REPORT NO. 782

INVESTIGATION INTO THE ALLEGED DUMPING OF CERAMIC AND PORCELAIN WALL AND FLOOR TILES, EXCLUDING FINISHING CERAMICS, MOSAIC CUBES AND THE LIKE ORIGINATING IN OR IMPORTED FROM THE REPUBLIC OF INDIA, THE REPUBLIC OF MOZAMBIQUE, THE REPUBLIC OF ZAMBIA AND THE REPUBLIC OF ZIMBABWE: PRELIMINARY DETERMINATION

The International Trade Administration Commission of South Africa herewith presents its **Report No.782: Investigation into the alleged dumping of ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like originating in or imported from the Republic of India, the Republic of Mozambique, the Republic of Zambia and the Republic of Zimbabwe: Preliminary Determination**

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25/06/2026

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

INVESTIGATION INTO THE ALLEGED DUMPING OF CERAMIC AND PORCELAIN WALL AND FLOOR TILES, EXCLUDING FINISHING CERAMICS, MOSAIC CUBES AND THE LIKE ORIGINATING IN OR IMPORTED FROM THE REPUBLIC OF INDIA, THE REPUBLIC OF MOZAMBIQUE, THE REPUBLIC OF ZAMBIA AND THE REPUBLIC OF ZIMBABWE: PRELIMINARY DETERMINATION

SYNOPSIS

On 21 November 2025, the International Trade Administration Commission of South Africa (the "Commission") initiated an investigation into the alleged dumping of ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like ("subject product") originating in or imported from the Republic of India ("India"), the Republic of Mozambique ("Mozambique"), the Republic of Zambia ("Zambia") and the Republic of Zimbabwe ("Zimbabwe") classifiable under tariff subheadings 6907.21 and 6907.22, through Notice No. 3639 of 2025 of *Government Gazette* No. 53708.

The application was lodged by the SACU Industry Tile Manufacturers ("the Applicant"), comprising Ceramic Industries (Pty) Ltd ("Ceramic industries") and Rayal Industrial (Pty) Ltd t/a Sinotile ("Rayal"). These manufacturers are the major manufacturer of ceramic tiles in the Southern African Customs Union ("SACU") and together account for more than 80% of the domestic production of the subject product.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that alleged dumping of ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like were being imported into the SACU at dumped prices, thereby causing material injury to the SACU industry.

Upon initiating the investigation, the trade representatives and all known foreign manufacturers/exporters of the subject products in India, Mozambique, Zimbabwe and Zambia were sent non-confidential copies of the application, the initiation notice and the foreign manufacturers/exporters questionnaires to complete. In addition, known importers of the subject product in SACU were sent the same.

A total of 54 foreign manufacturers/exporters responded to the Commission's exporter and importer questionnaires, 48 from India, and one each from Mozambique, Zambia and Zimbabwe, together with responses from 3 importers. Comments were also received from interested parties, and such comments are available on the public file. Due to the large number of responses received from India, and after considering available resources, the Commission, at its meeting of 10 March 2025, decided to limit its investigation (commonly referred to as sampling) to a reasonable number of parties by using the largest percentage of exports from the India which can be investigated. All interested parties were notified of this determination, and comments were received from interested parties.

After consultations with manufacturers/exporters from India and considering their responses and other comments received from interested parties, the Commission, based on the best available information, made a preliminary determination that ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like, classifiable under tariff headings 69.07 originating in or imported from the India, Mozambique, Zambia and Zimbabwe were being dumped into the SACU market, causing material injury to the SACU industry.

The Commission further decided to request the Commissioner for the South African Revenue Service ("SARS") to impose provisional payments for a period of six months in order to protect the domestic industry while the investigation continues. The Commission further decided to publish its decision in the Government Gazette in line with the requirements of Anti-Dumping Regulations ("ADR") 34.1.

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation is conducted in accordance with the International Trade Administration Act, 2002, Act 71 of 2002) ("ITA Act"), the International Trade Administration Commission of South Africa ADR and giving due regard to the World Trade Organisation ("WTO") Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the "Anti-Dumping Agreement").

1.2 APPLICANT

The application was lodged by the SACU Industry Tile Manufacturers ("the Applicant"), who are Ceramic Industries (Pty) Ltd ("Ceramic industries") and Rayal Industrial (Pty) Ltd t/a Sinotile ("Rayal") the major manufacturer of Ceramic Tiles in SACU. These manufacturers are the major manufacturer of ceramic tiles in the Southern African Customs Union ("SACU") and together account for more than 80% of the domestic production of the subject product.

1.3 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that imports of the subject product originating in or imported from India, Mozambique, Zimbabwe and Zambia are being dumped into the SACU market, thereby causing material injury to the SACU industry. The basis for the alleged dumping is that the subject products are exported to SACU at prices lower than the normal value in the country of origin. The Applicant alleged that as a result of the dumping of the subject products from India, Mozambique, Zimbabwe and Zambia, the SACU industry is experiencing material injury in the form of:

- Price depression;
- Price suppression;
- Declining sales volume;
- Impact on market share;
- Declining profits;
- Declining production volumes;

- Declining utilisation of production capacity;
- Declining return on investment;
- Impact on cashflow;
- Impact on inventory level; and
- Slowdown in growth.

1.4 INVESTIGATION PERIOD

The dumping period is from 01 May 2024 to 30 April 2025 while the period for examining material injury is from 01 May 2022 to 30 April 2025. The Applicant also provided information alleging that there is a threat of material injury to the SACU industry.

1.5 INVESTIGATION PROCESS

The application was submitted on 06 February 2025, and six deficiency letters were issued to the Applicant. The first deficiency letter was issued on 20 February 2025 while the last deficiency letter was issued on 08 October 2025. The material injury information submitted by Ceramic Industries was verified on 04 and 05 September 2025 and the material injury information submitted by Rayal was verified on 11 and 12 September 2025

1.6 DATE OF ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with Regulation 21 of the ADR on 04 November 2025.The trade representatives of India, Mozambique, Zimbabwe and Zambia were notified of the Commission's receipt of a properly documented application in terms of Regulation 27.1 of the ADR.

1.7 INITIATION OF THE INVESTIGATION

The Commission initiated an investigation into the alleged dumping of ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like originating in or imported from India, Mozambique, Zimbabwe and Zambia, on 21 November 2025 through Notice No. 3639 of 2025 which was published in the *Government Gazette* No. 53708.

1.8 INTERESTED PARTIES' NOTIFICATION

On 25 November 2025, subsequent to the initiation, all known interested parties were notified and sent the non-confidential version of the application and requested to respond to the relevant questionnaires.

1.9 PARTIES CONCERNED

1.9.1 SACU industry

The SACU industry consists of Ceramic Industries and Rayal and together account for more than 80% of the domestic production of the subject product in SACU.

1.9.2 Importers and exporters

On 16 January 2026 responses to the Commission's importers and foreign manufacturers/exporters questionnaire as follows:

Table 1.9.2 (a): Importers

No	Name	Due date for submission
1	Sunbromate (Pty) Ltd ("Sunbromate")	16 January 2026
2	Tile Toria Cape (Pty) Ltd ("Tile Toria")	16 January 2026
3	Union Tiles (Pty) Ltd ("Union Tiles")	Received after the due date (23 February 2026)

Table 1.9.2 (b): Foreign manufacturers/exporters

No	Name	Trader or exporter or Manufacturer	Country
1	Sakar Granito India Private Limited ("Sakar Granito")	Manufacturer	India
2	Alliance Vitrified Private Limited ("Alliance Vitrified")	Manufacturer	India
3	Solostone Group	Manufacturer	India
4	Rotto Tile	Exporter	India
5	Hollis Vitrified Pvt Ltd ("Hollis Vitrified"	Manufacturer	India
6	Oasis Vitrified Private Limited ("Oasis Vitrified")	Manufacturer	India
7	Art Tile LLP ("Art Tile")	Manufacturer	India
8	M-BO Granito LLP ("M-Bo Granito")	Manufacturer	India
9	Sonex Vitrified LLP ("Sonex Vitrified")	Manufacturer	India
10	Kamron Tiles LLP ("Kamron Tiles")	Manufacturer	India
11	Reya Impex	Exporter	India
12	Rotto Ceramic LLP ("Rotto Ceramic")	Manufacturer	India
13	Marfil Tiles LLP ("Marfil Tiles")	Manufacturer	India

14	Commander Vitrified Private Limited ("Commander Vitrified")	Manufacturer	India
15	Starco Ceramic	Manufacturer	India
16	Pavit Ceramics Private Limited ("Pavit Ceramics")	Manufacturer	India
17	Boffo Granito LLP ("Boffo Granito")	Manufacturer	India
18	Luxgres Ceramica LLP ("Luxgres Ceramica")	Manufacturer	India
19	Lavish Granito Private Limited ("Lavish Granito")	Manufacturer	India
20	Mozart vitrified (Pvt) Ltd ("Mozart Vitrified")	Manufacturer	India
21	Neora Tiles Private Ltd ("Neora Tiles")	Exporter	India
22	Cyan Granito LLP ("Cyan Granito")	Manufacturer	India
23	Varmora Granito Limited ("Varmora Granito")	Manufacturer	India
24	Metro Porcelano	Exporter	India
25	Rock Granito LLP ("Rock Granito")	Manufacturer	India
26	Leadson Ceramic LLP ("Leadson Ceramic"')	Manufacturer	India
27	Ratanmaa International	Exporter	India
28	Italica Granito Private Limited ("Italica Granito")	Manufacturer	India
29	Exotica Tiles LLP ("Exotica Tiles")	Manufacturer	India
30	Adicon Ceramica Private Limited ("Adicon Ceramica")	Manufacturer	India
31	Future Ceramic Private Limited ("Future Ceramic")	Manufacturer	India
32	Prism Johnson Limited ("Prism Jonhson")	Manufacturer	India
33	Lioli Ceramica Private Limited ("Lioli Ceramica")	Manufacturer	India
34	Icon Granito Private Limited ("Icon Granito")	Manufacturer	India
35	Asian Granito India Limited ("Asian Granito")	Manufacturer	India
36	Nexion Surfaces (Pvt) Ltd ("Nexion Surfaces")	Manufacturer	India
37	Skytouch Ceramic (Pvt) Ltd ("Skytouch Ceramic")	Manufacturer	India
38	Millenium Cera International (Pvt) Ltd ("Milennium Cera")	Exporter	India
39	Millennium Granito India (Pvt) Ltd ("Milennium Granito")	Manufacturer	India
40	Color Granito Private ("Color Granito")	Manufacturer	India
41	Lakme Vitrified LLP ("Lamke Vitrified")	Manufacturer	India
42	Delta Tiles LTD ("Delta Tiles")	Manufacturer	India
43	Lavish Ceramics	Manufacturer	India
44	Metro Ceramic	Manufacturer	India
45	Blue Lake Ceramic ("Blue Lake")	Manufacturer	India
46	Coral Gold Tiles (Pvt) Ltd ("Coral Gold")	Manufacturer	India
47	NITCO Ltd	Trader	India
48	Keda Zambia Ceramic Company Ltd ("Keda Zambia")	Manufacturer	Zambia

49	Sunny Yi Feng (Pvt) Ltd ("Sunny Yi Feng")	Manufacturer	Zimbabwe
50	Safira Mozambique Ceramic Lda ("Safira Mozambique")	Manufacturer	Mozambique
51	Megatron Ceramic Private Limited ("Megatron")	Manufacturer	India

1.9.3 Due to the large number of responses received from India, and after considering available resources, the Commission at its meeting of 10 March 2026 made a determination to limit its investigation (commonly referred to as sampling) to a reasonable number of parties by using the largest percentage of exports from India which can be investigated and to commence a consultation process with all exporters. This determination was made in accordance with ADR 8.6 read together with ADR 8.7 and ADR8.8. The selection of manufacturers/exporters from India was based on ADR 8.6(a).

1.9.4 On 25 March 2026, both the deficiency letters and sampling letters were sent out to all foreign manufacturers/exporters and were given 7 days to address deficiencies.

1.9.5 On 02 April and 06 April 2026, comments on the Commission's intention to limit its investigation through sampling were received from Safira Mozambique Ceramic, LDA and Applicant.

Comments by Safira Mozambique Ceramic, LDA ("Safira")

a) Safira stated that sampling should not only serve administrative convenience but must also produce reliable and representative results and that a sample must be large enough to allow meaningful statistical inferences, since a smaller sample increases the margin of error and may lead to an inaccurate dumping margin compared to what would be found if all exporters were examined. It therefore encouraged the Commission to use a broader sample where resources allow, and to clearly disclose the proportion of total export volume covered by the selected sample.

b) It emphasised that the sample must properly reflect the diversity of the exporter population to avoid bias. It should capture differences such as product types, export volumes, customer profiles, and timing of sales.

c) Safira was particularly concerned that further narrowing the sample, for example by excluding non-producing exporters, may undermine the reliability of the findings. Overall, it urged the Commission to ensure that any sampling approach is both statistically sound and representative so that the final determination is fair and robust.

d) Safira also emphasised the need for transparency, urging the Commission to clearly explain its sampling methodology so that parties can assess whether it is consistent, fair, and representative.

Commission's consideration

a) *Sampling was applied solely to manage the practical constraints of the investigation, such as limited resources and the statutory 18-month timeframe for completion. The purpose is to limit the number of manufacturers/exporters subject to on-site verification without compromising the integrity of the outcome. The manufacturers/exporters sample was selected using a purposive methodology, targeting the largest exporters that collectively account for a significant share of total export volume to SACU. This approach was considered as full verification of all exporters was not feasible, and at the same time ensuring that the investigation produces findings that are representative of the industry's overall export activity.*

b) *The sample was constructed to reflect the diversity of the exporter population and to avoid bias in the findings. It captured the main product types exported during the dumping POI, accounted for differences in export volumes and sales periods within the POI. Given that the majority of manufacturers/exporters accounted for less than 5%, and in many cases less than 2%, of total export volume, a sample based on the largest exporters was the only practical way to ensure the investigation covered the bulk of exports.*

c) *The Commission acknowledged Safira's concern that narrowing the sample too far could affect the reliability of the findings. Further, non-producing exporters/traders are not included in the sample because they do not produce the subject product. However, data they submit for an actual manufacturer of the exported goods included in the sample may be considered by the Commission. Without that linkage, verification and attribution of dumping and injury cannot be assessed, since the anti-*

dumping duty is ultimately levied on the manufacturer/exporter of the subject product, not on traders or agents acting as intermediaries. In this investigation, the sample was therefore focused on exporters for which the manufacturer could be identified and verified, ensuring that the data used in the determination are complete, attributable, and capable of supporting a fair and robust final determination.

d) *The Commission noted Safira's emphasis on transparency and the need for parties to assess the consistency, fairness, and representativeness of the sampling approach. The sample was selected based on export volume, focusing on the largest exporters of the subject goods to SACU. This approach was adopted because the majority of other exporters each accounted for less than 5%, and in many cases less than 2%, of total export volume. To ensure the methodology was fair and understood by interested parties, the Commission consulted with the manufacturers/exporters in India during the sampling process. The exporters/manufacturers were informed of the proposed approach to limit the number of exporters/manufacturers for on-site verification and indicated their agreement with the Commission's methodology.*

Comments by the Applicant

The Applicant requested to make the selection based on the properly documented responses already received, to avoid a situation where a manufacturer selected to be part of the group to be examined, later turns out to be a non-cooperating party, thereby skewing the selection. This will also avoid a recent practice by the Commission of using "unverified" information because that was regarded to be the "best information available" which is not an acceptable practice in line with the World Trade Organization's Agreement on Implementation of Article VI of GATT, 1994.

Commission's consideration

The Commission acknowledged the concerns raised by the Applicant. In this instance, the submission of properly documented responses is not a prerequisite for sampling. However, exporters must provide sufficient and accurate information to enable the Commission to determine whether they should be included in the sample ultimately determined by the Commission.

1.9.6 Response from manufacturers/exporters addressing deficiencies were received on 09 April 2026, and all were found to be deficient. According to ADR 31.3 the Commission will not consider any deficient response for its preliminary determination.

1.9.7 Subsequent to the sampling letter, consultation letters were sent to interested parties on 23 April 2026 indicating that the following manufacturers/exporters had initially been selected:

- Sakar Granito;
- Solostone Group; and
- Hollis Vitrified.

The consultation letter also indicated that manufacturers/exporters that were not selected for sampling and requested the Commission to determine individual dumping margins in line with ADR 8.8, may submit such a request by email to the Commission for its consideration within 7 days from the date of the letter. ADR 8.8 states that, *"in cases where the Commission has limited its investigation as contemplated in subsection 6, the Commission will nevertheless determine an individual margin of dumping for an exporter or foreign manufacturer not initially selected who submits the necessary information in time for that information to be considered along with the information of exporters or manufacturers selected, except where the number of exporters or manufacturers is so large that individual examinations would be unduly burdensome to the Commission."* In the letter, the Commission also requested that the selected companies disclose in writing to all interested parties, within 7 days of the correspondence, the following information that may have been indicated as confidential in their questionnaire responses:

- Actual export volumes to SACU;
- Whether the ceramic and porcelain products exported were floor tiles, wall tiles or both; and
- The estimated annual production volumes and capacity (sqm).

1.9.8 On 28 and 29 April 2026 the Commission received responses to the consultation letter from the three selected exporters in India providing information on the export volume to SACU, product identification (whether ceramic and/or porcelain tiles), their production volume, and capacity in both confidential and non-confidential version. Hollis Vitrified Pvt Ltd provide a non-confidential version only.

1.9.9 On 29 and 30 April 2026, Neora, Kamron, Ratanmaa, Sonex, Megatron, Millennium Cera and Millennium Granito accepted that the selected three companies are representative and submitted requests to be assigned the weighted-average dumping margin. No responses or comments were received from the other non-sampled exporters, except for the Rotto Group, requesting an individual dumping margin.

1.9.10 On 30 April 2026, the Rotto Group submitted a request to be assigned an individual dumping margin, rather than being subject to the weighted-average dumping margin calculated for non-sampled exporters.

Comments by Rotto Group on consultation letter

a) The Rotto Group requested the Commission to treat it as a mandatory respondent and calculate an individual dumping margin separate from the weighted average margin applied to sampled exporters and argues that its circumstances differ materially from the sampled exporters in product type, production technology, and cost structure, making a collective weighted average margin inaccurate and unfair for its exports.

b) The current sample of exporters does not fully represent Indian ceramic tile exports because it omits the Rotto Group's distinct product category. While the sampled exporters produce nano tiles, the Rotto Group produces porcelain tiles using different raw materials. Including the Rotto Group as a mandatory respondent would make the sample more representative, and the Rotto Group states that doing so would not burden the Commission, bringing the total to four fully cooperating exporters.

Commission's consideration

a) The Commission received responses from 50 exporters. In accordance with Regulation 8.6 of the ADR and Article 6.10 of the WTO Anti-Dumping Agreement, the three exporters with the largest export volume to the SACU market were selected for examination, as this approach allows for a representative and administratively manageable sample within the available time and resources.

The Commission's assessment is that differences in product name, raw materials, or technology do not alter the "like product" determination where the products fall under the same tariff subheading and share the essential physical and end-use characteristics. All products concerned are therefore treated as like products for the purposes of the investigation. Regulation 1 of the ADR states that "Like product" means - a) a product which is identical, i.e. alike in all respects to the product under consideration; or b) in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration.

Granting an individual margin and undertaking verification for the Rotto Group would set a precedent for the remaining non-sampled/selected exporters to make similar requests. Given the volume of responses received and the resource constraints of the investigation, accommodating such requests would impose an undue administrative burden and undermine the purpose of limiting the number of manufacturers/exporters to a reasonable number of parties as provided for in the ADR 8.6. Doing so may also extend the investigation beyond the 18-month statutory deadline, resulting in the lapse of the investigation before a final determination can be issued.

b) *The Commission acknowledges the Rotto Group's submission that the selected manufacturers/exporters primarily produce nano tiles and not porcelain tiles. However, for the record, the Commission wishes to correct this point. Sakar Granito India Private Limited, one of the selected exporters, also produces porcelain tiles and is the largest exporter of the subject product to the SACU market.*

Pursuant to Regulation 8.6 of the ADR and Article 6.10 of the WTO Anti-Dumping Agreement, the investigating authority may limit its examination to those exporters and manufacturers accounting for the largest percentage of export volume that can reasonably be investigated. In the Commission's assessment, the currently selected exporters account for the largest percentage of export volume to the SACU market that can reasonably be verified within the available time and limited resources, without compromising the investigation's *timelines. Therefore, the Commission made a preliminary determination to decline the exporter's request for an individual dumping margin and verification.*

The Commission made a preliminary determination not to consider the deficient information for the purposes of its preliminary determination. Importers and foreign manufacturers/ exporters were advised that should their responses be rectified within the deadline date for comments on the preliminary determination, their information would be considered for the Commission's final determination.

1.10 PRELIMINARY DETERMINATION

The Commission at its meeting of 25 May 2026, after considering all responses and comments from interested parties, made a preliminary determination based on best available information that ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like originating in or imported from the India, Mozambique, Zambia and Zimbabwe were being dumped into the SACU market, causing material injury to the SACU industry. The Commission did not take into account deficient information for the purpose of its preliminary determination in accordance with ADR31.3.

The Commission further made a preliminary determination not to consider individual dumping margins for exporters that were not part of the selected sample and those that did not request individual treatment in their submitted responses within the deadline in accordance with ADR 8.8, as it would be unduly burdensome.

All submissions made by interested parties are contained in the Commission's public file for this investigation and are available for perusal. It should be noted that this report does not purport to present all comments received and considered by the Commission. However, some of the salient and pivotal comments received from interested parties and the Commission's consideration of these comments are specifically included in this report.

2. PRODUCT, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCT

2.1.1 Description

The Applicant described the imported product as ceramic wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like, classifiable under tariff heading 69.07.

2.1.2 Countries of Origin

The subject product originates in or is imported from India, Mozambique, Zambia, and Zimbabwe.

2.1.3 Tariff classification

The Subject product is classifiable under the following tariff subheadings:

Table 2.1.3 tariff classification

HS Tariff subheading	Description	Statistical unit	Rate of duty					
			General	EU/UK[1]	EFTA[2]	SADC[3]	MERCOSUR[4]	AfCFTA[5]
69.07	**Ceramic flags and paving, hearth or wall tiles; ceramic mosaic cubes and the like, whether or not on a backing; finishing ceramics:**							
6907.2	**- Flags and paving, hearth or wall tiles, (excluding those of subheadings 6907.30 and 6907.40):**							
6907.21	- - Of a water absorption coefficient by mass not exceeding 0.5 per cent	m2	20%	free	free	free	18%	10%
6907.22	- - Of a water absorption coefficient by mass exceeding 0.5 per cent but not exceeding 10 per cent	m2	20%	free	free	free	18%	10%
6907.23	**- - Of a water absorption coefficient by mass exceeding 10 per cent**	**m2**	**20%**	**free**	**free**	**free**	**18%**	**10%**

Source: SARS

[1] European Union/United Kingdom
[2] European Free Trade Association
[3] Southern Africa Development Community
[4] Southern Common Market (Argentine, Brazil, Paraguay and Uruguay)
[5] African Continental Free Trade Area

2.1.4 Possible tariff loopholes

- The Applicant indicated that from the SARS statistical import trade data ("SARS Data") obtained online from the SARS website, that the vast majority of imports of ceramic tiles into SACU from Zambia and Zimbabwe are incorrectly cleared as "finishing ceramics" under tariff subheading 6907.40.

- The SARS Data does not indicate any ceramic tile import from Mozambique under tariff heading 69.07, but imports are reflected under tariff subheading 6904.90 that caters for ceramic flooring blocks, support or filler tiles and the like. According to the information at the disposal of the SACU manufacturers, these recorded imports are of subject products, that should have been cleared under tariff heading 69.07.

Commission's consideration

Although the Applicant could not provide substantiation of the subject product's incorrect tariff classification, the Commission through the Bill of entry data (BOE) obtained from South African Revenue Service (SARS) established that ceramic tiles were cleared under tariff subheading/heading 6907.40 and 6904.90 with the description that align with the subject product. This supports the Applicant's claim of incorrect classification. Therefore, the Commission made a preliminary determination that the investigation covers tariff classifications 6907.40 and 6904.90 and if it is found that certain products are correctly classified, importers of those products would have to apply for a creation of a rebate provision.

2.1.5 Other applicable duties and rebates

There are no rebate provisions and/or trade remedies duties on the subject product from Mozambique, Zambia, Zimbabwe and India.

2.1.6 Negligibility test

The Commission considers the volume of imports to be negligible if alleged dumped imports account for less than 3 percent of total imports of the subject product during the period of investigation for dumping. The following table shows the percentage of alleged dumped imports from the four countries as a percentage of total imports:

Table 2.1.6: Negligibility test

	Import volumes (m^2)	As a % of total imports
Alleged dumped imports: India	10 135 428	26%
Alleged dumped imports: Mozambique	11 618 448	29%
Alleged dumped imports: Zambia	8 350 451	21%
Alleged dumped imports: Zimbabwe	1 514 218	4%
Cumulated alleged dumped imports	**31 618 546**	**80%**
Imports from other countries	7 776 850	20%
Total imports	**39 395 396**	**100%**

Source: SARS statistics

Based on the information in table 2.1.6, the alleged dumped imports from India, Mozambique, Zambia, and Zimbabwe account for more than 3 percent of total imports of the subject product.

The Commission made a preliminary determination that the volume of imports from India, Mozambique, Zambia, and Zimbabwe are above the negligibility level in terms of ADR 16.2.

2.1.7 Like product analysis

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

Table 2.1.7: Like product determination

	Imported product	SACU product
Raw materials	The primary and common raw materials used in the production of ceramic tiles include clay, kaolin, felspar, talc, dolomite, quartz and sand	The primary and common raw materials used in the production of ceramic tiles include clay, kaolin, felspar, talc, dolomite, quartz and sand
Production processes	The Applicants indicated that the subject countries follow the pottery production process which is identical for domestic and export sales. The production process is as follows: a) **Batching** Weighing and measuring raw materials according to a specific recipe od formula. Accurate batch	The Applicants indicated that the subject countries follow the pottery production process which is identical for domestic and export sales. The production process is as follows: a) **Batching** Weighing and measuring raw materials according to a specific recipe od formula. Accurate batch

	calculations are essential, considering both the physical and chemical properties of the raw materials, which are then mixed together in the right proportions. **b) Mixing and Grinding** Then followed by mixing and blending these materials in precise proportions to create a uniform blend. Water is often added for better mixing and fine grinding, creating a slurry or slip. Wet milling, using a ball mill, commonly employed for finer particle size. **c) Spray Drying** Reduce excess water from wet milling through spray drying process by automizing a liquid mixture of raw materials into a hot gas stream with rapid evaporation of water resulting in a dry powder thereby improves material handling and storage. Dry grinding followed by granulation can be used to form the powder for the next stage. **d) Forming** Tiles are then primarily formed by dry pressing, where powder is compressed into moulds. Other methods like extrusion and punching are used for irregular or thinner tiles, where a plastic mass is compacted and forced through a high-pressure cylinder. **e) Drying** Tiles are dried to remove moisture slowly to avoid cracks. This is done in continuous, or tunnel dryers heated by natural gas, oil, diesel, or	calculations are essential, considering both the physical and chemical properties of the raw materials, which are then mixed together in the right proportions. **b) Mixing and Grinding** Then followed by mixing and blending these materials in precise proportions to create a uniform blend. Water is often added for better mixing and fine grinding, creating a slurry or slip. Wet milling, using a ball mill, commonly employed for finer particle size. **c) Spray Drying** Reduce excess water from wet milling through spray drying process by automizing a liquid mixture of raw materials into a hot gas stream with rapid evaporation of water resulting in a dry powder thereby improves material handling and storage. Dry grinding followed by granulation can be used to form the powder for the next stage. **d) Forming** Tiles are then primarily formed by dry pressing, where powder is compressed into moulds. Other methods like extrusion and punching are used for irregular or thinner tiles, where a plastic mass is compacted and forced through a high-pressure cylinder. **e) Drying** Tiles are dried to remove moisture slowly to avoid cracks. This is done in continuous, or tunnel dryers heated by natural gas, oil, diesel, or

	coal, reducing moisture to below 1%. **f) Glazing** Applying a layer of glaze (a mixture of chemicals and minerals) to the tile surface using methods such as centrifugal glazing, waterfall, or spraying. Multiple layers or digital inkjet printing can be used for decoration. Dry glazing, where powders and frits are applied to a wet-glazed tile, can also be used for a granite-like finish. **g) Firing** Tiles are then fired in kilns(machine) at high temperature to melt and set the glaze and to strengthen them and achieve the desired porosity. Two-step firing (bisque and second firing) is used for tiles made by dry grinding, while single firing is used for others. Firing times and temperatures vary depending on the kiln type. **h) Quality Control** Checking tiles defects, imperfections, and consistency. Evaluating tiles physical and chemical properties (e.g., strength, water absorption) and classifying tiles based on quality and size. Manufacturers use of Statistical Process Control (SPC). Monitor parameters like particle size, milling time, temperature, pressure, and firing conditions. The final product must meet specifications for strength, abrasion resistance, chemical resistance, water absorption, and other properties.	coal, reducing moisture to below 1%. **f) Glazing** Applying a layer of glaze (a mixture of chemicals and minerals) to the tile surface using methods such as centrifugal glazing, waterfall, or spraying. Multiple layers or digital inkjet printing can be used for decoration. Dry glazing, where powders and frits are applied to a wet-glazed tile, can also be used for a granite-like finish. **g) Firing** Tiles are then fired in kilns(machine) at high temperature to melt and set the glaze and to strengthen them and achieve the desired porosity. Two-step firing (bisque and second firing) is used for tiles made by dry grinding, while single firing is used for others. Firing times and temperatures vary depending on the kiln type. **h) Quality Control** Checking tiles defects, imperfections, and consistency. Evaluating tiles physical and chemical properties (e.g., strength, water absorption) and classifying tiles based on quality and size. Manufacturers use of Statistical Process Control (SPC). Monitor parameters like particle size, milling time, temperature, pressure, and firing conditions. The final product must meet specifications for strength, abrasion resistance, chemical resistance, water absorption, and other properties.

Technical characteristics/ appearances	• Composition: Made from natural clays and minerals, ceramic tiles typically have red, brown, or white bodies depending on the clay used. • Hardness: The fired glaze is typically up to 7 on the Mohs scale. • Wear Resistance: Classified by the Porcelain Enamel Institute (PEI) rating between 1-5, ceramic tiles are durable and can last over 20 years, making them an environmentally friendly choice. • Thickness: Ceramic tiles range from 3 mm to 20 mm in thickness. • Porosity: Tiles have varying water absorption rates, with technical porcelain tiles having less than 0.5% absorption and other ceramic tiles exceeding 0.5%. Hardbody, stoneware, or gres porcelain tiles have a porosity between 0.5-3%. • Water & Chemical Resistance: The glaze is impervious to water, humidity, sunlight, and heat, making ceramic tiles ideal for kitchens and bathrooms. They are also resistant to most household chemicals. • Fire Resistance: Ceramic tiles are fireproof and won't burn or melt. • Slip Resistance: Tiles with a matte glaze are less slippery, but external factors like oil or water can increase slipperiness. Special glazes can improve slip resistance. • Decoration: Digital inkjet printing allows for a variety of designs and images on glazed tiles. • Colour: Available in solid colours, textured colours, and natural stone reproductions.	• Composition: Made from natural clays and minerals, ceramic tiles typically have red, brown, or white bodies depending on the clay used. • Hardness: The fired glaze is typically up to 7 on the Mohs scale. • Wear Resistance: Classified by the Porcelain Enamel Institute (PEI) rating between 1-5, ceramic tiles are durable and can last over 20 years, making them an environmentally friendly choice. • Thickness: Ceramic tiles range from 3 mm to 20 mm in thickness. • Porosity: Tiles have varying water absorption rates, with technical porcelain tiles having less than 0.5% absorption and other ceramic tiles exceeding 0.5%. Hardbody, stoneware, or gres porcelain tiles have a porosity between 0.5-3%. • Water & Chemical Resistance: The glaze is impervious to water, humidity, sunlight, and heat, making ceramic tiles ideal for kitchens and bathrooms. They are also resistant to most household chemicals. • Fire Resistance: Ceramic tiles are fireproof and won't burn or melt. • Slip Resistance: Tiles with a matte glaze are less slippery, but external factors like oil or water can increase slipperiness. Special glazes can improve slip resistance. • Decoration: Digital inkjet printing allows for a variety of designs and images on glazed tiles. • Colour: Available in solid colours, textured colours, and natural stone reproductions.

Applications and/or end-use	• Kitchens: Ceramic tiles are ideal for floors and backsplashes due to their water and chemical resistance and ease of cleaning. • Bathrooms: Moisture-resistant ceramic tiles are perfect for floors, walls, and shower areas, handling high humidity and frequent water exposure. • Living Areas: In living rooms and entryways, ceramic tiles offer durability and elegance, standing up to high foot traffic. **Commercial Use**: • Restaurants: Ceramic tiles are easy to clean, making them suitable for both dining areas and kitchens. • Hotels: Withstand high foot traffic in lobbies, corridors, and guest rooms while maintaining hygiene. • Office Buildings: Offer a professional look and are practical for high-traffic areas like reception areas and corridors.	• Kitchens: Ceramic tiles are ideal for floors and backsplashes due to their water and chemical resistance and ease of cleaning. • Bathrooms: Moisture-resistant ceramic tiles are perfect for floors, walls, and shower areas, handling high humidity and frequent water exposure. • Living Areas: In living rooms and entryways, ceramic tiles offer durability and elegance, standing up to high foot traffic. **Commercial Use:** • Restaurants: Ceramic tiles are easy to clean, making them suitable for both dining areas and kitchens. • Hotels: Withstand high foot traffic in lobbies, corridors, and guest rooms while maintaining hygiene. • Office Buildings: Offer a professional look and are practical for high-traffic areas like reception areas and corridors.
Substitutability	The imported subject product is similar in appearance and application and is sold in the same markets as full substitutes for the SACU manufactured Subject product.	The SACU subject product is similar in appearance and application and is sold in the same markets as full substitutes for the imported Subject product.

Taking the above into consideration, the Commission made a preliminary determination that the SACU product and the imported product are "like products", for purposes of comparison, in terms of the definition of "like product" in ADR 1.

3. INDUSTRY STANDING

The application was lodged by Ceramic Industries (Pty) Ltd and Rayal Industrial (Pty) Ltd, which together account for more than 80 percent of the SACU industry production volume, and is supported by Johnson Tiles and Studio Del Mel, who represent slightly more than 10 percent and less than 5 percent of the SACU production respectively.

Comments by the Applicant

The Commission was advised that Johnson Tiles, was during the period of investigation (01 May 2024 to 30 April 2025) and at the time of rendering its support (02 April 2025), still an active trading SACU tile manufacturer. As Johnson Tiles did form part of the SACU industry for the period as indicated, its existence and support at the time is still relevant and cannot be excluded.

Commission's consideration

The Commission acknowledged the explanation of the Applicant that even without Johnson support, the Applicant still account for more than 80 percent of the SACU industry which is more than the required 25 percent of total SACU domestic production volume as required by ADR 7.3.

Based on the information above, the Commission made a preliminary determination that the application can be regarded as being made by or on behalf of the domestic industry in terms of ADR 7.1

4. DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all the adjustments have been made). The margin is then expressed as a percentage of the Free On-Board ("FOB") export price. If the margin of dumping is less than two per cent, it is regarded as *de minimis* in terms of the ADR 12.3, and no anti-dumping duty will be imposed.

The dumping information for all four countries (India, Mozambique, Zambia and Zimbabwe) is based on information submitted by the Applicant.

The questionnaire responses of all manufacturers/exporters were found to be deficient.

In accordance with ADR 31.3, the Commission made a preliminary determination not to consider deficient submissions for its preliminary determination. The list of deficiencies is contained in the Commission's public file.

4.1 Methodology in this Investigation for India

4.1.1 Normal value

The normal value was determined based on a quotation of the domestic selling price of the subject product in India. To support this, the Applicant provided a quotation which was obtained from Johnson Designers' Choice in India dated 04 June 2025. The quotation was in square feet and was converted to square meters. The June 2025 obtained prices were adjusted by applying Consumer Price Index ("CPI") inflation criteria to calculate the April 2025 normal value prices for India using CPI inflation of 2.82% for May 2025 and 3.61% for April 2025. The SACU Industry believes these prices reflect the market price for the subject product sold in India's domestic market. The average domestic ex-factory price for India was determined to 317.97INR/m^2 ("Indian Rupees ("INR") (excluding 18% VAT) and, when converted to South African Rand ("ZAR") using the average exchange rate of 0,220780667ZAR for April 2025 obtained from FX Rate[1], the ex-factory normal value was determined to be R70.20/m^2.

4.1.2 Export price

The export price was determined based on the average FOB export price per square meter using the import statistics from the SARS for the period of investigation for dumping. The FOB export price per square meter was determined to be R36.78/m^2. The FOB price was adjusted downwards by 5 percent for inland freight costs. Therefore, the ex-factory export price was determined to be R34.94/m^2.

4.1.3 Margin of dumping

The dumping margin was determined as follows:

Table 4.1.4: Margin of dumping

	R/m^2
Ex- factory normal value	70.20
Ex-factory export price	34.94
Margin of dumping	35.26
Margin of dumping as a % of ex-factory export price	**100.92%**

The Commission made a preliminary determination that the dumping of the subject products originating in or imported from India is taking place.

4.2 Methodology in this Investigation for Mozambique

4.2.1 Normal Value

The normal value was determined based on the domestic selling price of tiles of Safira Mozambique Ceramic Lda in Mozambique during the month of August 2024, as listed in the factory's price list. The average ex-factory price for Mozambique in August 2024 was determined to be 293.16 MT/m^2 ("MT" Mozambican Meticais) (excluding 16% VAT) and when converted to ZAR using the average exchange rate of 0.28283ZAR for August 2024 obtained from FX Rate[1], the ex- factory normal value was determined to be R82.91/m^2.

4.2.2 Export price

The export price was determined based on the average FOB export price per square meter using the import statistics from SARS for the period of investigation for dumping. The Applicant established that there were subject products from Mozambique imported under tariff subheading 6940.90 (for "other") in June 2024. For 2024, the Applicant used both import volumes under tariff subheading 6904.90 and heading 69.07 to determine the export price. The FOB export price per square meter was determined to be R36.42/m^2. The FOB price was adjusted downwards by 5 percent for inland freight costs. Therefore, the ex-factory export price was determined to be R34.60/ m^2.

4.2.3 Margin of dumping

The dumping margin was determined as follows:

Table 4.2.3: Margin of dumping

	R/m^2
Ex- factory normal value	82.91
Ex-factory export price	34.60
Margin of dumping	48.31
Margin of dumping as a % of ex-factory export price	**139.62%**

The Commission made a preliminary determination that the dumping of the subject products originating in or imported from Mozambique is taking place.

4.3 Methodology in this Investigation for the Zambia

4.3.1 Normal Value

The normal value was determined based on the sales invoice for the subject product issued during the investigation period, showing that Keda Zambia Ceramic Company ("Keda"), the manufacturer, sold the subject product to Phoenix Zambia Ltd. The SACU industry believes these prices accurately reflect the market price for the subject product in Zambian domestic market. The May 2024 average ex-factory price for Zambia was determined to be 179.12ZMW/m^2 ("ZMW" Zambian Kwacha) (excluding 16% VAT) and, when converted to ZAR using the average exchange rate of 0.69447ZAR for May 2024 obtained from FX Rate[1], the ex-factory normal value was determined to be R124.39/m^2.

4.3.2 Export price

The export price was determined based on the FOB export price per square meter using the import statistics from SARS for the period of investigation for dumping. The FOB export price per square meter was determined to be R54.60/m^2.

The FOB price was adjusted downwards by 5 percent for inland freight costs. Therefore, the ex-factory export price was determined to be R51.87/m^2.

4.3.3 Margin of dumping

The dumping margin was determined as follows:

Table 4.3.3: Margin of dumping

	R/m^2
Ex- factory normal value	124.39
Ex-factory export price	51.87
Margin of dumping	72.52
Margin of dumping as a % of ex-factory export price	**139.81%**

The Commission made a preliminary determination that the dumping of the subject products originating in or imported from Zambia is taking place.

4.4 Methodology in this Investigation for Zimbabwe

4.4.1 Normal value

The normal value was determined based on the sales invoice for the subject product issued during the investigation period, which shows Sunny Yi Feng Tiles (Zimbabwe) Pvt Ltd, the manufacturer, sold the subject product to Earth Fire (Pvt) Ltd. The SACU Industry believes that these prices reflect the market price for the subject product sold in the Zimbabwean domestic market. The May 2024 average domestic ex-factory price for Zimbabwe was determined to 7.33USD/m^2 ("USD" United States Dollar) (excluding 15% VAT) and, when converted to ZAR using the average exchange rate of 18.42ZAR for May 2024 obtained from FX Rate[1], the normal value was determined to be R135.02/m^2.

4.4.2 Export price

The export price was determined based on the average FOB export price per square meter using the import statistics from SARS for the period of investigation for dumping. The FOB export price per square meter was determined to be R41.34/m^2. The FOB price was adjusted downwards by 5 percent for inland freight costs. Therefore, the ex-factory export price was determined to be R39.27/m^2.

1- www.fx-rate.net

4.4.3 Margin of dumping

The dumping margin was determined as follows:

Table 4.4.3: Margin of dumping

	R/m^2
Ex- factory normal value	135.02
Ex-factory export price	39.27
Margin of dumping	95.75
Margin of dumping as a % of ex-factory export price	**243.82%**

The Applicant indicated that with regard to the 5 percent downward adjustment of the FOB price, reference is made to the Commission's self-initiated investigation for the remedial action against the alleged dumping of frozen potato chips, manufactured in the European Union: Belgium, the Netherlands and Germany, and the Commission's Report No. 696. In the said report, 5 percent of the FOB price, was used and accepted to calculate the domestic inland freight costs.

Commission's consideration

The Commission's practice is to determine the margin of dumping at the same level of trade. Where there is no provision for inland freight costs, the Commission will not be in a position to determine the margin of dumping at the same level of trade. Where no freight charges can be identified, it is the Commission's practice to use 5 percent of the FOB export price to determine these applicable charges. Therefore, the Commission considered using the 5 percent for inland freight charges to arrive at the ex-factory price.

The Commission made a preliminary determination that the dumping of the subject products originating in or imported from Zimbabwe is taking place.

5. MATERIAL INJURY

5.1 Major proportion of production

The injury analysis in this submission relates to the financial information of Ceramic Industries and Rayal Industrial, representing more than 80 percent of SACU's domestic production of the subject product from 01 May 2024 to 30 April 2025.

The Commission made a preliminary determination that this constitutes "a major proportion" of the total domestic production, in terms of ADR7.

5.2 Cumulative assessment

There are four countries involved in this anti-dumping investigation. Therefore, the issue arises whether the effects of the imports from these four countries may be cumulatively assessed. In considering whether cumulation is appropriate with regard to the imports from these countries in terms of Regulation 16.3 of ADR the Commission considered the following:

Table 5.2: Consideration for cumulation

The imports from the countries are not negligible.	Import volumes from Mozambique, Zambia, Zimbabwe and India account for 80 percent of total imports during the period of investigation for dumping. Therefore, they are not negligible. This information is contained in Table 2.1.6.
The margin of dumping is above the *de minimis* level	The dumping margins calculated for these countries are above 2 percent as shown under section 5 of the submission
Competition between imports from the different countries	All four countries exported to SACU at dumped prices, these countries are compete based on imports market share that they gain with the dumped imports. Imports from all four countries undercut the SACU's prices at different levels, which is also evidence of competition.
Competition between imported product and SACU like product	The imported product and the SACU product are like products for purposes of comparisons, they are fully substitutable and have similar end use. Furthermore, the imported product and SACU product are sold to the same/similar end users, indicating direct competition between imports and the domestic like product in the SACU market. They are both traded in the SACU market and the market share analysis shows that there is competition.

The Commission considered the Applicant's claim that Mozambique, Zambia, Zimbabwe and India continue to export like products to SACU at dumped prices, which countries are competing with one another for the import market share that they gained through the dumped imports in SACU. In addition, the combined import data, clearly indicates that the four countries' exports have an impact on the SACU Industry. It is also evident that the prices from Mozambique and Zimbabwe are close to one another, with the Indian prices being even lower and thus that the importers could source from a variety of the suppliers depending on the lead time to supply. Even though the Zambian prices were higher than the prices of Mozambique, Zimbabwe and India, it is evident that Zambia has through its dumping been able to increase its import volume market share from 2023 to 2025. Zambia has established a prominent SACU footprint. The four subject countries' combined import market share (volume in sqm) increased considerably for the POI, whilst the other countries' market share has been decreasing

Commission's consideration

Based on Table 5.2, imports from India, Mozambique, Zambia and Zimbabwe were cumulatively assessed for the Commission's injury determination.

The Commission noted that the WTO, in a panel decision in EC – Tube or Pipe Fittings outlining the conditions for cumulation, came to the conclusion, on the basis of the text in Article 3.3, and citing contextual support in Articles 3.4 and 3.5, that the conditions identified in Article 3.3 are the sole conditions that must be satisfied by an investigating authority in order to undertake a cumulative assessment of the effects of dumped imports. In particular, the Panel rejected Brazil's allegation that an investigating authority must first consider whether country specific import volumes have significantly increased before cumulating them. The Appellate Body agreed with the Panel and reached the following conclusion: "The text of Article 3.3 expressly identifies three conditions that must be satisfied before an investigating authority is permitted under the Anti-Dumping Agreement to assess cumulatively the effects of imports from several countries. These conditions are:

(a) the dumping margin from each individual country must be more than de minimis;
(b) the volume of imports from each individual country must not be negligible; and
(c) cumulation must be appropriate in the light of the conditions of competition
(i) between the imported products; and

(ii) between the imported products and the like domestic product.

By the terms of Article 3.3, it is 'only if' the above conditions are established that an investigating authority 'may' make a cumulative assessment of the effects of dumped imports from several countries.

In support of its finding, the Appellate Body in EC – Tube or Pipe Fittings further elaborated on the rationale behind the practice of cumulation: "The apparent rationale behind the practice of cumulation confirms our interpretation that both volume and prices qualify as 'effects' that may be cumulatively assessed under Article 3.3. A cumulative analysis logically is premised on a recognition that the domestic industry faces the impact of the 'dumped imports' as a whole and that it may be injured by the total impact of the dumped imports, even though those imports originate from various countries. If, for example, the dumped imports from some countries are low in volume or are declining, an exclusively country-specific analysis may not identify the causal relationship between the dumped imports from those countries and the injury suffered by the domestic industry. The outcome may then be that, because imports from such countries could not individually be identified as causing injury, the dumped imports from these countries would not be subject to anti-dumping duties, even though they are in fact causing injury. In our view, therefore, by expressly providing for cumulation in Article 3.3 of the Anti-Dumping Agreement, the negotiators appear to have recognized that a domestic industry confronted with dumped imports originating from several countries may be injured by the cumulated effects of those imports, and that those effects may not be adequately taken into account in a country-specific analysis of the injurious effects of dumped imports. Consistent with the rationale behind cumulation, we consider that changes in import volumes from individual countries, and the effect of those country-specific volumes on prices in the importing country's market, are of little significance in determining whether injury is being caused to the domestic industry by the dumped imports as a whole.

The Commission made a preliminary determination that the impact of the imports from Mozambique, Zambia, Zimbabwe and India be cumulatively assessed for purposes of its injury determination.

The following injury analysis will be cumulatively assessed for Mozambique, Zambia, Zimbabwe and India.

5.3 Material injury analysis

The injury information presented below pertains to the evaluation of data for the period 01 May 2022 to 30 April 2025.

5.3.1 Import volumes and effect on prices

5.3.1.1 Import volumes

The following tables show the volume of the allegedly dumped imports of the subject products as sourced from the SARS for the period 01 May 2022 to 30 April 2025.

Table 5.3.1.1: Import volumes

Import volume in (Sqm)	2023	2024	2025
Total alleged dumped imports	14 769 396	24 862 127	31 618 546
Other imports	29 647 260	10 712 276	7 776 850
Total imports	**44 416 656,07**	**35 574 402,81**	**39 395 396,38**
Total alleged dumped imports as a % of total imports	33%	70%	80%
Other imports as a % of total imports	67%	30%	20%
Total imports	**100%**	**100%**	**100%**

The table above shows that total alleged dumped imports from increased by 37 percentage points from 2023 to 2024 and increased further by 10 percentage points from 2024 to 2025, with an overall increase of 47 percentage points during the POI while imports from other countries decreased throughout the POI, with an overall decline of 47 percentage points.

Information at the Commission's disposal therefore indicates that the alleged dumped imports of the subject product have increased significantly during the period of investigation.

5.3.1.2 Effect on Domestic Prices

5.3.1.2.1 Price undercutting

Price undercutting is the extent to which the price of the imported product is lower than the price of the like product produced by the SACU industry. The following table compares the Applicant's ex-factory prices with the landed cost of the alleged dumped imports.

The landed cost is calculated based on FOB export price plus cost of freight, insurance and clearing costs, plus average anti-dumping duties.

The following tables show price undercutting of the subject product from the three countries.

Table 5.3.1.2.1 (a): Landed cost calculation

R/m^2	2023	2024	2025
Average FOB export price	41.80	43.56	42.28
Average Clearing costs	0.14	0.15	0.14
Average import duty	8.89	6.70	7.36
Average landed cost	**44.17**	**45.38**	**44.26**

The figures were indexed due to confidentiality using 2022/23 as a base year

Commission's consideration

Imports from Mozambique, Zambia, and Zimbabwe are exempted from import duty, whereas imports from India are subject to an import duty.

Table 5.3.1.2.1 (b): Price undercutting calculation

R/m^2	2023	2024	2025
SACU's ex-factory selling price	100	96	94
Average landed cost	44.17	45.39	44.26
Average Price undercutting	**100**	**85**	**83**
Price undercutting as a % of SACU's ex-factory selling price: Average	**100**	**88**	**88**

The figures were indexed due to confidentiality using 2022/23 as a base year

On average, the table above indicates that the SACU industry experienced price undercutting during the POI.

The Commission considered the Applicant's allegation that the landed prices clearly indicate that imported products from Mozambique, Zambia, Zimbabwe and India undercut the Appiicant's suppressed selling prices in 2025. In 2023, there were no imports from Mozambique, and the Zambian price did not undercut the SACU Applicant's suppressed selling prices in 2024. The Commission further considered the Applicant's assertion that the rest of the subject countries and the period at which the Applicant's suppressed selling prices were being undercut and also at increasing levels during the POI. The landed prices of the imported products from Mozambique, Zambia, Zimbabwe and India undercut the SACU manufacturers' unsuppressed selling prices in 2025 at even higher levels, which is an indication of material injury being suffered.

5.3.1.2.2 Price depression

Price depression occurs when the SACU industry's ex-factory selling price decreases during the investigation period. The ex-factory prices applicable to the subject products are as follows:

Table 5.3.1.2.2: Price depression

R/m^2	2023	2024	2025
Ex-Factory Selling Prices	100	96	94

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates that the SACU industry's selling prices decreased during the POI, indicating that the industry experienced price depression.

The Commission considered the Applicant's assertion that the selling price of the subject products showed a declining trend over the POI, decreasing year on year from 2023 to 2025, which is clearly indicative that price depression was taking place. It is submitted that for the POI, material injury was being suffered by the SACU Industry.

5.3.1.2.3 Price suppression

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

Table 5.3.1.2.3: Price suppression

	2023	2024	2025
Ex-Factory Selling Price (R/m^2	100	96	94
Production cost (R/m^2)	100	104	106
Production cost as a % of selling price	100	107	113

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates that the Applicant's cost of production as a percentage of selling price increased throughout the POI, with an overall increase of 6 index points. This is evidence that the industry experienced price suppression during the POI.

The Commission considered the Applicant's statement that price suppression was experienced over the period 2023 to 2025 for the subject products, with the cost to price ratio increasing (as a result of the inflationary environment with labour, electricity, water, gas, rates and maintenance costs increasing with the Producer Price Index ("PPI") while these costs cannot be passed on to the customer due to the dumped product in the SACU market) causing the SACU Industry to suffer material injury. The fact that price suppression increased year-on-year makes it clear that constant pressure was being exerted on the SACU Industry by the dumped imports from Mozambique, Zambia, Zimbabwe and India.

5.3.2 Consequent impact of the dumped imports on the SACU industry

5.3.2.1 Sales volumes

The following table shows SACU sales volumes of the subject product:

Table 5.3.2.1: Sales volumes

M^2	2023	2024	2025
Applicant's sales volumes	100	93	93

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above shows that total SACU manufacturers' sales volume decreased by 7 index points from 2023 to 2024, and it was constant from 2024 to 2025, with an overall decrease of 7 index points during the POI.

The Commission considered the Applicant's indication that the SACU Industry's sales volumes for the subject products experienced a decreasing trend over the POI as the volumes declined from 2023 to 2025, substantiating the fact that material injury was being suffered by the SACU Industry.

5.3.2.2 Profits

The following table shows profit situation applicable to SACU:

Table: 5.3.2.2: Profit

	2023	2024	2025
Total Gross profit (R)	100	72	59
Total Net profit (R)	100	55	33

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicated that the Applicant's gross profit decreased by 28 index points from 2023 to 2024 and by 13 index points from 2024 to 2025 with and overall decrease of 41 index points over the POI. While the net profit decreased by 45 index points from 2023 to 2024 and further decreased by 22 index points from 2024 to 2025 with an overall decrease of 66 index points during the POI.

The Commission considered the Applicant's claim that although the SACU industry did realise gross and net profits (value) for the subject products over the period the POI, these profits declined year-on-year. The gross profit value decreased from 100 index points in 2023 to 72 index points in 2024, followed by further decrease in 2025 to 59 index points, amounting to a POI gross profit decrease of 41 index points.

The net profit value decreased from 100 index points in 2023 to 55 index points in 2024, followed by another decrease of 33 index points in 2025, amounting to a POI net profit percentage decrease of 66 percent. These constant declining trends are indicative of the SACU Industry suffering material injury.

5.3.2.3 Market share

The following table gives a breakdown of market share for the subject products based on sales and import volumes:

Table 5.3.2.3: Market share

	2023	2024	2025
Applicant's market share volume (m²)	**100**	**93**	**93**
Total alleged dumped importers' market share volume (m²)	14 769 396	24 862 127	31 618 547
Other imports volume (m²)	29 647 260	10 712 276	7 776 850
Total imports volume (m²)	**44 416 656**	**35 574 403**	**39 395 397**
Total market share volume (m²)	**100**	**86**	**91**
Applicant's market share as a % of total market	100	108	102
Total alleged dumped imports market share %	100	196	236
Other imports market share %	100	42	29
Total importers' market share as a % of total market	**100**	**93**	**98**
Total Market share %	**100**	**100**	**100**

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates that the SACU manufacturer's market share increased by 7 index points from 2023 to 2024, then constant from 2024 to 2025, with an overall of increase of 7 index points during the POI. The alleged dumped imports market share shows an increasing trend and increased by 96 index points from 2023 to 2024 and increasing further by 40 index points from 2024 to 2025, with an overall of increase of 136 index points during the POI.

While other importers' market share decreased by 58 index points from 2023 to 2024 and further decreased by 13 index points from 2024 to 2025 with an overall decrease of 71 index points over the POI.

The data indicates that while the SACU Industry experienced only a modest increase in market share (volume) index points the subject Counties' POI market share (volume) index points increase was considerably higher.

The Commission considered the Applicant's submission that a decreasing SACU market share (value) percentage trend for the subject products over the POI, is as a result of price depression caused by the dumped import volumes from Mozambique, Zambia, Zimbabwe and India.

5.3.2.4 Production volumes

The following table shows SACU industry's total output of the subject product:

Table 5.3.2.4: Output

	2023	2024	2025
Production volumes (m^2)	100	93	90

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above shows that production volumes decreased by 7 index points from 2023 to 2024, and by 3 index points from 2024 to 2025, with an overall decrease of 10 index points during the POI.

The Commission considered the Applicant's explanation that production cannot just be cut back without increasing costs. The SACU manufacturer's total production volume of the subject products presents a decreasing trend for the POI. The SACU Industry's SACU production decreased from 100 index points in 2023 to 94 index points in 2024, whereafter it decreased in 2025 to 90 index points which indicates that material injury is being suffered by the SACU industry.

Commission's consideration

The Commission has noted that the SACU industry is experiencing material injury due to the dumped imports from Mozambique, Zambia, Zimbabwe and India.

5.3.2.5 Employment

The following table provides the SACU's total employment figures:

Table 5.3.2.5: Number of employees in manufacturing (direct and indirect)

	2023	2024	2025
Number of direct employees in production	100	92	93
Number of employees in selling, general & Administration	100	141	136
Total number of employees	100	105	105

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates shows that direct employment decrease by 8 index points from 2023 to 2024 and slightly increased by 1 index points from 2024 to 2025 with an overall decrease of 7 index points over the POI.

The Commission considered the Applicant's submission actual employment, inclusive of contract labourers, reflects a decreasing trend for total labour production from 100 index points in 2023 to 93 index points in 2025. The Applicant further indicated that the retrenching of production workers because of would be a last resort consideration for the SACU manufacturers, but if the dumping continues the SACU Industry will be forced to reduce employee numbers.

Commission's consideration

It was found that employment for the applicant was a mix of both domestic and foreign nationals. It was explained that National ceramic industries("NCI") has recently recruited foreign nationals from different countries to leverage their specialised expertise and enhance operational efficiency. These foreign nationals bring over 20 years of industry experience providing valuable expertise to enhance NCI's operations. In addition to international recruits, NCI also hired a local specialist who previously worked at on the tile's manufacturers, bringing valuable expertise to the team after the company closed.

Rayal, another manufacturer explained that when the company was established in 2013, it started with foreign workers who brought skills not available in South Africa, and they were there to transfer their skills based on their experience and training.

With the specialized technology and skills to produce tiles Rayal has been carrying out systematic training for South African employees since 2015, including the operation principle of production equipment, basic operation of equipment, control of raw materials, allocation, emergency planning for shutdown, solution to problems, and other operational duties. Most of the production and operation skills require on-the-spot operational training, followed by a separate assessment.

5.3.2.6 Productivity

The following table provides the SACU industry's productivity based on output and number of employees in direct production:

Table 5.3.2.6: Productivity

	2023	2024	2025
Total production volume (m²)	100	93	90
Number of employees (in production)	100	92	93
Productivity per employee	**100**	**102**	**96**

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above shows that production per employee increased by 1 index point from 2023 to 2024, then decreased by 5 index points from 2024 to 2025, with an overall decrease of 4 index points during the POI.

The Commission considered the Applicant's affirmation that the productivity of the SACU manufacturers for the subject products shows a decreasing trend for the POI. Should the influx of dumped imports from Mozambique, Zambia, Zimbabwe and India continue to increase, the sales volumes of the SACU Industry are likely to reduce even further. The SACU manufacturers would be under pressure to reduce production volumes in an attempt to keep inventory levels from increasing, which would result in a further decrease in productivity, unless employee numbers are further reduced, which is causing the SACU Industry to suffer material injury.

5.3.2.7 Utilisation of production capacity

The following table provides the SACU industry's capacity utilisation.

Table 5.3.2.7: Capacity utilisation

	2023	2024	2025
Capacity (m²)	100	106	114
Volumes produced (m²)	100	93	90
Capacity utilisation percentage	**100**	**88**	**79**

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates that the SACU industry's capacity utilisation decreased by 12 Index points from 2023 to 2024, and by 9 index points, with an overall of decline of 21 index points during the POI.

The Commission considered the Applicant's assertion that the capacity utilisation by the SACU manufacturers did experience a decrease over the POI, indicating that the SACU Industry is suffering material injury.

It further considered the statement that should the dumped imports from Mozambique, Zambia, Zimbabwe and India continue to increase, the sales volumes of the SACU Industry are likely to reduce further, and the SACU manufacturers would be under pressure to reduce production volumes, which would result in a further decrease in capacity utilisation, causing the SACU Industry to suffer an even greater material injury.

5.3.2.8 Return on Investment

The following table shows SACU industry's return on investment on the subject product:

Table: 5.3.2.8: Return on investment

	2023	2024	2025
Net profits (R)	100	55	33
Net assets/investments (R)	100	102	112
Return on net investments (%)	**100**	**54**	**30**

The figures were indexed due to confidentiality using 2022/23 as a base year

Table shows that return on investments declined by 46 index points from 2023 to 2024, in 2024 to 2025 decreased by 24 index point, with an overall of decline of 70 index points during the POI.

The Commission considered the Applicant's indication that the information provided is for the SACU manufacturers on a total Company, as well as subject products basis. The return on investment is based on the calculation of the net profit of the subject product, expressed as a percentage of the total net assets of the Total Company. It is evident that the return on investment based on net assets, shows a decreasing trend over the period 2023 to 2025, indicating that the SACU Industry is suffering material injury.

5.3.2.9 Cash flow

The table below outlines net cash flow applicable to the subject product:

Table 5.3.2.9: Cash flow

	2023	2024	2025
Cash flow: incoming (R)	100	90	88
Cash flow: Outgoing (R)	100	92	93
Net cash flow (R)	**(100)**	**(237)**	**(702)**

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above reveals substantial losses across all three years, starting in 2023 with the SACU industry recording a negative net cashflow of 100 index points, in 2024 the net cashflow was a negative at 237 index points (losses increased by approximately 137 index points compared to 2023) and in 2025 the SACU industry recorded a negative cashflow of 702 index points (losses nearly tripled compared to 2024). These figures demonstrate a concerning trend of escalating losses over the three-year period.

The Commission considered Applicant's affirmation that the SACU manufacturers' net cash flow of the subject product indicates a negative cash flow in 2023 of 100 index points, which worsened in 2024 to (237) index points and in 2025 the negative cash flow situation dropped to an alarming (702) index point. This deterioration for the POI is the result of constant pressure that is exerted by the subject countries' dumping of the subject products in the SACU market, causing the SACU industry to suffer material injury.

5.3.2.10 Inventories

The following table provides the SACU industry's inventory volumes of the subject products:

Table 5.3.2.10: Inventory volumes

	2023	2024	2025
Finished goods (m^2)	100	145	201

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above shows that inventory volumes increased by 45 index points from 2023 to 2024 and further increased by 56 index points from 2024 to 2025, with an overall increase of 101 index points during the POI.

The inventory levels are subject to fluctuations, based on installed capacity, production levels and market demand, as well as the impact that dumped imports have on the of SACU market trading conditions. The SACU Industry tried to maintain constant inventory levels (volume).

It is further evident that an increasing inventory volume trend exits for the 12-month period, causing the SACU Industry to increase the material injury it is suffering.

The Commission considered the Applicant's affirmation that by holding inventory, the cost increases making it 'expensive' to manufacture and store product. Production can and has been stopped for a period in order to reduce inventory. The SACU Industry has paused some of its production over the last year in order to reduce inventory, as a result of insufficient sales that were caused by the dumped imports from the subject Countries in SACU. Due to the high temperature nature of the process, it requires several unproductive days to cool down and then again to restart and warm the equipment up. Stoppages in production also decreases lifetime of refractories and increases average cost of production. Extended periods of stoppage require labour to take unpaid leave or employers to consider retrenchment.

Commission's consideration

The Commission may, following its factory visit to the Applicant's premises, attest that the increase in inventory volumes has resulted in material injury to the SACU industry. This condition is likely to deteriorate further due to the anticipated increase in dumped imports.

5.3.2.11 Wages and salaries

The following table provides the SACU industry's annual wages:

Table 5.3.2.11: Wages and salaries

(Rands)	2023	2024	2025
Monthly production wages and salaries	100	109	108
Monthly production wages & salaries per employee	100	119	116

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates that monthly wages and salaries for employees involved in the production process increased throughout the POI, with and overall increase of 8 index points while monthly wages and salaries per employee involved in the production process from 2023 to 2024 increased by 19 percent then decreased by 3 index points from 2024 to 2025, with an overall increase of 16 index points. The Commission considered the Applicant's indication that the wages (Production) for the subject products showed an increasing trend over the period 2023 to 2025. Due to the technical nature of the industry and world class automation, the SACU manufacturers offer many high quality and decent jobs There were however employment strategies to reduce employment salary and wage expenditure.

5.3.2.12 Ability to raise capital and investments.

The following table provides the SACU industry's ability to raise capital and investments on the subject products:

Table 5.3.2.12: Ability to raise capital and investments.

(Rand)	2023	2024	2025
Total capital investment	100	114	118
Total Capital expenditure	100	146	47

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above indicates that the SACU industry's capital investment increased throughout the POI, with overall increases of 18 index points while the capital expenditure declined by 53 index points over the same period.

According to the Applicant, there is an increasing trend for the specific subject products for the POI, as the SACU industry continued to invest, to allow them to supply and compete with fair imports in the SACU market. However, against the backdrop of decreasing sales and lost SACU market share, capital expenditure for the Subject Products decreased for the POI.

Commission's consideration

Although the capital expenditure data shows investments of 100 index points were made in 2023 and 146 index points in 2024, the industry's inability to utilize its plant *capacity due to the challenges posed by dumped imports suggests that these investments are not generating the expected returns. The significant decline in capital expenditure to 47 index points in 2025 might be a response to this underutilization. The fact that the plant remains idle despite investments underscores the severity of the injury caused by dumped imports, which is not only affecting the industry's financial performance but also its ability to operate at full capacity.*

5.3.2.13 Growth

The following tables show size of the SACU market applicable to each subject product:

Table 5.3.2.13: Growth

	2023	**2024**	**2025**
Size of the SACU market (volume: m²)	**100**	**86**	**91**
% growth from previous year	-	100	(38)
Applicant sales (volume: m²)	**100**	**93**	**93**
% growth from previous year	-	100	(4)
Total alleged dumped imports (volume: m²)	14 769 396	24 862 127	31 618 547
% growth from previous year	-	68.34%	27.18%
Other imports (volume: m²)	29 647 260	10 712 276	7 776 850
% growth from previous year	-	(63.87)	(27.40%)
Total imports	**44 416 656**	**35 574 403**	**39 395 396**
% growth from previous year	-	(19.91%)	10.74%

The figures were indexed due to confidentiality using 2022/23 as a base year

The table above shows that the size of the SACU market declined by 9 index points during the POI, and the Applicant also experienced a decline of 7 index points during the same period. The alleged dumped imports grew by 114 index points during the POI.

5.3.3 Summary of material injury

Based on the above information, the evaluation of the injury information of the SACU industry for the period 01 October 2022 to 30 September 2024 shows that material injury is being experienced in terms of the following:

- Price depression;
- Price suppression;
- Declining sales volume;
- Impact on market share;
- Declining profits;

- Declining production volumes;
- Declining utilisation of production capacity;
- Declining return on investment;
- Impact on cashflow;
- Impact on inventory level; and
- Slowdown in growth.

Based on the above, the Commission made a preliminary determination that the SACU industry is experiencing material injury.

6. THREAT OF MATERIAL INJURY

6.1 Freely disposable capacity or imminent substantial increase in capacity of the exporter.

The Applicant stated that there is limited literature available on the freely disposable capacity of the plants in India, Mozambique, Zambia and Zimbabwe. However, it is known that the domestic markets of these countries cannot accommodate the normal production capacity of modern tile plants.

The Applicant submits that none of the plants in Mozambique, Zambia or Zimbabwe has managed to run close to full capacity yet. The factory in Mozambique only started production in March 2024. The Applicant submitted that based on its own experience, it is common practice with product operations, that when new production capabilities are put into operation, it does not occur at full capacity, but more likely between 50 and 75 percent, which might be even lower depending on demand. Accordingly, there will still be significant extra production available for export to South Africa.

Safira Mozambique Ceramic, located in Moamba district, Maputo province, is a ceramics factory with a production capacity of 100 000 square meters of terrazzo and ceramic tiles per day. The facility was built with an investment of approximately USD100 million and was inaugurated in September 2024. It must be noted that Keda Industrial, which is a parent company of Safira Mozambique Ceramic did lend USD 33.5 million from the International Finance Corporation, to build a ceramic tile manufacturing facility.

Marcopolo Tiles Company Limited that was incorporated on 08 July 2016, is the first integrated tile and sanitary ware manufacturing company in Zambia, and the first to produce porcelain tiles in the region. MTCL commenced production in 2017 with an installed capacity of 10 800 000 square meters of tiles per annum. MTCL claims to produce high quality ISO 9001:2015 certified 1st grade products for interior and exterior.

Keda Zambia Ceramics Company Limited expanded the already existing tile manufacturing plant in the Lusaka South Multi Facility Economic Zone and increased its production capacity of tiles from 30 000 square meters to 45 000 square meters per day.

It was recorded in 2019 that Sunny Yi Feng Tiles (Zimbabwe) Pvt Ltd was producing 25 000 square meters of tiles a day, whilst having an installed capacity of 35 000 square meters a day.

The Applicant further stated that there is considerable production, much of which is ample, as the domestic Mozambique, Zambia, Zimbabwe and India markets are not able to absorb the full production capabilities and export market will remain focus points to channel the excess production volumes.

It is reported that the Indian domestic market in the organized sector expanded at a 35% Compound Annual Growth Rate ("CAGR") between FY18 and FY23, while the unorganized sector grew at a 12% rate. It is expected that the organized sector will grow at 15% CAGR until 2025, while the unorganized sector will grow at a slower rate of 4%. Leading organized players like Kajaria and Somany, as well as export-oriented, unlisted companies like Simpolo, Qutone, and Varmora, are driving growth by aggressively promoting their brands and capturing market share from unorganized players. India's ceramic tile sector has tremendous export development, and it was projected that India will become the world's second-largest exporter by 2023. India's leading market position is exceptional, given that India shipped only 55 million sqm of tiles in 2013, placing tenth globally. By 2023, the amount had climbed to 589.5 million square meters, with more than half been shipped outside of Asia.

6.2 Significant increase of allegedly dumped imports into the SACU market

As manufacturers from India, Mozambique, Zambia and Zimbabwe seek to penetrate the South African market in order to sell their full capacity and enable production at economies of scale, more dumped imports from the subject Countries are expected.

The Africa Ceramic Tiles Market is projected to grow from approximately USD 2 billion in 2024 to around USD 5 billion by 2030, registering a compound annual growth rate (CAGR) of 5.8% during this period. This growth is driven by increasing urbanization, rising residential, commercial construction projects, and growing demand for durable and aesthetically appealing flooring solutions. Government infrastructure initiatives and a focus on affordable housing are also expected to contribute to the market's expansion. Additionally, advancements in tile manufacturing and design are likely to boost the demand for ceramic tiles across the region through 2030.

Within the Africa Ceramic Tiles Industry, governments have implemented a variety of policies and schemes to boost the respective countries' industries' growth and to ensure sustainability. These include tax incentives for manufacturers using local raw materials, subsidies for energy-efficient production methods, and grants for research and development in eco-friendly tile production techniques. Additionally, some countries have introduced stricter import regulations to protect local manufacturers from cheap imports and have invested in training programs to enhance the skills of the workforce in this sector.

Mozambique is identified as having Africa's largest tile factory, with its production capacity of 1 000 square meters of tiles per day. Mozambique intends to position itself as an exporter of tiles as a way of increasing revenue. The new production plant in Mozambique is a strategic component for boosting the development of the tile production chain in Mozambique, positioning the country among the largest exporters of tiles.

The SACU Industry has already experienced the devastating impact that imports from Mozambique have had in the short period since the new facility became operational and the already increasing import volumes will substantially increase in future, unless effective remedial action is taken against the dumped imports.

The Sunny Yi Feng Tiles (Zimbabwe) Pvt Ltd is also an improving exporter, which poses a threat to the SACU Industry.

In India, the domestic market accounts for approximately 64 percent of the Indian ceramic tiles industry's revenues while the rest is generated through exports. India's ceramic tile exports witnessed robust year on year growth of 40 percent to 589.5 million square meter in calendar year ("CY") CY2023, which helped it to become the world's largest exporter, up from the second position in CY2022. Lower production cost than other markets (like Spain, Portugal) as well as Anti-Dumping duties on Chinese products have ameliorated Indian ceramic tile exports in the recent years.

There is an Anti-Dumping petition submitted in the United States of America ("USA") to impose substantial dumping duties of between 328 percent to 489 percent on imports of ceramic tiles from India to remedy less than fair value imports that the Coalition claims have injured domestic manufacturers and flooded the market with uncertified porcelain tile. There is also a countervailing duty (or anti-subsidy) petition that was brought for the imposition of additional countervailing duties to remedy the impact of numerous Indian government subsidies that have further injured domestic manufacturers. With the USA international Trade Administration final determination expected by approximately June 2025, it appears most likely that definitive measure will be imposed against India, which will force exporters to seek open market opportunities where unfair trade practices are being tolerated.

Commission's consideration

Despite the Applicant's not substantiating the significant increase of allegedly dumped imports into the SACU with import volumes from the subject countries, the Commission's analysis reveals a substantial surge in allegedly dumped imports into the SACU market. The import volume of the subject product rose from 100 index points in 2023 to 214 index points in 2025. This represents a significant increase in market share, from 33 percent to 80 percent of total imports, marking a 47-percentage point increase.

6.3 The products concerned enter the country at prices that will have a significant depressing or suppressing effect on SACU prices

The increase in dumped imports from the subject countries has depressed the SACU industry's selling prices, as manufacturers have been forced to lower prices to remain competitive in the SACU market. Consequently, the industry has been unable to pass on rising costs to customers in South Africa through price increases over the POI. In this regard, the consolidated selling price data of the

SACU manufacturers show a decreasing selling price trend for the subject products over the POI, coupled with an increasing trend in costs for the SACU industry over the same period. The effect of the failure to recover inflationary increases of costs over the POI, despite improved efficiencies, has resulted in declining margins and profitability by the SACU industry.

Further, it is expected to continue to substitute locally manufactured subject products, resulting in reduced profitability and potential plant stoppages.

6.4 The exporters' inventories of the Subject product

The Applicant indicated that there is no literature available of the inventories of the exporters from Mozambique, Zambia, Zimbabwe and India.

6.5 The state of the economy of the country of origin/export and its influence on the operations of the Manufacturers /exporters.

Mozambique

Mozambique, despite experiencing an average annual GDP growth of around 8% between 1994 and 2006, remains one of the poorest and most underdeveloped countries globally. Since 2014/15, household consumption has significantly decreased, and economic inequality has risen. The IMF labels Mozambique as a heavily indebted poor country, with a 2006 survey indicating that many citizens felt their economic situation had worsened. The country has seen a notable recovery post-civil war, achieving growth rates of 6-7% from 2006 to 2011, largely driven by foreign investment, economic reforms, and sectors like agriculture, transportation, and tourism. In 2013, approximately 80% of the workforce was employed in small-scale subsistence farming, with most arable land uncultivated. Additionally, there has been a return of Portuguese citizens due to Mozambique's improving economy. The government has privatized over 1,200 small state-owned enterprises and is working toward further privatization of key sectors, while also reforming customs duties and management to increase domestic revenue.

Zimbabwe

The economy of Zimbabwe primarily depends on its tertiary sector, contributing about 60% to the GDP as of 2017. Although it experienced growth averaging 12% from 2009 to 2013, the economy faced challenges, including a slowdown to 0.7% growth in 2016. A land redistribution program initiated in 2000 aimed to transfer white-owned farms to the black majority but resulted in a loss of agricultural expertise, severely impacting food production and exports. While staple crops like maize have seen some recovery, export crops like tobacco and coffee continue to struggle. The country has also faced hyperinflation and high unemployment, which reached 94% by 2008. Government intervention in the economy is significant, with high taxes, tariffs, and regulations complicating business operations.

A 2014 report by the Africa Progress Panel revealed that Zimbabwe had the longest projected timeline190 years to double its per capita GDP among the countries studied. The nation's economic prospects have been negatively impacted by uncertainties surrounding the indigenisation programme, limited press freedom, potential changes in currency policy, and political instability following the end of a unity government and internal power struggles within ZANU-PF. In an effort to engage with international financial institutions, Zimbabwe entered a second Staff Monitored Program with the IMF in 2014 and repaid around USD108 million in arrears to the IMF in 2016. However, new financing remains unlikely due to the government's failure to clarify its plan for repaying over USD 1.7 billion in arrears to the World Bank and African Development Bank. The lack of land tenure, restrictions on repatriating dividends, and ambiguity in the Indigenization and Economic Empowerment Act continue to deter both foreign and domestic investment.

In September 2016, Zimbabwe's finance minister cited low production, a significant trade gap, and limited foreign investment as key factors hindering economic performance. The World Bank reported in October 2022 that Zimbabwe's economic development suffers from price and exchange rate instability, misallocation of resources, and unsustainable debt, with external debt at 76% of GDP, over 70% of which is in arrears. Despite some growth in sectors like mining and tourism due to high commodity prices and eased COVID-19 restrictions, agricultural production faced challenges, leading to a projected GDP growth slowdown to 3.4% in 2022. To address inflation, the Central Bank increased interest rates and implemented measures to stabilize the forex market. Inflation was expected to reach 213% in 2022 and remain high into 2023, with GDP growth anticipated at 3.6% as agricultural conditions improve.

Nonetheless, risks from global slowdowns, commodity price volatility, and climate change remained significant, along with fiscal pressures from wage demands and agricultural spending. The poverty rate is expected to decline slightly, but vulnerabilities due to climate impacts and inflation will persist, affecting household finances.

Zambia

Zambia has faced significant economic challenges and development issues in recent decades. In 2022, the country averaged between USD 7.5 billion and USD 8 billion in exports annually, a decrease from USD 9.1 billion in 2018. Poverty remains a critical concern, with 54.4% of the population living below the national poverty line in 2015, and a multidimensional poverty rate of 47.9% reported by the UN in 2018. The country's life expectancy improved from about 40.9 years in 2007 to approximately 62 years by 2023. Historically, Zambia fell into poverty due to declining copper prices in the 1970s and a series of ineffective economic reforms. By the late 1990s, the economy began to grow again, achieving nine consecutive years of growth by 2007. However, obstacles such as economic reforms, extensive regulations, and corruption persist. In 2000, Zambia's foreign debt exceeded USD 6 billion, and the country qualified for the Highly Indebted Poor Country Initiative (HIPC) debt relief. Efforts to privatize state-run industries faced delays due to overspending and civil service wage issues. The Zambian government is now focusing on economic diversification to lessen reliance on copper mining, aiming to promote agriculture, tourism, gemstone mining, and hydropower. In 2018, significant agreements were signed with Turkey to enhance trade, investment, and tourism.

India

In 2024, the Indian economy was valued at USD3. 94 trillion, making it the fifth largest by market exchange rates and the third largest by purchasing power parity (PPP) at USD15. 0 trillion. Over the past two decades, India has experienced a strong average annual GDP growth rate of 5. 8 percent. The labour force, consisting of 522 million workers, is the second largest globally, with the service sector contributing 55.6 percent of GDP. India received the highest foreign exchange remittances in 2022, amounting to USD100 billion.

Key industries include textiles, telecommunications, and pharmaceuticals, and India ranks as the second-largest textile exporter after China. By 2030, the middle class is expected to reach 580 million. India is seen as a favourable outsourcing destination, with significant advancements in its financial and banking sectors. The GDP per capita rose from USD308 in 1991 to an estimated USD2,731 in 2024, with predictions of reaching USD3,264 by 2026. The country supports a robust consumer market, ranked fifth globally in 2023.

6.6 Any other information relevant to your allegation that the infliction of material injury is imminent.

From the material injury data as supplied by the SACU manufacturers, it clear that the SACU Tile Industry suffered material injury over the POI as, amongst others their prices were depressed and suppressed, and as a result their profits also decreased over the POI as a result of the dumped imports from India, Mozambique, Zambia and Zimbabwe. The downward trend from 2022 to 2024 of certain material injury indicators is indicative that although the Tile Industry suffer material injury over the POI, the injury is and will get more severe going forward if the unfair trade from Mozambique, Zambia and Zimbabwe is not addressed.

Based on the above, the Commission made a preliminary determination that the information provided by the Applicant there is a threat of material injury.

7. CAUSAL LINK

7.1 General

In order to for the Commission to initiate an investigation, the Commission must be satisfied that there is sufficient evidence indicating that the material injury and or threat thereof experienced by SACU industry is a result of the dumping of the subject product from Mozambique, Zambia, Zimbabwe and India combined.

According to ADR16.1, in considering whether there is a causal link between the dumping and the material injury, the Commission shall consider all relevant factors, including, but not limited to:

(a) the change in the volume of dumped imports, whether in absolute or relative terms;

(b) the price undercutting experienced by the SACU industry;

(c) the market share of the dumped imports;

(d) the magnitude of the margin of dumping; and

(e) the price of un-dumped imports available in the SACU market.

The following factors are evaluated to establish whether there is a causal link between the alleged dumped imports and the material injury experienced by the SACU industry.

7.2 Volumes of imports and market share

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

7.2.1 Import volumes

The following tables show the volume of the allegedly dumped imports of the subject products as sourced from SARS for the period 01 October 2021 to 30 September 2024.

Table 7.2.1 Import volumes

Import volume in (Sqm)	2023	2024	2025
Total alleged dumped imports	14 769 396	24 862 127	31 618 547
Other imports	29 647 260	10 712 276	7 776 850
Total imports	**44 416 656**	**35 574 402,81**	**39 395 397**
Total alleged dumped imports as a % of total imports	33%	70%	80%
Other imports as a % of total imports	67%	30%	20%
Total imports	**100%**	**100%**	**100%**

The Commission considered the Applicant's claim that the bulk of the subject products from Mozambique from March 2024 to January 2025 were imported under tariff subheading 6904.90, instead of under subheading 6907. There were no longer imports from Mozambique recorded under tariff subheading 6904.90 form the period February 2025 to April 2025. It is submitted that the incorrect clearance of the subject products under tariff subheading 6904.90 was realised and changed during January 2025. The Applicant stated that the subject products' imports volumes in sqm for Mozambique and Zambia showed substantial increases over the period 2023 to 2025. In the case of Zimbabwe and India, their imports, (volume in sqm showed decreased for the period 2023 to 2025. However, for the four subject countries combined, their imports volume in sqm, increased by 114.08 percent over the POI.

Commission's consideration

The Commission noted that the subject products imported from Mozambique were incorrectly cleared under tariff subheading 6904.90 and *extended the of volume of the dumped imports in SACU, they were taken into consideration for dumped volume calculations.*

7.2.2 Market share

The following table shows the market share based on sales and import volumes:

Table 7.2.2: Market share

	2023	2024	2025
Applicant's market share as a% of total market	100	108	102
Total alleged dumped importers' market share%	100	196	236
Other importers' market share %	100	42	29
Total imports market share as a% of total market	**100**	**93**	**98**
Total Market share %	**100**	**100**	**100**

7.2.3 Effects of dumped imports on prices

The following table shows the price effects on the SACU industry in terms of the subject products:

Table 7.2.3: Price undercutting, price suppression and depression

Period	2023	2024	2025	Change 2023 - 2025
SACU's ex-factory selling price (R/m^2)	100	96	94	Decreased by 6 index points
Average FOB export price	42	44	42	Constant index point
Cost of production as % of selling price	100	107	113	Increased by 13 index points
Price undercutting as a % of SACU's ex-factory selling price: Average	**100**	**88**	**88**	Decreased by 12 index points

7.2.4 Consequent impact of alleged dumped imports

The information at the Commission's disposal indicates that SACU industry suffered material injury during the POI as follows:

Table 7.2.4: Material injury indicators

Period	Change 2023-2025
Price Depression (R/ m^2)	Decreased
Price Suppression (%)	Increased
Sales volume (volume: m^2)	Decreased
Market share	Increased
Gross Profit (R)	Decreased
Net Profit (R)	Decreased
Output (volume: m^2)	Decreased
Productivity (volume: m^2)	Decreased
Capacity utilisation (%)	Decreased
Return on investment (%)	Decreased
Net Cash flow (R'000)	Negative
Inventory volume (volume: m^2)	Increased
Employment	Decreased
Wages and Salaries (R)	Increased
Ability to raise capital investment (Capital investment) (R)	Increased
Ability to raise capital investment (Capital expenditure) (R)	Decreased
SACU industry market growth (volume: m^2)	Decreased

Based on the above, the Commission made a preliminary determination that the SACU industry is experiencing material injury.

7.2.5 Factors other than dumping causing material injury

Table 7.2.5: Examination of causality under Article 3.5

Period	**2023**	**2024**	**2025**	**Change 2023 - 2025**
FOB prices for imports not sold at dumped prices (R/m^2)	43,93	89,33	119,26	171.48%
Volume of imports not sold at dumped prices (sqm)	29 647 260	10 712 276	7 776 850	(73.77%)
Changes in demand or patterns of consumption	Nothing that the SACU Industry is aware of.			
Trade-restrictive practices of foreign and domestic manufacturers	There are no trade restrictive practices in place against the Subject products from Mozambique, Zambia and Zimbabwe that the SACU Industry is aware of.			
Developments in technology	There were no known recent developments in technology that would place SACU manufacturers at a disadvantage, compared with the technology of the exporters.			
Other factors affecting SACU prices	Nothing that the SACU Industry is aware of.			
Export performance of the domestic industry	The SACU manufacturers are primarily focusing on supplying the domestic market but do have limited exports to African countries outside SACU. However, the supplied injury data relates only to the sales in the SACU market where material injury is suffered, as a result of the dumped imports.			
Productivity of the domestic industry	The SACU manufacturers believes that its productivity is comparing favourably with its competitors. However, as a result of the continuation of dumping the SACU Industry's productivity will be affected as these imports impact on the production of the SACU manufacturers.			
Any strikes, go-slows, or lockouts during the past twelve calendar months?	The SACU manufacturers did not experience any labour actions that impacted negatively on production during the POI.			
The effect of the changing exchange rate	The exchange rate does impact on the SACU manufacturers, with fluctuations in the currency more severely impacting the SACU manufacturers' selling prices than the SACU manufacturers' production costs.			

	This is currently the case due to the dumped imports, as maintaining market share is critical for the sustainability of the SACU manufacturers.
Any other factors that affecting your sa!es or your sa!es prices, including the state of the economy and the industry.	None that the SACU Industry is aware of, except for the volume of dumped imports and their prices from India, Mozambique, Zambia and Zimbabwe in the SACU market.

Commission's consideration

The Commission noted that over the POI, the alleged dumped imports from India, Mozambique, Zambia and Zimbabwe increased from 14,769,396 m² in 2023 to 31,618,546 m² in 2025 an increase of 114.08 percent.

- *During the same POI, the Applicant's sales volume decreased by 7.19 and the market share increased slightly by 1.13 percent, while the alleged dumped imports increased by 23.58 percent. The SACU market for the subject product declined during the POI. However, the increase in alleged dumped imports is exacerbating the situation in the SACU industry.*

- *Over the POI, production volumes decreased by 9.77 percent. It is the Commission's' observation that the high import volume of the subject product imports into the SACU market contributed to the decline in output.*

  The Applicant's productivity and capacity utilisation have experienced significant declines, with productivity decreasing by 13.49% and capacity utilisation dropping by 18.79 percentage points. These declines are directly linked to the 9.77% reduction in output, which is further compounded by a 6.66% decline in employment levels.

  The reduction in output is a primary driver of the declines in productivity and capacity utilisation. With output decreasing at a rate of 9.77%, the Applicant's productivity has suffered, resulting in a 13.49% decline. The significant drop in capacity utilisation (18.79 percentage points) indicates that the Applicant's production facilities are not being used to their optimal potential, likely due to reduced demand or market share loss. The 6.66% decline in employment levels may be a response to reduced production needs, further impacting productivity and output.

The simultaneous decline in these factors suggests a causal link to the alleged dumped imports. The influx of low-priced imports may have reduced market demand for the Applicant's products, forced the Applicant to decrease production levels, impacted the Applicant's ability to utilise capacity efficiently and led to a decline in productivity and employment levels.

- *Price effect - The alleged dumped imports are priced lower than the Applicant's subject product. During the POI for dumping, the alleged dumped imports undercut the Applicant's price by 30.95 percent. The influx of allegedly dumped imports forced the Applicant to reduce their prices to remain competitive. This price reduction directly impacted the Applicant's revenue and profitability. Furthermore, the presence of allegedly dumped imports in the market prevented the Applicant from increasing prices to levels that would have been achievable in the absence of such imports. This price suppression limited the Applicant's ability to recover costs, invest in growth, or improve profit margins.*

  The combined effect of price depression and suppression has had a significant adverse impact on the Applicant's financial performance, hindering their ability to operate profitably and sustainably.

  The Applicant's financial performance over the POI reveals significant declines on return on investment, decline in profits and negative net cashflow. A 13.69 percentage point decrease in ROI indicates reduced efficiency in generating returns with the persistent negative cash flow suggests ongoing liquidity challenges. While a 41.06% decline in gross profit points to reduced pricing power and increased cost pressures with a substantial 66.09% decline in net profit underscores the severity of the financial impact.

  The declines in financial performance are likely attributed to the Applicant's price suppression and depression in response to alleged dumped imports undercutting its prices. This supports a causal link between the material injury suffered by the Applicant and the alleged dumped imports. Therefore, this reinforces the connection between the alleged dumped imports and the Applicant's material injury, highlighting the negative impact on financial performance.

- *The alleged dumped imports are growing in the SACU market and definitely are threating to cause material injury to the SACU industry, and if they are allowed to continue unchecked, the threat will adversely affect the existence or viability of the SACU industry.*

Therefore, there is a causal link between the alleged dumped imports and the material injury suffered by the SACU industry and the threat of material injury experienced by the SACU industry. There are also no other factors that sufficiently detract from the material injury and threat of material injury.

Based on the above, the Commission made a preliminary determination that there is a causal link between the alleged dumping of the subject product and material injury experienced by the SACU industry.

8. PROVISIONAL PAYMENT

8.1 In line with ADR 33, the Commission decided to impose provisional measures to protect the SACU industry against further dumping and material injury while the investigation is ongoing.

8.2 According to ADR 17, the Commission shall consider applying the lesser duty rule if both the cooperating exporter responds fully with its related importer. The lesser duty means that the provisional payment or anti-dumping duty is imposed at a lesser of the margin of dumping or the margin of injury, which is deemed sufficient to remove the injury caused by the dumping. In this case all the exporters' and importers' responses were found to be deficient. Consequently, the lesser duty rule does not apply.

8.3 In this regard, while foreign exporters/manufacturers cooperated, the responses were found to be deficient and could not be used for the purpose of preliminary determination.

8.4 Therefore, the Commission made a preliminary determination to request the Commissioner of SARS to impose provisional payments for a period of 6 months pending the finalisation of this investigation, as per Table 9 below.

9. PRELIMINARY DETERMINATION

The Commission made a preliminary determination that:

- Dumping of ceramic and porcelain wall and floor tiles, excluding finishing ceramics, mosaic cubes and the like originating in or imported from India, Mozambique, Zambia and Zimbabwe is taking place;
- The SACU industry is suffering material injury,
- There is a threat of material injury.
- There is a causal link between the alleged dumped imports and the material injury suffered by the SACU industry.

Therefore, the Commission made a preliminary determination to request the Commissioner for SARS to impose provisional payments for a period of 6 months pending the finalisation of this investigation, as per Table 9 below:

Table 9: Provisional Payments

Country	Manufacturer	Tariff Sub-heading	Provisional payments
Mozambique	All manufacturers in Mozambique	6907.21; 6907.22; 6907.40 and 6904.90	*132.65% ad valorem*
Zambia	All manufacturers in Zambia	6907.21; 6907.22; 6907.40 and 6904.90	*132.82% ad valorem*
Zimbabwe	All manufacturers in Zimbabwe	6907.21; 6907.22; 6907.40 and 6904.90	*231.62% ad valorem*
India	All manufacturers in India	6907.21; 6907.22; 6907.40 and 6904.90	*95.87% ad valorem*

Interested parties are invited to submit comments and make representations on the preliminary determination within the specified time periods, which the Commission will consider prior to making its final determination and recommendation to the Minister of Trade, Industry and Competition.