

JONES Rod

From: John Gardner <JohnGardner@goldwindaustralia.com>
Sent: Monday, 24 February 2014 9:43 PM
To: JONES Rod
Cc: Anti-Dumping Commission Operations 1; COLE Cathy
Subject: RE: Response to SEF221- public version
Attachments: image001.jpg

Dear Rod,

In reviewing the SEF221, Goldwind would like to make the following points

1. In relation to injury and causation.
 - a. The ADC appears to have made assumptions about the size of the Australian market and the capacity of the Australian industry.
 - i. The ADC should state what it considers is the appropriate production capacity for the Australian industry, given the market size (when measured according to production dates) and appropriate capacity utilisation for an efficient industry. It is the production dates that are relevant when considering capacity utilisation for a particular production facility.
 - ii. The ADC should provide the details of the Australian Industry capacity and the market size.
 - iii. The ADC should state whether it considers the capacity of the Australian Industry is appropriate for the market size.
 - b. the Australian market may not grow at the rate predicted by the Australian Industry in their application as a result of changes in market conditions and policies
 - c. ADC has stated that injury and causation attributed to un-dumped imports has been taken into consideration when determining if alleged dumped imports have caused injury;
 - i. The ADC should state what portion of injury or causation has been attributed to the importation of un-dumped wind towers.
 - ii. In particular the ADC should state with reference to capacity utilisation discussed above whether the local industry would have incurred any injury at all if it had been successful in winning the 100% of the contracts that were awarded to un-dumped imports.
 - d. As a side note, your attention is drawn to the following. The Graph at 4.3 represents annualised figures for the size of the Australian market.
 - i. The graph does not properly represent market size for 2013 because the ½ year figure of 51 is shown rather than the annualised figure which would be 102.
 - ii. It should be noted that the 'market size' graph is based on the date contracts are awarded and does not represent annual production volumes or imports because, as the ADC has noted, there is often a considerable delay between contract award and production of towers
2. In relation to the mark up applied to steel materials for towers from China.
 - a. ADC has advised that forged steel flanges have been marked-up at the same % as rolled steel plate. This is an incorrect approach as forged steel flanges follow an entirely different production process to hot rolled plate. Forging of steel flanges is a secondary production process, it is not the same as the raw steel production for hot rolled plate mills. The raw material input is different. Forging works are generally smaller enterprises with lower capital costs than steel mills. GWA submits that due to the different production processes, ADC must analyse the market for flanges and not the raw material inputs and justify any mark up applied to flanges. There is no known supplier of large forged flanges in Australia. GWA submits that the mark up applied to forged steel flanges, if any at all, should be less than [confidential amount] the markup applied to rolled steel plate on a % basis, as set out in the example below.
 - i. [CONFIDENTIAL information regarding plate steel and flange unit pricing].
3. Several interested parties have previously submitted that the application contained errors and a large amount of information that was unnecessarily kept confidential. The ADC has acknowledged at least one significant error in the application. The ADC should clearly state what other errors are contained in the

Application and ensure that adequate information is made available in regard to information in the Application that has been relied upon in the ADC analysis and findings.

4. In respect of Like Goods and ascertaining market prices for towers.
 - a. The ADC has stated that the Australian Industry manufactures 'Like Goods'. It therefore follows that Tower A manufactured in Australia can be compared with Tower A manufactured in another country, regardless of differences in the scope of supply or commercial terms.
 - b. The ADC has also stated that due to differences in each tower model, a tower subject to investigation cannot be compared with a different tower for the purposes of determining the market price for the tower being investigated. In other words Tower A cannot be compared with Tower B as they are not like goods. [CONFIDENTIAL COMMENT].
 - c. there is the potential to compare sales of Tower A with Tower A in a different market to establish a market price for Tower A.
 - i. For example the tower models manufactured for the [CONFIDENTIAL name of project] projects have been manufactured for other markets and for other projects. GWA does not have the details of these transactions because in other markets it is common for developers such as CONFIDENTIAL [purchaser] to purchase towers according to Goldwind design, direct from the tower manufacturer.
5. Regarding Non Injurious Price, [CONFIDENTIAL]. All interested parties should be given adequate opportunity to respond if the ADC were to consider changing the method.

Kind Regards
[CONFIDENTIAL]



Goldwind Australia Pty Ltd
[CONFIDENTIAL]

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