



Anti-Dumping Commission
Customs House
5 Constitution Ave
CANBERRA ACT 2601

Mr Daniel Moulis
Moulislegal
1/2 Brindabella Circuit
Brindabella Business Park
Canberra International Airport ACT 2609

By email: daniel.moulis@moulislegal.com

Dear Mr Moulis

**INVESTIGATION INTO THE ALLEGED DUMPING OF
POWER TRANSFORMERS FROM CHINA, INDONESIA, KOREA, TAIWAN,
THAILAND AND VIETNAM**

I refer to your letter of 25 September 2014. The responses below are numbered in accordance with the requests set out in your letter.

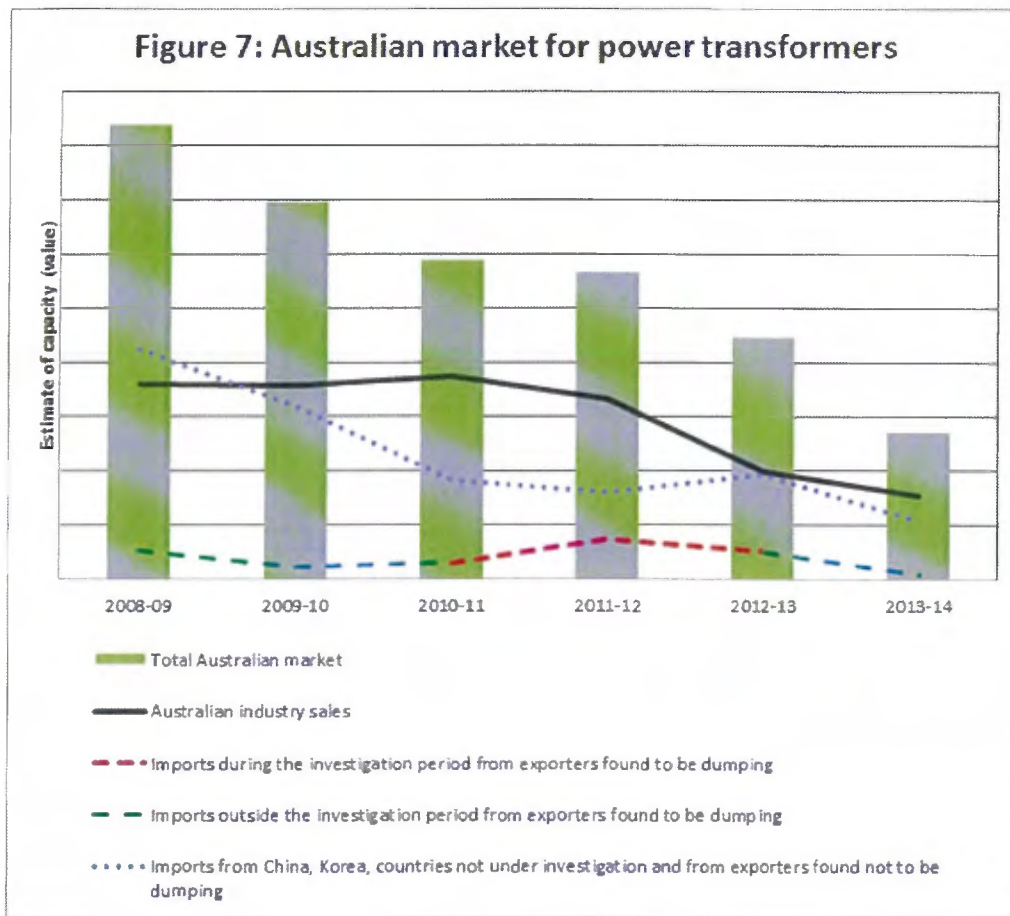
1. A new non-confidential version of the submission from Wilson Transformer Company Pty Ltd (WTC) dated 10 June 2014 is provided at **Attachment A**. The Commission considers that this document contains sufficient detail to allow a reasonable understanding of the substance of the information.
2. A non-confidential version of the WTC email to Mr John Bracic of 10 January 2014 (together with an earlier email in that chain) is provided at **Attachment B**. The Commission considers that this document contains sufficient detail to allow a reasonable understanding of the substance of the information.
3. (a) The y-axis in Figure 7 at page 72 of Statement of Essential Facts No. 219 (SEF 219) is an estimate of the value of the power transformers sold in the Australian market. This is consistent with the explanation at section 5.5 of SEF 219, where the Commission explains the links between capacity, value and volume of power transformers.

(b) The data series marked with red dashes in Figure 7 of SEF 219 should have been shown and labelled separately for the years within the investigation period and for the years outside the investigation period. A revised version of Figure 7 is provided below.

(c) The "*Undumped imports*" in Figure 7 of SEF 219 included power transformers imported from countries other than those under investigation. The "*Imports from China, Korea, countries not under investigation and from exporters found not to be dumping*" in the revised Figure 7 (below) is self-explanatory.

(d) The "Dumped imports" in Figure 7 of SEF 219 did not include goods imported from China and Korea. The "Imports during the investigation period from exporters found to be dumping" and "Imports outside the investigation period from exporters found to be dumping" in the revised Figure 7 (below) also do not include goods imported from China and Korea.

(e) A revised version of Figure 7 of SEF 219, including gridlines and the clearer descriptions of data series, is shown below. The values used have not been shown because this would reveal confidential information. I can confirm that the y-axis of the chart commences at zero.



I trust this letter and attachments satisfies your requests for additional information, explanations and clarifications. I will arrange for this letter and attachments to be placed on the public record as soon as possible.

Yours sincerely

Geoff Gleeson
Director, Operations 1
Anti-Dumping Commission

2 October 2014



Corporate Office

310 Springvale Road (P.O. Box 5), Glen Waverley, Victoria 3150, Australia

Telephone: (03) 9560 0411
Email: sales@wtc.com.au
Website: www.wtc.com.au

Corporate Fax: (03) 9560 0499
General Fax: (03) 9560 0599
Service Fax: (03) 9560 0793

10 June 2014

ATTACHMENT A

Private & Confidential

Mr Geoff Gleeson
Director Operations 1
Anti-Dumping Commission
Customs House
5 Constitution Avenue
Canberra
ACT 2601

Dear Geoff,

ADC 219 —Power Transformers from China, Indonesia, Korea, Taiwan, Thailand and Vietnam
Targeted Dumping from Thailand

In my e-mail to Mr John Bracic of 10 January 2014, I explained why I considered that the level of imports from Thailand to be greater than 3% of total imports. The key reason was the apparent classification of imports from Thailand other than under the primary 8504230026. [Redacted]

[Redacted] [Deleted tariff classifications]

Below is a table of the imports from Thailand during the investigation period on the basis of correcting the apparent classification issues:

	Qty	% of Thai Total	Customs Value	% of Thai Total
Queensland	[Redacted]	[Redacted]%	[Redacted]	[Redacted]%
South Australia	[Redacted]	[Redacted]%	[Redacted]	[Redacted]%
Tasmania	[Redacted]	[Redacted]%	[Redacted]	[Redacted]%
Victoria	[Redacted]	[Redacted]%	[Redacted]	[Redacted]%
Western Australia	[Redacted]	[Redacted]%	[Redacted]	[Redacted]%
Total	[Redacted]	100.0%	[Redacted]	100.0%

As can be seen, the quantity and value of imports with a final state destination of either Queensland or Western Australia is significant, representing 61.7% and 59.0% by quantity and value respectively.

We have previously written to the ADC expressing our concern that the valuation of transformers included in “packages” or “turnkey projects” will be difficult to ascertain with accuracy. The high level of imports into Queensland and Western Australia is consistent with our view that it is likely that imports into those states are part of “packages” or “turnkey projects”, particularly in view of the high level of resource projects in those states.





Corporate Office

310 Springvale Road (P.O. Box 5), Glen Waverley, Victoria 3150, Australia

Telephone: (03) 9560 0411
Email: sales@wtc.com.au
Website: www.wtc.com.au

Corporate Fax: (03) 9560 0499
General Fax: (03) 9560 0599
Service Fax: (03) 9560 0793

Reasonably accurate costs, sale prices and dumping margins can be determined for power transformers when sold as "stand alone" items. However when power transformers are sold as part of a "package" or "turnkey project", the costs, sale prices and dumping margins, are difficult, if not impossible to determine. We therefore support the view that transformers sold as part of a "package" or "turnkey project" should be excluded from the dumping calculations.

Our definition of the traditional package and non-turnkey purchases is the purchase by customers on a "Supply, Install and Commission" basis. A small number of customers wished to do their own installation and commissioning. We believe that these should be included in the dumping calculations. A few customers, mostly non-Government owned, and transmission utilities have purchased power transformers as part of a larger package, including switchgear. We believe that these should be excluded from the calculations unless the transformer can be bid separately.

The scope of a "package" or "turn-key" project can be variable and include a whole substation or power supply system, or a relatively limited range of switchgear with the power transformer.

[Deleted comments on packages and turnkey projects] The power transformer value would need to include the full FOB, shipping, unloading, local transport, oil, accessories (conservatory, bushings, radiators, control cubicles etc), assembly/installation and commissioning costs.

Further, our view is that any dumping margins identified in the stand-alone traditional package and non-turnkey purchase should apply to all Power Transformer imports, that is:

- Power Transformers in stand-alone traditional packages and non-turnkey purchases, and
- Power Transformers included in "packages" or "turnkey projects".

Attached is a table of contracts for [redacted] power transformers for [redacted]. We consider that the price discounts of [redacted]% and [redacted]% as indicated in the attached table indicates that the prices offered on these contracts are targeted dumping. Even the [redacted]% and [redacted]% discounts are supportive of targeted pricing. We request that these contracts be separately considered in the assessment of dumping duties, along with other contracts won from [redacted]. [Deleted reference to particular contracts]

Should you require any additional information, please do not hesitate to contact me.

Yours sincerely

Robin Winckworth
Finance Director



Power Business Unit
310 Springvale Road (P.O. Box 5),
Glen Waverley, Victoria 3150, Australia
Telephone: (03) 9560 0411 Fax: (03) 9560 0599

Distribution Business Unit
10 Moloney Drive (P.O. Box 809),
Wodonga, Victoria 3689, Australia
Telephone: (02) 6024 5944 Fax: (02) 6024 7981

Hi John

Further to the below e-mail, please find attached details of the Thai imports if only tariff classification 8504230026 is considered and if [REDACTED] [deleted tariff classifications] are also included. We have included the additional classifications as we consider that there are most probably misclassifications in the data. We can discuss the reasons for our view during your visit next week. I have sent this information to provide you with time to consider it before our meeting. Hope this is helpful.

Regards

Robin Winckworth
Finance Director

Wilson Transformer Company Pty Ltd
310 Springvale Road, Glen Waverley, Victoria 3150, Australia

[REDACTED]
Zero Harm, Zero Waste, Complete Customer Satisfaction . . . Always



Please consider the environment before printing this email

This message and any accompanying files are intended only for the person or entity addressed. The documents may contain information that is confidential and privileged and any distribution, reproduction, or other use of these documents by an unintended recipient is prohibited

From: Robin Winckworth
Sent: Thursday, 9 January 2014 3:33 PM
To: john.bracic@customs.gov.au
Cc: VINCENT Chris (Chris.Vincent@adcommission.gov.au)
Subject: Visit Next Week and Thailand Classification

John,

Happy New Year.

In preparation for your visit next week, I have been doing some work to try to understand how the ADC considered that imports from Thailand are less than 3% of total imports. I think that I have identified the key reason. I think that it relates to the classification of the imports in the data base. It appears to me that if only tariff classification 8504230026 is considered, then it is possible to achieve an quantity of approx. 2.5% of imports. If however, [REDACTED] [REDACTED], [deleted tariff classifications] then the quantity increases to approx. 8.6%. It is also necessary to review the unit values. We have considered units with a unit value >\$150k and <\$4.0M to be appropriate for inclusion.

Please advise if you wish me to send you my spreadsheet for your review prior to our meeting or if you wish to wait until the meeting.

Regards

Robin Winckworth
Finance Director

Wilson Transformer Company Pty Ltd
310 Springvale Road, Glen Waverley, Victoria 3150, Australia

[REDACTED]
Zero Harm, Zero Waste, Complete Customer Satisfaction . . . Always