



**Australian Government**  
**Anti-Dumping Commission**

Application for the publication of  
dumping and/or  
countervailing duty notices

CERTAIN  
CRYSTALLINE SILICON  
PHOTOVOLTAIC MODULES  
OR PANELS  
exported from  
CHINA

January 2014

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**APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES**

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**DECLARATION**

I request, in accordance with Section 269TB of the Customs Act 1901, that the Minister publish in respect of goods the subject of this application:

- a dumping duty notice, or
- a countervailing duty notice, or
- a dumping and a countervailing duty notice

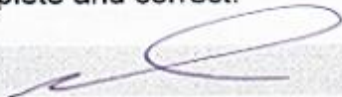
This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Signature:



Name:

Adrian Ferraretto

Position:

Managing Director

Company:

Tindo Manufacturing Pty Ltd

ABN:

94 154 806 194

Date:

31-01-2014

# PART A

## INJURY

### TO AN AUSTRALIAN INDUSTRY

#### **IMPORTANT**

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

For advice about completing this part please contact the Commission's client support section on:

**Phone:** 1300 884 159  
**Fax:** 1300 882 506  
**Email:** [clientsupport@adcommission.gov.au](mailto:clientsupport@adcommission.gov.au)

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### A-1 Identity and communication.

Please nominate a person in your company for contact about the application:

Contact Name:	Adrian Ferraretto
Company and position:	Managing Director
Address:	Unit 5, 6- 8 Second Avenue Mawson Lakes SA 5095
Telephone:	+61 408 700 965
Facsimile:	
E-mail address:	adrian@tindosolar.com
ABN:	36 126 610 142

#### Alternative contact

Name:	Ben Kerrv
Position in company:	Manager
Address:	Unit 5, 6- 8 Second Avenue Mawson Lakes SA 5095
Telephone:	+61 402 152 395
Facsimile:	
E-mail address:	ben@tindosolar.com

If you have appointed a representative to assist with your application, provide the following details and complete [Appendix A8 \(Representation\)](#).

Name:	Arthur Vlahonasios
Business name:	Australian Industry Group
Address:	20 Queens Road, Melbourne VIC 3004
Telephone:	+61 3 9867 0267
Facsimile:	
E-mail address:	trade.remedies@aigroup.asn.au
ABN:	76 369 958 788

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### A-2 Company information.

1. State the legal name of your business and its type (eg. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.

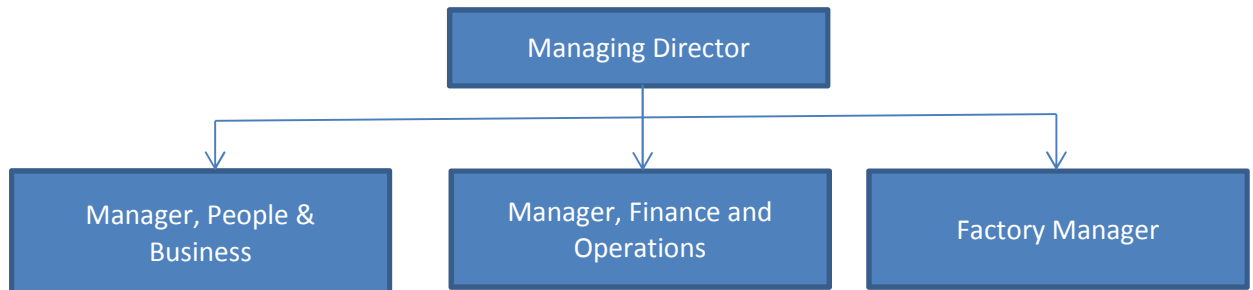
Tindo Manufacturing Pty Ltd (ABN 94 154 806 194) (**Tindo**) is a proprietary company and the Australian producer of “like goods” to the good that are the subject of this application (the **imported goods**).

Tindo Solar Pty Ltd (ABN 43 154 806 354) (**Tindo Solar**) is the proprietary company. Tindo Solar is responsible for the sale of the Australian “like goods” into the residential sector of the Australian market.

Tindo Commercial Pty Ltd (ABN 93 153 095 400) (**Tindo Commercial**) is a proprietary company. Tindo Commercial is responsible for the sale of the Australian “like goods” into the commercial sector of the Australian market.

The name Tindo Solar® is a registered trademark of Tindo Pty Ltd (Trade Mark No. 1448325).

2. Provide your company’s internal organisation chart. Describe the functions performed by each group within the organisation.



#### ***Managing Director***

Responsible for the overall management of Tindo. Co-ordinates the strategic planning and functional operation of the business.

#### ***Manager, Finance and Operations***

Responsible for the management of the finance and administration functions of the business. Co-ordinates the stewardship of the company assets, legislative compliance and reporting. Also, responsible for the procurement, manufacturing and distribution of both raw material and finished product.

#### ***Manager, People & Business***

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Functional responsibility for the Human Resources function including the health, safety and welfare of the personnel of the business. Co-ordinates the sales and customer relationships.

### ***Factory Manager***

Oversees the manufacturing system and processes and product quality functions.

3. List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.

Tindo (Tindo Manufacturing Pty Ltd), Tindo Solar (Tindo Solar Pty Ltd) and Tindo Commercial (Tindo Commercial Pty Ltd), are all wholly owned subsidiaries of Tindo Pty Ltd.

4. If your company is a subsidiary of another company list the major shareholders of that company.

Tindo Pty Ltd [REDACTED] (ABN [REDACTED]) [*investment structure*]

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

Not applicable

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

Refer **CONFIDENTIAL ATTACHMENT A-2.6**.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

Any management fees/corporate allocations charged are disclosed in the **CONFIDENTIAL APPENDIX A6.1**.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

The applicant has no relationship with the manufacturers or exporters to Australia of the goods that are the subject of this application. The applicant has previously supplied Australian "like goods" to the importers of the goods that are the subject of this application, in commercial arm-length transactions between vendor and purchaser.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

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A brochure is supplied at **NON-CONFIDENTIAL ATTACHMENT A-2.9.1** for the Tindo Karra 250W AC model.

A copy of Tindo Solar's Capability Statement 2013 is provided at **CONFIDENTIAL ATTACHMENT A-2.9.2**.

A copy of the Trial Balance for Tindo for Financial Year 2013 is provided at **CONFIDENTIAL ATTACHMENT A-2.9.3**.

A copy of the Trial Balance for Tindo Solar for Financial Year 2013 is provided at **CONFIDENTIAL ATTACHMENT A-6.3.2**.

A copy of the Trial Balance for Tindo Equipment Leasing Pty Ltd for Financial Year 2013 is provided at **CONFIDENTIAL ATTACHMENT A-6.3.3**.

A Trial Balance is not available for Tindo Commercial as it commenced trading activity in July 2013, and has not completed a full fiscal period of trade.

### 10. Provide details of any relevant industry association.

Tindo is not a member of any relevant industry associations.

### A-3 The imported and locally produced goods.

1. Fully describe the imported product(s) the subject of your application:
  - Include physical, technical or other properties.
  - Where the application covers a range of products, list this information for each make and model in the range.
  - Supply technical documentation where appropriate.

The product subject to this application is crystalline silicon photovoltaic (**PV**) modules or panels, whether exported assembled or unassembled, and whether or not they have an inverter, capable of producing any power in terms of Watt (**W**).

The following product types are excluded:

- cells and wafers of the type used in PV modules or panels;
- solar chargers that consist of less than six cells, are portable and supply electricity to devices or charge batteries; and
- PV products that are permanently integrated into electrical goods, where the function of the electrical goods is other than power generation, and where these electrical goods consume the electricity generated by the integrated crystalline silicon photovoltaic cell(s).

A PV module is a packaged, connected assembly of solar PV cells. A solar PV cell

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is an electrical device that converts the energy of light directly into electricity by the photo-electric effect. It is a form of photoelectric cell (in that its electrical characteristics—e.g. current, voltage, or resistance—vary when light is incident upon it) which, when exposed to light, can generate and support an electric current without being attached to any external voltage source, but does require an external load for power consumption. There are two key species of silicon crystalline cells in commercial use today, namely poly-crystalline (also known as multi-crystalline) and mono-crystalline cells. The difference between the two silicon crystalline structures lies at the atomic level, namely, mono-crystalline silicon (Si) or single-crystal Si, or mono-Si, consists of silicon in which the crystal lattice of the entire solid is continuous, unbroken (with no grain boundaries) to its edges. On the other hand, poly- (or multi-) crystalline silicon is composed of a number of smaller crystals or crystallites and consists of multiple small silicon crystals. Poly-crystalline cells can be recognized by a visible grain, a "metal flake effect". Both are used to perform the underlying function of the solar PV module, namely the conversion of sunlight to electrical current. The difference between these two species of cells is the efficiency with which they perform this function (see below, section A-3.1). Both solar PV modules composed of poly-crystalline and mono-crystalline silicon cells are the goods the subject of this application.

A solar panel (or array) is a set of PV modules electrically connected and mounted on a supporting structure. The PV module can be used as a component of a larger PV system to generate and supply electricity in commercial and residential applications.

The relationship between PV cells, modules and panels (or arrays) are illustrated in the following diagram A-3.1, below.



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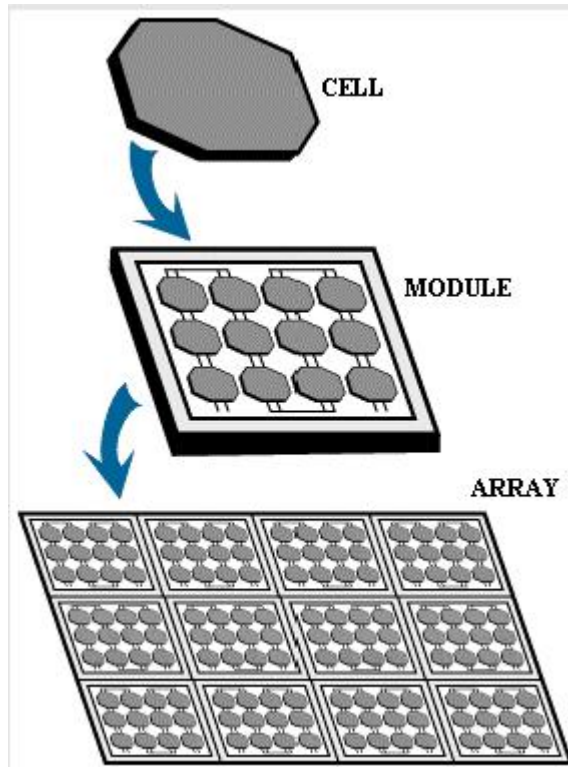


Diagram A-3.1 Graphical representation of relationship between PV cells, modules and panels (or arrays) (Source: Gil Krier, 'How do photovoltaic work?', NASA, 2002)

The efficiency of a PV module determines the area of a module given the same rated output - an 8% efficient 240 Watt module will have twice the area of a 16% efficient 240 Watt module. A single solar module can produce only a limited amount of power; most installations contain multiple modules. Therefore, an installed PV system typically includes, at a minimum, a PV panel or an array of solar modules, an inverter and interconnecting wiring.

PV modules or panels installed in Australia must be certified and approved to AS/NZS 5033 photovoltaic installations. This standard is called up by AS3000 which is legislated in each State. Section 4 states that modules or panels shall be compliant with IEC/EN 61730 and either IEC/EN 61215 or IEC/EN 61646. This was enforced since 1 June 2009. PV systems above 50 volts (open circuit) or 240 Watts must meet Application Class A of IEC/EN61730.

From 16 July 2013 PV modules or panels installed on roofs must be compliant with IEC 61730 only, and must be certified as Fire Class C or better. Roof integrated modules may have additional requirements under the *Building Code of Australia* (BCA).

PV systems less than 50 Volt (open circuit) or 240 Watts do not need Application Class A of IEC/EN 61730 certification, however they should have Application Class C of IEC/EN 61730.

The Clean Energy Council maintains the database and website listing of AS 5033

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compliant PV modules or panels. The list shows the licence holder, model number and power rating of each approved module. This should correspond directly with the module label. The modules should be advertised and sold under the same name and model numbers. Brand names which are owned by the certificate holder can be shown in brackets on the website listing. Brand names should only be used in association with the certificate holder name.

The modules are always listed on the AS5033 compliant modules list under the certificate holder name, and the model numbers shown on the certificate. Importers or distributors branding OEM products must obtain a certificate in their own name showing their product numbers, as offered for sale in Australia.

A current listing of AS 5033 compliant PV modules or panels are attached as **NON-CONFIDENTIAL ATTACHMENT A-3.1.1** and may be used to identify the range of PV module or panel products by their make and model and registered importer or distributor.

As the applicant is the sole producer of “like goods” in Australia, all models other than those to which Tindo Solar is identified as the licensee/certificate holder are imported.

A copy of the technical documents and specifications of the imported goods manufactured by Yingli Green Energy Holding Co. Ltd is attached as **NON-CONFIDENTIAL ATTACHMENT A-3.1.2**.

### 2. What is the tariff classification and statistical code of the imported goods.

The goods are classified within tariff subheading 8541.40.00, statistical code 53, in Schedule 3 of the *Customs Tariff Act 1995*.

Further, as the goods include panels, and as panels may be comprised of an array of modules producing a number of output ranges, the goods may also be classified within tariff subheadings

- 8501.61.00, statistical codes 33 and 24,
- 8501.62.00, statistical code 34,
- 8501.63.00, statistical code 40, and
- 8501.64.00, statistical code 41,

in Schedule 3 of the *Customs Tariff Act 1995*.

### 3. Fully describe your product(s) that are ‘like’ to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the

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imported product types or models. If appropriate, the comparison can be done in a table.

Tindo Solar is the sole Australian industry producing 'like goods' to the imported goods.

Tindo Solar manufactures equivalent goods to imported PV modules or panels and manufactures a range of the 'like goods' at its Mawson Lakes facility near Adelaide, South Australia.

The PV modules or panels produced by the Australian industry are commonly used in residential and commercial applications. As indicated in section A-3.1, above, PV modules or panels sold in Australia are required to be certified and approved to AS/NZS 5033 photovoltaic installations. As such, the imported goods the subject of this application and the Australian produced 'like goods' are completely interchangeable.

Tindo Solar manufactures the following four general models of PV modules or panels, distinguished in terms of their **AC** (alternating current) and **DC** (direct current) modules, and then in terms of their power output (wattage), 240 and 250 **W** (watts).

- AC modules –
  - Tindo Karra 240W AC Module;
  - Tindo Karra 250W AC Module, and
- DC modules –
  - Tindo Karra 240W DC module;
  - Tindo Karra 250W DC module.

AC modules are different to DC modules as they generate 240V AC power ready to be plugged into the grid by use of an on-board micro-inverter. On the other hand the DC module needs to be connected to a separate inverter that converts the energy generated to 240V AC power. In both cases, the goods perform the same function, namely the conversion of solar energy to a form of electrical current. The key difference is whether the inverter is included with the module or not. Diagram A-3.3.1, below demonstrates how the AC and DC modules fulfil the same end-use, with either an on-board or stand-alone inverter.

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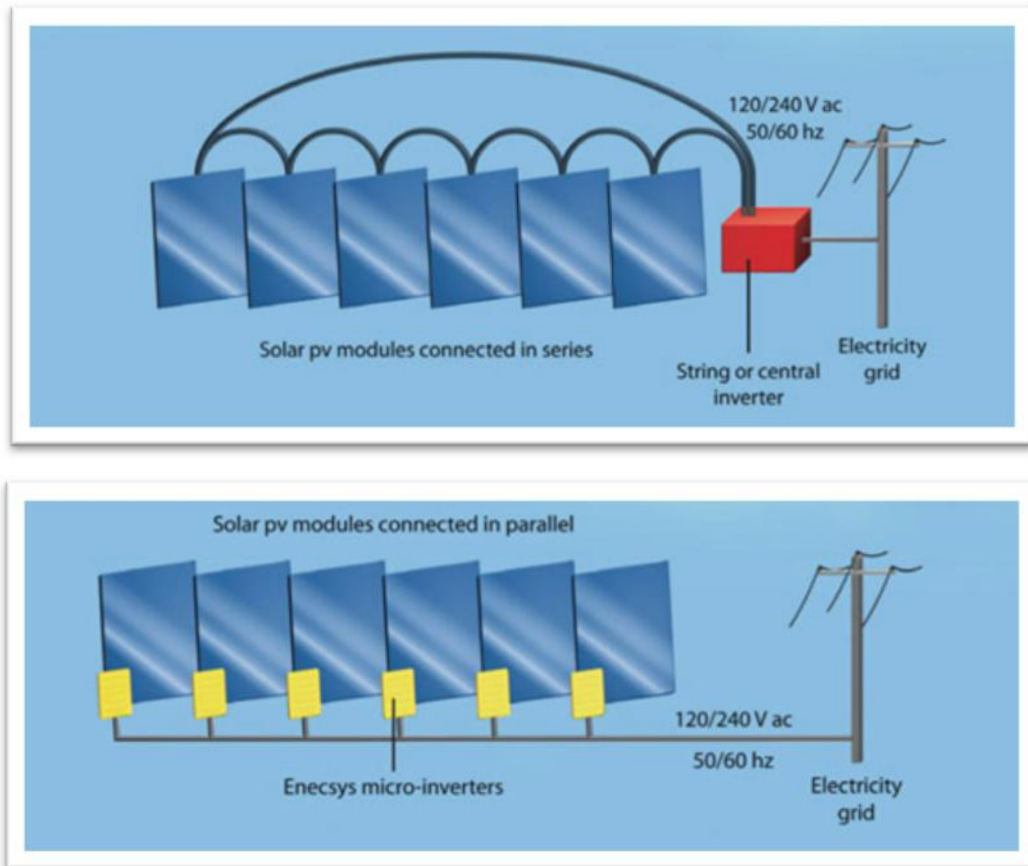


Diagram A-3.3.1 Demonstrates the wiring difference between a Solar PV panel system using DC (top graphic) or AC (bottom graphic) modules.

Currently Tindo Solar is certified to sell for installation the following modules within Australia on the AS5033 compliant modules list maintained by the CEC until 29 May 2015. In summary, the following models are certified:

- Karra-215
- Karra-220
- Karra-225
- Karra-230
- Karra-235
- Karra-240
- Karra-245
- Karra-250
- Karra-255
- Karra-260,

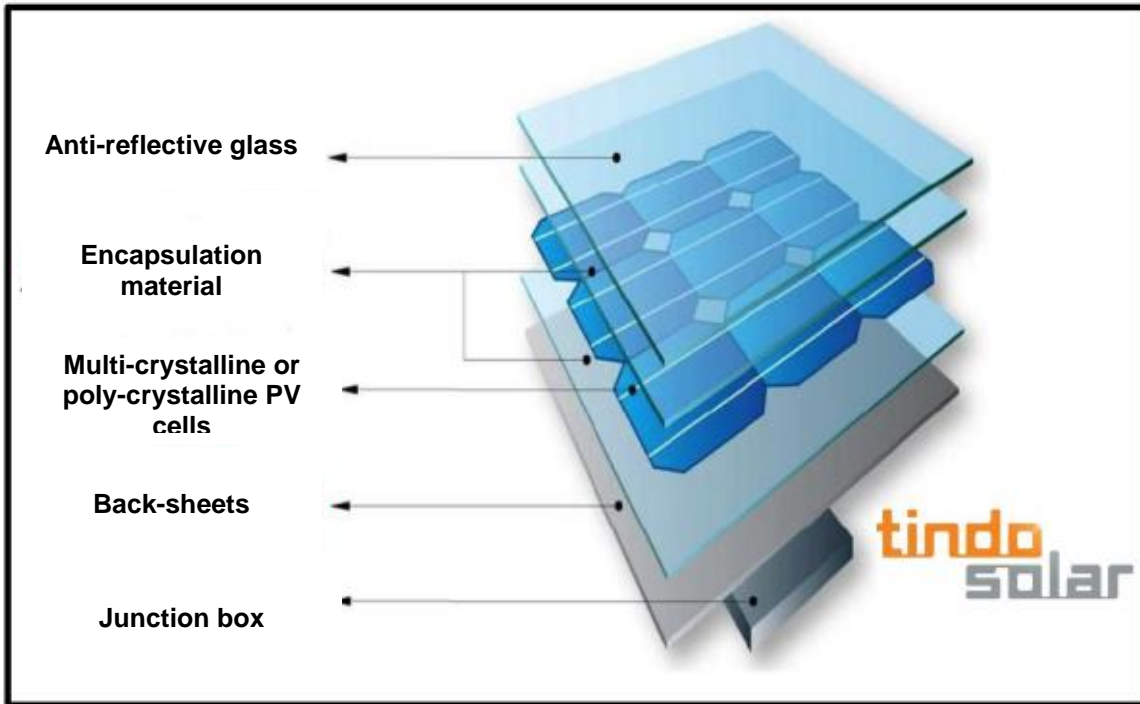
notwithstanding this certification, Tindo has to date only produced and sold:

- Karra-240; and
- Karra-250.

Solar PV AC and DC modules are manufactured according to the same process, the only

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difference is that the micro-inverter is added to the AC module. The composition of the PV panel manufactured by Tindo Solar, whether or not an inverter is added, is represented in diagram A-3.3.2, below.



*Diagram A-3.3.2 Composition of a Tindo Solar PV panel*

The PV panel is then framed in an aluminium extrusion frame.

A comparison of the physical, technical and other properties of the imported goods the subject of this application and the 'like goods' produced by the Australian industry are contained in the following table:

<b><i>Properties (physical, technical and other)</i></b>	<b><i>Goods the subject of this application</i></b>	<b><i>Goods produced by the Australian industry producing "like goods"</i></b>
<i>Current type</i>		
Alternating current (AC)	✓	✓
Direct current (DC)	✓	✓
<i>Output (Watts, W)</i>		
185 – 210	✓	✗

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215 - 235	✓	<i>Certified to produce</i>
240	✓	✓
245	✓	<i>Certified to produce</i>
250	✓	✓
255	✓	<i>Certified to produce</i>
260	✓	<i>Certified to produce</i>
265 – 300	✓	<b>X</b>

A copy of the technical documents and specifications of a Tindo Karra DC module is attached as **CONFIDENTIAL ATTACHMENT A-3.3**.

**4. Describe the ways in which the essential characteristics of the imported goods are alike to the goods produced by the Australian industry.**

The imported PV modules and panels possess the same essential characteristics as locally manufactured PV modules and panels in the following ways:

- physical likeness – the imported PV modules or panels and the Australian produced “like goods”:
  - must meet the same standards (IEC/EN 61730 and either IEC/EN 61215 or IEC/EN 61646) in order to be installed in Australian end-use applications;
  - contain the same or directly substitutable raw materials, namely, PV cells;
  - have, generally, the same rectangular shape and the same dimensions and appearance;
  - across a range of power outputs (expressed in watt), are the same size, i.e. 240W and 250W;
  - undergo similar manufacturing and quality control processes; and
  - classified to a matching tariff classification (refer section A-3.2, above)
- Commercial likeness – the imported PV modules or panels and the Australian produced “like goods”:

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- are directly competitive in the Australian market, and compete like for like across all market sectors, namely residential and commercial applications;
  - a survey conducted by the applicant suggests high interchangeability between the GUC and the Australian “like goods” driven by close price competition (refer **CONFIDENTIAL ATTACHMENT A-3.4**);
  - the goods are distributed to market either by direct sales/installation to the end-user by the importer or the Australian industry, or via a distribution network of retailers/installers;
- Functional likeness
    - The imported PV modules or panels and the Australian produced “like goods” are put to the same end-use, namely the conversion of sunlight to electricity. Although different panels may have different power outputs (Watt), the market prices the goods in terms of their price per Watt. This is possible, because the desired end-use (i.e. the quantity of modules required to achieve a specific system power output) may be achieved through more or less modules or panels, but the overall value (per solar PV panel system) is identified in terms of price/Watt; and
    - Whether an on-board micro-inverter is used in a PV module, or a series of modules are connected to an inverter, the outcome remains the same, the generation of 240V AC power.
  - Production likeness
    - The Australian industry understands that the same production process is applied to the GUC and the Australian “like goods”, subject only to varying degrees of automation; and
    - The same raw material inputs are used, namely PV cells, which are separately patented technology.

### 5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC code applicable to Computer and Electronic Equipment Manufacturing is included in “**Class 2429 Other Electronic Equipment Manufacturing**”.

### 6. Provide a summary and a diagram of your production process.

The PV modules convert sunlight into electricity. The conversion of sunlight into electricity is operated by photovoltaic cells.

To assemble modules, cells are soldered together with flat wires or metal ribbons to produce a string of cells. Mostly glass is used on top and a polymeric backing sheet

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to the bottom.

Frames are usually used to allow the mounting in the field (e.g. on rooftops). The module may, or may not, have an inverter attached to the circuit.

**CONFIDENTIAL ATTACHMENT A-3.6.1** is a diagram of Tindo Solar's manufacturing process.

**CONFIDENTIAL ATTACHMENT A-3.6.2** is a diagram of Tindo Solar's manufacturing plant layout.

7. **If your product is manufactured from both Australian and imported inputs:**
- describe the use of the imported inputs; and
  - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

Solar PV cells are imported, this is the basic raw material to which the manufacturing process outlined in section A-3.6, above is performed in Australia.

The anti-reflective glass, encapsulation material, sealant, polymeric backing sheets, junction boxes, micro-inverter (where applicable) and aluminium extrusion framing materials are all imported.

Otherwise, every process identified in the diagram contained in section A-3.6 above is performed in Australia, specifically the soldering together of flat wires or metal ribbons to produce a string of PV cells, and assembly of the various components into a finished, functional and quality tested PV module.

8. **If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).**

Not applicable.

9. **Supply a list of the names and contact details of all other Australian producers of the product.**

Tindo Solar is the sole Australian producer of PV modules for use in panels.

### **A-4 The Australian market.**

1. **Describe the end uses of both your product and the imported goods.**

Both the imported goods, and the "like goods" produced by the Australian industry have the same basic end use, i.e. sold for integration into solar PV systems designed to convert sunlight into electricity.

2. **Generally describe the Australian market for the Australian and imported product**



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and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;
- marketing and distribution arrangements;
- typical customers/users/consumers of the product;
- the presence of market segmentation, such as geographic or product segmentation;
- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
- the way in which the imported and Australian product compete; and
- any other factors influencing the market.

As at December 2013, Australia had over 2,412 MW of installed PV power (*European Photovoltaic Industry Association (EPIA)*, “Global Market Outlook for photovoltaics 2013 – 2017”, 2013 at p.15), with 1,000 MW of PV power installed in just 2012 (EPIA at p.31).

Growth in the amount of installed PV capacity in Australia has been dramatic with a 10-fold increase between 2009 and 2011. State feed-in tariffs combined with supply-side factors (largely the growth in imports from China, at lower module prices) have largely been responsible for the rapid increase.

The first commercial-scale PV power plant was opened in 2009 (Adelaide Showgrounds, 1MW capacity grid connected), followed by a further one in July 2011; the Uterne Solar Power Station, Alice Springs NT (refer <http://www.alicesolarcity.com.au/uterne-solar-power-station>). The third opened in October 2012 at Greenough River Solar Farm, Geraldton, WA, with a capacity of 10 MW (<http://www.greenoughsolarfarm.com.au>).

The Australian PV module and panel market has been split between the:

- **commercial/industrial sector**; and
- **residential sector**.

The **commercial/industrial market sector** can be distinguished between the following segments:

- commercial-scale system (>30kW); and
- small-scale systems (<30kW).

The commercial scale systems segment within the commercial/industrial market sector to display the following features:

- public investment; and
- utility scale electricity feed-in tariffs.

Sales into the commercial-scale and small-scale systems market segments may be either rooftop or ground mounted installations. However, commercial-scale systems

tend to be ground mounted.

There are two channels to the **residential sector** of the market:

1. *Wholesaling to installers / businesses*

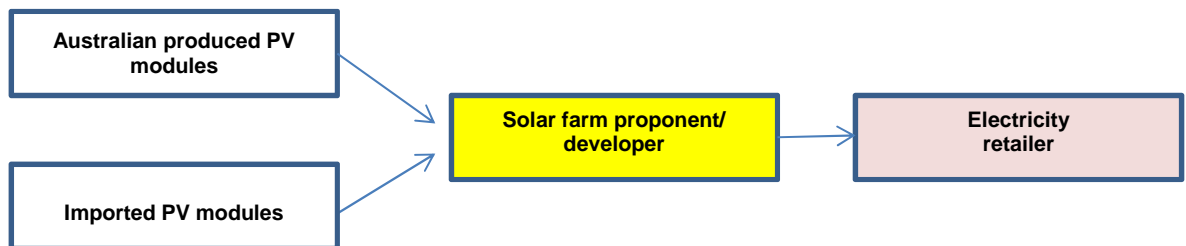
The PV modules are sold directly to solar PV panel/system installers, who then on-sell the modules in a contract to supply and install goods and services to the residential/household customer. Some examples of installers operating are Apollo Energy, RFI and Redset. Tindo Solar operates at the wholesaler/distributor level of trade in this channel to the residential customer market sector.

2. *Direct retail sales*

The PV modules are sold directly to residential customers, either with or without a contract to install. Some examples of solar panel retailers are True Value Solar, Energy Matters, Origin. Tindo Solar operates at the retailer level of trade in this channel to the residential customer market sector

The channel to the **small-scale systems segment** of the commercial/industrial market sector tends to follow the channel to market demonstrated by the residential market sector – although there tends to be a greater emphasis on the direct sales channel by the manufacturer or importer. Tindo Commercial operates at the retailer level of trade in this channel to the small-scale systems market segment.

In the case of **commercial-scale systems market segment**, both the Australian producer and overseas solar PV module manufacturers supply PV modules or panels directly to the solar farm proponent/developer. This is represented in diagram A-4.2.1, below.



*Diagram A-4.2.1 Large scale PV panel installations channel to market*

Examples of solar farm proponents/developers include Energy Australia Limited, Origin Energy Limited and Sunpower.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

In the **residential market sector**, and **small-scale system market segment** of the **commercial/industrial market sector**, there are no commercially significant

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market substitutes for the Australian and imported product.

In the commercial-scale system market segment, concentrated PV technology (CPV), that uses optics such as lenses or curved mirrors to concentrate a large amount of sunlight onto a small area of solar PV cells to generate electricity. However, the goods the subject of this application and the like goods produced by the Australian industry are physically different to the solar PV cells used in CPV technology. CPVs use high-efficiency tandem solar cells. Further, CPVs are completely integrated systems incorporating concentrating optics (lenses or mirrors), solar trackers, and cooling systems. The goods the subject of this application and the like goods do not use such components. Because of these extra costs, CPV is far less common today than PV panel systems.

CPV also competes with concentrated solar thermal. CPV turns the sunlight directly into electricity, while solar thermal turns the sunlight into heat (steam), and then turns the heat into electricity via a turbine. Solar thermal is far more common than CPV, although the two technologies are sometimes combined.

Solar thermal systems do not incorporate solar PV cells or modules within their systems.

If there is any substitutability between the goods the subject of this application and the like goods produced by the Australian industry, and CPV or solar thermal systems, then such substitutability occurs within the commercial-scale segment of the commercial/industrial market sector. In such cases the decision is made by the project proponent between one of the three technologies based on the scale of the application, the available physical space and the proposed location of the installation.

4. Complete [appendix A1](#) (Australian production). This data is used to support your declaration at the beginning of this application.

**APPENDIX A1** appears as **CONFIDENTIAL APPENDIX A1**.

5. Complete [appendix A2](#) (Australian market).

**APPENDIX A2** appears as **CONFIDENTIAL APPENDIX A2**).

6. Use the data from [appendix A2](#) (Australian market) to complete this table:

The Australian industry was unable to obtain reliable import trade data for the period 1 July to 31 December 2013. Accordingly, the Australian industry relies on the Commission's best available information for this period when assessing Australian market size.

*Indexed table of sales quantities\**

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Period (FY 2013)	(a) Your Sales	(b) Other Aust <sup>n</sup> Sales	(c) Total Aust <sup>n</sup> Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
Qtr 1	100		100	100	100	100	100
Qtr 2	138		138	76	79	76	76
Qtr 3	50		50	67	38	62	62
Qtr 4	132		132	72	55	69	69

**A-5 Applicant's sales.**

1. Complete [appendix A3](#) (sales turnover).

**CONFIDENTIAL APPENDIX A3** has been completed by the applicant.

2. Use the data from [appendix A3](#) (sales turnover) to complete these tables.

*Indexed table of Applicant's sales quantities\**

Data is provided for the Australian industry for "like goods" only, as "All products" across the industry provides no meaningful benchmark. Please also refer to CONFIDENTIAL APPENDIX A3 data.

Quantity	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
<b>All products</b>						
Australian market						
Export market						
<b>Total</b>						
<b>Like goods</b>						
Australian market	100	141	51	133	144	290
Export market						
<b>Total</b>	100	141	51	133	144	290

*Indexed table of Applicant's sales values*

Value	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2
<b>All products</b>						
Australian market	100					
Export market						
<b>Total</b>	100					
<b>Like goods</b>						
Australian market	100	116	43	108	117	243
Export market						

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<b>Total</b>		100	116	43	108	117	243
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3. Complete appendix A5 (sales of other production) if you have made any:

- internal transfers; or
- domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

The applicant has not prepared **CONFIDENTIAL APPENDIX A5**, as the GST grouped nature of the accounts and entities deal with the internal sales as transfers at cost to the sales entities. In other words, the first arm-length transaction providing value to the group of companies is reflected in Appendix A4.

4. Complete appendix A4 (domestic sales).

All domestic sales made by applicant are contained in **CONFIDENTIAL APPENDIX A4**.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

None of the customers of Tindo Solar Pty Ltd or Tindo Commercial Pty Ltd are associated with the applicant.

6. Attach a copy of distributor or agency agreements/contracts.

There are currently no distributor or agency agreements in place.

7. Provide copies of any price lists.

A copy of Tindo's wholesale price list is contained at **CONFIDENTIAL ATTACHMENT A-5.7.1**.

A copy of Tindo's retail price list for Adelaide is contained at **NON-CONFIDENTIAL ATTACHMENT A-5.7.2**.

The price lists provided are indicative of "list prices" only. Typically, price is negotiated between the customer and Tindo Solar or Tindo Commercial. This involves feedback from the customer as to whether or not price offered is competitive. If uncompetitive, then further price offers are made.

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

- Where the reduction is not identified on the sales invoice, explain how you

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calculated the amounts shown in appendix A4 (domestic sales).

- If you have issued credit notes (directly or indirectly) provide details if the credited amount has **not** been reported appendix A4 (domestic sales) as a discount or rebate.

All credit notes are included as a sales document in the sales order listing in **CONFIDENTIAL APPENDIX A4**.

9. Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.

Supporting documentation has been compiled for a random selection of sales listed in **CONFIDENTIAL APPENDIX A4**, refer to the following attached files:

INV 1996	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.1</u></b>
INV 1692	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.2</u></b>
INV 1670	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.3</u></b>
INV 1643	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.4</u></b>
INV 1496	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.5</u></b>
INV 1307	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.6</u></b>
INV 1304	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.7</u></b>
INV 0826	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.8</u></b>
INV 0962	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.9</u></b>
INV 0896	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.10</u></b>
INV 0506	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.11</u></b>
INV 0487	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.12</u></b>
INV 0390	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.13</u></b>
INV 1200111	<b><u>CONFIDENTIAL ATTACHMENT A-5.9.14</u></b>

### **A-6 General accounting/administration information.**

1. Specify your accounting period.

1 July to 30 June.

2. Provide details of the address(es) where your financial records are held.

Financial records are located at the premises nominated for the company contacts

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in Section A-1 above.

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- chart of accounts;
- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor’s opinion);
- internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.

*These documents should relate to:*

1. the division or section/s of your business responsible for the production and sale of the goods covered by the application, and
2. the company overall.

A copy of the chart of accounts is provided at **CONFIDENTIAL ATTACHMENT A-6.3.1.**

The following financial statements are provided for FY 2013:

- FY 2013 Trial Balance for Tindo (Tindo Manufacturing Pty Ltd) at CONFIDENTIAL ATTACHMENT A-2.9.3;
- FY 2013 Trial Balance for Tindo Solar (Tindo Solar Pty Ltd) at **CONFIDENTIAL ATTACHMENT A-6.3.2**; and
- FY 2013 Trial Balance for Tindo Equipment Leasing Pty Ltd at **CONFIDENTIAL ATTACHMENT A-6.3.3.**

4. If your accounts are **not** audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Draft audited Financial Statements for the following entities for FY 2013 are provided:

<b><i>Related entity</i></b>	<b>CONFIDENTIAL ATTACHMENT</b>
Tindo Equipment Leasing Pty Ltd	<b><u>A-6.4.1(a)</u></b>
Tindo Manufacturing Pty Ltd	<b><u>A-6.4.1(b)</u></b>
Tindo Solar Pty Ltd	<b><u>A-6.4.1(c)</u></b>

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

The applicant’s accounting practices are in accordance with Australia’s generally

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accepted accounting practices.

### 6. Describe your accounting methodology, where applicable, for:

- The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;

Income is recognised once the goods are invoiced at the time of the sales order being despatched to the customer. Discounts and rebates are recognised at the same time as an accrual to reduce the value of the sales revenue.

- provisions for bad or doubtful debts;

A general provision for bad and doubtful debts is made and any movements in the provision are booked as a general expense item to the profit and loss statement (P&L).

- the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;

General expenses and interest are not allocated to the cost of goods sold (COGS) with the exception of freight expense which is accrued as part of the sales order and booked (as a separate expense item) to the COGS section of the P&L.

- costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;

Direct costs are allocated on a per unit (module) basis. Direct costs are allocated on an actual basis with indirect costs being allocated on a unit sales (volume) basis.

- the method of valuation for inventories of raw material, work-in-process, and finished goods (eg FIFO, weighted average cost);

FIFO, at the lower of cost or net realisable value. A provision is booked for obsolete and slow moving stock items.

- valuation methods for scrap, by-products, or joint products;

Scrap volumes are negligible and there are inconsequential.

No by-products, nor seconds are produced.

Therefore, valuation methods have not been established for scrap, by-products, or joint-products.

- valuation methods for damaged or sub-standard goods generated at the various



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### stages of production;

Damaged goods that are work-in-progress being manufactured are recognised on a monthly basis as a write-off, at cost, of the associated raw material consumed in the wasted work in progress product. Finished goods written off due to damage are done at the time of damage on the basis of the cost of the inventory item.

- valuation and revaluation of fixed assets;

Assets are valued at cost, including the costs of installation.

An asset revaluation has not been undertaken during Financial Year 2013.

- average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;

Straight line depreciation at a rate in line with the Australian Taxation Office's recommended useful life is applied to calculate asset depreciation.

- treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and

Foreign exchange movements arising from transactions are booked at actual value as they are realised. All balance sheet items are held in AUD for the applicant company and as such are not subject to unrealised exchange movements.

- restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.

The costs listed above have not been incurred during the 2013 financial year being analysed.

7. If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.

There has been no change to the accounting methods applied in the 2013 financial year.

### A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

The applicant has completed **CONFIDENTIAL APPENDIX A6.1**. **CONFIDENTIAL APPENDIX A6.2** has not been completed at the applicant has made no export

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sales.

**A-8 Injury**

1. Estimate the date when the material injury from dumped imports commenced.

The applicant considers that it has experienced material injury for the purpose of this application from the dumped and subsidised exports of PV modules or panels exported to Australia from China since July 2012, as sales values fell by 18% across FY 2013, in response to a decline in unit export prices across the same period of 16%.

Although the sales volume of the Australian industry has grown since its establishment at the commencement of FY 2013, its unit values have declined, and although its profit and profitability has improved, the sale of like goods produced by the Australian industry remains unprofitable, as the Australian industry is unable to raise its prices in line with its cost to make and sell in response to the continued price undercutting by the PV modules and panels exported from China.

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model and grade of your production.

*Index of production variations (All models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	145	143	94	166	312

*Index of production variations (AC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	139	131	74	137	296

*Index of production variations (DC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	241	357	444	665	595

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*Index of cost (unit cost to make and sell) variations (All models)*

<i>Period</i>	<i>FY 2013</i>				<i>FY 2014</i>	
	<i>Qtr 1</i>	<i>Qtr 2</i>	<i>Qtr 3</i>	<i>Qtr 4</i>	<i>Qtr</i>	<i>Qtr 2</i>
<i>Index</i>	100	76	78	105	76	59

*Index of cost (unit cost to make and sell) variations (AC Module models)*

<i>Period</i>	<i>FY 2013</i>				<i>FY 2014</i>	
	<i>Qtr 1</i>	<i>Qtr 2</i>	<i>Qtr 3</i>	<i>Qtr 4</i>	<i>Qtr</i>	<i>Qtr 2</i>
<i>Index</i>	100	77	80	107	79	60

*Index of cost (unit cost to make and sell) variations (DC Module models)*

<i>Period</i>	<i>FY 2013</i>				<i>FY 2014</i>	
	<i>Qtr 1</i>	<i>Qtr 2</i>	<i>Qtr 3</i>	<i>Qtr 4</i>	<i>Qtr</i>	<i>Qtr 2</i>
<i>Index</i>	100	68	71	110	72	50

*Index of price (unit price) variations (All models)*

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Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	82	83	81	82	84

*Index of price (unit price) variations (AC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	85	84	84	85	86

*Index of price (unit price) variations (DC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	85	93	91	90	91

*Index of unit profit variations (All models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	138	133	40	137	195

*Index of profit variations (AC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	141	130	42	134	196

*Index of profit variations (DC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2

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Index	100	147	147	74	144	185
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*Index of profitability variations (All models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	124	120	2	123	194

*Index of price variations (AC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	130	117	13	123	196

*Index of price variations (DC Module models)*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	138	143	62	137	184

3. Complete [appendix A7](#) (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

*Index of assets utilised in the production of like goods*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	100	90	79	84	85

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*Index of capital investment in the production of like goods*

Period	FY 2013				FY 2014	
	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr	Qtr 2
Index	100	100	100	79	79	80

*Rates of closing stock as a percentage of sales for like goods*

Period	FY 2013				FY 2014	
	<u>Qtr 1</u>	Qtr 2	<u>Qtr 3</u>	<u>Qtr 4</u>	<u>Qtr</u>	<u>Qtr 2</u>
Per cent	■	■	■	■	■	■

Source: Appendix A7

**A-9 Link between injury and dumped imports.**

To establish grounds to initiate an investigation there must be evidence of a relationship between the injury and the alleged dumping. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped imports on your quarterly sales volume and market share.

Since the applicant commenced operations in FY 2013, the data is presented by quarters for that financial period. As explained in section A-4.6, above, The Australian industry was unable to obtain reliable import trade data for the period 1 July to 31 December 2013. Therefore analysis of the influence of the volume of dumped imports on the Australian industry's quarterly sales volume and market share is limited to the FY 2013 period.

There is a direct correlation between the growth in volume of the dumped imports and the decline in sales volume of PV modules manufactured by the Australian industry. Diagram A-9.1.1, below, demonstrate the gain in sales volume by the applicant in Qtr 2, FY 2013, following a loss of volume by Chinese exporters. The gain in Chinese exporter market share in Qtr 3, FY 2013 resulted in a significant loss in Australian industry sales volume in that quarter. The loss of market share by the Chinese exported PV modules or panels in Qtr 4, FY 2013, again result in a gain in sales volume to the Australian industry.

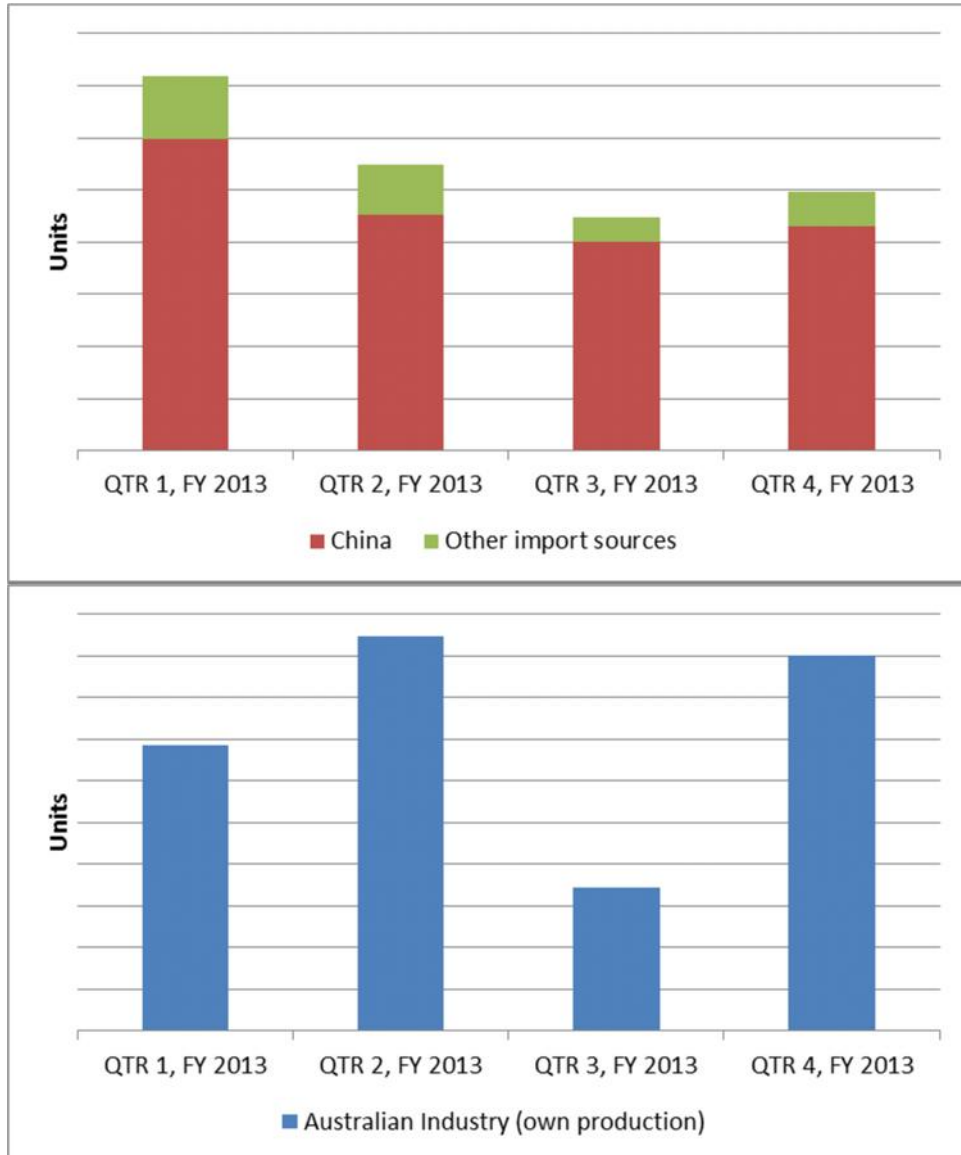


Diagram A-9.1.1 Australian sales volume and supply source since 1 July 2013 (Source: Confidential Appendix A2, based on Australian Bureau of Statistics (ABS) data)

Diagram A-9.1.2, below, demonstrates the influence of injurious imports on market share, namely that the growth in the volume of injurious imports from China have been at the expense of the market share of the Australian industry and other non-injurious sources.



Diagram A-9.1.2 Australian market size and supply source since 1 July 2008 (Source: Confidential Appendix A2, based on Australian Bureau of Statistics (ABS) data)

- Use the data at [appendix A2](#) (Australian market) to show the influence of the price of dumped imports on your quarterly prices, profits and profitability provided at [appendix A6.1](#) (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

Since the applicant commenced operations in FY 2013, the data is presented by quarters for that financial period.

*Diagram A-9.2.1*, below, indicates the average export prices of PV modules or panels exported from China since 1 July 2013. Across the injury analysis period there was a decline of (-)16% in average unit export prices. Unit export prices of dumped imports from China reached their lowest point in Qtr 3, FY 2013, which indicated a (-)19% decline in values since 1 July 2013.



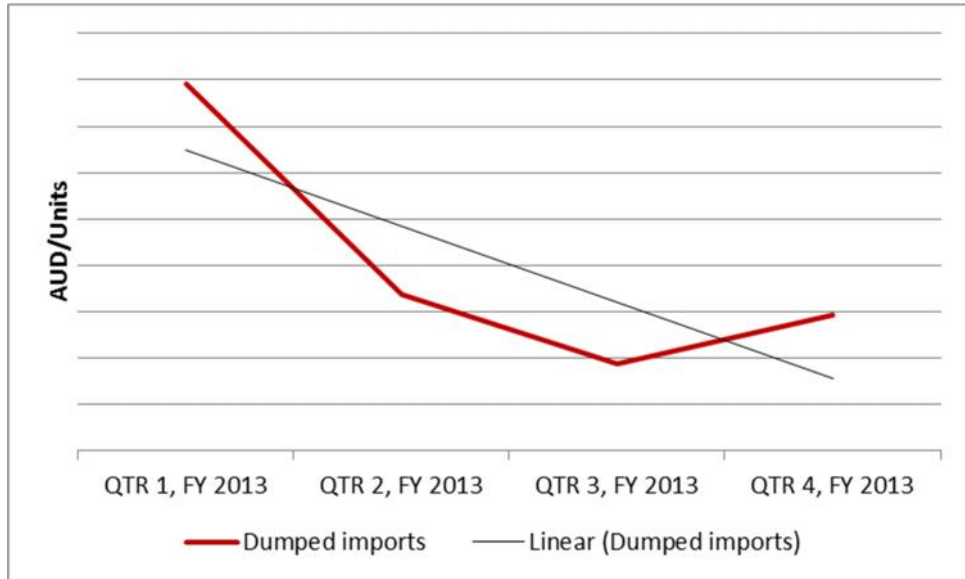


Diagram A-9.2.1 Average export prices of dumped imports from China since 1 July 2013 (Source: Confidential Appendix A2, based on Australian Bureau of Statistics (ABS) data)

Diagram A-9.2.2, below, compares the impact of the export prices of dumped imports from China to the average prices of the Australian industry’s own production (all products). Overall, the dumped imports consistently undercut the Australian industry’s prices. Across the injury analysis period there was decrease in average prices for the Australian industry of (-)18%.

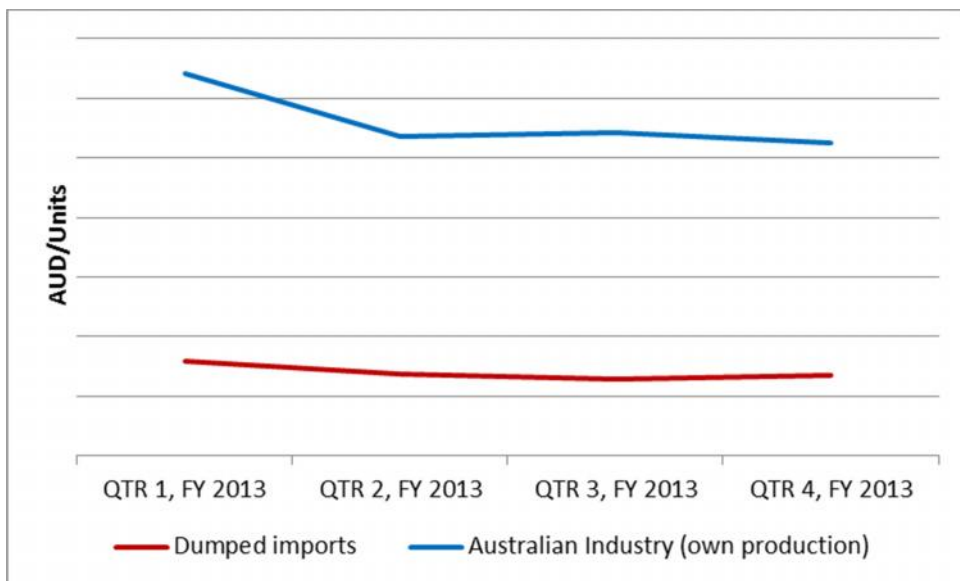


Diagram A-9.2.2 Unit values of dumped imports from China and Australian industry production (all products) since 1 July 2013 (Source: Confidential Appendix A2, based on Australian Bureau of Statistics (ABS) data)

Diagram A-9.2.3, below, compares the average export prices of dumped imports from China to the Australian industry’s average unit profit on sales of all Australian production of like goods.

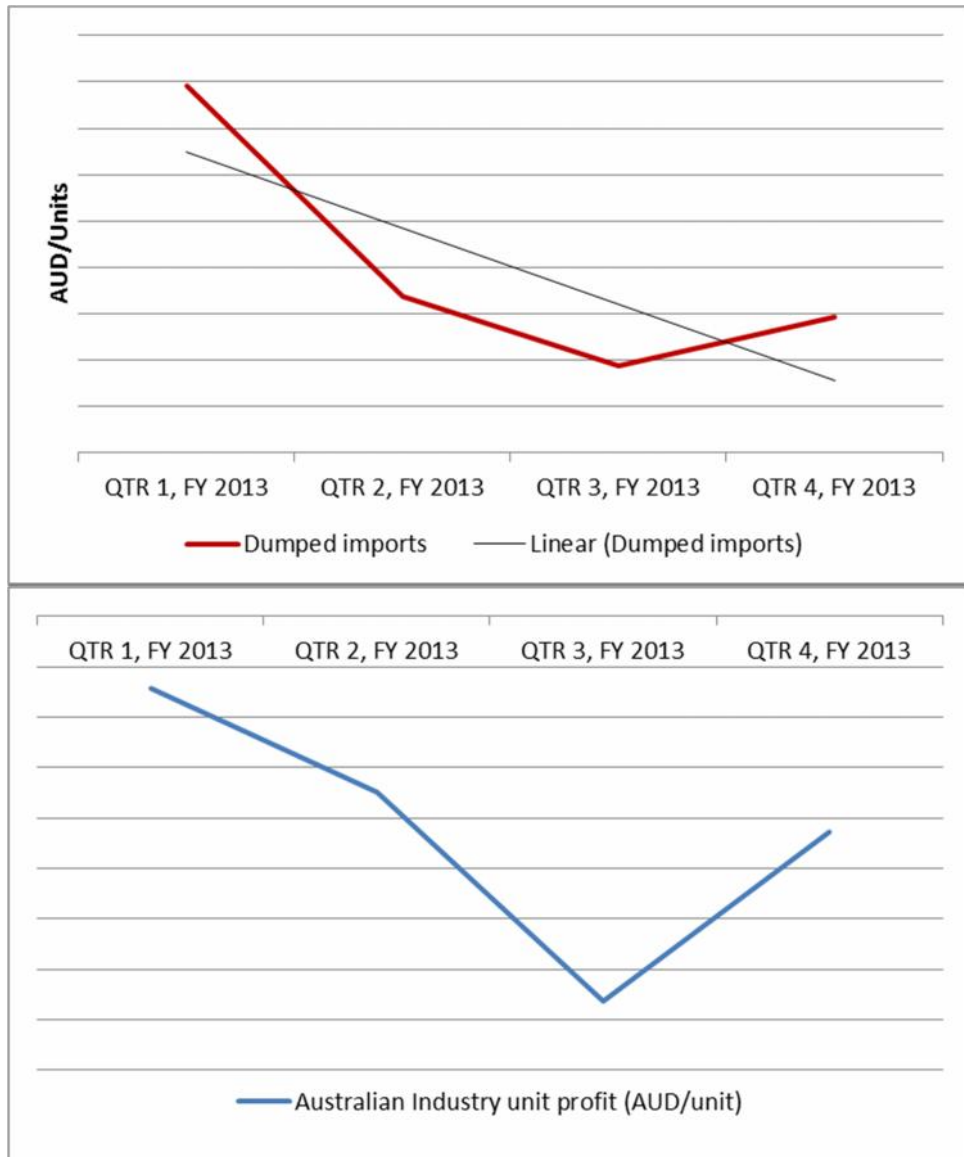


Diagram A-9.2.3 Average unit export price values of dumped imports from China and average unit profit of Australian industry production (all products) since 1 July 2013 (Source: Confidential A6.1 and confidential Appendix A2, based on Australian Bureau of Statistics (ABS) data)

Diagram A-9.2.3, above, illustrates the influence of Chinese export prices on the unit average profit of Australian sales. The Australian industry’s unit profitability hit its lower point in Qtr 3, FY 2013 when the export price of imports from China were at their lowest levels across the injury analysis period also. This demonstrates the loss of unit profit in response to price undercutting reflected in average export prices during FY 2013.

Similarly, diagram A-9.2.4, below, illustrates the influence of the average export prices of dumped imports from China on the Australian industry’s overall profitability of the sales of like goods.

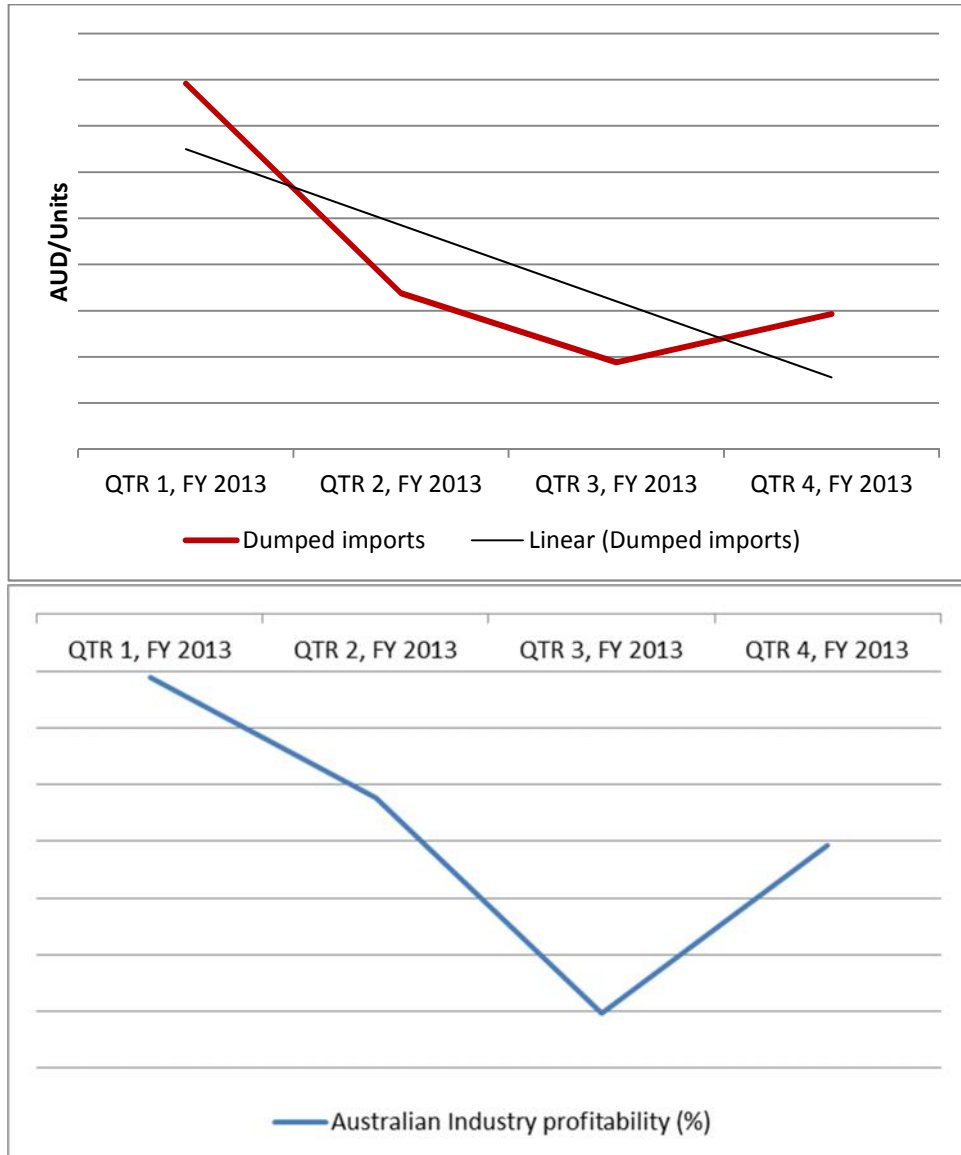


Diagram A-9.2.4 Average unit export price values of imports from China and profitability of Australian industry production (all products) since 1 July 2013 (Source: Confidential A6.1 and confidential Appendix A2, based on Australian Bureau of Statistics (ABS) data)

Diagram A-9.2.4, above, indicates that the Australian industry's profitability has declined since the export price undercutting of dumped imports from China evident in Qtr 1, FY 2013.

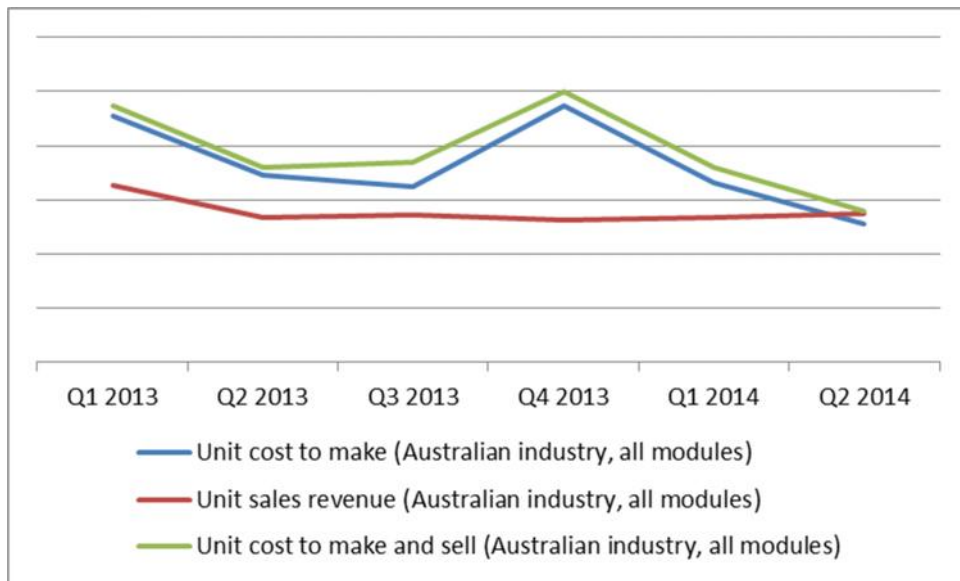
3. Compare the data at [appendix A2](#) (Australian market) to identify the influence of dumped imports on your quarterly costs to make and sell at [appendix A6.1](#) (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).

Since the applicant commenced operations in FY 2013, the data is presented by quarters for that financial period.

The price undercutting of imports from China since FY 2013 (refer diagram A-9.2.1), prevented the Australian industry from raising the price of Australian production of

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the like goods in response to increasing unit costs. *Diagram A-9.3.1*, below, indicates that notwithstanding the increase in unit costs, the Australian industry in fact reduced their prices of like goods from FY 2013.



*Diagram A-9.3.1 Australian industry unit price against unit cost since 1 July 2013 (Source: Confidential Appendix A6.1)*

4. The quantity and prices of dumped imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped imports on these factors and where applicable use references to the data you have provided at [appendix A7](#) (other economic factors). If factors other than those listed at [appendix A7](#) (other economic factors) are relevant, include discussion of those in response to this question.

The quantity and price of dumped and subsidised imported goods have affected the Australian industry's expectations of growth and return as documented within their business plan at the establishment of their enterprise (refer **CONFIDENTIAL ATTACHMENT A-9.6**). As a result of the dumping and subsidisation, the Australian industry has underperformed against its projections, both in terms of sales volume, value, profit, profitability and market share.

5. Describe how the injury factors caused by dumping and suffered by the Australian industry are considered to be 'material'.

### (a) Volume effects

The Australian industry has maintained sales volume, notwithstanding a decline in the Australian market's size across the injury analysis period. The Australian industry's and total Australian market's sales volume over the injury analysis period is displayed in *diagram A-9.5.1*, below.

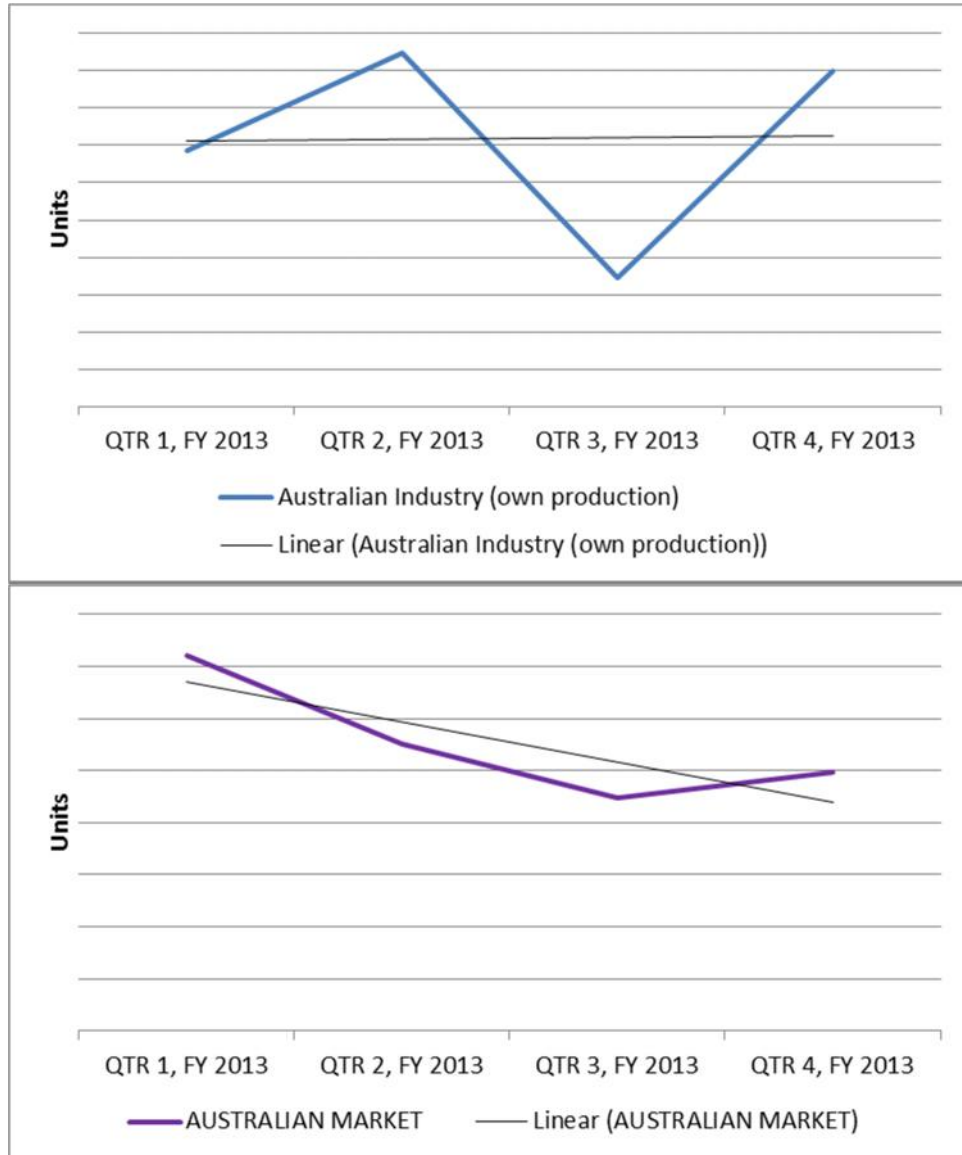


Diagram A-9.5.1 Australian industry sales volume (units, all products) of like goods and total Australian market size since 1 July 2012  
(Source: Confidential Appendix A2)

Notwithstanding that the Australian industry has maintained sales volume across the injury analysis period, there is evidence that the Australia industry could have achieved improved sales volumes but for the injurious imports from China, as illustrated by the following examples.

(i) [REDACTED] **PV Project (SA) – 5.0kW Solar PV Panel System**

On 9 April 2013, the applicant submitted its quotation in respect of this [REDACTED] [customer] project. A copy of the quotation is attached as **CONFIDENTIAL ATTACHMENT A-9.5.1**. The applicant quoted a unit price of \$[REDACTED] per 250W AC Module. On 6 May 2013, the applicant was advised that it was not the successful (refer **CONFIDENTIAL ATTACHMENT A-9.5.2**).

The applicant received feedback from the customer on 6 May 2013, who advised that the applicant was more expensive than other quotations. In the course of identifying the successful supplier, the customer identified a supplier known to use Chinese modules in their panel systems (ET Solar Group), namely [REDACTED] [supplier] (refer CONFIDENTIAL ATTACHMENT A-9.5.2), and CONFIDENTIAL ATTACHMENT A-9.5.18, identifying the supply arrangement since February 2011.

(ii) [REDACTED] **Project (SA) – 70.0kW and 30.0kW Solar PV Panel Systems**

On 15 and 16 July 2013, Tindo Commercial submitted two quotations for PV 250W DC modules in respect of two projects. Copies of the quotations are attached as CONFIDENTIAL ATTACHMENTS A-9.5.8 and A-9.5.9. Tindo Commercial quoted a combined installed and commissioned price of \$ [REDACTED] (net of STCs).

On 26 July 2013, Tindo Commercial revised its quotation to the customer, by undercutting its price by 12.5% to \$ [REDACTED] (refer CONFIDENTIAL ATTACHMENTS A-9.5.10). Tindo Commercial was unsuccessful in its revised quotation, and understands that a supplier of Chinese imported modules was successful.

The Australian industry responded to price signals from the client in the course of its discussions with the client, that indicated that it was competing with Chinese sourced solar PV modules. The identity of the importer and exporter were not disclosed to the Australian industry.

**(b) Price depression and suppression**

Price depression occurs when an industry, for some reason, lowers its prices. Similarly, price suppression occurs when the industry, for some reason, is unable to increase its prices in response to increasing costs of production and sales.

*Diagram A-9.5.2*, below, suggests that the Australian industry has suffered both price depression and price suppression.

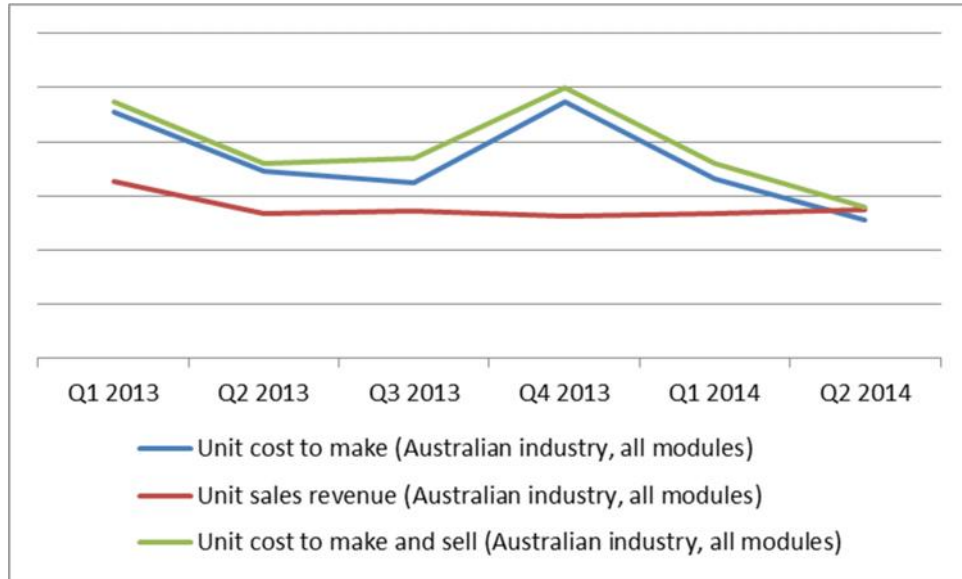


Diagram A-9.5.2 Relationship between Australian industry unit selling prices and unit cost to make and sell since FY 2013 (Source: Confidential appendix A6.1)

In this case, the Australian industry responded to the price signals of suppliers of injurious imports into the Australian market, by lowering its prices across FY 2013. This trend is displayed in diagram A-9.5.2, above. This has resulted in price depression. Further, the Australian industry has been unable to respond to increasing costs of production and sales across FY 2013. This has resulted in price suppression.

The injurious imports have caused the price depression and suppression experienced by the Australian industry illustrated in *diagram A-9.5.2*, above, as illustrated by the following examples.

(i) **████████ PV Project (SA) – 30.0kW Solar PV Panel System**

On 13 August 2013, Tindo Commercial submitted a quote for PV 250W AC modules manufactured by the applicant in respect of this project. A copy of the quotation is attached as **CONFIDENTIAL ATTACHMENT A-9.5.3**. Tindo Commercial initially quoted an installed and commissioned price of \$████████ (net of Small Scale Technology Certificates (STCs)).

Following feedback regarding import price competition, Tindo Commercial submitted a revised quote for the applicant manufactured modules. A copy of the revised quotation is attached as **CONFIDENTIAL ATTACHMENT A-9.5.4**, at an installed and commissioned price of \$████████ (net of STCs).

The customer placed further price pressure on Tindo Commercial to match import competition, resulting in a further revision to the quote. A copy of the further revised quotation is attached as **CONFIDENTIAL ATTACHMENT A-9.5.5**, at an installed and commissioned price of \$████████ (net of STCs).

On 28 August 2013, the customer accepted this revised price (**CONFIDENTIAL ATTACHMENT A-9.5.6**). Tindo Commercial undercut its price of applicant manufactured 250W AC modules by 26.3% to compete with imported panels. Evidence that Tindo Commercial knew that it was competing with a supplier of Chinese imported modules is contained in **CONFIDENTIAL ATTACHMENT A-9.5.7**. Again, the competing supplier was [redacted] [name].

The revision of the quotes by Tindo Commercial is contemporaneous evidence of the negotiations between the parties. In the course of those negotiations the identity of the competing supplier was disclosed, and that the solar PV modules were of Chinese origin. This fact is further supported by the known supply arrangement between the competing supplier and the Chinese manufacturer (refer **CONFIDENTIAL ATTACHMENT A-9.5.18**).

(ii) [redacted] **PV Projects (SA) – 150.0kW Solar PV Panel Systems**

On 30 July 2013, Tindo Commercial submitted a quotation for PV 250W AC modules in respect of two projects. A copy of the initial quotation is attached as **CONFIDENTIAL ATTACHMENT A-9.5.11**. Tindo Commercial quoted a unit panel price of \$ [redacted].

Following indications of price undercutting, on 1 August 2013, Tindo Commercial revised its quotation to the customer, by undercutting its price by 2% to \$ [redacted] (refer **CONFIDENTIAL ATTACHMENTS A-9.5.12**). Although, Tindo Commercial was successful in its revised quotation, its initial quotation already reflected price undercutting in response to its understanding of imported Chinese modules. This is reflected in an internal memorandum document dated 31 July 2013 which forms **CONFIDENTIAL ATTACHMENTS A-9.5.13**.

(iii) **Market survey findings**

The applicant conducted a survey of its customers in February 2013 to determine the target price it must reach to compete with imported PV modules, a copy of which forms **CONFIDENTIAL ATTACHMENT A-9.5.14**. Sixty-six (66%) per cent of respondents indicated that the applicant would need to reach a price per watt of between \$ [redacted] - \$ [redacted], or a 250W DC module price of between \$ [redacted] and \$ [redacted]. Further, a majority of respondents believed that monthly installation demand of [redacted] kW could be reached at unit watt price of \$ [redacted].

(c) **Profit effects**



Diagram A-9.5.3, below, illustrates the movements in total profits and profitability of the Australian industry over the injury analysis period.



Diagram A-9.5.3 Australian industry total profit and profitability since FY 2013 (Source: Confidential Appendix A6.1)

Diagram A-9.5.3, above, shows that the Australian industry's total profit and profitability declined period-on-period across FY 2013, and that its profitability deteriorated for the first three quarters of FY 2013, before improving in the first two quarters of FY 2014. It is noted that the Australian industry continues to sell the like goods at a loss and at negative profitability.

The injurious imports have caused the Australian industry material injury in terms of profit and profitability observed in *diagram A-9.5.2*, above. The Australian industry constantly monitors the price offerings and issued price lists of competitors supplying imported PV modules or panels from China, and responds to those prices where they undercut their own price offers to the market. The following are examples of the extent of price undercutting by suppliers of imported modules from China.

(i) **Redset Group Pty Ltd**

Redset Group Pty Ltd (t/a Redset) is an importer and distributor of solar PV modules and panel systems. In its 28 June 2013 price list for panels, Redset identified modules imported from China sold at a distributor level of trade at between \$170 and \$230 price range. This undercut the Australian industry by between 34% - 51%. A copy of the price list forms **NON-CONFIDENTIAL ATTACHMENT A-9.5.15**.

(ii) **RF Industries Pty Ltd**

RF Industries Pty Ltd (t/a Power Partners and RFI) is an importer and distributor of solar PV modules and panel systems. In its 6 May 2013 price list, Power Partners identified modules imported from China and sold at a distributor level of trade at a price range of between \$162.63 and 264.54 per panel. This undercut the Australia industry by between 24% - 53%. A copy of the price list forms **NON-CONFIDENTIAL ATTACHMENT A-9.5.16**. The importer's 1 July 2012 price list to resellers of modules prices modules imported from China at prices as low as \$207.54. Thereby undercutting the Australian industry by 11%. A copy of the 1 July 2012 price list forms **NON-CONFIDENTIAL ATTACHMENT A-9.5.17**.

(iii) **Suntrix Commercial Pty Ltd**

Suntrix Commercial Pty Ltd (t/a Sun Trix) is an importer and distributor of solar PV modules and panel system. On [REDACTED] January 2013, it advertised wholesale sales of mono-crystalline and poly-crystalline modules at the following unit (AUD/W) values of \$0.69 and \$0.73 per watt respectively. The modules advertised were Simax and CNPV. Both are Chinese based manufacturers and exporters of solar PV modules. The price offer is produced as **CONFIDENTIAL ATTACHMENT A-9.5.18**. Simax is the brand name of modules manufactured by Simax (Suzhou) Green New Energy Co., Ltd., based in Jiangsu province, China. CNPV is the brand name of modules manufactured by Dongying Photovoltaic Power Co., Ltd., based in Shandong province, China.

At this time, the average 240W DC module sold by the Australian industry (\$[REDACTED]/W) was undercut by [REDACTED] %, at an EXW level of trade (refer **CONFIDENTIAL APPENDIX A6.1**).

(iv) **SGB Trading Pty. Ltd**

SGB Trading Pty. Ltd (t/a Pivotal Solar Solutions) is the official Australian distributor of Hareon Solar PV modules. On [REDACTED] November 2013, it advertised wholesale sales of poly-crystalline modules at the following unit (AUD/W) values of \$0.61 per watt respectively. The terms

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were EXW Sydney, with a pallet sized minimum order. Hareon Solar is a Chinese based manufacturer and exporter of solar PV modules. The price offer is produced as **CONFIDENTIAL ATTACHMENT A-9.5.19**. Hareon Solar is the brand name of Hareon Solar Technology Co., Ltd. (refer <http://www.hareonsolar.com/webroot/company/>).

At this time, the average 250W DC module sold by the Australian industry (\$████/W) was undercut by ████ %, at an EXW level of trade (refer **CONFIDENTIAL APPENDIX A6.1**)

- 6. Discuss factors other than dumped imports that may have caused injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping.

As indicated in section A-9.5(c), above, in February 2013, the applicant conducted a survey of customers to determine what factors influenced their PV module or panel purchase decisions. The survey overwhelming indicated that price was a major driver, and feedback from customers to the Australian industry was that it needed to better match the prices offered by suppliers of imported modules or panels from China. A copy of the survey forms **CONFIDENTIAL ATTACHMENT A-9.5.14**.

It is noted from diagram A-9.6, below, that the injury analysis period was not affected by an appreciation in the value of the Australian dollar currency against the United States dollar.

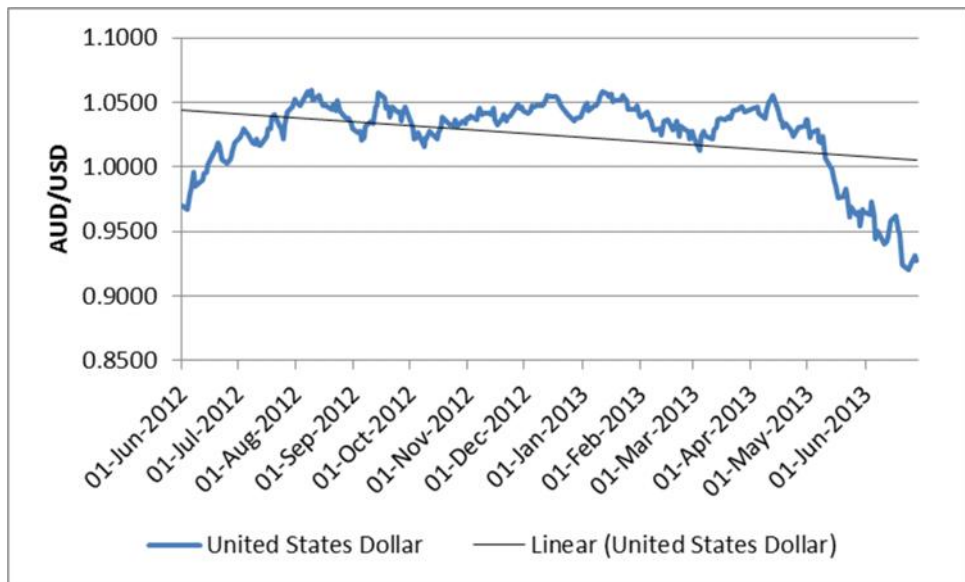


Diagram A-9.6.1 Daily AUD/USD exchange rates for FY 2013  
(Source: <http://www.rba.gov.au/statistics/hist-exchange-rates/index.html>)

The Australian industry notes that notwithstanding its short history, its highly automated production facility has capacity to produce 24 completed modules per operating hour based on a single 8-hour shift. With a three 8-hour shift structure, the applicant has full capacity of 138,240 modules per annum, across a 48 week year.

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Therefore, capacity is not a factor causing injury to the Australian industry (refer **CONFIDENTIAL ATTACHMENT A-9.6**).

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

Injurious imports are likely to continue from China. There is evidence from the latest price lists published by importers and distributors of deeper price undercutting (refer **Confidential Attachment A-9.7**).

# **PART B**

## **DUMPING**

### **IMPORTANT**

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

For advice about completing this part please contact the Commission's client support section on:

**Phone:** 1300 884 159  
**Fax:** 1300 882 506  
**Email:** [clientsupport@adcommission.gov.au](mailto:clientsupport@adcommission.gov.au)

**B-1 Source of exports.**

**1. Identify the country(ies) of export of the dumped goods.**

The country exporting the allegedly dumped and subsidised goods the subject of this application is the People's Republic of China (**China**).

**2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.**

It is the applicant's understanding that the country of export is also the country of origin of the goods the subject of this application.

**3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.**

China, the country of export nominated in this application, is considered a market economy country for the purposes of Australia's anti-dumping legislation.

**4. Where possible, provide the names, addresses and contact details of:**

- producers of the goods exported to Australia;
- exporters to Australia; and
- importers in Australia.

The applicant understands that the following nominated companies are both producers and exporters of the GUC to Australia:

*Changzhou Trina Solar Energy Co., Ltd. and its subsidiary Trina Solar Limited (Trina Solar)*

Address: No.2 Trina Road  
Trina PV Industrial Park New District  
Changzhou, 213031 China

Phone: +86 51 9854 82008

Fax: +86 51 9851 76021

*Suntech Power Holdings Co., Ltd. and its subsidiaries Wuxi Suntech Power Co. Ltd, Luoyang Suntech Power Co. Ltd and Suntech Power Co. Ltd (Suntech Power)*

Address: 9 Xinhua Road,  
New District, Wuxi  
Jiangsu Province 214028 China

Phone: +86 510 8531 8888

Fax: +86 510 8534 3321

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*Ningbo Sun Earth Solar Power Co., Ltd.*

Address: 211 Xingguang Road, Hi-Tech Zone  
Ningbo, Zhejiang, China

Phone: +86 574 87131308

Fax: +86 574 87131333

*Yingli Green Energy Holding Co., Ltd. (Yingli Solar)*

Address: 3399 North Chaoyang Avenue  
Baoding 071051, China

Phone: +86 312 8922 208

Fax: +86 312 8929 800

*Canadian Solar Inc.*

Address: 199 Lushan Road, Suzhou New District  
Jiangsu, China, 215129

Phone: +86 512 66908088

The applicant understands that the following nominated companies are importers of the GUC into Australia and exported from China:

*True Value Solar Pty Ltd*

ABN 11 143 232 482

Unit 8

170-180 Rooks Rd

Vermont VIC 3133

*ORIGIN ENERGY ELECTRICITY LIMITED*

ABN 33 071 052 287

Level 45, Australia Square

264-278 George Street

Sydney NSW 2001

*ZEN Technologies (Power and Energy) Pty Ltd*

ABN 82 110 224 005

33 King Street,

Norwood SA 5067

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*Yingli Green Energy Australia Pty. Ltd*  
ABN 38 159 202 132  
Unit 51, Upper Level  
26-32 Pirrama Road  
Pymont NSW 2009

*GOLDEN INTERNATIONAL TRADING PTY. LTD. (t/a Century Solar Energy)*  
ABN 32 154 280 172  
Unit 10  
54 Beach Street  
Kogarah NSW 2217

5. If the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

Import volumes from the nominated country during the injury analysis period exceed the 3 per cent *de minimus* requirement.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from **each** nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application

Import volumes from the nominated country during the injury analysis period exceed the 4 per cent *de minimus* requirement.

### **B-2 Export price**

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different grades, levels of trade, models or types involved, an export price should be supplied for each.

Export prices across the investigation period CY 2013 have been obtained from export sales quotations, a summary of which is provided in table B-2.1, below.



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Fiscal period Qtr ending	Terms	Model	DC/AC	Microinverter (USD/W)	AUD/Watt	AUD/USD	USD/Watt	Confidential Attachment	
31-Mar-13	FOB Qingdao	Poly-crystalline	DC				\$ 0.53	B-2.3	
			AC	\$ 0.19			\$ 0.72		
		Mono-crystalline	DC			\$ 0.68			
			AC	\$ 0.19		\$ 0.87			
30-Jun-13	FOB Qingdao	Polycrystalline	DC				\$ 0.55	B-2.4	
			AC	\$ 0.19			\$ 0.74		
		Mono-crystalline	DC			\$ 0.68			
			AC	\$ 0.19		\$ 0.87			
30-Sep-13	Undisclosed	Polycrystalline	230W module	DC			\$ 0.50	B-2.5	
				AC	\$ 0.19		\$ 0.69		
			240W module	DC			\$ 0.52		
				AC	\$ 0.19		\$ 0.76		
		Mono-crystalline	190W module	DC			\$ 0.57		
				AC	\$ 0.19		\$ 0.76		
			250W module	DC			\$ 0.56		
				AC	\$ 0.19		\$ 0.76		
31-Dec-13	EXW Brisbane	Polycrystalline	DC		\$ 0.51	0.965	\$ 0.50	B-2.6	
			AC	\$ 0.19			\$ 0.69		
		Mono-crystalline	DC		\$ 0.67	\$ 0.96	\$ 0.65		
			AC	\$ 0.19		\$ 0.84			

Microinverter Calculation

Period (fiscal quarter ending)

Inverter material cost (EXW,USD)

Inverter capacity (W)

Inverter cost (USD/W)

Chinese cost advantage (discount rate)

Chinese inverter material cost (USD/W)

	31/03/2013	30/06/2013	30/09/2013	31/12/2013	Source:
Inverter material cost (EXW,USD)					CONFIDENTIAL ATTACHMENT B-4.1.5.1
Inverter capacity (W)	250	250	250	250	CONFIDENTIAL ATTACHMENT B-4.1.5.1
Inverter cost (USD/W)					CONFIDENTIAL ATTACHMENT B-4.1.5.2
Chinese cost advantage (discount rate)					CONFIDENTIAL ATTACHMENT B-4.1.5.2
Chinese inverter material cost (USD/W)	\$ 0.19	\$ 0.19	\$ 0.19	\$ 0.19	

Table B-2.1 Summary of export prices for poly- and multi crystalline modules across CY 2013

**2. Specify the terms and conditions of the sale, where known.**

Quarter ending 31 March 2013 sales are on the following terms:

Contract Date: 11 March 2013  
 Delivery: FOB Qingdao, China  
 Quantity: 40' container  
 Payment: TT 30% deposit, L/C at sight, USD  
 Arrival: 15 – 20 days

These conditions are reflected in **CONFIDENTIAL ATTACHMENTS B-2.1** and **B-2.2**, and are adopted in the course of dealing with the named exporter.

Quarter ending 30 June 2013 sales are on the following terms:

Contract Date: 28 May 2013  
 Delivery: FOB Qingdao, China  
 Quantity: 40' container  
 Payment: TT 30% deposit, L/C at sight, USD  
 Arrival: 15 – 20 days

These conditions are reflected in **CONFIDENTIAL ATTACHMENTS B-2.1** and **B-2.2**, and are adopted in the course of dealing with the named exporter.

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*Quarter ending 30 September 2013 sales are on the following terms:*

Contract Date:	12 July 2013
Delivery:	Undisclosed
Quantity:	Minimum not disclosed
Payment:	Letter of credit, Document against acceptance, Document against payment, Telegraphic Transfer, Western Union

*Quarter ending 31 December 2013 sales are on the following terms:*

Contract Date:	23 October 2013
Delivery:	EXW Brisbane
Quantity:	43,500 units
Payment:	L/C 90 days after Bill of lading sighted

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. [Appendix B1 \(Deductive Export Price\)](#) can be used to assist your estimation.

The published export prices disclosed in section B-2.1 adequately reflect actual export values. Therefore, a Deductive Export Price has not been calculated.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

Refer to confidential attachments supporting the published export prices disclosed in section B-2.1.

### **B-3 Selling price (normal value) in the exporter's domestic market.**

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each grade, model or type of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

The applicants have attempted to obtain domestic selling prices for the goods the subject of this application in the exporting country. Domestic selling prices are not readily available from published sources and/or industry publications.

Further, the applicant considers that Chinese domestic selling prices for solar PV modules are:

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- (a) artificially low; and/or
- (b) there are conditions in the market which render sales in that market not suitable for use in determining prices under subsection 269TAC(1) of the *Customs Act 1901*,

and cannot be relied upon for demonstrating *prima facie* dumping margins.

One cause of “artificially low pricing” in the solar PV module market relates to the Chinese government’s involvement in the domestic market which has materially distorted competitive conditions, in terms of such enterprise’s working capital costs. Specifically, the Australian industry alleges that loans and credit facilities by state owned Chinese banks to Chinese solar PV cell and module manufacturers at less than market interest rates, and on terms that are preferential to such manufacturers that do not take account of commercial credit risk and prudential lending practices otherwise applied in the Chinese capital credit market.

According to table B-3.1.1, below, between January 2010 and 28 September 2011, USD 40.71 billion worth of loans and credit facilities were extended to Chinese solar PV cell and module manufacturers, specifically:

<b>Manufacturer</b>	<b>Amount (USD million)</b>	<b>Bank</b>
China Sunergy	160	China Development Bank
Dago New Energy	154	Bank of China
Hanwa SolarOne	1,000	Bank of China
Hanwa SolarOne	885	Bank of Shanghai
JA Solar	4,400	China Development Bank
Jinko Solar	7,600	Bank of China
LDK Solar	8,900	China Development Bank
Suntech	7,330	China Development Bank
Trina Solar	4,400	China Development Bank
Yingli Green Energy	179	China Citic Bank, Bank of China
Yingli Green Energy	5,300	China Development Bank
Yingli Green Energy	144	Bank of Communications
Yingli Green Energy	257	Bank of Communications
<b>Total</b>	<b>40,709</b>	

*Table B-3.1.1 Loans and Credit Agreements involving Chinese Banks to Chinese Solar Companies between January 2010 – 28 September 2011 (Source: Mercom Capital Group, llc) **(NON-CONFIDENTIAL ATTACHMENT B-4.1.1)***

The Australian industry alleges that as a consequence of these so-called “policy loans” prices of solar PV modules were artificially low, to the extent that domestic and export sales were, and continue to be unprofitable. This is reflected in the financial statements of the three largest Chinese solar PV cell and module manufacturers, that indicates unprofitable trading.

According to table B-3.1.2, below, the three largest Chinese solar PV module manufacturers were, Suntech, Yingli and Trina Solar. In 2011, these companies represented almost 20% of global solar PV module supplies.

	<b>2009</b>	<b>2010</b>	<b>2011</b>
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Suntech	6.7%	7.2%	7.8%
Yingli	5.2%	4.9%	6.0%
Trina Solar	4.0%	4.8%	5.6%

Table B-3.1.2 Largest Chinese solar PV module suppliers in terms of watts shipped (Source IHS Solar Research, March 2013, **NON-CONFIDENTIAL ATTACHMENT B-4.1.3**)

According to **NON-CONFIDENTIAL ATTACHMENT B-4.1.2**, the average loss of the three largest Chinese solar module manufacturers was 28%.

**2. Specify the terms and conditions of the sale, where known.**

Not applicable, as domestic selling prices for the goods the subject of this application in the exporting country are not readily available from published sources and/or industry publications.

**3. Provide supporting documentary evidence.**

Not applicable.

**4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.**

SUNTECH POWER HOLDINGS CO., LTD.  
9 Xinhua Road  
New District, Wuxi  
Jiangsu Province 214028  
China  
Tel: +86 (510) 8531 8888  
Fax: +86 (510) 8534 3321

YINGLI GREEN ENERGY HOLDING COMPANY LIMITED  
3399 North Chaoyang Avenue  
Baoding 071051  
China  
Fax: +86 312 8929 800

TRINA SOLAR LIMITED  
No. 2 Tianhe Road  
Trina PV Industrial Park, New District  
Changzhou, Jiangsu, 213031  
China  
Tel: +86 519 8982 4000  
Fax: +86 519 8517 6021

CANADIAN SOLAR INC.  
199 Lushan Road,  
Suzhou New District  
Jiangsu, 215129

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China  
Tel.: +86 (512) 66908088

**B-4 Estimate of normal value using another method.**

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);  
OR
- the selling price of like goods from the country of export to a third country.

**1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).**

As noted in section B-3.1, above, the Australian industry considers that Chinese domestic selling prices for solar PV modules are:

- (a) artificially low; and/or
- (b) there are conditions in the market which render sales in that market not suitable for use in determining prices under subsection 269TAC(1) of the *Customs Act 1901*.

Accordingly, the applicant has established normal values using the alternate constructed price methodology based upon the published financial records of Trina Solar. The financial records of Yingli Solar have been considered, by the applicant. However, the applicant found that Yingli Solar was not as efficient a producer of solar PV modules as Trina Solar. Therefore, the applicants have conservatively estimated the normal values based on the most efficient of the three largest Chinese producers, namely Trina Solar. The financial records of Suntech Power have not been used, as the company has not published comprehensive quarterly financial results capable of determining the cost to make and sell solar PV modules since December 2011.

The Australian industry has taken the published quarterly financial results of Trina and extrapolated a unit (USD/W) fully absorbed cost to make and sell value.

In the case of Trina Solar, actual sales volumes in terms of MW shipped were available. Accordingly, production costs were allocated on a unit basis (USD/W) across total sales in the respective fiscal period.

Based on the company's FY (31 December) 2013, financial reports, **NON-CONFIDENTIAL ATTACHMENT B-4.1.2(d)**, the applicant was able to allocate the company's selling expenses on the basis of Chinese and export sales. This was

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done to ensure that there was no over allocation of selling expenses to a constructed normal value based on Chinese domestic sales.

Although the Chinese producer/exporter, Trina Solar, was unprofitable overall across the FY (31 December) 2013 fiscal period, the company did produce a net profit of approximately USD 0.01/W in quarters 3 and 4 of that fiscal period. Accordingly, a profit of that amount has been applied to the constructed price value.

Four constructed price models have been prepared – Poly-crystalline DC and AC modules, and Mono-crystalline DC and AC modules.

In terms of differentiating between solar PV modules constructed with poly-crystalline (also known as multi-crystalline) and mono-crystalline PV cells, the available financial data for the Chinese producers/exporters does not differentiate between the two.

Available price index data suggest that solar PV cells used in the production of mono-crystalline solar PV modules trade at a 31% premium to the solar PV cells used in the production of poly-crystalline cells (refer **NON-CONFIDENTIAL ATTACHMENT B-4.1.6**).

As Trina Solar produces solar PV modules from mono-crystalline and poly-crystalline cells, and as the available financial cost information of that company would include a mix of both mono-crystalline and poly-crystalline solar PV module production, the Australian industry has applied a price premium of 31% to the constructed price of mono-crystalline solar PV modules and panels.

The constructed price model for the AC module is based on the price model of the DC module with an adjustment, on a unit (USD/W) basis for the inclusion of a micro inverter. As the values of the micro inverters are based on an adjustment of the EXW price paid by the Australian industry, the AC module normal values are contained within **CONFIDENTIAL ATTACHMENT B-4.1.5**. To reflect an estimate of the material cost advantage available to Chinese producers/exporters, a discount rate of [REDACTED]% has been applied to the EXW values.

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Period	Qtr March 2013	Qtr June 2013	Qtr Sept 2013	Qtr Dec 2013
<b>Mono-crystalline</b>				
<b>DC Module (USD/W) <sup>1</sup></b>	1.01	0.93	0.91	0.86
<b>AC Module (USD/W) <sup>2</sup></b>	1.20	1.12	1.10	1.05
<b>Poly-crystalline</b>				
<b>DC Module (USD/W) <sup>3</sup></b>	0.77	0.71	0.70	0.66
<b>AC Module (USD/W) <sup>4</sup></b>	0.96	0.90	0.89	0.85
<p><i>References</i> <sup>1</sup> <u>NON-CONFIDENTIAL ATTACHMENT B-4.1.4(a)</u>  <sup>2</sup> <u>CONFIDENTIAL ATTACHMENT B-4.1.5(a)</u>  <sup>3</sup> <u>NON-CONFIDENTIAL ATTACHMENT B-4.1.4(b)</u>  <sup>4</sup> <u>CONFIDENTIAL ATTACHMENT B-4.1.5(b)</u></p>				

*Table B-4.1.1 Summary of normal values for Mono-crystalline and poly-crystalline DC and AC modules expressed in terms USD/watt*

**2. Provide supporting documentary evidence.**

Refer to non-confidential and confidential attachments supporting the normal values disclosed in NON-CONFIDENTIAL ATTACHMENT B-4.1.4, and CONFIDENTIAL ATTACHMENT B-4.1.5.

**B-5 Adjustments.**

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

**1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.**

Export prices for poly- and mono-crystalline AC modules were not available. Therefore, an upward adjustment to the export price was made in order to reflect the physical adjustment to this model/type. The adjustment was calculated in the same manner as it was calculated in the construction of a normal value for AC modules, namely, a discounted cost of a micro-inverter at an EXW level of trade, as purchased by the Australian industry was applied to the export price.

In the case of the export price information for the fiscal quarter ending 30 September 2013, the delivery terms were not know, and in the case of the export price for 31 December 2013, the delivery terms were delivered EXW Brisbane. In the case of the latter, the Australian industry has made no adjustment to the FOB level of trade, as a beneficial concession to the exporter (the EXW export price being higher than

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its FOB adjusted amount). In the case of the export price for fiscal quarter ending 30 September 2013, again no adjustment has been made, as it is assumed that it reflects a FOB value.

In the case of the normal value calculations, these are measured in terms of USD per watt, delivered to the customers under the then effective supply contracts during the relevant period. Again, the Australian industry has assumed that whether delivered to the FOB cleared point at port, or the customer, there is an element of inland delivery charge that makes these values comparable to a FOB delivery terms.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

The applicant has identified some of the above adjustments in calculations arriving at dumping margins. Please refer to sections B-2.1 and B-3.1, above.

### **B-6 Dumping margin.**

1. Subtract the export price from the normal value for each grade, model or type of the goods (after adjusting for any differences affecting price comparability).

Dumping margin calculations for the goods the subject of this application are summarised in table B-6.1, below (refer **CONFIDENTIAL ATTACHMENT B-6**).



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<i>Fiscal Qtr ending 2013</i>	<i>Terms</i>	<i>Model</i>	<i>Export Price Section B-2.1</i>	<i>Normal Value Section B-4.1.1</i>	<i>Dumping Margin</i>
<b>31-Mar</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.53	0.77	0.24
		AC	\$ 0.72	0.96	0.24
		<b>Mono-crystalline</b>			
		DC	\$ 0.68	1.01	0.33
		AC	\$ 0.87	1.20	0.33
<b>30-Jun</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.55	0.71	0.16
		AC	\$ 0.74	0.90	0.16
		<b>Mono-crystalline</b>			
		DC	\$ 0.68	0.93	0.25
		AC	\$ 0.87	1.12	0.25
<b>30-Sep</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.50	0.70	0.20
		AC	\$ 0.69	0.89	0.20
		<b>Mono-crystalline</b>			
		DC	\$ 0.57	0.91	0.34
		AC	\$ 0.76	1.10	0.34
<b>31-Dec</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.50	0.66	0.16
		AC	\$ 0.69	0.85	0.16
		<b>Mono-crystalline</b>			
		DC	\$ 0.65	0.86	0.22
		AC	\$ 0.84	1.05	0.22

Table B-6.1 Dumping margin calculations (Source CONFIDENTIAL ATTACHMENT B-6).

2. Show dumping margins as a percentage of the export price.

Dumping margin calculations (section B-6.1, above) as a percentage of export prices (refer section B-2.1) are summarised in table B-6.2, below (refer **NON-CONFIDENTIAL ATTACHMENT B-6**).

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<i>Fiscal Qtr ending 2013</i>	<i>Terms</i>	<i>Model</i>	<i>Export Price Section B-2.1</i>	<i>Normal Value Section B-4.1.1</i>	<i>Dumping Margin, %</i>
<b>31-Mar</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.53	0.77	45.7%
		AC	\$ 0.72	0.96	33.7%
		<b>Mono-crystalline</b>			
		DC	\$ 0.68	1.01	48.8%
		AC	\$ 0.87	1.20	38.2%
<b>30-Jun</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.55	0.71	29.1%
		AC	\$ 0.74	0.90	21.6%
		<b>Mono-crystalline</b>			
		DC	\$ 0.68	0.93	36.8%
		AC	\$ 0.87	1.12	28.7%
<b>30-Sep</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.50	0.70	39.5%
		AC	\$ 0.69	0.89	28.7%
		<b>Mono-crystalline</b>			
		DC	\$ 0.57	0.91	60.3%
		AC	\$ 0.76	1.10	45.3%
<b>31-Dec</b>	<b>FOB, USD/watt</b>	<b>Polycrystalline</b>			
		DC	\$ 0.50	0.66	33.0%
		AC	\$ 0.69	0.85	23.7%
		<b>Mono-crystalline</b>			
		DC	\$ 0.65	0.86	33.6%
		AC	\$ 0.84	1.05	25.9%

**Table B-6.2 Dumping margin calculations, as a percentage of export prices**

# PART C

## SUPPLEMENTARY SECTION

### **IMPORTANT**

Replies to questions in Part C are not mandatory in all instances, but may be essential for certain applications.

For advice about completing this part please contact the Commission's client support section on:

**Phone:** 1300 884 159  
**Fax:** 1300 882 506  
**Email:** [clientsupport@adcommission.gov.au](mailto:clientsupport@adcommission.gov.au)

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### C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:
  - (i) the nature and title of the subsidy;
  - (ii) the government agency responsible for administering the subsidy;
  - (iii) the recipients of the subsidy; and
  - (iv) the amount of the subsidy.

Not applicable.

### C-2. Threat of material injury

Address this section if the application relies solely on threat of material injury (ie where material injury to an Australian industry is not yet evident).

1. Identify the change in circumstances that has created a situation where threat of material injury to an Australian industry from dumping/subsidisation is foreseeable and imminent, for example by having regard to:
  1. the rate of increase of dumped/subsidised imports;
  2. changes to the available capacity of the exporter(s);
  3. the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
  4. inventories of the product to be investigated; or
  5. any other relevant factor(s).

This application is not based upon a threat of material injury from dumped or subsidised imports of the goods the subject of the application.

The application details how the applicant industry has suffered material injury caused by the alleged dumped exports from China. The application also indicates that in the absence of anti-dumping measures, further material injury is likely to result from dumped exports of the goods the subject of the application from the nominated country.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that the threat is both foreseeable and imminent.

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As evidenced by the latest price lists published by importers and distributors, the price undercutting by importers of injurious imports is likely to continue (refer CONFIDENTIAL ATTACHMENT A-9.7).

### C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission’s client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

The goods the subject of this application are not close processed agricultural goods. This section does not apply to the goods.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

Not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

Not applicable.

4. Provide information to establish **either**:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; **or**
- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

Not applicable.

### C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling

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prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

The country the subject of this application is considered to be a 'market economy' country for the purposes of Australia's anti-dumping legislation.

2. Nominate a comparable market economy to establish selling prices.

Please refer to section C-4.1, above.

3. Explain the basis for selection of the comparable market economy country.

Please refer to section C-4.1, above.

4. Indicate the selling price (or the cost to make and sell) for each grade, model or type of the goods sold in the comparable market economy country. Provide supporting evidence.

Please refer to section C-4.1, above.

### C-5 Exports from an 'economy in transition'

An 'economy in transition' exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an 'economy in transition' are covered by the application. **Applicants are advised to contact the Commission's client support section before completing this section**

1. Provide information establishing that the country of export is an 'economy in transition'.

The country the subject of this application is not considered an 'economy-in-transition' country for the purposes of Australia's anti-dumping legislation. Therefore, this question is not applicable.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

Not applicable.

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3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

Not applicable.

4. Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

Not applicable.

**C-6 Aggregation of Volumes of dumped goods**

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	<b>Quantity</b>	<b>%</b>	<b>Value</b>	<b>%</b>
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
<b>Total</b>				

\* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

The country the subject of this application accounts for more than 3 per cent of total import volume. Please refer to section B-1.5, above.

**APPENDICES**

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Not applicable
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Not applicable
Appendix A7	Not applicable
Appendix A8	Authority to Deal With Representative
Appendix B1	Not applicable
Appendix B2	Not applicable