing policy of treating China as a non-market economy (“NME”) country for antidumping purposes,³ and the Department has not revoked China’s NME status as of the date of this Petition. See 19 U.S.C. § 1677(18)(C)(i). As China remains an NME country, sales or offers for sale of merchandise in China or from China to third countries do not

³ See Memorandum from Leah Wils-Owens to Gary Taverman re: China’s Status as a Non-Market Economy (Oct. 26, 2017) (Case No. A-570-053) (ACCESS barcode 3634494-01), available at <https://enforcement.trade.gov/download/prc-nme-status/prc-nme-review-final-103017.pdf> (concluding that “China is a non-market economy (NME) country because it does not operate sufficiently on market principles to permit the use of Chinese prices and costs for purposes of the Department’s antidumping analysis” on the basis that “the state’s role in the economy and its relationship with markets and the private sector results in fundamental distortions in China’s economy”); see also, e.g., Certain Uncoated Paper From Australia, Brazil, the People’s Republic of China, Indonesia, and Portugal: Initiation of Less-Than-Fair-Value Investigations, 80 Fed. Reg. 8,608 (Dep’t Commerce Feb. 18, 2015) (treating China as NME); Non-Oriented Electrical Steel from Germany, Japan, the People’s Republic of China, and Sweden: Final Affirmative Determinations of Sales at Less Than Fair Value and Final Affirmative Determinations of Critical Circumstances, in Part, 79 Fed. Reg. 61,609 (Dep’t Commerce Oct. 14, 2014).

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permit calculation of normal value under section 773(a) of the Act (19 U.S.C. § 1677b(c)(1)) or under 19 C.F.R. § 351.408. In accordance with Department practice, therefore, Petitioners calculated normal value by valuing the factors of production (“FOPs”) of Hydraulic Cylinders based on values in market economy countries at a comparable level of economic development as China and with production of identical or comparable merchandise.

1. Normal Value Based on Petitioning U.S. Producers’ FOPs Adjusted for Known Differences

Petitioners do not have access to Chinese producers’ actual product-specific FOPs for Hydraulic Cylinders because those FOPs are not publicly available. To calculate a normal value, therefore, Petitioners relied on a petitioning U.S. producer’s FOPs for producing Hydraulic Cylinders during the POI as the best information reasonably available. Petitioners then valued those FOPs using surrogate values from three alternative surrogate countries as detailed below.

2. Reliance on Surrogate Values from Economically Comparable Countries

For less-than-fair-value investigations involving merchandise from an NME country, the statute requires the Department to select a surrogate country that is (1) at a level of economic development comparable to that of the NME country subject to the investigation, and (2) a significant producer of identical or comparable merchandise.⁴ In accordance with the Department’s Policy Bulletin 04.1,⁵ the Department also considers whether the data for valuing the FOPs are available and reliable. In recent proceedings, the Department has consistently identified six countries that are at a level of economic development that is comparable to China

⁴ See 19 U.S.C. § 1677b(c)(4)(A)-(B).

⁵ Non-Market Economy Surrogate Country Selection Process (Mar. 1, 2004), available at <https://enforcement.trade.gov/policy/bull04-1.html>.

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based on each country's per capita gross domestic product ("GDP") reported by the World Bank: Malaysia, Türkiye, Brazil, Serbia, Mexico, and the Dominican Republic.⁶ In this case, Petitioners used Malaysia, Türkiye, and Mexico as the surrogate countries for valuing Chinese factors of production, as detailed below.

a. Malaysia

i. Malaysia Is an Appropriate Surrogate Country

Malaysia is an appropriate surrogate country because the Department has determined it is at a comparable level of economic development to China based on per-capita GDP.⁷ In addition, Malaysia is a significant producer of identical and comparable merchandise based on the historical operations across the carbon steel products industry. Malaysia has production of both identical and comparable merchandise as evidenced by the availability of surrogate company financial statements identified in this petition volume.

The Malaysian data for valuing the FOPs for Hydraulic Cylinders are available and reliable, and contemporaneous surrogate values for all direct material, packing material, energy, and financial ratio factors were available for the POI. The sole exception is labor, where Petitioners relied on the publicly available wage rate data for Türkiye, in keeping with the

⁶ See, e.g., Memorandum from Yang Jin Chun to All Interested Parties re: Wooden Cabinets and Vanities and Components Thereof from the People's Republic of China: Request for Economic Development, Surrogate Country and Surrogate Value Comments and Information (Sept. 10, 2025) (Case No. A-570-106) (ACCESS barcode 4824124-01), and attached Memorandum from Alexander Hammer to Scot Fullerton re: List of Surrogate Countries for Antidumping Investigations and Reviews for the People's Republic of China ("China") at 2 (Sept. 10, 2025) (hereinafter, "2025 China Surrogate Country Memo").

⁷ See id.

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Department's current practice.⁸ Thus, Malaysia is an appropriate surrogate country for use in this Petition.

ii. **Normal Value Calculations**

Petitioners have calculated normal value according to the factors and surrogate value methodology, incorporating the following calculations, where **Exhibit AD-CN-2** contains the U.S. input consumption, **Exhibit AD-CN-3** contains surrogate values, and **Exhibit AD-CN-4** contains the calculation of normal value, including the following attachments:

ADJUSTMENT	SOURCE	EXHIBIT
U.S. Cost of Production	U.S. Industry	AD-CN-2
Summary of Import Values	TDM	AD-CN-3, Att. 1-MY
Labor	Eurostat	AD-CN-3, Att. 2-MY
Energy	GlobalPetrol.com; TDM; MIDA	AD-CN-3, Att. 3-MY
Exchange Rates	FRED	AD-CN-3, Att. 4-MY
OH, SG&A and Profit	Powermatics Hydraulics & Engineering (M) Sdn. Bhd.	AD-CN-3, Att. 5
Normal Value	Calculated	AD-CN-4-MY, Att. 1

⁸ See, e.g., Certain Paper Plates from the People's Republic of China, Thailand, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations, 89 Fed. Reg. 14,046 (Dep't Commerce Feb. 26, 2024) (using "Malaysia as a surrogate country for China to value all FOPs except labor and to value labor using labor statistics from Türkiye"); Certain Collated Steel Staples from the People's Republic of China: Final Results of Antidumping duty Administrative Review; and Final Determination of No Shipments; 2021-2022, 88 Fed. Reg. 85,242 (Dep't Commerce Dec. 7, 2023), and accompanying Issues and Decision Memorandum at Comment 2 (ACCESS barcode 4472557-02) (finding labor data from Malaysia unsuitable due to the existence of forced labor and continuing to rely upon Malaysian labor data to value labor); Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2020-2021, 88 Fed. Reg. 43,302 (Dep't Commerce July 7, 2023), and accompany Issues and Decision Memorandum at 10 (ACCESS barcode 4397836-02) (finding Malaysia labor data unsuitable and instead using ILOSTAT data for Türkiye to value labor).

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Petitioners began by calculating the cost of manufacturing (“COM”) for Hydraulic Cylinders from China based on the petitioning U.S. producers’ direct material consumption of raw material inputs, labor usage, and energy consumption (see Exhibit AD-CN-2), valued at the input costs in the Malaysian market (see Exhibit AD-CN-3, Atts. 1-MY through 3-MY). Where it was necessary to rely on data from a period preceding the proposed POI, in accordance with Department practice, Petitioners inflated such values to reflect current prices using the consumer price inflation index (“CPI”) data published by the IMF.⁹

Petitioners calculated the surrogate costs of direct materials from the average Malaysian import value of major input raw materials for the proposed POI under each input’s respective Harmonized Schedule (“HTS”) category. Petitioners calculated direct material prices for all inputs by multiplying the import AUV of each commodity by the average Malaysian Ringgit-U.S. dollar exchange rate for the proposed POI. See Exhibit AD-CN-3, Att. 4-MY.

Because TDM reported those import values on a CIF Malaysian port basis, Petitioners calculated foreign brokerage and foreign inland freight from the port to the factory using Doing Business Malaysia 2020 (see Exhibit AD-CN-3, Att. 1-MY), relying on the distance between the port and the factory location of the named Chinese producer. See Exhibit AD-CN-1, Att. 3-MY. Those surrogate values were multiplied by the consumption reported by the petitioning U.S. producers. See Exhibit AD-CN-2.

Petitioners valued recoverable hydraulic cylinders scrap using Malaysian imports of iron and steel waste and scrap, as applicable. See Exhibit AD-CN-3, Att. 1-MY.

⁹ This only applied to the Turkish labor rate surrogate value.

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To value labor costs, Petitioners used public information from EUROSTAT for 2025 (the most recent year for which data are available for Türkiye) the wage and salary rate for manufacturing according to NACE Rev. 2 activity. See Exhibit AD-CN-3, Att. 2-MY. Petitioners adjusted this value for inflation. Using the average exchange rate for the proposed POI, Petitioners calculated a U.S. dollar labor cost per hour. See Exhibit AD-CN-3, Att. 4-MY. Petitioners applied that rate to the labor hours expended by petitioning U.S. producers.

Petitioners used public information to value electricity costs contemporaneous with the POI using the rates published by GlobalPetrol.com. See Exhibit AD-CN-3, Att. 3-MY. Petitioners used public information to value natural gas costs, argon gas costs, nitrogen gas costs, and oxygen gas costs contemporaneous with the POI using the value of Malaysian imports under HTS 2711.11, HTS 2804.21, HTS 2804.30, and HTS 2804.40, respectively. See Exhibit AD-CN-3, Att. 3-MY. Using the average Malaysian Ringgit-U.S. dollar exchange rate for the proposed POI (see Exhibit AD-CN-3, Att. 4-MY), Petitioners calculated energy prices for electricity and natural gas in U.S. dollars per unit, converting import values from a CIF to a delivered-to-factory basis, as applicable. See Exhibit AD-CN-3, Att. 1-MY. Petitioners applied those prices to the unit consumption rates of the petitioning U.S. producers.

Petitioners used the 2025 financial statements of Powermatics Hydraulics & Engineering (M) Sdn. Bhd. to calculate factory overhead as a percentage of direct material, labor and energy (“MLE”), selling, general and administrative costs as a percentage of the COM, and profit as a percentage of the cost of production (“COP”). See Exhibit AD-CN-3, Att. 5.

Export shipments to the United States of Hydraulic Cylinders of the types and sizes herein analyzed are packaged in cartons and secured to wood pallets using plastic wrap. Petitioners used a U.S. producer’s unit consumption of packing materials reported and valued

those materials using Malaysian import surrogate values for packing. See Exhibit AD-CN-3, Att. 1-MY.

b. Türkiye

i. Türkiye Is an Appropriate Surrogate Country

Türkiye is also an appropriate surrogate country because the Department has already determined that it is at a comparable level of economic development to China based on per-capita GDP.¹⁰ In addition, Türkiye is a significant producer of comparable merchandise. Based on information reasonably available to Petitioners, Türkiye has production of comparable merchandise in the carbon steel products industry. Producers of comparable merchandise include Bosch Rexroth Otomasyon San. Ve Tic, which produces Hydraulic Cylinders and similar products. This Turkish company, however, is privately owned and, to the best of Petitioners' understanding, has not publicly disclosed its financial statements.

The Turkish data for valuing the FOPs for Hydraulic Cylinders are available and reliable. Thus, Türkiye is an appropriate alternative surrogate country for use in this Petition.

ii. Normal Value Calculations

Petitioners have calculated normal value according to the factors and surrogate value methodology, incorporating the following calculations, where **Exhibit AD-CN-2** contains the U.S. input consumption, **Exhibit AD-CN-3** contains surrogate values, and **Exhibit AD-CN-4** contains the calculation of normal value, including the following attachments:

¹⁰ See 2025 China Surrogate Country Memo.

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ADJUSTMENT	SOURCE	EXHIBIT
U.S. Cost of Production	U.S. Industry	AD-CN-2
Summary of Import Values	TDM	AD-CN-3, Att. 1-TR
Labor	Eurostat	AD-CN-3, Att. 2-TR
Energy	GlobalPetrol.com; TDM; Istanbul Water and Sewage Administration	AD-CN-3, Att. 3-TR
Exchange Rates	FRED	AD-CN-3, Att. 4-TR
OH, SG&A and Profit	Powermatics Hydraulics & Engineering (M) Sdn. Bhd.	AD-CN-3, Att. 5
Normal Value	Calculated	AD-CN-4-TR, Att. 1

Petitioners began by calculating the cost of manufacturing (“COM”) for Hydraulic Cylinders from China based on the petitioning U.S. producers’ direct material consumption of raw material inputs, labor usage, and energy consumption (see Exhibit AD-CN-2), valued at the input costs in the Turkish market (see Exhibit AD-CN-3, Atts. 1-TR through 3-TR). Where it was necessary to rely on data from a period preceding the proposed POI, in accordance with Department practice, Petitioners inflated such values to reflect current prices using the consumer price inflation index (“CPI”) data published by the IMF.¹¹

Petitioners calculated the surrogate costs of direct materials from the average Turkish import value of major input raw materials for the proposed POI under each input’s respective Harmonized Schedule (“HTS”) category. Petitioners calculated direct material prices for all inputs by multiplying the import AUV of each commodity by the average Turkish Lira-U.S. dollar exchange rate for the proposed POI. See Exhibit AD-CN-3, Att. 4-TR.

¹¹ This only applied to the Turkish labor rate surrogate value.

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Because TDM reported those import values on a CIF Turkish port basis (see Exhibit AD-CN-3, Att. 1-TR), using movement charges from Doing Business Turkey 2020 and relying on the distance between the port and the factory location of the named Chinese producer. See Exhibit AD-CN-1, Att. 3-TR. Those surrogate values were multiplied by the consumption reported by the petitioning U.S. producers. See Exhibit AD-CN-2.

Petitioners valued recoverable hydraulic cylinders scrap using Turkish imports of iron and steel waste and scrap, as applicable. See Exhibit AD-CN-3, Att. 1-TR.

To value labor costs, Petitioners used public information from EUROSTAT for 2025 (the most recent year for which data are available for Türkiye), i.e., the wage and salary rate for manufacturing according to NACE Rev. 2 activity. See Exhibit AD-CN-3, Att. 2-TR. Petitioners adjusted this value for inflation. Using the average exchange rate for the proposed POI, Petitioners calculated a U.S. dollar labor cost per hour. See Exhibit AD-CN-3, Att. 4-TR. Petitioners applied that rate to the labor hours expended by petitioning U.S. producers.

Petitioners used public information to value electricity costs contemporaneous with the POI using the rates published by GlobalPetrol.com. See Exhibit AD-CN-3, Att. 3-TR. Petitioners used public information to value natural gas costs, argon gas costs, nitrogen gas costs, and oxygen gas costs contemporaneous with the POI using the value of Turkish imports under HTS 2711.11, HTS 2804.21, HTS 2804.30, and HTS 2804.40, respectively. See Exhibit AD-CN-3, Att. 3-TR. Using the average Turkish Lira-U.S. dollar exchange rate for the proposed POI (see Exhibit AD-CN-3, Att. 4-TR), Petitioners calculated energy prices for electricity and natural gas in U.S. dollars per unit, converting import values from a CIF to a delivered-to-factory basis, as applicable. See Exhibit AD-CN-3, Att. 1-TR. Petitioners applied those prices to the unit consumption rates of the petitioning U.S. producers.

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Petitioners used the 2024 financial statements of Powermatics Hydraulics & Engineering (M) Sdn. Bhd. to calculate factory overhead as a percentage of direct material, labor and energy (“MLE”), selling, general and administrative costs as a percentage of the COM, and profit as a percentage of the cost of production (“COP”). See Exhibit AD-CN-3, Att. 5.

Export shipments to the United States of Hydraulic Cylinders of the types and sizes herein analyzed are packaged in cartons and secured to wood pallets using plastic wrap. Petitioners used the U.S. producer’s unit consumption of packing materials reported and valued those materials using Turkish import surrogate values for packing. See Exhibit AD-CN-3, Att. 1-TR.

c. Mexico

i. Mexico Is an Appropriate Surrogate Country

Mexico is also an appropriate surrogate country because the Department has already determined that it is at a comparable level of economic development to China based on per-capita GDP.¹² In addition, Mexico is a significant producer of comparable merchandise. Based on information reasonably available to Petitioners, Mexico has production of comparable merchandise in the carbon steel products industry. Producers of comparable merchandise include Hengli De Mexico, S.A. de C.V., among others. These Mexican companies, however, are privately owned and, to the best of Petitioners’ understanding, have not publicly disclosed their financial statements.

The Mexican data for valuing the FOPs for Hydraulic Cylinders are available and reliable. Thus, Mexico is an appropriate alternative surrogate country for use in this Petition.

¹² See 2025 China Surrogate Country Memo.

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ii. Normal Value Calculations

Petitioners have calculated normal value according to the factors and surrogate value methodology, incorporating the following calculations, where **Exhibit AD-CN-2** contains the U.S. input consumption, **Exhibit AD-CN-3** contains surrogate values, and **Exhibit AD-CN-4** contains the calculation of normal value, including the following attachments:

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Labor	ILO	AD-CN-3, Att. 2-MX
Energy	GlobalPetrol.com; TDM; National Water Commission of Mexico	AD-CN-3, Att. 3-MX
Exchange Rates	FRED	AD-CN-3, Att. 4-MX
OH, SG&A and Profit	Powermatics Hydraulics & Engineering (M) Sdn. Bhd.	AD-CN-3, Att. 5
Normal Value	Calculated	AD-CN-4-MX, Att. 1

Petitioners began by calculating the cost of manufacturing (“COM”) for Hydraulic Cylinders from China based on the petitioning U.S. producers’ direct material consumption of raw material inputs, labor usage, and energy consumption (see **Exhibit AD-CN-2**), valued at the input costs in the Mexican market (see **Exhibit AD-CN-3, Att. 1-MX through 3-MX**). Where it was necessary to rely on data from a period preceding the proposed POI, in accordance with Department practice, Petitioners inflated such values to reflect current prices using the consumer price inflation index (“CPI”) data published by the IMF.¹³

¹³ This only applied to the Mexican labor rate surrogate value.

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Petitioners calculated the surrogate costs of direct materials from the average Mexican import value of major input raw materials for the proposed POI under each input's respective Harmonized Schedule ("HTS") category. Petitioners calculated direct material prices for all inputs by multiplying the import AUV of each commodity by the average Mexican Peso-U.S. dollar exchange rate for the proposed POI. See Exhibit AD-CN-3, Att. 4-MX.

Although TDM reported those import values on a FOB foreign trading partner port basis, to be conservative,¹⁴ Petitioners did not add international freight to Mexico to the average unit value, but only added foreign brokerage and foreign inland freight from the port to the factory using movement charges from Doing Business Mexico 2020 (see **Exhibit AD-CN-3, Att. 1-MX**), relying on the distance between the port and the factory location of the named Chinese producer. See Exhibit AD-CN-1, Att. 3-MY. Those surrogate values were multiplied by the consumption reported by the petitioning U.S. producers. See Exhibit AD-CN-2.

Petitioners valued recoverable Hydraulic Cylinders scrap using Mexican imports of iron and steel waste and scrap, as applicable. See Exhibit AD-CN-3, Att. 1-MX.

To value labor costs, Petitioners used public information from the International Labor Organization for 2025 (the most recent year for which data are available for Mexico), i.e., the average hourly earnings of employees by the ISCO-08 code the labor occupation category "Plant and machine operators, and assemblers." See Exhibit AD-CN-3, Att. 2-MX. Petitioners adjusted this value for inflation. Using the average exchange rate for the proposed POI,

¹⁴ Petitioners note that they preserve the right to make the CIF adjustment in the course of the investigation, as this is a long-standing practice. See, e.g., Heze Huayi Chem. Co. v. United States, 532 F. Supp. 3d 1301, 1329 (Ct. Int'l Trade 2021).

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Petitioners calculated a U.S. dollar labor cost per hour. See Exhibit AD-CN-3, Att. 4-MX. Petitioners applied that rate to the labor hours expended by petitioning U.S. producers.

Petitioners used public information to value electricity costs contemporaneous with the POI using the rates published by GlobalPetrol.com. See Exhibit AD-CN-3, Att. 3-MX. Petitioners used public information to value natural gas costs, argon gas costs, nitrogen gas costs, and oxygen gas costs contemporaneous with the POI using the value of Mexican imports under HTS 2711.11, HTS 2804.21, HTS 2804.30, and HTS 2804.40, respectively. See Exhibit AD-CN-3, Att. 3-MX. Using the average Mexican Peso-U.S. dollar exchange rate for the proposed POI (see Exhibit AD-CN-3, Att. 4-MX), Petitioners calculated energy prices for electricity and natural gas in U.S. dollars per unit, converting import values from a CIF to a delivered-to-factory basis, as applicable. See Exhibit AD-CN-3, Att. 1-MX. Petitioners applied those prices to the unit consumption rates of the petitioning U.S. producers.

Petitioners used the 2024 financial statements of Powermatics Hydraulics & Engineering (M) Sdn. Bhd. to calculate factory overhead as a percentage of direct material, labor and energy (“MLE”), selling, general and administrative costs as a percentage of the COM, and profit as a percentage of the cost of production (“COP”). See Exhibit AD-CN-3, Att. 5.

Export shipments to the United States of Hydraulic Cylinders of the types and sizes herein analyzed are packaged in cartons and secured to wood pallets using plastic wrap. Petitioners used a U.S. producer’s unit consumption of packing materials reported and valued those materials using Mexican import surrogate values for packing. See Exhibit AD-CN-3, Att. 1-MX.

E. Antidumping Duty Margin Calculations

Petitioners subtracted the net packed U.S. prices, which are the same under both export price and constructed export price calculations, from the packed normal value and divided the difference by the net packed U.S. price to determine the dumping margins for the U.S. sales.

The comparisons demonstrate that Chinese producers and exporters sold or offered for sale the subject merchandise in the United States at prices that are less than normal value. The FOP-based, less-than-normal-value calculations relying on Malaysia as the primary surrogate country result in estimated dumping margins of **230.88 percent, 315.80 percent, and 511.41 percent ad valorem**, based on the FOP-based normal value and the net U.S. prices. See Exhibit AD-CN-5-MY.

The comparisons demonstrate that Chinese producers and exporters sold or offered for sale the subject merchandise in the United States at prices that are less than normal value. The FOP-based, less-than-normal-value calculations relying on Türkiye as the primary surrogate country result in estimated dumping margins of **125.77 percent, 245.54 percent, and 306.37 percent ad valorem**, based on the FOP-based normal value and the net U.S. prices. See Exhibit AD-CN-5-TR.

The comparisons demonstrate that Chinese producers and exporters sold or offered for sale the subject merchandise in the United States at prices that are less than normal value. The FOP-based, less-than-normal-value calculations relying on Mexico as the primary surrogate country result in estimated dumping margins of **215.63 percent, 323.39 percent, and 347.55 percent ad valorem**, based on the FOP-based normal value and the net U.S. prices. See Exhibit AD-CN-5-MX.

II. CONCLUSION AND REQUEST FOR INVESTIGATION

As demonstrated in this volume, Hydraulic Cylinders from China are being sold in the United States at less than fair value. Accordingly, Petitioners respectfully request the Department initiate an antidumping investigation of Hydraulic Cylinders from China.

EXHIBIT LIST

Exhibit No.	Description
Part I: Malaysia as Primary Surrogate Country	
AD-CN-1	Export Prices and Adjustments
Att. 1	Summary of Export Prices and Adjustments
Att. 2	U.S. Pricing Documentation
Att. 3	Foreign Movement Charges
AD-CN-2	U.S. Cost of Production
AD-CN-3	Surrogate Values
Att. 1 – MY	Surrogate Import Values
Att. 2 – MY	Surrogate Labor Value
Att. 3 – MY	Surrogate Energy Values
Att. 4 – MY	Exchange Rates and Inflation Indices, as Needed
Att. 5	Financial Ratios
AD-CN-4	Normal Value
Att. 1	Malaysian Normal Value
AD-CN-5-MY	Margins of Dumping
Part II: Türkiye as Primary Surrogate Country	
AD-CN-1	Export Prices and Adjustments
Att. 1	Summary of Export Prices and Adjustments
Att. 2	U.S. Pricing Documentation
Att. 3	Foreign Movement Charges
AD-CN-2	U.S. Cost of Production
AD-CN-3	Surrogate Values
Att. 1 – TR	Surrogate Import Values
Att. 2 – TR	Surrogate Labor Value
Att. 3 – TR	Surrogate Energy Values

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Exhibit No.	Description
Att. 4 – TR	Exchange Rates and Inflation Indices, as Needed
Att. 5	Financial Ratios
AD-CN-4	Normal Value
Att. 1	Turkish Normal Value
AD-CN-5-TR	Margins of Dumping
Part III: Mexico as Primary Surrogate Country	
AD-CN-1	Export Prices and Adjustments
Att. 1	Summary of Export Prices and Adjustments
Att. 2	U.S. Pricing Documentation
Att. 3	Foreign Movement Charges
AD-CN-2	U.S. Cost of Production
AD-CN-3	Surrogate Values
Att. 1 – MX	Surrogate Import Values
Att. 2 – MX	Surrogate Labor Value
Att. 3 – MX	Surrogate Energy Values
Att. 4 – MX	Exchange Rates and Inflation Indices, as Needed
Att. 5	Financial Ratios
AD-CN-4	Normal Value
Att. 1	Mexican Normal Value
AD-CN-5-MX	Margins of Dumping