



Clean Energy Council

Submission to the Anti-Dumping Commission's Investigation of PV panels from China

Noting that:

- The Anti-Dumping Commission (hereafter referred to as the Commission) undertook an investigation covering the period from 1 July 2012 to 31 December 2013 in response to allegations by Tindo that dumped PV panels exported to Australia from China have caused it material injury;
- The Clean Energy Council (CEC) and the four Chinese panel exporters under investigation fully cooperated with the Commission's investigation and provided submissions within the required timeframes and, moreover, eight Chinese 'residual exporters' of PV panels also provided questionnaire responses, even though they were under no obligation to do so;
- As a result of its investigation the Commission considers that pricing is highly transparent in the PV panels industry;
- The Commission found no evidence that the Government of China's involvement in the Chinese domestic PV panels industry has materially distorted competitive conditions in China;
- Tindo has admitted that it sold PV panels below the cost of production in order to enter the market that was predominantly supplied by China;
- The Anti-Dumping Commissioner (hereafter referred to as the Commissioner) has made a preliminary finding that PV panels exported from China during the investigation period were exported at prices with an average dumping margin of less than 4 per cent;
- PV panel exporters have challenged the Commissioner's preliminary findings in regard to dumping margins on the basis of errors in calculations, inaccurate and excessive assumptions regarding rates of profit and inappropriate assumptions as to whether transactions were conducted at arm's length;
- Even without the alleged dumping, Chinese importers would still undercut Tindo's selling price by an average margin of 45 per cent;
- The Commissioner considers that Tindo's performance has been affected by the following factors:
 - Inaccuracies in the assumptions and forecasts in Tindo's original business plan;

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- Tindo entered the PV panel market at a time when the market had reached its peak and was in decline;
 - Changes in government policies, especially reductions to South Australia's feed-in tariff, leading to a decline in the size of the market;
 - Tindo's focus on AC PV panels, which are more expensive and attractive to a more limited group of customers;
 - The availability of exports from China at prices significantly below Tindo's cost of production, even without the alleged dumping.
- The Commission considers that Tindo's business and marketing strategies are likely to have hindered Tindo's establishment and are likely to have an ongoing impact on Tindo's operation;
 - The Commission considers that the imposition of a dumping duty at the levels found is not likely to influence consumers to switch to Tindo's panels;
 - The Commissioner has found that the hindrance to the establishment of an Australian industry that has been, or may be, caused by PV panels exported from China is negligible;
 - Based on these findings, and subject to any submissions received, the Commissioner proposes to terminate the investigation;

Clean Energy Council:

- Concurs with the Commissioner's recommendation to terminate the investigation; and
- Urges all parties to work together constructively within the framework of the China-Australia Free Trade Agreement to achieve outcomes of mutual benefit for the renewable energy industries of China and Australia.