



INVESTIGATION NO. 239

**ALLEGED DUMPING OF CERTAIN CRYSTALLINE SILICON
PHOTOVOLTAIC MODULES OR PANELS**

EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

EXPORTER VISIT REPORT

Wuxi Suntech Power Co., Ltd

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT
THE FINAL POSITION OF ANTI-DUMPING COMMISSION**

December 2014

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ABBREVIATIONS

ACBPS	Australian Customs and Border Protection Service
China	People's Republic of China
Commission	Anti-Dumping Commission
CTM	Cost to make
CTMS	Cost to make and sell
EXW	Ex-works
FCA	Free-carrier
FY	Financial year
GL	General ledger
OCOT	Ordinary Course of Trade
PAD	Preliminary Affirmative Determination
PV modules or panels	Certain crystalline silicon photovoltaic modules or panels
SEF	Statement of Essential Facts
SG&A	Selling, general and administrative expenses
Suntech	Wuxi Suntech Power Co., Ltd
Suntech Australia	Suntech Power Australia Pty Ltd
the Act	<i>Customs Act 1901</i>
the goods	the goods the subject of the application (also referred to as the goods under consideration)
the Minister	the Minister for Industry and Science
the Parliamentary Secretary	the Parliamentary Secretary to the Minister for Industry
Tindo	Tindo Manufacturing Pty Ltd
USD	United States dollars
W	Watts

1 BACKGROUND AND PURPOSE

1.1 Background

On 4 February 2014, Tindo Manufacturing Pty Ltd (Tindo) lodged an application requesting that the Parliamentary Secretary to the Minister for Industry (Parliamentary Secretary)¹ publish a dumping duty notice in respect of certain crystalline silicon photovoltaic modules or panels (PV modules or panels) exported to Australia from the People's Republic of China (China).

In the application, Tindo alleged that it had suffered material injury caused by certain PV modules or panels exported to Australia from China at dumped prices.

Tindo claims that the Australian industry had been injured through:

- lost sales revenue;
- price depression;
- price suppression;
- loss of profit; and
- reduced profitability.

On 14 May 2014, the Anti-Dumping Commissioner initiated an investigation in the alleged dumping of PV modules or panels (the goods) exported to Australia from China. A public notification of the initiation of the investigation was made in *The Australian* newspaper and was also published on the Commission's website.

1.2 Meeting

Following the initiation of the investigation, a search of the Australian Customs and Border Protections Service's (ACBPS') import database indicated that Wuxi Suntech Power Co., Ltd (hereafter to referred to as Suntech) exported PV modules or panels from China to Australia during the period 1 July 2012 to 31 December 2013 (the investigation period).

From the ACBPS import database, we noted that a large number of companies exported PV modules or panels from China. Section 269TACAA of the *Customs Act 1901* (the Act)² states that, where the number of exporters is so large that it is not practicable to examine the exports of all those exporters, a selection can be made on the basis of exporters that are responsible for the largest volume of exports to Australia that can be reasonably examined.

¹ At the time the application was lodged, the Minister for Industry delegated responsibility with respect to anti-dumping matters to the Parliamentary Secretary. The Parliamentary Secretary was the relevant decision maker for this investigation until 23 December 2014. However, since 24 December 2014, the Minister for Industry and Science has maintained responsibility for anti-dumping matters.

² All references in this report to sections of legislation, unless otherwise specified, are to the *Customs Act 1901*.

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The Anti-Dumping Commission (the Commission) noted that Suntech was one of the four exporters that exported the largest volume of PV modules or panels to Australia in the investigation period. On 14 May 2014, the Commission selected Suntech to be included in the sample and sought its cooperation with the investigation. The Commission provided an exporter questionnaire in respect of PV modules or panels to the company to complete.

Suntech completed the exporter questionnaire, providing details regarding its company background, exports to Australia, domestic sales, exports to third countries and cost to make and sell. In its response Suntech also described its domestic and export sales processes.

1.1 Purpose of visit

Based on an assessment of the exporter questionnaire response, the Commission considered that the majority of the verification of Suntech's data could be undertaken offsite with a brief onsite visit to verify certain aspects of the data only. Information verified both at the visit and remotely has been used to make preliminary assessments regarding:

- like goods;
- who is the exporter and who is the importer;
- export prices;
- normal values; and
- dumping margins.

Prior to the visit, the Commission forwarded an agenda to Suntech. A copy of the visit agenda is at **Confidential Attachment GEN 1**.

1.2 Meeting details

Company	Wuxi Suntech power Co., Ltd
Date of visit	2 December 2014

The following were present at various stages of the meeting:

Wuxi Suntech Power Co., Ltd	Mr Eric Luo – Chief Executive Officer Mr Marco Wu – Manager – Logistics & Customs Affairs
Zhong Lun Law Firm	Mr PU Lingchen – Partner Mr Jian Guan – Partner Ms Mingwei Wang – Attorney-at-Law
Anti-Dumping Commission	Mr Sanjay Sharma – Manager – Operations 3 Ms Heidi Matuschka – Manager – Operations 1

1.3 Investigation process and timeframes

During the visit we provided a summary of the investigation process and timeframes as follows:

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- the investigation period is from 1 July 2012 to 31 December 2013;
- the injury analysis period is from 1 January 2010 to 31 December 2013, for the purpose of analysing the condition of the Australian industry;
- a preliminary affirmative determination (PAD) may be made no earlier than 13 July 2014 (day 60 from the date of initiation);
- provisional measures may be imposed and securities taken at the time of the PAD, or at any time after the PAD has been made;
- the Commission will not make a PAD until it becomes satisfied that there appears to be, or that it appears there will be, sufficient grounds for the publication of a dumping duty notice;
- the Statement of Essential Facts (SEF) for the investigation was due to be placed on the public record by 1 September 2014. The Commission published Anti-Dumping Notice No. 2014/106 on 27 October 2014, which stated that the Parliamentary Secretary had approved an extension to the SEF date. The SEF will now be placed on the public record by 5 March 2015, or such later date allowed by the Minister for Industry and Science (the Minister) under section 269ZH1 of the Act;
- the SEF will set out the material findings of fact on which the Commission intends to base its recommendations to the Minister, and will invite interested parties to respond, within 20 days, to the issues raised therein;
- following receipt and consideration of the submissions made in response to the SEF, the Commission will provide its final report and recommendations to the Minister; and
- the final report is now due on or before 19 April 2015, unless further extension to the SEF or final report is approved by the Minister.

All parties at the visit were well prepared and co-operative during the verification, and made a commitment to provide any further information required in a timely manner following the visit. Suntech confirmed that it has access to the Commission's electronic public record and is able to access relevant information regarding the investigation.

1.4 Visit report

We explained to the company that we would prepare a report of our visit and assessment of the company's data (this report) and provide it to the company to review its factual accuracy, and to identify those parts of the report it considers to be confidential.

We explained that, in consultation with the company, we would prepare a non-confidential version of the report, and place this on the investigation's Public Record.

2 COMPANY INFORMATION

2.1 General

Suntech was a subsidiary of [REDACTED] which was [REDACTED]% invested and held by Suntech Power Holdings Co., Ltd during the investigation period. The Company has gone through number of restructures since it went into receivership in mid-2013. At the visit, Suntech provided its current company structure for the Suntech group of companies (**Confidential Attachment GEN 2** refers)

[REDACTED]
[Information contained are related to the Company's commercial activities and sensitive business information.]

Suntech is a manufacturer and exporter of modules. The main business scope of is research, development, production and processing of PV modules.

2.2 Related parties

As discussed in Section 2.1 of this report, the Suntech group of companies engage in related party transactions. We have examined the reasonableness and impact of these related party transactions throughout this report.

2.3 Relationship with suppliers and customers

Other than the inter-company relationships Suntech stated that it is not related to any of its customers or suppliers. We found no evidence of any relationship, other than a commercial relationship, between Suntech and its customers or suppliers.

2.4 Accounting structure and details of accounting system

Suntech's financial year (FY) is from 1 January to 31 December. For accounting purposes Suntech uses United States dollars (USD).

Suntech uses a SAP software system for its financial accounting, human resources, supply chain management and production and costing management. During the visit we sighted numerous reports being extracted from this system.

In response to the exporter questionnaire, Suntech provided copies of audited financial statements in Chinese language and also translated in English for FY2012 and FY2013 (**Confidential Attachment GEN 3** refers).

The auditors 'Wuxi Dazhong Certified Accountants Co., Ltd' in their audit opinion stated that "... *the financial statements of the Company were prepared in accordance with the Accounting Standard for the Business Enterprises and the*

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China Accounting System for Business Enterprises in all aspects. They fairly reflect the financial status of the company ...”

3 THE GOODS UNDER CONSIDERATION AND LIKE GOODS

3.1 The goods

The goods subject to the application (the goods) are:

Certain crystalline silicon photovoltaic modules or panels, whether exported assembled or unassembled, and whether or not they have an inverter, capable of producing any power in terms of watt.

The following product types are excluded from the application:

- *cells and wafers of the type used in PV modules or panels;*
- *solar chargers that consist of less than six cells, are portable and supply electricity to devices or charge batteries; and*
- *PV products that are permanently integrated into electrical goods, where the function of the electrical goods is other than power generation, and where these electrical goods consume the electricity generated by the integrated crystalline silicon photovoltaic cell(s).*

3.2 Tariff classification

The goods are classified to the following tariff subheadings in Schedule 3 to the *Customs Tariff Act 1995*:

- 8541.40.00, statistical code 53;
- 8501.61.00, statistical codes 33 and 24;
- 8501.62.00, statistical code 34;
- 8501.63.00, statistical code 40; and
- 8501.64.00, statistical code 41.

3.2.1 Goods exported to Australia

Suntech manufactured and sold the full range of PV modules or panels under investigation in both the domestic market and in Australia. During the investigation period, Suntech exported to Australia PV modules that were predominantly mono-crystalline, direct current PV modules with a power output between ■■■ watts (W) and ■■■W.

3.3 Like goods – preliminary assessment

We consider that the domestic sales of the goods falling within the goods description are like to goods exported to Australia. We consider the goods produced by Suntech for domestic sale have characteristics closely resembling those of the goods under consideration and are therefore 'like goods' in accordance with subsection 269T(1).

4 SALES TO AUSTRALIA

4.1.1 Export sales process

The company briefly explained the sales process for sales between Suntech and Australian customers and for sales between Suntech and Suntech Power Australia Pty Ltd (hereafter referred to as Suntech Australia).

4.1.2 Currency

The goods were sold to Australia in United States dollars (USD). Any currency loss or gain is taken in the month end profit and loss account.

4.1.3 Payment terms

We observed that payment terms vary depending on the customer, ranging from [REDACTED] before delivery to a credit period of [REDACTED] days from [REDACTED].

From the source documents provided, we also noted that the credit terms between Suntech and Suntech Australia were [REDACTED] days from the bill of lading date; although the actual payment terms were not strictly adhered to as some payments were between the related entities.

4.1.4 Discounts, rebates and allowances

The company stated that no rebates, discounts or allowances were payable. No rebates, discounts or allowances were evident when reviewing the documents provided.

4.1.5 Date of sale

The company stated that the date of sale is the invoice date.

4.2 Verification of export sales to audited financial statements

4.2.1 Approach to verification

An upwards verification of sales to the financial statements was undertaken by Suntech for both exports to Australia and domestic sales. During the investigation period, Suntech exported some PV modules directly to unrelated Australian customers and some to its related trading entity, Suntech Australia.

In its response to the Exporter Questionnaire, Suntech provided audited financial statements for the financial year (FY) 2012 and FY2013.

At the visit Suntech provided us with the company's general ledger (GL) and income statements for Quarter 4 FY2013. At the visit Suntech also provided monthly financial statements for the FY2013 (**Confidential Attachment EXP 1** refers).

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We compared the value of sales in the GL to the audited income statement for the FY2013. We were also able to reconcile the domestic and export sales data provided in response to the exporter questionnaire to the GL for FY 2013. No variance was noted.

Having satisfied ourselves with upward verification reconciliations for the FY2013 accounts, and noting that there was no major discrepancy in the records that were submitted by the company, we did not verify the monthly accounts for the six months ending 31 December 2012.

Having reconciled all sales spreadsheets to audited financial accounts for the FY2013, we are satisfied that it represents a complete and relevant listing of all sales of certain PV modules or panels during the investigation period.

4.3 Verification of export sales to source documents

Prior to the visit, we requested that Suntech prepare supporting documents for 12 selected export transactions from the export sales listing.

At the visit, Suntech provided us the following source documents for the selected transactions:

- purchase order;
- commercial invoice;
- evidence of payment;
- inland freight costs;
- packing list;
- bill of lading;
- evidence of ocean freight and marine insurance;
- associated port, handling, FOB and clearance charges invoice(s); and
- evidence of payment for exportation costs.

These source documents are provided at **Confidential Attachment EXP 2**.

4.3.1 Accuracy of export sales – preliminary assessment

After reviewing the information contained in the source documents, we consider that the information provided by Suntech in the (final version) Australian sales listing is complete and accurate.

4.4 The exporter

We consider that Suntech is the exporter of certain PV modules or panels during the investigation period, as Suntech:

- is the manufacturer of the goods;
- sets the price for sale of the goods;
- understood that the goods were being produced for export to the Australian market;
- packed the goods ready for shipping to the Australian market;

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- paid the inland freight and handling costs; and
- is the principal located in the country of export from where the goods are knowingly placed in the hands of a freight forwarder for delivery to Australia.

Therefore, we are satisfied that Suntech is the exporter of PV modules or panels to Australia from China.

4.5 The importer

Unrelated customers

Having reviewed the relevant information gathered at the visit, we noted that Suntech exported PV modules to the various Australian customers listed in the export sales listing during the investigation period. Those companies, respectively:

- are listed as the importer on the customs entry;
- are listed as the consignee on the bill of lading; and
- are invoiced by Suntech for the goods.

Consequently, we consider the unrelated Australian customers to be the beneficial owners of the goods at the time of importation, and therefore the importers.

Suntech Australia

Where Suntech Australia, having purchased the goods from Suntech, was responsible for supplying the goods to the Australian customer, Suntech Australia:

- is named as the customer on the invoices;
- is named on the packaging list;
- is named in the customs declaration;
- is named as the consignee on the bill of lading and the packing list; and
- are invoiced by Suntech for the goods.

Therefore, we consider Suntech Australia to be the beneficial owner of the goods at the time of importation, and therefore the importer.

Subsequent to our visit, Suntech claims that Suntech Australia was not the importer of the goods. Suntech stated that Suntech Australia played mainly a role of business contact and the documents transfer. Suntech also claims that although Suntech Australia was named as the customer on the invoices or was named as the consignee on the bill of lading and the packing list, the customers themselves would make the customs declaration. Where Suntech Australia makes the customs declaration, any expenses associated with the importation would be repaid by its customers.

At the time of publishing this report, we did not have any evidence to substantiate Suntech's claim that Suntech Australia was not the importer of the goods and that Suntech Australia was not the beneficial owner of the goods at the time of the importation.

4.6 Arms length

Unrelated customers

In respect of export sales to Australia during the investigation period to unrelated customers, we found no evidence that:

- there is any consideration payable for, or in respect of, the goods other than their price; or
- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, will directly or indirectly, be reimbursed, compensated or otherwise receive a benefit for, or in respect of, whole or any part of the price.

We therefore consider that all export sales to unrelated Australian customers during the investigation period were arms length transactions.

Suntech Australia

From the unaudited financial statements submitted by Suntech Australia, we noted that Suntech Australia was overall at a loss for the financial year ending 30 June 2013(**Confidential Attachment GEN 4** refers).

We note that, from the source documents examined, we were not able to reconcile the payments for all selected transactions relating to sales between Suntech and Suntech Australia, as the payment terms between Suntech and Suntech Australia were longer than those stated in the invoices.

Suntech provided copies of quarterly service agreements between Suntech and Suntech Australia. From these agreements we noted that Suntech Australia provided sales facilitation, marketing and promotion services Suntech, and Suntech paid certain amount of services fees quarterly. The service agreement between Suntech and Suntech Australia is at **Confidential Attachment GEN 5**.

In accordance with s269TAA(2), for the reasons outlined above, we consider that the sale of the imported PV modules by Suntech Australia at a loss should be treated as indicating that the importer will, directly or indirectly, be reimbursed, be compensated or otherwise receive a benefit in respect of the whole or part of the price. Pursuant to s269TAA(1) we have therefore treated the export sales between Suntech and Suntech Australia as not being at arms' length.

4.7 Export price

During the investigation period, Suntech exported PV modules to its related company 'Suntech Australia' and also to unrelated Australian companies

Unrelated customers

We consider that:

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- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- purchases of the goods by the importer were arm's length transactions.

Therefore, in relation to exports made by Suntech to unrelated Australian customers, we recommend that the export price be determined under paragraph 269TAB(1)(a), being the price paid by the importer less transport and other costs arising after exportation.

Suntech Australia

We consider that:

- the goods have been exported to Australia otherwise than by the importer;
- the goods have been purchased by the importer from the exporter; and
- purchases of the goods by the importer were not arm's length transactions.

Therefore, in relation to exports by made Suntech to Suntech Australia, we recommend that the export price be determined under paragraph 269TAB(1)(b), being the price at which the goods were sold by the importer less the prescribed deductions.

To calculate the export price at FOB level, we consolidated all exports sales to unrelated Australian customers by Suntech and all unrelated sales to Australian customers by Suntech Australia into a single spreadsheet (**Confidential Appendix 1** refers) and made the following adjustments:

Unrelated Australian customers

From the export sales data provided by the Suntech, we noted that the shipping terms were [REDACTED]. For all [REDACTED] sales we deducted the [REDACTED] to make all exports on FOB terms.

Suntech Australia

From the sales data provided by Suntech Australia, we noted that sales to unrelated Australian customers were on [REDACTED] terms. We deducted Australian [REDACTED] (for sales that were on [REDACTED] terms), import cost, SG&A for Suntech Australia and profit for Suntech Australia to make all export sales on FOB terms.

Since Suntech Australia was not a major importer in the investigation period, we did not select Suntech Australia to complete the importer questionnaire. Therefore, we used the average import cost of USD0.01 per watt, average SG&A of [REDACTED]% and average profit of [REDACTED]% from the verified data from the three selected major importers who were not related to the exporters. Those three selected major importers are Solar Juice Pty Limited, Solargain Pty limited and True Value Pty Limited.

5 COST TO MAKE AND SELL

5.1 Verification of production costs to audited financial statements

In response to the Exporter Questionnaire, Suntech provided audited financial statements for FY2012 and FY2013 (**Confidential Attachment CTMS 1** refers).

At the visit we selected Quarter 4 of the FY2013 (October to December 2013) to verify the information provided in response to the Exporter Questionnaire. For all models produced during Quarter 4 FY2013, Suntech provided us with a cost worksheet that contained the detailed calculations used to prepare the cost to make and sell (CTMS) spreadsheet already submitted to the Commission, a production cost report and an income statement (**Confidential Attachment CTMS 2** refers).

We noted that all costs were recorded in USD. For Quarter 4 FY2013, we compared the value and volume in the cost worksheet with the total in the CTMS spreadsheet. We noted a minor variance of less than █%.

We also compared the value of the CTMS in the cost worksheet with the GL and income statement for the Quarter 4 FY2013. No variance was noted.

We compared the cost worksheet details with the production report and with the cost to make (CTM) in the CTMS spreadsheet for Quarter 4 FY2013. We did not find any differences .

We then compared the total year-to-date CTM in the spreadsheet with the production cost report for FY2013 and with the audited income statement for the FY2013. We noted a minor variance of less than █% between the CTMS spreadsheet and the production cost report. No variance was noted between the production report and the audited income statement.

5.2 Selling, general and administrative expenses

At the visit, Suntech provided us with monthly selling, general and administrative (SG&A) expenses. We were able to verify and reconcile the SG&A expenses to the audited statements for FY2013.

5.3 Verification of production costs to source documents

At the visit, Suntech provided us with the calculations from its system for selling costs, administration costs and finance costs in Quarter 4 FY2013 and a monthly SG&A calculation for the investigation period.

We noted SG&A expenses were calculated by dividing the total cost of manufacturing for all products manufactured by Suntech (i.e. including goods that are not subject to the investigation) by the volume of power output (watts). At the visit, we asked Suntech to allocate the SG&A expenses in relation to the PV

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modules or panels sold in domestic market and those exported to Australia in the investigation period to reflect the correct allocation of SG&A expenses.

A revised SG&A calculation provided by Suntech is at **Confidential Attachment CTMS 3**.

5.3.1 PV cells

At the visit we selected four invoices from the purchase of cells information provided in response to Exporter Questionnaire, and asked Suntech describe the process of purchasing cells from various suppliers.

Date of purchase	Cell type	Country of manufacture	Supplier
2013/11/22	[REDACTED]	[REDACTED]	[REDACTED]
2013/12/3	[REDACTED]	[REDACTED]	[REDACTED]
2013/10/19	[REDACTED]	[REDACTED]	[REDACTED]
2013/10/10	[REDACTED]	[REDACTED]	[REDACTED]

We also asked Suntech to provide source documents to verify the accuracy of the data submitted, including any purchase orders, commercial invoices and proof of payment, as well as inland freight costs, packing and source documents for any other costs associated with the purchases. These source documents are provided at **Confidential Attachment CTMS 4**.

From the selected invoices, we were able to verify that the actual purchase price per watt was entered into the Suntech’s inventory for each different type of cell. We also noted that freight costs were included in the cost of cells. From the 4 selected invoices we noted the invoice price was paid for the purchase of the cells.

From the data provided in response to the exporter questionnaire we noted that Suntech purchased PV cells from related and unrelated suppliers. We also noted that approximately [REDACTED]% of the cells were purchased from the related suppliers namely

[REDACTED] (**Confidential Appendix 6** refers).

[REDACTED]

We compared the prices (per piece in USD), between the related and unrelated suppliers as summarised in the table above. The purchase prices from the related

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companies seem to be substantially higher than purchases from the unrelated suppliers.

5.4 Costs to make and sell - conclusion

We consider that Suntech's CTMS data is a reasonably complete, relevant and accurate reflection of the actual costs to make and sell PV modules or panels during the period from 1 July 2012 to 31 December 2013.

6 DOMESTIC SALES

6.1 Background

We observed from Suntech's response to the Exporter Questionnaire that the goods were sold to domestic customers in [REDACTED] terms. It is not clear why a portion of Suntech's domestic sales (comprising three transactions) have been termed [REDACTED]. We note that the majority of goods ([REDACTED]%) are delivered.

We also observed from the response to the Exporter Questionnaire that payment terms vary depending on the customer, including full payment in advance and also [REDACTED]% in advance, [REDACTED]% [REDACTED] days.

During the visit, the company stated that the date of sale is taken to be the invoice date (noting the discussion regarding invoice dates at Section 6.2.1 below).

The company also stated that no rebates, discounts or allowances were payable. We note that no rebates, discounts or allowances were evident when reviewing the documents provided.

6.2 Verification of sales to source documents

Prior to the verification visit, we requested that Suntech provide supporting documents for 12 selected domestic transactions from the domestic sales listing.

At the visit, Suntech provided us with the following source documents for the selected transactions:

- purchase order;
- commercial invoice;
- accounting screen (with billing details);
- sales order;
- delivery order;
- sales contract; and
- evidence of payment.

These documents were provided and are at **Confidential Attachment DOM 1**.

6.2.1 Review of source documents

For the 12 selected sales from Suntech to domestic customers, we were able to match details in the domestic sales listing against relevant source documents for nine transactions. For the nine remaining transactions, we matched the model name, quantity (pieces), invoice value, customer code, billing reference and sales order reference to the domestic sales listing using the invoices submitted. We note that the VAT invoice numbers did not match the sales listing, as Suntech's system generates its own reference for the transaction. Instead, the invoices could be linked to other source documents using [REDACTED].

[REDACTED]. We also note that the

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invoice dates in the domestic sales listing reflected the [REDACTED], not the date of (VAT) invoice.

From the sales orders, we matched the relevant product code, other reference number, power output (W) and payment term. In some cases, we were able to match the delivery term; however, it is noted this was not specified for three transactions. In a fourth case, the delivery term in the sales listing did not match the relevant sales order (i.e. was described as EXW, but recorded as delivered in the sales listing) as this transaction included an inland transport calculation.

From the delivery note, we confirmed the product code and quantity (pieces). This was important for a small number of instances where the quantity was not designated in the invoice document.

For proof of payment, we note that we were unable to directly match all payments being made to the invoice amount; this is likely due to the payment relating to multiple transactions (although no break down was provided by the company).

During the visit, Suntech advised that inland transport costs (for those transactions that are delivered) have been allocated across each invoice using the relevant weight (kilograms) and distance (kilometres) of the transaction. We noted from the revised domestic sales listing provided after the visit that the following formula has been used to calculate inland transport for each transaction:

$$\left\{ \frac{\text{total inland transport costs for domestic sales over investigation period}}{\text{total sum of (unit weight x quantity x estimated transport distance)}} \right\} \times (\text{unit weight x quantity x estimated transport distance})$$

No documentation was provided to support the total inland transport cost for the investigation period, nor for the unit weight and distance figures used.

Suntech also advised that credit terms vary depending on the year of the transaction (i.e. 2012 or 2013) and the number of accounts receivable days in that period, being [REDACTED] [REDACTED] respectively. This is consistent with the formula used in the domestic sales listing, although no documentation was provided to support the [REDACTED] rate used.

6.2.2 Accuracy of sales – conclusion

After reviewing the information contained in the source documents, we consider that the information provided by Suntech in the revised domestic sales listing is complete and accurate.

6.3 Arms length

In respect of domestic sales during the investigation period, we found no evidence that:

- there is any consideration payable for, or in respect of, the goods other than their price; or

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- the price is influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, will directly or indirectly, be reimbursed, compensated or otherwise receive a benefit for, or in respect of, whole or any part of the price.

We therefore consider that all domestic sales during the investigation period were arms length transactions.

6.4 Volume of sales and ordinary course of trade

6.4.1 Ordinary course of trade

Section 269TAA provides that if like goods are sold in the country of export at a price less than the cost of such goods, and are unrecoverable within a reasonable period, then they are taken not to have been sold in the ordinary course of trade (OCOT).

In order to test whether the domestic sales are in the OCOT, we calculated the individual profitability of each unrelated sales transaction by comparing the unit selling price to the corresponding quarterly weighted average CTMS.

Where the volume of unprofitable sales exceeded 20% for the product code, we then tested the recoverability of the unprofitable sales by comparing the unit selling price to the corresponding weighted average CTMS over the whole investigation period. Those sales found to be unrecoverable were deemed not to be in the OCOT.

The OCOT calculation is at **Confidential Appendix 2**.

6.4.2 Sufficient volumes

Subsection 269TAC(2) provides that certain domestic sales may be unsuitable for use in determining normal values because of a factor in the market. One such factor is an absence, or low volume, of sales of like goods in the domestic market. Low volume is defined in subsection 269TAC(14) as less than 5% of the total volume of the goods that are exported to Australia by the exporter.

Two types of PV modules exported to Australia and sold in the domestic market were poly-crystalline and mono-crystalline PV modules. As discussed above, from our OCOT test, we noted that a sufficient volume of poly-crystalline and mono-crystalline PV modules were sold to the domestic market in the OCOT.

Therefore, we are satisfied that the prices paid in respect of domestic sales of poly-crystalline PV modules and mono-crystalline PV modules are suitable for assessing normal values under subsection 269TAC(1) of the Act.

7 ADJUSTMENTS

To ensure that the normal value is comparable to the Australian export price, the following adjustment has been made.

7.1 Export inland freight

As discussed in Section 6 of this report, domestic sales include goods sold at both [REDACTED] terms. For all [REDACTED] sales, we have [REDACTED], taken from Australian export sales in the investigation period.

For all [REDACTED] sales, we have made a downwards adjustment by eliminating the [REDACTED] from the Australian export sales in the investigation period.

8 NORMAL VALUE

We found sufficient volumes of poly-crystalline and mono-crystalline PV modules or panels that were sold in the domestic Chinese market in the OCOT and that were arms length transactions. Therefore, we are satisfied that prices paid by unrelated parties in respect of domestic sales of PV modules or panels are suitable for assessing normal values under subsection 269TAC(1) of the Act.

In calculating the normal values, we consider that certain adjustments, in accordance with subsection 269TAC(8), are necessary to ensure a fair comparison of normal values with export prices as discussed in Chapter 7 of this report.

The normal value calculations are provided at **Confidential Appendix 4**.

9 DUMPING MARGIN

In calculating the dumping margin, we compared the weighted average export price over the investigation period with the monthly corresponding normal value for the corresponding model of PV modules or panels over the investigation period, in accordance with paragraph 269TACB(2)(a).

The weighted average product dumping margin for PV modules or panels exported by Suntech to Australia during the investigation period is **8.7%**.

The dumping margin calculation is at **Confidential Appendix 5**.

10 APPENDICES AND ATTACHMENTS

Confidential Appendix 1	Australian sales
Confidential Appendix 2	Revised domestic sales
Confidential Appendix 3	Revised CTMS
Confidential Appendix 4	Normal value calculation
Confidential Appendix 5	Dumping margin calculation
Confidential Appendix 6	Analysis of purchase price of PV cells
Confidential Attachment GEN 1	Visit agenda
Confidential Attachment GEN 2	Revised company Structure
Confidential Attachment GEN 3	Wuxi Suntech's Audited Financial Statements for FY2012 and FY2013
Confidential Attachment GEN 4	Suntech Australia Financial Statements for FY2014 and FY2013
Confidential Attachment GEN 5	Service Agreements between Suntech and Suntech Australia
Confidential Attachment EXP 1	Suntech's GL and income statements for Quarter 4 FY2013 and monthly financial statements for FY2013 and FY2014
Confidential Attachment EXP 2	Source documents for 12 selected export transactions
Confidential Attachment CTMS 1	Suntech's audited financial statements for FY2012 and FY2013
Confidential Attachment CTMS 2	Cost worksheet, production cost report and income statement for Quarter 4 FY2013
Confidential Attachment CTMS 3	Revised SG&A calculation
Confidential Attachment CTMS 4	Source documents for the purchase of cells
Confidential Attachment DOM 1	Source documents for 12 selected domestic transactions