

中华人民共和国商务部

MINISTRY OF COMMERCE OF THE PEOPLE'S REPUBLIC OF CHINA
2, DONG CHANG'AN STREET, BEIJING, CHINA 100731

Ms. Nicole Platt
Manager, Operations 2
Australian Anti-Dumping Commission
5th Floor Customs House
5 Constitution Avenue
Canberra ACT 2601
AUSTRALIA

Dear Ms. Nicole Platt

Re: Investigation of alleged dumping and subsidisation of silicon metal exported from the People's Republic of China – GOC responses

I refer to your letter dated 7 May 2014 requesting the GOC to provide further information regarding the silicon metal investigation.

I understand that the information sought by the Commission in that letter might be mainly related to an inquiry into Particular Market Situation, a practice which is not compliant with the WTO rules, not fair to the Chinese exporters, but still used frequently by the Commission in recent years. The GOC has indicated clearly to the Commission that the way the practice is used against Chinese exporter is not legally justified. The GOC strongly opposes this practice. Moreover, this is considered by the Commission to be an issue under the *Anti-Dumping Agreement* which deals with any cost and price practices of private parties, and not the *Subsidies and Countervailing Measures Agreement* which deals with any practices of a government or its instrumentalities.

Accordingly I must advise that it is not appropriate for the GOC to provide

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information to the Commission in that regard. At the same time the GOC acknowledges the opportunity to contribute to your investigation by making submissions on that matter, in the GOC's discretion.

Considering that the current investigation into silicon metal also involves consideration of subsidisation, and because the first two questions in the letter seem to be related with the Commission's consideration of alleged subsidisation, the GOC will answer those two questions to the reasonable extent.

Attached are the GOC's responses and the relevant supporting documents. All information is non-confidential and may be posted on the public record.

Should you have any further questions please do not hesitate to contact me.

Yours sincerely

Tian Shuguang

TIAN Shuguang

Deputy Division Director

Trade Remedy and Investigation Bureau, Ministry of Commerce, PRC

30 May, 2014

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Attachment 1

Investigation of alleged dumping and subsidisation of silicon metal exported from PRC

GOC's Further Response to ADC letter dated 7 May 2014

Question 1

Electricity Tariff Rate for 2013 by Province:

In China, the electricity tariff rate is different among different provinces and even smaller areas. Since the cooperating exporters in this investigation are located in Fujian Province and Guizhou Province and their main production facilities are also situated in those two provinces, the Chinese government will provide the electricity tariff rate for those two provinces.

The electricity tariff rate of each county within the Fujian Province is different from each other. Therefore, GOC will provide the rate of the specific county where the cooperating exporters is located. In addition, there is a lower electricity tariff rate billed for very high usage production facilities (crystalized silicon production and smelting) only in wet season. This recognizes the bulk usage of those industries and the fact that in the wet season the cost of electricity is lower and the supply is more abundant.

For details of the Electricity Tariff Rate, please see Attachments 2 and 3.

Question 2

For the Period 2009 to December 2013 as applicable to silicon metal:

- a) VAT rebates: 0%;
- b) Export tariff rates: 15%;
- c) Import tariff rates: 4% (MFN), 30% (General);
- d) Export quotas: no quota requirement;
- e) Corporate income tax rates: 25%

Attachment 2

Electricity Sales Schedule of Guizhou Power Grid Unit: Yuan/Kilowatt Hour

Electricity Utilization Category	KWH Electricity Tariff					Basic Electricity Tariff	
						Maximum demand Yuan/kw · Month	Transformer capacity Yuan/Kva · Month
I. Residential Living	Below 1kv	1-10 kv	35-110 kv	110-220 kv	220 above		
The first tier	0.4556	0.4456	0.4456				
The second tier	0.5056	0.4956	0.4956				
The third tier	0.7556	0.7456	0.7456				
Consolidated meter resident	0.4820	0.4720	0.4720				
II.Non-residential Lighting	0.8584	0.8484	0.8384				
III.Commercial utilization	0.9534	0.9434					
IV.non-Industrial & General Industrial	0.7224	0.7124	0.7024				
Wherein: fertilizer production, small-medium	0.5196	0.5096	0.4996				
V.Large Industry		0.5497	0.5297	0.5147	0.5047	45	30
Wherein: Ferroalloy electric furnace, Electrolytic Sodium hydroxide, etc.		0.5397	0.5197	0.5047	0.4947	45	30
Fertilizer production, small-medium		0.4073	0.3873	0.3723	0.3623	30	20
VI.Agricultural Production	0.4754	0.4654	0.4554				
Wherein: irrigation & drainage	0.3254	0.3204	0.3154				

Attachment 3

Electricity Sales Schedule of Fujian Power Grid Unit: Yuan/Kilowatt Hour
(For Hua'an County, Zhangzhou City)

Electricity Utilization Category	KWH Electricity Tariff					Basic Electricity Tariff	
	Below 1kv	1-10 kv	35-110 kv	110-220 kv	220 above	Maximum demand Yuan/kw · Month	Transformer capacity Yuan/Kva · Month
I. Residential Living	0.5000	0.4850					
II.Non-residential Lighting	0.7787	0.7587					
III.Commercial utilization	0.9013	0.8813					
IV.non-Industrial & General Industrial	0.7787	0.7587	0.7387	0.7187	0.6987		
V.Large Industry		0.5760	0.5560	0.5360	0.5160	36	24
VI.Agricultural Production	0.7006	0.6806	0.6606				
Wherein: irrigation & drainage	0.2477	0.2277	0.2077				

Electricity Sales Schedule For Ferroalloy Production Within Zhangzhou City Unit: Yuan/Kilowatt Hour

County	For smelting in wet seasons		For crystalized silicon production in wet seasons	
	01/02/2012-31/05/2012	01/06/2012-date	01/02/2012-31/05/2012	01/06/2012-date
Hua'an	0.5220	0.5220	0.4939	0.5220
Nan'jing	0.5799	0.5934	/	/
Ping'he	0.5437	0.5437	0.5418	0.5418
Yun'xiao	0.5854	0.5854	/	/
Zhao'an	0.5934	0.5934	/	/