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Mr John Bracic
Director Operations
Anti-Dumping Commission
Customs House
5 Constitution Avenue
Canberra
Australian Capital Territory 2601

By email

Dear Mr Bracic

ABB Group and ABB Ltd, Vietnam - power transformers Submission in response to visit reports and margin calculation

We refer to the exporter visit reports in respect of ABB Thailand and ABB Vietnam that you seek to place on the public record of this investigation. Our client notes and understands the requirements for disclosure and comment, and now provides the attached non-confidential versions for that purpose.

However it is important for us to make the following comments on behalf of our clients:

- 1 As we have noted on the cover page of each of the visit reports, the approval of our clients to the placement of approved non-confidential versions of the visit reports on the public record of this investigation does not signify their acceptance of or agreement to each finding of fact, methodology or conclusion that they contain, and is without prejudice to their ability or to the ability of any company in the ABB Group to contest any aspect of the visit reports or of any other visit reports in relation to an ABB Group company in this investigation.
- 2 Our analysis of all of the information obtained from our clients indicates that none of the ABB Group companies sold the subject goods to Australia at export prices below their normal values. In fact the no dumping margins we have arrived at are pronounced, giving lie to the allegations that have been made against the applicant in so far as they apply to ABB Group companies. In that context our clients cannot consider the draft margins that have presently been determined by the Commission in respect of each of the ABB companies concerned to be accurate. In the case of ABB Thailand, the correct no dumping margin is much greater than that calculated by the Commission. In the case of ABB Vietnam, our calculations also clearly indicate there has been no dumping. Accordingly, we note and commend your intention to review those calculations as the investigation proceeds, and ask that they be revised as soon as possible.
- 3 For that purpose we request the following corrections to the margin calculations. Our comments are directed towards the ABB Vietnam calculations, but we ask you to take them into account in so far as they might apply to the calculations for ABB Thailand as well.
 - (a) The ordinary course of trade analysis required by Section 269TAAD of the *Customs Act* 1901 must be performed - but it has not been performed. That analysis will enable the

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profit which is then to be applied in the construction of a normal value under Section 269TAC(2)(c) and the relevant Regulations to be properly ascertained.

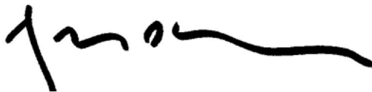
- (b) Distribution transformers have been included in the universe of domestic sales used for the determination of costs and profit. However these are not included in the goods under consideration in this investigation. In this regard the notice initiating the investigation clearly states:

Distribution transformers are not the subject of this application. Distribution transformers are smaller transformers that have design and manufacturing technology which is different from power transformers.

- (c) "Imputed" credit costs cannot be treated as a reduction in our client's prices. If they are to be factored in then they must be treated as a cost adjustment as required by the legislation. As an imputed cost we see no reason why this cannot be done in the usual "plus export credit cost/deduct domestic credit cost" manner. Further, the assumption used must be an interest benefit for payment days before revenue recognition, and an interest cost for payment days after revenue recognition, as per the spread sheet our client provided to the verification team at their request.
- (d) Export warranty costs have been included in the normal value twice.

We would be grateful if you could amend the calculations accordingly and advise us of the position reached as soon as possible.

Yours sincerely



Daniel Moulis
Principal