

Our reference  
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8 Chifley  
8-12 Chifley Square Sydney NSW 2000  
GPO Box 9925 NSW 2001  
Tel (02) 9210 6500  
Fax (02) 9210 6611  
[www.corrs.com.au](http://www.corrs.com.au)



Sydney  
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Perth

2 October 2014

**Not Confidential**

**By email:**

Mr Geoffrey Gleeson  
Director Operations 1  
Australian Anti-Dumping Commission  
5th Floor, Customs House  
5 Constitution Avenue  
Canberra ACT 2601

**Contact**  
Andrew Percival (02) 9210 6228  
Email: [andrew.percival@corrs.com.au](mailto:andrew.percival@corrs.com.au)

**Partner**  
Andrew Korbel (02) 9210 6537  
Email: [andrew.korbel@corrs.com.au](mailto:andrew.korbel@corrs.com.au)

Dear Mr Gleeson

**Anti-dumping investigation - power transformers from Indonesia**

Thank you very much for taking the time to meet with us, and our client, PT CG Power Systems Indonesia (**CG Power Systems**), on 30 September 2014.

In our meeting we discussed the approach taken with respect to our client in the Statement of Essential Facts (**SEF**) published by the Commission.

**Uncooperative Exporter**

The SEF records that the Anti-Dumping Commissioner has accepted the recommendation that CG Power Systems be considered an “uncooperative exporter” within the meaning of s. 269T of the *Customs Act 1901*.

Our client’s position in relation to that issue was outlined in our letter of 29 August 2014, and remains unchanged.

**Information used to calculate a dumping margin**

We acknowledge that if our client is determined to be an “uncooperative exporter”, then the export price and normal value of our client’s exports of power transformers to Australia must be determined on “all relevant information”: ss269TAB(3) and 269TAC(6) of the *Customs Act 1901*.

In the SEF the export price, normal value and, consequently, the dumping margin calculated by the Commission were based on estimates provided to the Commission by the Australian industry in relation to a particular transaction. Until the publication of the SEF our client was not aware that the Commission held such estimates, or proposed to use them.

2 October 2014

Australian Anti-Dumping Commission

**Anti-dumping investigation - power transformers from Indonesia**

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The Australian industry does not have access to our client's confidential pricing information, or costs, either in Australia or in Indonesia, and so the estimates are not based on any actual data relating to the transaction or our client's operations.

We also understand from the Commission's explanations of the dumping margin calculation that the estimates were based on assumptions made by the Australian industry, but that it has not been possible to verify whether the assumptions have any factual basis. We propose to provide further material to the Commission to support our client's submission that the estimates from the Australian industry are, in material ways, simply incorrect.

In our letter of 29 August 2014, we expressed a view (which we had also put to the Commission in a letter of 14 March 2014) that the most relevant information before the Commission in relation to our client was the information provided by our client itself.

In its response to the exporter questionnaire, and its responses in 2013 to questions from the Commission, our client provided the Commission with detailed information regarding its exports to Australia and its domestic sales in Indonesia, as well as its costs. We understand that, to date, the Commission has not used that information to calculate a dumping margin for our client because of difficulties that the Commission had in understanding the data as presented.

As you have seen, calculations sent to the Commission by our client on 21 July 2014 and 11 September 2014 demonstrated that, using the Commission's announced methodology, and the corrected information already submitted by our client, together with a verifiable profit margin on domestic sales, a negative dumping margin would be calculated for our client for the period of investigation.

Given the Commission's difficulties in understanding the data submitted by our client, we would be grateful for an opportunity for our client, and Mr Reilly of GTR Consulting, to sit down for a short period of time with the Commission to attempt to assist the Commission by explaining the data already submitted, and how to reconcile it. Our client is not looking to submit any new data to the Commission, but simply to assist the Commission to understand that the data that it already has before it is reliable.

In our respectful submission, this could be done relatively quickly, and the Commission could then form its view on whether or not to use that data, the estimates provided by the Australian industry, or some other information. The process would not delay the Commission's report to the Parliamentary Secretary.

If you have concerns with undertaking such an exercise, please let us know so that we can address them. Otherwise, we would be grateful if you would let us know when would be a convenient time for the Commission for to meet with our client.

We look forward to hearing from you.

Yours faithfully

**Corrs Chambers Westgarth**



**Andrew Korbelt**  
Partner

**Andrew Percival**  
Special Counsel