PUBLIC RECORD

This submission is made to the Anti-Dumping Commission with regard to the alleged dumping of certain crystalline silicon photovoltaic (PV) modules or panels exported from the People's Republic of China (China).

Tindo requests that the Commissioner make a preliminary determination and require securities be taken whilst the investigation continues.

Tindo submits that the Commission find a market situation exists in China for PV modules and panels and calculate normal values based on information submitted by Tindo.

Tindo asks the Commission to impose measures based on a combination of fixed and variable duty method.

Tindo requests that the Commission not have regard to a non-injurious price as provided for in the legislation.

Tindo restates its disagreement with the conclusion that the injury caused by dumping is negligible and contends that it has suffered material injury caused by dumping.

Tindo rejects submissions in the SEF that PV modules or panels greater than or equal to 300 Watt and PV modules less than or equal to 200 Watt should be excluded from the investigation.

PRELIMINARY AFFIRMATIVE DETERMINATION

Tindo requests that the Commissioner make a PAD under section 269TD and impose securities under section 42 to prevent material injury to the Australian industry occurring while this investigation continues.

Tindo is experiencing ongoing material injury from the dumped exports of PV modules and panels from China in the form of lost sales volumes, price suppression and depression and lost profitability and profits. The importer and exporter visit reports on the public file show evidence of forward orders and also indicate stockpiling of imports. In addition, Tindo has evidence of the continued presence of imports of PV modules and panels from China at prices that are undercutting Tindo and causing ongoing material injury. This evidence is at **Confidential Attachment 1**.

Tindo requests that the Commissioner make a PAD as a matter of urgency and restates its position expressed in its submission of 4 May 2015 to the SEF that the dumping margins assessed by the Commission are grossly understated by the Commission firstly, not making a finding of market situation in China and secondly, not taking into consideration all relevant costs.

Tindo further requests that if the Government of China (GOC) does not provide a full and complete response to the Government Questionnaire in respect of a market situation in China by 2 July 2015 that the Commission rely on evidence relied on by the Canadian Border Services Agency (CBSA) in its inquiry and evidence provided by Tindo in support of its claims. This approach is the approach that the Commission took in Report No. 237 in determining that a market situation existed in China for silicon metal.

Tindo asks that the Commission calculate the level of interim dumping duties and securities using normal values based on information submitted by Tindo and evidence gathered by the CBSA if the GOC does not provide a full and complete response by the requested date of 2 July 2015.

Tindo provided evidence of normal values for PV modules and panels in its application and other submissions. Details on what Tindo considers would be a fair normal value for PV modules and panels in China are set out in the following paragraph.

MARKET SITUATION AND NORMAL VALUES

Market situation and prices

On 3 June 2015 the CBSA made final determinations of dumping and subsidy in respect of PV modules and laminates exported from China. The final determinations in regards to the dumping margins showed little change from the preliminary determinations of 20 March 2015 by the CBSA.

The Statement of Reasons of 20 March 2015, concerning the preliminary determinations, by the CBSA includes in point [104] that the "domestic prices of photovoltaic modules are not substantially the same as they would be if they were determined in a competitive market."

The Statement of Reasons of 18 June 2015 by the CBSA, concerning the final determinations, varies little from the points made following in regards to the preliminary determinations.

Tindo draws attention to Point [69] in the Statement of Reasons of 18 June 2015.

The GOC and cooperating exporters have provided copies of several policies and measures that, in the opinion of the CBSA, ***serve to control or guide the development of the solar industry in China****.* (emphasis added) *These policies include:*

- *12th Five Year Plan for the Solar Photovoltaic Industry and related measures*
- *Standard Conditions for Photovoltaic Manufacturing Industry*
- *Renewable Energy Law of the People's Republic of China*
- *12th Five-Year Plan on Solar Power Development*
- *12th Five-Year Development Plan for National Strategic New Industries*
- *12th Five-Year Plan for Energy Development*
- *12th Five-Year Plan for National Economic and Social Development*

Point [70] notes the applicable period for the 12th Five Year Plan includes the current investigation period for assessing domestic sales and costs in China and determining normal values.

The 12th Five Year Plan for the Solar Photovoltaic Industry is a policy document that was released by the GOC's Ministry of Industry and Information Technology on February 24, 2012. It serves as the guiding document for the development of the Chinese solar photovoltaic industry for the period of 2011-2015.

The CBSA noted of the plan:

The plan includes directives that specifically address the photovoltaic modules industry, as well as the production of photovoltaic cells and polysilicon, both inputs used in the production of photovoltaic modules. [71]

The document prescribes, with respect to the photovoltaic module industry, to "guide local governments to resolutely curb low-level repetitive construction to avoid a mass rush into the industry, ***which would lead to vicious market competition****.* (emphasis added) [72]

These policy directives demonstrate the GOC's intention to influence the composition and structure of the domestic solar sector by concentrating efforts on supporting leading enterprises and promoting resource integration and mergers. The evidence also supports the conclusion that the GOC has ***influenced the production capacity*** *of photovoltaic modules in the domestic market and* ***limited the number of domestic producers****.* (emphasis added) [73]

These ***directives identify specific target prices for photovoltaic modules*** *and demonstrate the GOC's attempt to* ***directly control the domestic selling prices*** *of these products*. (emphasis added) [75]

The cumulative effect of the directives included in the 12th Five Year Plan for the Solar Photovoltaic Industry, as well as other supporting documents provided by the complaints, cooperative exporters and the GOC, demonstrate ***a significant level of government influence on all aspects of the domestic solar industry in China, including domestic pricing***. (emphasis added) [82]

The CBSA found GOC influence on the price of inputs (which is discussed in further detail in this submission) that affected domestic prices of photovoltaic modules.

The policies and measures outlined in this section, along with the CBSA's analysis of the GOC's section 20 RFI response, and previous CBSA section 20 opinions regarding photovoltaic module inputs, illustrate that the GOC is closely administering the solar sector and ***influencing the price of photovoltaic module inputs in China****.* (emphasis added) *In addition, the industrial policies, which have been identified and discussed above, have a significant impact on these industries*. [92]

The scope of the GOC's macro-economic policies and measures provide a compelling factual basis that the GOC is influencing the Chinese solar sector. The use of such policies and measures ***can dramatically change the demand and supply balance in the domestic market and could materially alter the domestic prices of photovoltaic module inputs and therefore the domestic prices of photovoltaic modules***. (emphasis added) [93]

The CBSA found GOC influence on demand and pricing of PV modules.

The evidence provided by the complainants, cooperative exporters, and the GOC, as well as information obtained by the CBSA, indicates that the GOC influences the domestic price of photovoltaic modules through a combination of measures which ***impact the demand for photovoltaic modules*** (emphasis added) *and solar generated electricity. These measures include plans and policies which set specific targets for solar electricity generation capacity and feed-in-tariffs which influence the price of solar generated electricity*. [95]

The policies and plans identified above demonstrate the level of the GOC's influence on all aspects of the photovoltaic module industry. As photovoltaic modules are a key component in solar power

generation, ***government influence on the price of solar generated electricity can significantly impact the domestic demand and price of photovoltaic modules****.* (emphasis added) [102]

The identified policies and plans included the 12th Five-Year Plan on Solar Power Development [97] which covers the period 2011-2015, in addition the document *Several Opinions of the State Council on Promoting the Healthy Development of Photovoltaic Industry* includes directives which demonstrate the GOC's influence on the demand for photovoltaic modules and laminates. In the section titled Development Goals, the document states "From *2013 to 2015*, the average annual increase in installed photovoltaic power generation capacity will be kept at about 10 million KW, and the total installed capacity nationwide by the year 2015 will be above 35 million KW". [99]

The above time periods are relevant to the current ADC investigation.

The CBSA also conducted a price analysis on domestic prices of PV modules and laminates [103] and found noting the limitation of available price data.

the average selling price of a photovoltaic module was USD 0.62 per watt in China, compared to the global average of USD 0.70 per watt. This report highlights an average regional ***price discrepancy of over 11%****.* (emphasis added) [104]

The CBSA's analysis of this price information reveals ***significant differences in the price of photovoltaic modules produced in China*** (emphasis added) *and quoted in the European market compared to modules produced in other regions and quoted in the European market*. [109]

the results reveal significant differences in the prices of photovoltaic modules sold in China and those sold in other regions. [114]

The CBSA concluded that

The information provided by the complainants and cooperative exporters, as well as information obtained by the CBSA, supports the conclusion that the domestic prices of photovoltaic modules in China are ***not substantially the same as they would be if they were determined in a competitive market****.* (emphasis added) [117]

The Summary of the results of the inquiry are stated as

The wide range and material nature of the GOC measures have resulted in significant influence on the solar sector in China, which includes photovoltaic modules and laminates. Based on the preceding, the President is of the opinion that

- *domestic prices are substantially determined by the GOC; and*
- *there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.* [118]

Tindo submits that the above findings demonstrate a market situation exists in China in respect of PV modules and panels in China.

There is evidence of GOC influence on production capacity and the number of domestic producers to limit market competition.

There is evidence of GOC directives identifying target prices for PV modules.

There is evidence of GOC influence on PV module inputs which affects supply and demand balance and materially affects domestic pricing of PV modules.

There is evidence of GOC influence on pricing for solar generated electricity which affects domestic demand and PV module pricing.

There is evidence of significant pricing differences of PV modules sold on the domestic market in China to pricing in other regions.

Tindo has also found evidence of differences in regional pricing as discussed further in this submission.

Tindo requests that the Commission rely on the findings of the CBSA and information previously submitted by Tindo to find a particular market situation exists, pursuant to subsection 269TAC(2)(a)(ii) of the Act, that makes domestic selling prices of PV modules and panels unsuitable for determining normal values.

Tindo requests that the Commission construct normal values under subsection 269TAC(2)(c).

Tindo submits that it is not appropriate to use export prices to third countries under subsection 269TAC(2)(d) due to the findings from investigations by the European Union, the United States of America and the CBSA that exports of PV modules and panels from China were at dumped and subsidised prices. These findings show that export prices to third countries are lower than domestic prices in China (which are not reflective of a competitive market price) and are thus unsuitable to use.

Market situation and competitive market costs

Tindo requests that the Commission take account of the GOC influence on the price of inputs found by the CBSA in constructing normal values and other information submitted by Tindo to determine that certain costs do not reasonably reflect a competitive market cost and should be replaced by a competitive market substitute.

Polysilicon and photovoltaic cells

The CBSA identified GOC industrial policies, which influence the price of inputs in the photovoltaic modules industry. These documents include measures and directives, which demonstrate significant government involvement in the industries that provide key inputs for photovoltaic modules.

These products include, but are not limited to, polysilicon and photovoltaic cells.

photovoltaic cells represent a significant share of the cost inputs of photovoltaic modules. (emphasis added) *The 12th Five Year Plan for the Solar Photovoltaic Industry includes goals and directives which relate to the production of photovoltaic cells*, [84]

These goals and directives demonstrate the GOC's intention to guide and control the technological development of the photovoltaic cell industry in China. This information also provides ***evidence that the GOC attempts to influence the structure and composition of the domestic photovoltaic cell***

industry *by providing support for leading enterprises. Further, the* ***GOC has set clear economic objectives*** *which* ***require domestic photovoltaic cell production in sufficient quantities*** *to meet the domestic installed capacity requirements also* ***set by the GOC****.* (emphasis added) [85]

The CBSA report includes the following findings in respect to polysilicon.

Polysilicon is an input used in the production of photovoltaic cells. Based on information provided in the complaint, ***polysilicon represents a significant portion of the cost of production of photovoltaic cells****. The 12th Five Year Plan for the Solar Photovoltaic Industry includes the following goals and directives with respect to the polysilicon industry:* [87] (emphasis added)

- *Endeavor to* ***reduce the costs*** *of photovoltaic power generation* ***through the mass production*** *of high-purity silicon materials;* (emphasis added)
- ***Support will be provided to major enterprises*** *to grow stronger so that by 2015, leading polysilicon enterprises will reach 50,000 metric tons per year, and major enterprises will reach 10,000 metric tons per year;* (emphasis added)
- *Polysilicon, solar cells, and other products* ***can meet the installed capacity requirements set by the national development plans*** *for renewable energy, and can also meet demand in the international market.* (emphasis added)

The document Notice of Several Opinions on Curbing Overcapacities and Redundant Constructions in Certain Industries and Guiding the Healthy Development of Industries prescribes ***specific policy directives to control the expansion of production capacity of polysilicon***. [88] (emphasis added)

regulate and guide the healthy development of the polysilicon industry, and resolutely restrict redundant construction and excess capacity of the industry". To achieve this objective the document ***identifies a number of conditions which restrict access to the polysilicon industry including capacity restrictions and investment and technology requirements***. [89] (emphasis added)

The ***goals and directives*** *discussed above, as well as the CBSA's analysis of the GOC's section 20 RFI response,* ***demonstrate the GOC's intention to guide and control*** *the technological development of the polysilicon industry in China. This information provides evidence that the* ***GOC attempts to influence the structure and composition of the domestic polysilicon industry*** *by providing support for leading enterprises. The GOC has also* ***set clear economic objectives*** *which require domestic polysilicon production in sufficient quantities to meet the installed capacity requirements also set by the GOC. Further, the* ***GOC has directly influenced the domestic production of polysilicon*** *by* ***restricting new entrants and promoting mergers and integration****.* [90] (emphasis added)

Tindo submits that the findings by the CBSA demonstrate that the costs of polysilicon and photovoltaic cells are not reflective of a competitive market cost.

There is evidence of the GOC's intention to guide and control the technological development of the photovoltaic cell industry.

There is evidence of GOC's attempts to influence the structure and composition of the domestic photovoltaic cell industry by providing support for leading enterprises.

There is evidence the GOC has set clear economic objectives to meet the domestic installed capacity requirements also set by the GOC.

There is evidence the GOC has restricted access to the polysilicon industry including capacity restrictions and investment and technology requirements, evidence of support to major enterprises and specific policy directives to control the expansion of production capacity of polysilicon.

Tindo submits that the level of GOC influence in the market is not what would been seen in a competitive market, this level of influence and actions through the GOC policies and directives has distorted the prices of photovoltaic cells in the domestic market so that those prices do not reflect a competitive market cost to the exporters and producers of PV modules and panels.

Tindo submits that the costs of photovoltaic cells recorded in the exporters cost to make and sell are not reflective of a competitive market cost and should be replaced by a competitive market substitute.

Tindo submits that a competitive market substitute for photovoltaic cell costs are prices based on those shown in industry journals for Poly-crystalline and Mono-crystalline cells.

Tindo considers that an uplift of 18% for the cost of multi-cells in the exporters' costs should be applied. Tindo considers that cell prices from China do not represent a competitive market price; the uplift is based on the difference between China cell prices and world prices sourced from industry journals. Tindo considers an additional uplift of 11% should be applied from the uplifted multi-cell prices to mono-cell prices to reflect a competitive market price for mono-cells; the uplift is based on the difference between world prices for multi and mono cells sourced from industry journals.

The uplifts are comparable to price differences that the CBSA found in its investigations.

Tindo also draws attention to exporter reports and submissions claiming no or very little price difference between multi and mono cell modules when such price differences are clearly reflected on the world markets.

Prices for Poly-crystalline and Mono-crystalline cells are at **Confidential Attachment 2** and **Non-confidential attachment 1**.

Electricity costs

Tindo submits that the GOC policies including the 12th Five Year Plan for the Solar Photovoltaic Industry and the Notice of Value added Tax Policy for PV Power Generation have resulted in electricity prices in China not reflecting a competitive market cost to the manufacturers of PV modules and panels.

The following points from the CBSA Statement of Reasons demonstrate the price influence of GOC policies in the electricity market in China.

> These (GOC) measures include plans and policies which set specific targets for solar electricity generation capacity and feed-in-tariffs which ***regulate the price of solar generated electricity***. (emphasis added)

> The *Notice of the Ministry of Finance and the State Administration of Taxation on Value-Added Tax Policies Applicable to Photovoltaic Power Generation* outlines changes to the value added tax policies applicable to photovoltaic power generation. The purpose of this change is identified as, "***encouraging the use of solar energy in power generation***, (emphasis added) and promoting the healthy development of related industries, this Notice is hereby given as follows on the value-added tax ("VAT") policies applicable to photovoltaic power generation according to replies from the State Council.
>
> "From October 1, 2013 to December 31, 2015, ***taxpayers that sell electric power products manufactured by themselves with solar energy shall enjoy the policy of immediate refund of 50% of the VAT levied"***. (emphasis added)
>
> The policies and plans identified above demonstrate the level of the GOC's influence on all aspects of the photovoltaic module industry. As photovoltaic modules are a key component in solar power generation, ***government influence on the price of solar generated electricity*** (emphasis added) can significantly impact the domestic demand and price of photovoltaic modules

Tindo submits that electricity costs in the exporter records should be uplifted using the tariff rate for "Other large Industry" as was done in Report No. 237.

Finance and Loan costs

Tindo refers to its previous submissions on the GOC provision of loans and credit facilities preferential rates that do not take into account commercial risk and prudential lending practices that would otherwise apply in a competitive market.

Tindo submits that detailed information from the state owned Chinese Banks and the Chinese Banking Regulatory Commission on the lending practices and risk assessment in relation to the loans and credit facilities provided to the Chinese solar companies is required to properly assess whether the loans and credit provided were at terms for what would apply in a competitive market.

Tindo submits that seeking information from the exporters would not provide information on the banks risk assessment and lending practices for that company. Similarly, a comparison of short term loans between state owned and non-state owned banks does not give any indication of the banks practices.

Tindo submits that the finance and loan costs of the solar companies are not representative of competitive market costs.

The benchmark interest rate for China throughout the investigation period was 6% yet the exporter visit report shows interest rates of 5.6% to 6.55% for ET Solar and the reported interest rate for Suntech's borrowings is 6.2%. It is incongruous that companies with such high debt levels would be getting interest rates at or below the benchmark rate. When reference is made to the Chinese interest rate this often refers to the base interest rate. The central bank base interest rate or base rate is PBC's basic interest rate. The Chinese central bank has complete autonomy with regard to the use of monetary instruments. This means - amongst other things - that the bank sets the interest

rates for commercial banks. The bank thereby has a lot of influence over the rates which need to be paid in the market for loans and mortgages and the interest paid on savings.

The effect of government backing and support on interest rates, loans and funds is demonstrated by an independent analysis of the USA government's bank guarantee during the Global Financial Crisis. The analysis shows an interest rate difference of over 5.2% between debt issued before and after the government guarantee.

Another example of the difference is shown for a recent debt issue by a listed Australian company with a similar debt level to that of Suntech. The difference between the rates for the listed company and the government guaranteed rates is over 7.7%. Of note is that the debt to equity ratio of the Australian company is 1.2, whilst that of Suntech was estimated as being as high as 2.8.

An independent study in relation to Suntech list loans from the two state owned banks, the China Development Bank and the Bank of China , to Suntech. A comparison of the loan rates to the benchmark rates shows that in nearly all instances the loans were less than the benchmark rate, by up to 2.9%, and only in one instance was the loan at the benchmark rate.

The same study notes that the ready access to funds from the China Development Bank by Suntech makes servicing its debt load possible, which would not be the case for a company without government support.

Tindo refers to its previous submissions noting loans and agreements from Chinese Banks to Chinese Solar companies and the change in those solar companies from profit-making businesses to loss-making businesses. A 2013 analysis noted that China's top ten solar companies were USD16 billion in the red.

Tindo contends that in a normal market situation the solar companies would not be getting rates less than or at the benchmark rate but a rate that would have a risk premium applied of between 5.2% to 7.7% as evidence in the above examples for Australia and the USA.

Tindo submits that a premium should be applied to the interest and finance rates in the exporter accounts of 7.7% for Suntech and those companies with a similar debt to equity ratio and the lower rate of 5.2% to those companies with a lower debt to equity ratio.

In calculating interest and finance costs Tindo further submits that the Commission should take account of the cumulative effect the lower non-market rates have had on the companies costs in the investigation period from previous years. For example, Tindo has provided evidence of Suntech getting rates less than the competitive market rate since 2009.

The effect of this is that Suntechs total borrowings in the investigation period are lower than they would have been if its borrowings had been at market rates. This would mean the total finance and interest borrowings in the company accounts for the investigation period are effectively understated.

Documents relating to finance and interest costs are at **Confidential Attachment 3**. A non-confidential version of these attachments has been provided at **Non-Confidential Attachment 2**.

Consolidated group costs

Tindo restates its submission to the SEF that the ADC review the dumping margins to ensure that CTMS is a fully absorbed CTMS.

Tindo contends that in assessing all relevant costs the ADC should be reviewing the SGA, R&D, depreciation and capital costs of the consolidated group comprising the parent company and all subsidiaries to determine all relevant costs.

Tindo requests that the ADC ensure that all finance costs of the consolidated group are properly allocated to the goods.

Profit

Tindo submits that an appropriate rate of profit should be applied to the constructed normal value. Tindo submits that this profit is that realised by manufacturers in China before the investigation period. Tindo submits that the rates applied should be 8.2% for Suntech, 14.0% for Rensola and 16.8 for Trina which are the rates achieved by those companies in 2010. Tindo submits an average of 13.0% should be applied to all other exporters.

Tindo submits that it is not appropriate to rely on profits achieved by companies during the investigation period on any sales of the goods as these profits would have been distorted by the market situations in regards to input costs and selling prices noted above.

Documents regarding the rate of profit are at **Non-Confidential Attachment 3.**

NON INJURIOUS PRICE

Tindo submits that due to the market situation that the Commissioner recommend to the Parliamentary Secretary to not have regard to the desirability of fixing a lesser rate of duty because the situation in the domestic market of China is such that sales of PV modules and panels in that market are not suitable for use in determining normal values.

TYPE OF MEASURES

Tindo submits that the Commissioner recommend that the form of interim duty payable on the goods be a combination of fixed and variable duty method as prescribed in the *Customs Tariff (Anti-Dumping) Regulation 2013.*

Tindo submits that that the combination method of fixed and variable duty is the most effective measure in a market where the past behavior of exporters shows evidence that it would be relatively easy for the exporter to further reduce export prices by the amount of the determined dumping margin so as to negate the intended effect of the measures.

Tindo refers to the SEF where it is noted that exports by Trina Solar to Australia during the investigation period were non-arms lengths transaction and sales of the PV modules and panels into the Australian market were not profitable. Tindo also notes that the SEF found that there were insufficient volumes of mono-crystalline PV modules and panels sold in the domestic market in China that were in the ordinary course of trade. Tindo considers that the sales behavior of Trina Solar

shows that the exporter is prepared to sell at a loss into export and domestic markets and indicates that it would incur further losses in the Australian market to maintain sales volumes through reduced export prices that would negate the effect of the measures.

Tindo notes that the SEF found for Renesola that there were insufficient volumes of mono-crystalline PV modules and panels sold in the domestic market in China that were in the ordinary course of trade. Tindo refers to its submission of 23 March 2015 which noted that there have been a number of news articles stating that the European Commission is proposing the withdrawal of the ReneSola undertaking alleging breaches of the undertaking (Sources, Washington Post, 12 March and pvtech.org). Media references for news articles regarding Renesola, ET Solar and Canadian Solar and the removal of undertaking agreements are at **Non-Confidential Attachment 4.**

Tindo considers that this sales behavior and alleged breaching of undertakings shows that exporters are prepared to sell at a loss to maintain sales volumes.

Tindo notes that the SEF found for ET Solar that there were insufficient volumes of mono-crystalline PV modules and panels sold in the domestic market in China that were in the ordinary course of trade. Tindo also notes that the Commission found that the cost differential between poly-crystalline and mono-crystalline PV modules does not appear to have any direct correlation to the price for the models that were manufactured and sold in the domestic market (and exported to Australia). Tindo considers that this sales behavior shows that the exporter is prepared to sell at a loss and at a price that does not relate to costs to maintain sales volumes.

Tindo notes that the SEF found that export sales by Suntech to Suntech Australia were not arms length transactions and that the exporter report notes that sales of the imported PV modules in the Australian market by Suntech Australia were at a loss. Tindo also notes Suntech's submission in the SEF which claimed that the majority of the mono-crystalline PV modules or panels it sold into the domestic market in China were at a loss and were not in the ordinary course of trade. Tindo considers that the sales behavior of Suntech shows that the exporter is prepared to sell at a loss into export and domestic markets and indicates that it would incur further losses in the Australian market to maintain sales volumes through reduced export prices that would negate the effect of the measures.

MATERIALITY OF INJURY AND CAUSAL LINK

Tindo restates its submission to the SEF that it strongly disagrees with the statement that the injury, if any, or the hindrance, if any, to establishment of an Australian industry, caused by the dumping of goods exported from China is negligible.

Tindo also disagrees with the statement that 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 AC modules or panels.

Tindo has won sales against dumped imports during the investigation period and is still winning sales whilst the investigation continues. A recent news article regarding Tindo still winning sales in the market is at **Non-Confidential Attachment 5.**

This shows that Tindo can compete in the market and that the imposition of anti-dumping duties would alleviate injury that Tindo is experiencing. A floor price on the dumped imports from a fixed and variable duty would stop exporters undercutting at lower prices and enhance Tindo's ability to compete in the market, win more sales and improve its profitability.

Tindo contends that the injury caused by dumping during the investigation period is material and that material injury is still being caused by dumped goods.

LIKE GOODS AND EXCLUDED GOODS

Tindo rejects submissions in the SEF that PV modules or panels greater than or equal to 300 Watt and PV modules less than or equal to 200 Watt should be excluded from the investigation.

Tindo responded to the claim on 23 June 2014 that that it did not produce like or directly competitive goods in regards to PV modules or panels greater than or equal to 300 Watt.

In the submission Tindo noted that it has a highly automated production process, that can produce either 250 W or 300/305 W modules. The key difference to the production of a 250 W module and 300/305 W module is the use of an additional 12 solar PV cells. Tindo also provided evidence of quotations to produce and supply 300 W (72 cell) modules.

Tindo rejects that PV modules or panels less than or equal to 200 Watt should be excluded from the investigation on the basis that Tindo does not manufacturer such panels. Tindo notes that the SEF mentions the predominant usage for these products being for charging 12 Volt lead-acid batteries used for outdoor and recreational activities.

Tindo notes that goods specifically excluded from the investigation include "*solar chargers that consist of less than six cells, are portable and supply electricity to devices or charge batteries*". Tindo considers that this exclusion adequately covers PV modules or panels used to charge batteries.

Tindo rejects that PV modules or panels less than or equal to 200 Watt should be excluded from the investigation as these panels are used throughout Australia directly competing against Tindo's solar panel.

A typical 5kW solar system can be delivered with 20 x 250W solar panels or with 25 x 200W solar panels. Both product solutions are made up of series / parallel combinations of solar panels to generate 5kW of solar AC electricity to be fed into the electricity grid or charge a battery bank.

The functionality of both 200W and 250W solar panels is largely similar.

Yours sincerely,

Adrian Ferraretto

Managing Director

Non-Confidential Attachment 1

Multi	Normal	China	Unit: US$/W	
		XX	XX	XX
High		0.35	0.35	0.35
Avg		0.32	0.34	0.32
Low		0.30	0.30	0.30

Multi	Normal	Worldwide	Unit: US$/W	
		XX	XX	XX
High		0.43	0.42	0.42
Avg		0.39	0.38	0.38
Low		0.35	0.34	0.34

Mono	Normal	Worldwide	Unit: US$/W	
		XX	XX	XX
High		0.52	0.5	0.47
Avg		0.43	0.43	0.42
Low		0.4	0.39	0.39

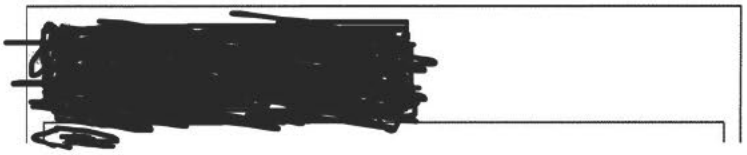
				Average
Multi uplift	22%	13%	19%	18%
MonoUplift to Multi price	10%	12%	11%	11%

Source:

XXX

China Interest Rate 1996-2015 | Data | Chart | Calendar | Forecast | News

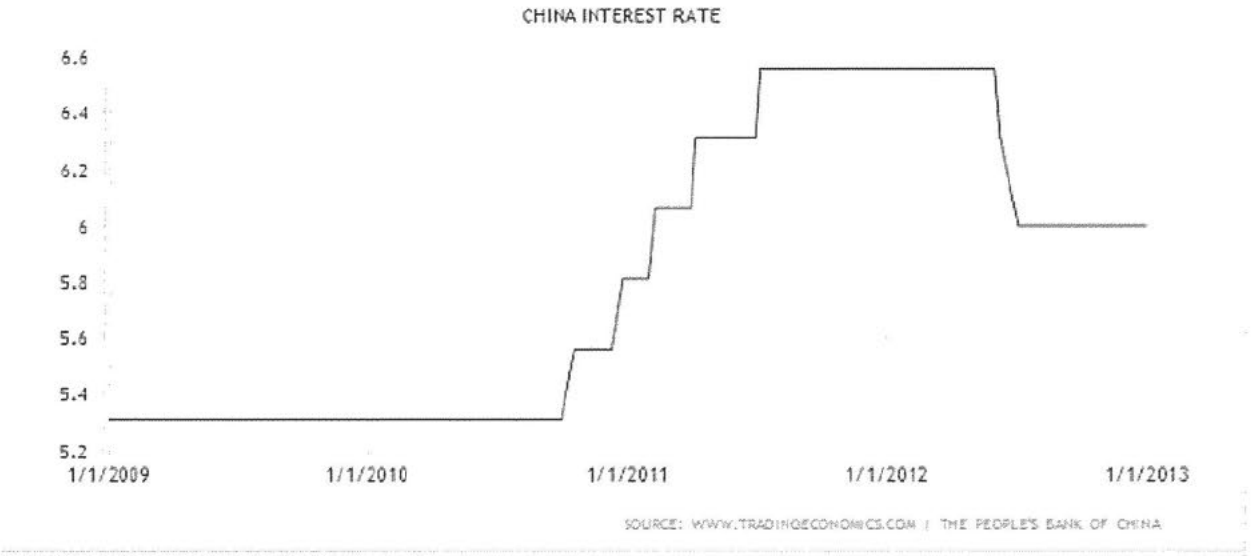
The benchmark interest rate in China was last recorded at 5.10 percent. Interest Rate in China averaged 6.38 percent from 1996 until 2015, reaching an all time high of 10.98 percent in June of 1996 and a record low of 5.10 percent in May of 2015. Interest Rate in China is reported by the The People's Bank of China.



2009 2012 Chart Forecast (../forecasts)

Export Data (http://www.tradingeconomics.com/analytics/plans.aspx?source=chart)

API Access (http://www.tradingeconomics.com/analytics/api.aspx?source=chart)



Compare

☆Watch Embed

Actual	Previous	Highest	Lowest	Dates	Unit	Frequency
5.10	5.35	10.98	5.10	1996 - 2015	percent	Daily

In China, interest rates decisions are taken by The Peoples' Bank of China Monetary Policy Committee. The PBC administers two different benchmark interest rates: one year lending and one year deposit rate. This page provides - China Interest Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Content for - China Interest Rate - was last refreshed on Thursday, June 18, 2015.

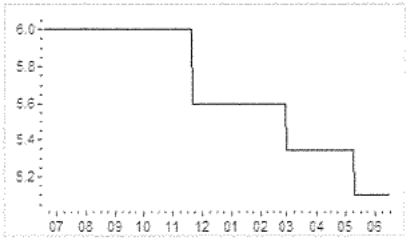
China Cuts Interest Rate to 5.1%

The People's Bank of China cut its benchmark lending rates by 25 basis points to 5.1 percent on May 10th. It is the third reduction since November prompted by low

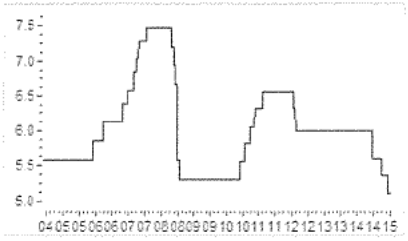
PBC base interest rate - Chinese central bank's interest rate

Charts - historic PBC interest rates

Graph Chinese interest rate PBC - interest rates last year



Graph Chinese interest rate PBC - long-term graph



The current Chinese interest rate PBC (base rate) is 5.100 %

PBC - The People's Bank of China

The People's Bank of China (PBC or PBOC) is the central bank of the People's Republic of China. There is no financial institution in the world which has more financial assets / resources than the People's Bank of China. Under the guidance of the State Council the PBC deals with:

- drafting and implementing monetary policy. The most important aim of this is to maintain financial stability and the value of the currency in order to stimulate economic growth;
- to prevent or restrict financial risks;
- to safeguard financial stability.

Other important tasks for the Central Bank of China are:

- issuing and administering the circulation of the Renminbi, the official currency of the People's Republic of China. The name means "people's currency". The unit of the renminbi is the yuan;
- regulating the interbank lending market and the interbank bond market;
- managing the official foreign currency and gold reserves;
- recording foreign exchange transactions and regulating the interbank trade in foreign currencies;
- managing the State's "treasury";
- maintaining the normal functioning of payment traffic;
- initiating and organising the financial sector's anti-moneylaundering policy;
- calculating the financial statistics and producing research, analyses and forecasts;
- participating in international financial activities on behalf of the central bank.

Central bank base interest rate

When reference is made to *the Chinese interest rate* this often refers to the base interest rate. The central bank base interest rate or base rate is PBC's basic interest rate. The Chinese central bank has complete autonomy with regard to the use of monetary instruments. This means - amongst other things - that the bank sets the interest rates for commercial banks. The bank thereby has a lot of influence over the rates which need to be paid in the market for loans and mortgages and the interest paid on savings.

This page shows the current and historic values of the central bank base interest rate of the Chinese central bank.

For a summary of the current interest rates of a large number of central banks please click here.

Tables - current and historic Chinese central bank interest rates

PBC latest interest rate changes

change date	percentage
may 10 2015	5.100 %
february 28 2015	5.350 %
november 21 2014	5.600 %
july 06 2012	6.000 %
june 08 2012	6.310 %
july 07 2011	6.560 %
april 06 2011	6.310 %
february 09 2011	6.060 %
december 26 2010	5.810 %
october 20 2010	5.560 %

Summary of other central banks' interest rates

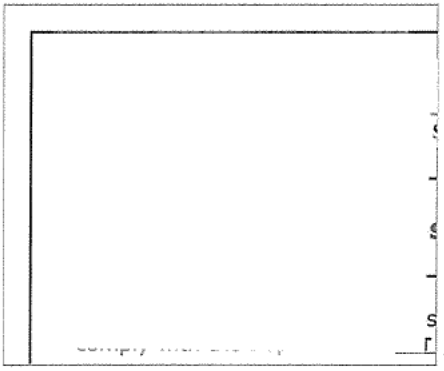
central bank interest rate	region	percentage	date
FED interest rate	United States	0.250 %	12-16-2008
RBA interest rate	Australia	2.000 %	05-05-2015
BACEN interest rate	Brazil	13.750 %	06-03-2015
BoE interest rate	Great Britain	0.500 %	03-05-2009
BOC interest rate	Canada	0.750 %	01-21-2015
PBC interest rate	China	5.100 %	05-10-2015
ECB interest rate	Europe	0.050 %	09-04-2014
BoJ interest rate	Japan	0.100 %	10-05-2010
CBR interest rate	Russia	11.500 %	06-15-2015
SARB interest rate	South Africa	5.750 %	07-17-2014

libor	euribor	banks	inflation
American interest rate (Fed)		0.25 %	12-16-2008
Australian interest rate (RBA)		2.00 %	05-05-2015
British interest rate (BoE)		0.50 %	03-05-2009
Canadian interest rate (BOC)		0.75 %	01-21-2015
European interest rate (ECB)		0.05 %	09-04-2014
Japanese interest rate (BoJ)		0.10 %	10-05-2010

All central banks interest rates, click here

Quick links:

- Euribor interest rates
- Libor interest rates
- Eonia interest rates
- Interest rates central banks
- Inflation figures
- CPI inflation



In order to be able to show the data on this page, we make use of a large number of sources of information that we believe to be reliable. For more information and our disclaimer, click here

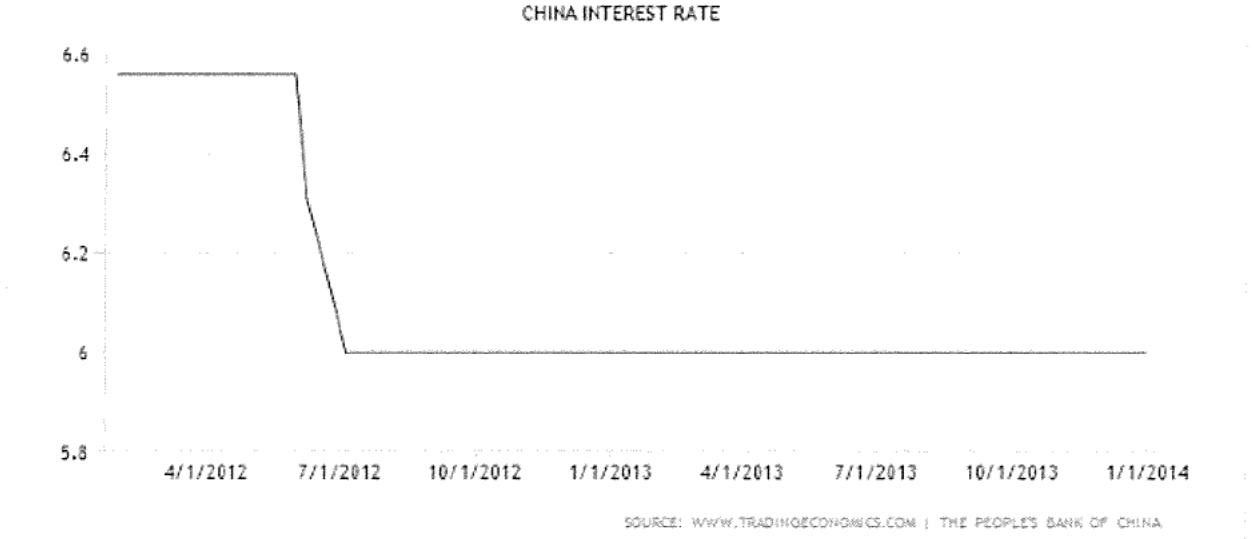
China Interest Rate 1996-2015 | Data | Chart | Calendar | Forecast | News

The benchmark interest rate in China was last recorded at 5.10 percent. Interest Rate in China averaged 6.38 percent from 1996 until 2015, reaching an all time high of 10.98 percent in June of 1996 and a record low of 5.10 percent in May of 2015. Interest Rate in China is reported by the The People's Bank of China.

2012 2013 Chart Forecast (../forecasts)

Export Data (http://www.tradingeconomics.com/analytics/plans.aspx?source=chart)

API Access (http://www.tradingeconomics.com/analytics/api.aspx?source=chart)



Compare

☆Watch Embed

Actual	Previous	Highest	Lowest	Dates	Unit	Frequency
5.10	5.35	10.98	5.10	1996 - 2015	percent	Daily

In China, interest rates decisions are taken by The Peoples' Bank of China Monetary Policy Committee. The PBC administers two different benchmark interest rates: one year lending and one year deposit rate. This page provides - China Interest Rate - actual values, historical data, forecast, chart, statistics, economic calendar and news. Content for - China Interest Rate - was last refreshed on Tuesday, June 16, 2015.

China Cuts Interest Rate to 5.1%

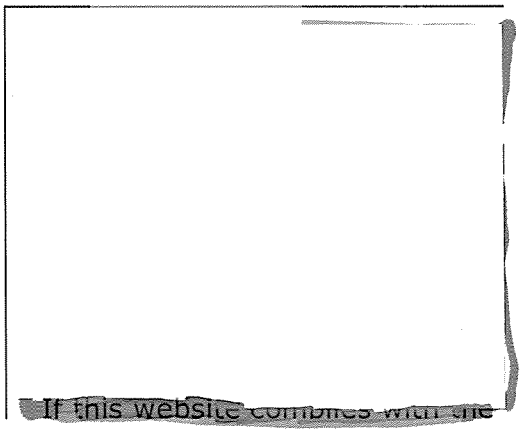
The People's Bank of China cut its benchmark lending rates by 25 basis points to 5.1 percent on May 10th. It is the third reduction since November

prompted by low growth, declining property prices.

The central bank also reduced one-year benchmark deposit rates by 25 basis points to 2.25 percent.

China's economy is still facing relatively big downward pressure, the overall level of domestic prices remains low, and real interest rates are still higher than the historical average, the PBOC said.

The Chinese economy expanded 7.0 percent in the first quarter of 2015, down from a 7.3 percent increase in the previous three-month period. It is the lowest growth rate since the March quarter of 2009, due to a slowdown in manufacturing and property investment.



Annual inflation rate has been below 2 percent since September. The producer price index fell by 4.6 percent in April and has been declining since March 2012.

The average price of a new home in China's 100 major cities edged down 0.01 percent month on month to 10,522 yuan per square meter, according to the report by the China Index Academy (CIA). The figure marked a sharp slowdown in the pace of housing price decline from the 0.15 percent recorded in March. Previous figures showed that home prices in China were on decline for eight straight months until a slight increase of 0.21 percent in January. They started dropping again from February.

PBOC | anna@tradingeconomics.com
5/10/2015 4:09:11 PM

Recent Releases

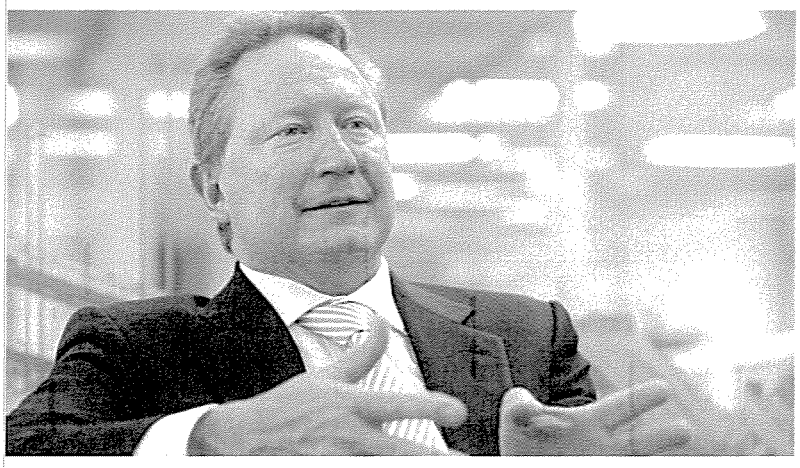
China Cuts Reserve Ratio by 1% (/articles/04202015091930.htm)
The People's Bank of China lowered the reserve requirement ratio for all commercial banks by 100 bps to 18.5 percent, aiming to boost credit and growth. Published on 2015-04-20

China Cuts Benchmark Interest Rate to 5.35% (/articles/02282015230943.htm)
The People's Bank of China cut the one-year lending rate by 25 basis points to 5.35 percent on February 28th amid rising deflationary pressure, low growth and declining property prices. Published on 2015-02-28

China Money	Last	Previous	Highest	Lowest	Unit	
Interest Rate (/china/interest-rate)	5.10	5.35	10.98	5.10	percent	[+] (/china/interest-rate)
Interbank Rate (/china/interbank-rate)	3.30	2.85	9.89	0.00	percent	[+] (/china/interbank-rate)
Money Supply M0 (/china/money-supply-m0)	5910.00	6080.00	7648.86	17.85	CNY Billion	[+] (/china/money-supply-m0)
Money Supply M1 (/china/money-supply-m1)	34310.00	33640.00	34810.00	74.51	CNY Billion	[+] (/china/money-supply-m1)
Money Supply M2 (/china/money-supply-m2)	130740.00	128080.00	130740.00	5840.10	CNY Billion	[+] (/china/money-supply-m2)

Fortescue Metals Group pays up on revived bond deal

April 23, 2015



Fortescue Metals Group's CEO Andrew Forrest

Australian iron ore producer Fortescue Metals Group finally got its crucial bond refinancing over the line Wednesday, but it had to pay investors much more than when it first had a go last month.

Sole lead JP Morgan launched a 9.75 per cent US$2.3bn senior secured seven-year non-call three bond at a discount of 97.608 to yield 10.25 per cent - just a touch inside talk of 10.5 per cent.

That was well beyond what it attempted to get away with in March, in what was seen as a bungled sales job with Credit Suisse also involved. The Swiss bank was left out this time.

JP Morgan had been sounding out investors for a couple of weeks on behalf of the world's fourth-largest iron ore miner, and by the time the revamped deal was announced this morning, there were already some US$1.2bn of anchor orders in place, buyside sources said.

Fortescue last month had been looking to raise US$2.5bn in a deal initially whispered with a yield of around 7 per cent.

The final yield was eventually heard pushed as wide as 8.5 per cent before the trade was abandoned altogether, as Fortescue faced headwinds from weak ore prices and investor push-back.

"They should have priced when they could have issued at 9 per cent," one leveraged finance banker told IFR. "Now they are out with a smaller deal at much wider levels."

It had to sweeten the terms, not least because S&P cut its ratings a notch Wednesday to BB from BB+. Moody's downgraded Fortescue's family rating to Ba2 from Ba1 last week and its unsecured rating to Ba3 to Ba2.

This time around, the company stuck to just a bond after last month cancelling plans for a US$4.9bn loan extension that ran alongside the initial bond offering.

A successful trade would have meant it would have been able to push out maturities beyond 2021.

But one investor said it would have been too expensive for Fortescue to come back to the loan market, and that the company had some flexibility since its loans are not due until 2019. The loans are yielding roughly 7.4 per cent.

The new deal means Fortescue has tackled its biggest short-term refinancing needs - at least giving itself some breathing space. All of its outstanding 2017s and 2018s will be refinanced, as well as roughly US$450m of its 2019s.

The market broadly agreed it was a matter of some urgency.

CreditSights said recently that Fortescue's ability to issue secured debt would likely drop dramatically after its next earnings release on June 30.

"Fortescue's window of opportunity will likely close on June 30 with the company printing significantly weaker results this reporting period," CreditSights analyst Win Li said.

Wednesday's deal followed a mini-rally in the company's outstanding debt.

Its 8.25 per cent 2019s, as low as 77 last week, were quoted this morning at 84.5 and rallied even further today to 87.5 amid expectations the bond deal would be increased. Its 6.875 per cent 2022s bonds were up half a point on the day at 72.75, a trader said.

Iron ore prices jumped on Wednesday after BHP Billiton curbed the pace of its expansion program, slowing the final stages of the $US120 billion race by the world's biggest producers to raise output.

The price of the steelmaking raw material, trading near a 10-year low, rose 5.9 per cent to $US54.04 a metric ton on Wednesday, according to data from Metal Bulletin. That's the biggest gain since October 2012.

Reuters

Australia 7-Year Bond Yield

Australia

2.767 +0.029 (+1.06%)

0:24:28 GMT - Real-time Data. (Disclaimer)

Type:	Bond
Group:	Government
Market:	Australia

Prev. Close: **2.738** Day's Range: **2.748 - 2.780**

Start Trading

Fortescue 10.25
Dif 7.73%
Added to debt for Chinese expansion.

General **Chart** **Technical** **Forum**

Overview

Historical Data

Australia 7-Year Bond Yield Overview

1 5 15 30 1H 5H 1D 1W 1M

Technical Chart

LIBOR Rates History: Historical LIBOR Rate Information

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Chart: U.S. Prime Rate vs. Fed Funds Target Rate vs. 1-Month LIBOR vs. 3-Month LIBOR

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History of The Monthly US Dollar (Eurodollar) London InterBank Offered Rates (LIBOR)

- Click Here for Last Month's LIBOR Rates -

	1-Month	3-Month	6-Month	12-Month
September of 1989	9.063	9.125	9.063	9
October of 1989	8.703	8.688	8.438	8.375
November of 1989	8.813	8.5	8.313	8.25
December of 1989	8.5	8.375	8.313	8.234
	1-Month	3-Month	6-Month	12-Month
January of 1990	8.313	8.375	8.438	8.625
February of 1990	8.375	8.375	8.438	8.688
March of 1990	8.375	8.500	8.688	8.938
April of 1990	8.563	8.750	9	9.375
May of 1990	8.313	8.375	8.5	8.75
June of 1990	8.328	8.375	8.438	8.5
July of 1990	8.063	8.047	8.047	8.109
August of 1990	8.125	8.188	8.188	8.313

April of 2007	5.3201	5.3555	5.3581	5.2967
May of 2007	5.321	5.3595	5.3844	5.3885
June of 2007	5.3195	5.3593	5.3817	5.4048
July of 2007	5.32	5.3597	5.3743	5.3832
August of 2007	5.4975	5.4837	5.3773	5.1860
September of 2007	5.4927	5.4939	5.3538	5.0618
October of 2007	4.9814	5.1465	5.0513	4.8771
November of 2007	4.7672	4.9621	4.8324	4.5219
December of 2007	5.0172	4.9794	4.825	4.4227
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2008	3.9091	3.9176	3.7795	3.4415
February of 2008	3.1368	3.0876	3.0039	2.8046
March of 2008	2.8066	2.7825	2.6798	2.5133
April of 2008	2.7854	2.7947	2.8386	2.8288
May of 2008	2.5065	2.6924	2.8544	3.0306
June of 2008	2.4704	2.7654	3.1035	3.4176
July of 2008	2.46	2.7921	3.1157	3.2796
August of 2008	2.4682	2.8063	3.1116	3.2364
September of 2008	2.927	3.1217	3.3369	3.3709
October of 2008	3.8096	4.0586	3.8784	3.7893
November of 2008	1.621	2.2791	2.6578	2.8231
December of 2008	1.0826	1.8294	2.1778	2.3845
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2009	0.3834	1.2108	1.6211	1.9024

February of 2009	0.4628	1.2426	1.7569	2.0644
March of 2009	0.5325	1.2667	1.8273	2.1173
April of 2009	0.45	1.1062	1.6519	1.9351
May of 2009	0.3423	0.8166	1.357	1.6791
June of 2009	0.3162	0.6207	1.1796	1.6776
July of 2009	0.2907	0.5153	0.9814	1.5
August of 2009	0.2704	0.4245	0.8428	1.4231
September of 2009	0.2473	0.298	0.6774	1.2691
October of 2009	0.2443	0.2831	0.5897	1.2275
November of 2009	0.2378	0.2681	0.5168	1.0844
December of 2009	0.2329	0.2531	0.4529	0.9993
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2010	0.2317	0.2501	0.3993	0.8979
February of 2010	0.2291	0.2505	0.3878	0.8516
March of 2010	0.2373	0.2684	0.4106	0.8733
April of 2010	0.2598	0.3116	0.4759	0.9598
May of 2010	0.3355	0.4585	0.6593	1.13
June of 2010	0.3487	0.5369	0.7518	1.188
July of 2010	0.3341	0.5103	0.7185	1.1178
August of 2010	0.2755	0.3626	0.5791	0.9436
September of 2010	0.257	0.2914	0.4778	0.8044
October of 2010	0.2561	0.2888	0.455	0.7681
November of 2010	0.2542	0.2869	0.4455	0.7644
December of 2010	0.2618	0.3027	0.4584	0.7839

	1-Month	3-Month	6-Month	12-Month
January of 2011	0.2606	0.3034	0.4554	0.7818
February of 2011	0.2629	0.3119	0.4641	0.7934
March of 2011	0.2533	0.3084	0.4608	0.7797
April of 2011	0.2214	0.2814	0.4423	0.7701
May of 2011	0.1978	0.2607	0.4141	0.7392
June of 2011	0.1872	0.2478	0.3976	0.7269
July of 2011	0.1866	0.2499	0.4139	0.7272
August of 2011	0.2112	0.2932	0.4592	0.7767
September of 2011	0.2309	0.3502	0.5222	0.8332
October of 2011	0.2437	0.4065	0.5952	0.9086
November of 2011	0.2537	0.4753	0.6805	1.0003
December of 2011	0.2836	0.5557	0.7799	1.1003
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2012	0.2829	0.5659	0.797	1.1146
February of 2012	0.25	0.5032	0.7573	1.0712
March of 2012	0.2406	0.4733	0.7413	1.0103
April of 2012	0.2398	0.4668	0.7314	1.0486
May of 2012	0.2389	0.4665	0.733	1.0615
June of 2012	0.2432	0.4656	0.7364	1.0692
July of 2012	0.2465	0.4536	0.7302	1.0653
August of 2012	0.2377	0.4323	0.7175	1.0424
September of 2012	0.2213	0.3856	0.6717	0.9998
October of 2012	0.2135	0.3305	0.5823	0.9186

November of 2012	0.2089	0.3110	0.5283	0.8632
December of 2012	0.2108	0.3095	0.5142	0.8478
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2013	0.2051	0.3028	0.489	0.8155
February of 2013	0.2013	0.2905	0.4634	0.7619
March of 2013	0.2035	0.2819	0.4477	0.735
April of 2013	0.1997	0.2774	0.4364	0.7175
May of 2013	0.1966	0.2741	0.4214	0.6936
June of 2013	0.1932	0.2737	0.414	0.6839
July of 2013	0.1911	0.2676	0.4031	0.6838
August of 2013	0.1841	0.2633	0.395	0.6683
September of 2013	0.1806	0.2532	0.3804	0.6527
October of 2013	0.1724	0.2418	0.3612	0.6178
November of 2013	0.1673	0.2382	0.3506	0.5867
December of 2013	0.1672	0.2442	0.3467	0.5795
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2014	0.1601	0.2386	0.3384	0.5756
February of 2014	0.1551	0.2352	0.3308	0.5546
March of 2014	0.1549	0.2341	0.3311	0.5571
April of 2014	0.1517	0.2273	0.3238	0.5497
May of 2014	0.1504	0.2261	0.3231	0.5383
June of 2014	0.1524	0.2309	0.3239	0.5422
July of 2014	0.1544	0.2342	0.3283	0.5558
August of 2014	0.156	0.2348	0.3297	0.5592

September of 2014	0.1541	0.234	0.33	0.5771
October of 2014	0.1535	0.2314	0.3236	0.5524
November of 2014	0.1548	0.2329	0.3268	0.5621
December of 2014	0.1635	0.2457	0.3443	0.6044
	1-Month	**3-Month**	**6-Month**	**12-Month**
January of 2015	0.1682	0.2544	0.3585	0.6225
February of 2015	0.1721	0.2584	0.376	0.6601
March of 2015	0.1756	0.2683	0.3995	0.7
April of 2015	0.1807	0.2758	0.4042	0.6965
May of 2015	0.1842	0.2798	0.4164	0.734

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Prime Rate | Current Prime Rate | Prime Rate History | Prime Rate Forecast | SITEMAP

Mortgage Refinance | Balance Transfer | Cheap International Calling Cards | LIBOR

Student Credit Card | Prepaid Debit Card | International Rates | SITEMAP

Chart: U.S. Prime Rate vs. Fed Funds Target Rate vs. 1-Month LIBOR vs. 3-Month LIBOR

Chart: Prime Rate vs. 15 & 30 Year Fixed-Rate Mortgages vs. 10-Year Treasury Yield

SITEMAP | Chart: 15- & 30-Year Fixed-Rate Mortgages - Comparison

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Sources: **ICE**

This webpage updated on June 1, 2015

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More on LIBOR

The London Interbank Offered Rates (LIBOR) can be described as the wholesale cost of money in the London interbank money market. Though the LIBOR rates are fixed in the United Kingdom, American consumers need to understand how LIBOR works, since LIBOR is used as an index in the pricing of many types of consumer loans in the United States.

How LIBOR Works

LIBOR is the average interest rate at which a select group of banks that participate in the London interbank money market can borrow unsecured funds from each other. There are many different LIBOR rates (maturities range from overnight to 12 months) for numerous currencies, including Eurodollars. A Eurodollar is an American dollar on deposit in any bank outside the United States, and is therefore not subject to regulation by the U.S. Federal Reserve or any other American regulating body.

LIBOR rates are fixed every UK business day by the **ICE Benchmark Administration** (IBA).

Just before 11:00 a.m. GMT, the IBA polls a specific panel of highly reputable, high-volume banks which participate in the London wholesale money market. The IBA finds out the rate at which each bank on the panel could borrow Eurodollars from other banks, for specific maturities. The question posed is:

> *"At what rate could you borrow funds, were you to do so by asking for and then accepting inter-bank offers in a reasonable market size just prior to 11 a.m.?"*

The IBA figures out the *trimmed arithmetic mean* for each maturity, then publishes these rates at about 11:45 a.m. GMT.

Three American banks are included in the panel surveyed by the IBA for Eurodollar fixing: Citibank, Bank of America and JP Morgan Chase. There are also 15 non-U.S. banks surveyed for Eurodollar fixing in London, bringing the total Eurodollar panel count to 18. To get the trimmed arithmetic mean for each maturity, the IBA starts with the 18 rates, discards the highest and lowest 25%, then determines the average of the remaining.

Back in the mid-1980's, the international banking system adopted LIBOR as a much needed benchmark for short-term, interbank loans. The LIBOR rates are now globally recognized indexes used for pricing many types of consumer and corporate loans, debt instruments and debt securities across the globe. For example, LIBOR is used as a benchmark for many student loans and mortgages in The United States.

LIBOR is administered by the IBA, and regulated by the **Financial Conduct Authority** (FCA).

Click Here to Jump to The Top of This Document

SUNTECH'S BANK FINANCING

- April 2009: Five-year syndicated loan facility agreement led by China Development Bank and Bank of China, restricted to the purchase of fixed assets. It has a maximum borrowing amount of $198.5 million and bears interest at 6-month LIBOR plus 3.5 percent per annum. The facility is secured by Suntech's existing fixed assets. Suntech drew down $118.5 million in 2009, of which $1.5m has been paid as of December 31, 2010.[37]
- May 2010: Three-year credit loan facility agreement with Bank of China, restricted to the purchase of fixed assets. It has a maximum borrowing amount of $54.3 million and bears interest of 4.86 percent per annum. The company drew down $42.9 million in 2010.
- October 2010: Three-year, long-term loan facility agreement with Bank of Shanghai, restricted to the purchase of fixed assets. It has a maximum borrowing amount of $60.7 million. None of the credit facility had been drawn down as of December 31, 2010.[38]
- December 2010: One-year loan facility agreement with China Development Bank for utilization in daily operations. It has a maximum borrowing amount of $220 million and bears interest at the 3-month LIBOR plus 2.6 percent per annum. Suntech had drawn down $205 million of the loan by December 31, 2010.
- December 2010: Five-year, long-term loan facility agreement with China Development Bank, restricted to the purchase of fixed assets. It has a maximum borrowing amount of $60 million and bears interest at the 6-month LIBOR plus 3.3 percent per annum. The company had drawn down $20 million of the loan by December 31, 2010.
- January 2011: Three-year credit loan facility agreement with China Development Bank. It has a maximum borrowing amount of $130 million to be used for working capital and an interest rate of LIBOR plus 2.92 percent. All $130 million had been drawn down as of December 2011.
- July 2011: Credit facility agreement for 1.5-years with the Bank of China. The facility has a maximum borrowing amount of $436.5 million, including $7.14 million for working capital and $429 million for trade finance. The facility bears interest at 6.56 percent. The company has drawn down $7.14 million for working capital and $359 million for trade finance as of December 31, 2011.

- *The Golden Sun and Solar Roof programs:* Instituted by the Chinese government in 2009, these programs provide up-front subsidies for solar installations. The Solar Roof program promotes smaller-scale building-integrated photovoltaic and rooftop installations. The Golden Sun program

[37] Suntech data from 2010 20-F SEC filing and 2011 20-F SEC filing.

[38] Current information will not be available until the release of the annual SEC filings in May 2012.

While Suntech has a much-publicized nonbinding loan agreement with China Development Bank of $7.33 billion, it has only drawn on a small portion of this. It is more an indication of the readiness of China Development Bank to enter into further financing agreements with Suntech. This ready access to finds actually may be more important than the actual rate itself. Suntech is currently extraordinarily laden with debt. Its net debt as of March 31, 2012, was approximately $2.3 billion, with quarterly interest expenses of $35.7 million. While this debt load is a critical concern, access to further funds and an ability to either renew short-term debt or convert short-term debt to long-term debt may make servicing this debt possible—which almost certainly would not be the case for a company from somewhere else without government support. Local governments in China have influence over bank lending, and while there may be concern about the short-term health of a company like Suntech, Suntech's importance to local employment, local gross domestic product and contributions to foreign direct investment, and strategic industry development should provide sufficient government incentive to encourage further lending flexibility. The provincial government of Jiangsu has a particular interest in supporting Suntech. According to Shi Zhengrong, the Jiangsu PV industry is valued at RMB 200 billion, accounting for 60 percent of China's PV production, and employs 170,000 local people.[36] Again, this is why the mayor of Wuxi stepped in recently with funding support.

Suntech Competitiveness case study.

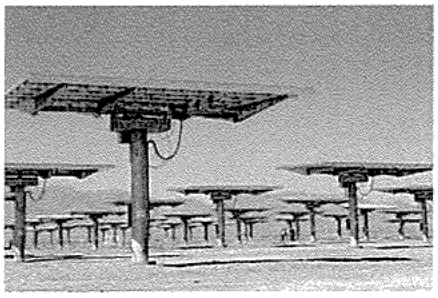
6-2%

Debt level similar to last Fortescue raising.

[35] Sally Bakewell, "Chinese Renewable Companies Slow to Tap $47 Billion Credit," Bloomberg, November 16, 2011, http://www.bloomberg.com/news/2011-11-16/chinese-renewable-companies-slow-to-tap-47-billion-credit-line.html.
[36]"扎实工作 稳中求进"(Solid work while maintaining stability), *Zhongguo Renmin Gongheguo Zhongyang Renmin Zhengfu*, Central government of the People's Republic of China, http://www.gov.cn/ldhd/2011-12/20/content_2024915.htm.

China's not-so sunny solar sector

By Nick Ferguson
21 November 2013
Keywords: china | solar | solar industry | suntech power



China's solar power sector showcases the very best and worst of Chinese industrial policy. In a short few years, the industry has sucked up billions of dollars of cash, gained a dominant position in the global market but now needs restructuring amid huge debts, poor margins and widespread bankruptcy.

The country's top 10 solar companies are $16 billion in the red, according to the ministry of industry and information technology. Across the entire industry, debts of $7.1 billion are coming up for repayment next year and several big companies are already either bankrupt or negotiating with creditors.

New York-listed Suntech Power, which was once the world's biggest solar panel maker, is the most high profile victim of the uncontrolled expansion. The company's lenders – eight Chinese banks – put it into bankruptcy after it defaulted on $540 million of convertible bonds in March.

"The default came as no surprise," said one banker with experience of working for solar manufacturers. "The bonds were yielding close to 500% back in March, which made the rest of the industry look positively creditworthy."

The inevitable bankruptcy sent its share price plummeting and prompted three directors to quit in August amid criticism of Suntech's lack of internal controls and its failure to chart a route back to solvency. Its chief executive, David King, left in September.

However, the company has now reached an agreement with creditors, led by Clearwater Capital Partners and Spinnaker Capital, to convert the debt into Suntech shares and to take on a new strategic investor.

Help is close at hand. According to reports in the Chinese media, the company's home town of Wuxi in Jiangsu province is bidding for Suntech through a consortium with GCL-Poly Energy, another local solar company. And yet another Jiangsu-based solar company, Shunfeng Photovoltaic, has also said that it is bidding.

This progress has come since Suntech appointed two experienced restructuring specialists: Michael Nacson and Kurt Metzger, who together have more than 45 years of experience in Asia. Metzger is a principal at Gem Advisory and previously worked for Ferrier Hodgson, a corporate debt restructuring and turnaround adviser, while Nacson is a principal at CSL, an Asia-based corporate transactions advisory company and outsourced CFO provider.

"Important steps forward are being taken towards a new Suntech," said Zhou Weiping, Suntech's president, in a statement. "The restructuring will allow us to cut our costs and optimise our margins and production. Although there is expected to be substantial dilution for our existing shareholders, we believe that these measures will put us in a better and stronger position."

Suntech is the tip of the iceberg. LDK Solar also has huge operating losses and was late in paying debt, while the rest of the industry is beset by similar problems.

Special case

At a time when Xi Jinping, China's president, is trying to reduce state support to the economy, the solar industry remains a special case. At the end of September, the finance ministry gave solar manufacturers a 50% value-added tax refund aimed at boosting domestic demand for solar projects.

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Ministry officials have also set more ambitious targets for the installation of domestic solar capacity.

"The government's increased target is primarily meant to help domestic solar panel manufacturers, which are facing numerous challenges," said Ivy Poon, an analyst at credit rating agency Moody's. "The government expects the rise in domestic solar power generation will help shift export sales of solar panels to local consumption."

Throwing money at the problem is one solution, but no amount of cash can create scientists and engineers with the skills and experience to develop innovative new technology. Rather than going into

research and development, China's investment — including credit lines of more than $40 billion — has flowed where it was easiest to deploy: even more capacity.

Suntech, for example, is still churning out panels despite being bankrupt for more than six months.

But the volume game is also under threat as the flood of cheap panels has provoked trade disputes with export partners. "After spending billions to build supply capacity in its solar industry, China is now committing billions more to create the demand," said the banker.

China's level of investment has put the EU and US in a difficult position. China's support for renewable energy is laudable, given its primary dependence on coal, and an abundance of cheap solar panels seems like a good problem for the world to have. But the dominance of Chinese firms has been linked to solar bankruptcies in Germany (Q-Cells), Japan (Sharp Corp) and the US (Solyndra).

This has angered some Western manufacturers and created political pressure to put a stop to China's aggressive state support.

As recently as 2010, China imported more solar products from the US than it exported, but that turned around completely during 2011, when the US recorded a $1.6 billion trade deficit in solar products, compared to a $400 million surplus a year earlier.

"A leading cause of this reversal is a massive surge in Chinese exports of dumped and subsidised solar cells and modules," according to an inflammatory report by the US solar manufacturing industry.

"These subsidies include cash grants; discounted inputs such as polysilicon and aluminium; discounted land, power and water; preferential loans and directed credit, including multi-billion dollar loans and loan guarantees to individual Chinese solar manufacturers; tax incentives and rebates; export assistance grants; and many others."

China has dumped even more panels in Europe. Exports to Europe totalled $28 billion during 2012 and comprised 90% of total overseas shipments, so it is no surprise that Europeans have been even more annoyed by China's generosity to its solar industry.

In retaliation, the EU launched anti-dumping and anti-subsidy investigations against China and proposed a 47.6% duty on imported Chinese panels earlier this year. That issue is now settled after the two eventually agreed a deal in July.

"The agreement between the EU and China will set a minimum price for Chinese panels sold in Europe, which effectively ends a serious trade dispute," said Rodney Stevens, manager of Ascenta's Special Situation Resource Fund, one-third of which is invested in solar."

However, EU manufacturers are already challenging the agreement and Chinese industry officials are clearly aware of the need to lead the industry into different markets.

China's market leaders such as Yingli Green Energy, the country's biggest, and JinkoSolar are returning to profitability after two years of losses, thanks largely to growing Asian demand. They will not be affected by the new rules, according to a report from Citic.

LOANS AND CREDIT AGREEMENTS INVOLVING CHINESE BANKS TO CHINESE SOLAR COMPANIES SINCE JAN 2010

Loans and Credit Agreements involving Chinese Banks to Chinese Solar Companies since Jan 2010*

Company	Amount ($M)	Banks
China Sunergy	160	China Development Bank
Dago New Energy	154	Bank of China
Hanwha SolarOne	1,000	Bank of China
Hanwha SolarOne	856	Bank of Shanghai
JA Solar	4,400	China Development Bank
Jinko Solar	7,600	Bank of China
LDK Solar	8,900	China Development Bank
Suntech	7,300	China Development Bank
Trina Solar	4,400	China Development Bank
Yingli Green Energy	478	Bank of Communications
Yingli Green Energy	5,200	China Development Bank
Yingli Green Energy	154	Bank of Communications
Yingli Green Energy	257	Bank of Communications
Total	40,709	

Source: Mercom Capital Group, llc
All amounts in millions of dollars.
*As of Sept. 26, 2011

Loans and credit facilities by state owned Chinese banks to Chinese solar companies announced in multiple transactions amounted to almost $41 billion since last year. In 2010 loans and credit facilities amounted to $32.6 billion and year to date in 2011 has amounted to $8.1 billion.

Loans and Credit Agreements by Chinese Banks to Chinese Solar Companies

Year	Loan Amount ($M)
2010	32,616
2011*	8,093
Total	40,709

Source: Mercom Capital Group, llc
All amounts in millions of dollars.
*As of Sept. 26, 2011

Most active lenders were China Development Bank with about $30.5 billion, followed by Bank of China with about $8.8 billion. LDK led with $8.9 billion, followed by Jinko Solar with $7.6 billion, Suntech with $7.3 billion, Yingli with $5.9 billion (4 transactions - 1, 2, 3, 4), JA Solar with $ 4.4 billion, Trina Solar with $4.4 billion, Hanwa SolarOne with $1.9 billion (2 transactions - 1, 2), China Sunergy with $160 million and Dago New Energy with $154 million.

*Data derived from company and public sources.

Update: This post has been corrected - 'loans' has been replaced by 'loans and credit agreements'.

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Mercom Capital Group
Clean Energy Communications and Consulting
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BloombergBusiness

PBOC Cites Downward Pressure on Economy in Q&A After Rate Cuts

May 10, 2015 — 10:34 PM AEST

The following is Bloomberg's translation of a statement from the People's Bank of China in question and answer format that accompanied its interest rate cut announcement.

1. What are the major considerations behind the cut in lending and deposit benchmark interest rates?

A: The cut in benchmark deposit and lending rates is primarily to play the guidance role of benchmark interest rates, to further lower social financing costs, and to support the continuous and healthy growth of the real economy. In accordance with the arrangements of the State Council, the People's Bank of China had cut benchmark loan and deposits interest rates twice, in November 2014 and March 2015 respectively. With the gradual implementation of various policy measures, lending rates of financial institutions have continued to fall, market interest rates dropped significantly, and the overall costs of social financing have been reduced. At present, China is accelerating domestic structural economic adjustments and seeing volatile external demand, and China's economy faces relatively large downward pressure. At the same time, the overall inflation level is low, the real interest-rate level is above the historical average, for which there was room to use the interest-rate tool. In view of this, the People's Bank of China decided to cut benchmark lending and deposit interest rates by 0.25 percentage points from May 11, 2015 to create a neutral and appropriate monetary and financial environment for economic restructuring and enhancement.

2. Along with the rate cut, the floating range of deposit rates is widened to 150 percent of the benchmark. What's the background and significance of this change?

A: At present, China has fully liberalized all interest rates apart from deposit rates, and the ceiling of deposit rates has been raised continuously, along with improvement of independent pricing capabilities of financial institutions. A deposit rate pricing market pattern of layered, orderly and differentiated competition has basically come into existence, and a market-based interest rate formation and transmission mechanism has been developed. At the same time, the successful launch of the deposit-insurance system, along with the establishment and improvement of a market interest rate pricing self-regulation mechanism, has laid a good foundation for accelerating the deposit interest rate liberalization. At present, the overall liquidity in the banking system is sufficient with

money market interest rates tending to move downwards, and this in fact has created a favorable external environment and time window for the full abolishment of deposit interest rate ceiling. To promote interest-rate liberalization in a steadily and orderly manner, the People's Bank of China has decided to raise the deposit interest rate ceiling to 1.5 times the benchmark, in tandem with the interest-rate cut. As not many financial institutions are offering ceiling deposit rates, basically, financial institutions won't raise deposit rates to the new ceiling.

The raised deposit-rate ceiling is another important step in China's market-oriented deposit interest rate reform. It will broaden the independent pricing scope of financial institutions to further improve their abilities of independent pricing and to push them to accelerate business model transformation and financial services improvement, which eventually will lay a more solid foundation for full abolishment of the deposit-rate ceiling; it will also help money prices to better reflect market supply and demand, to promote the formation of a savings structure that is balanced and in accordance with the wishes of depositors as a way to further optimize allocation of resources and to promote healthy economic and financial development.

3. What will PBOC do to guide financial institutions in making scientific and reasonable pricing after the raised ceiling of deposit rates?

A: To guide financial institutions for scientific and reasonable pricing and to maintain a fair and orderly market competition order, the People's Bank of China will continue to publish the benchmark deposit and lending rates as a way to further play a guiding role of the benchmark interest rates and to provide important references for pricing by financial institutions. At the same time, the People's Bank of China will further improve the interest-rate control system to improve the benchmark interest-rate system in the financial market and to improve the efficiency of monetary policy transmission. In addition, the People's Bank of China will also provide guidance on market interest rate pricing self-discipline mechanism, to further play the role of self-discipline, by taking incentive and restraint moves -- financial institutions with good interest-rate pricing will be given greater autonomy and product innovation rights while financial institutions with unreasonable interest-rate pricing and market order disruption will be restrained.

4. What are the considerations of People's Bank of China for further interest-rate control and interest-rate liberalization?

A: The interest rate liberalization, along with interest rate cuts, is mainly to adapt to the changing trends in economic fundamentals, to promote real interest rates to reasonable levels, and to let the market play a decisive role in the allocation of resources. In the next step, we will follow strategic arrangements made by the Communist Party Central Committee and the State Council to continue to implement prudent monetary policy and to keep a balance between easing and tightening. We will

make appropriate adjustments according to changes in liquidity supply and demand as well as inflation and economic conditions, and we will make comprehensive use of price and quantity tools to maintain a neutral and appropriate monetary environment and to find a fine balance between maintaining growth and adjusting structure. At the same time, we will put more focus on innovation to combine reforms with control and to link monetary policy operations with deepening of reforms to accelerate the launch of big-value certificates of deposit for companies and individuals, to broaden the scope of independent pricing of financial institutions, to actively promote market-oriented interest rate reforms, and to constantly enhance the central bank's capabilities in interest rate management and effectiveness on macro-economic control.

Non-Confidential Attachment 3

		2010
Suntech	Markup	21.0%
Suntech	Gross Profit	17.4%
Suntech	Net Profit	8.2%
Renesola	Markup	40.6%
Renesola	Gross Profit	28.9%
Renesola	Net Profit	14.0%
Trina	Markup	46.0%
Trina	Gross Profit	31.5%
Trina	Net Profit	16.8%
	Average	**13.0%**

Source are the Suntech, Renesola and Trina Solar published Annual Reports

NON-CONFIDENTIAL ATTACHMENT 2

Three Chinese manufacturers to be removed from minimum price agreement

The European Commission (EC) has proposed removing Canadian Solar, ET Solar and Renesola from its minimum price agreement framework. The EC sites **various breaches of the agreement** and arrangements that make its enforcement impracticable as the cause.

http://www.pv-magazine.com/news/details/beitrag/three-chinese-manufacturers-to-be-removed-from-minimum-price-agreement_100018524/#ixzz3eVJxar00

Three China Solar-Panel Groups May Lose EU Duty Exemption

The European Union plans to apply tariffs on three groups of Chinese solar-panel makers that have been exempted from the levies, potentially reviving tensions in the EU's biggest trade case of its kind.

The three producer groups, which include Canadian Solar Inc. subsidiaries, **breached the terms of a price-floor accord** that underpinned the exemption, according to a European Commission document obtained by Bloomberg News. The ET Solar and ReneSola groups are the other two accused in the document of **violating the agreement to respect a minimum selling price**.

http://www.bloomberg.com/news/articles/2015-03-12/three-china-solar-panel-groups-may-lose-eu-duty-exemption

Chinese PV firms face exclusion from EU price deal

Canadian Solar, ReneSola and ET Solar all face being closed out of the minimum price agreement between China and the EU after having allegedly flouted rules of the 2013 deal.

http://www.pv-tech.org/news/chinese_pv_firms_face_exclusion_from_eu_price_deal

EU Cracks Down on Solar Cheats

A crackdown has officially begun on Chinese solar panel makers who skirted a deal to avoid anti-dumping tariffs in Europe, with word that the EU has taken formal action to punish 3 violators. The action will see anti-dumping tariffs imposed on **Canadian Solar** (Nasdaq: CSIQ), **ReneSola** (NYSE: SOL) and **ET Solar**, reviving a threat they previously avoided by agreeing to voluntarily raise their prices as part of a breakthrough deal in late 2013.

http://www.altenergystocks.com/archives/2015/06/eu_cracks_down_on_solar_cheats.html

NON-CONFIDENTIAL ATTACHMENT 2

Three China Solar-Panel Groups Lose EU-Tariff Exemptions

The European Union applied tariffs on three groups of Chinese solar-panel makers that have been exempted from the levies, potentially reviving tensions in the EU's biggest trade case of its kind.

The three producer groups, which include Canadian Solar Inc. subsidiaries, **breached the terms of a price-floor accord** that underpinned the exemption, the European Commission said. The ET Solar and ReneSola groups are the other two accused by the commission of violating the agreement to respect a minimum selling price in Europe.

http://www.bloomberg.com/news/articles/2015-06-05/three-china-solar-panel-groups-lose-eu-tariff-exemptions

Trio of Chinese PV producers expelled from EU fair-trade deal

Three Chinese PV companies have been thrown out of the EU's anti-dumping compromise scheme after the European Commission (EC) claimed to have uncovered **a string of breaches** of the agreement.

http://www.rechargenews.com/solar/1402291/trio-of-chinese-pv-producers-expelled-from-eu-fair-trade-deal

ReneSola, ET Solar Withdrew from EU-China MIP Deal, Canadian Solar to Review Legal Options

Canadian Solar, ReneSola and ET Solar have been officially removed from the Minimum Import Price (MIP) agreement signed between the EU and China. The withdrawal means that the three companies will be imposed on an approximately 47.6% of anti-dumping tariffs when export their products into the EU. ReneSola and ET Solar have accepted the judgment, while Canadian Solar announced to review its legal options.

http://pv.energytrend.com/news/20150609-8911.html

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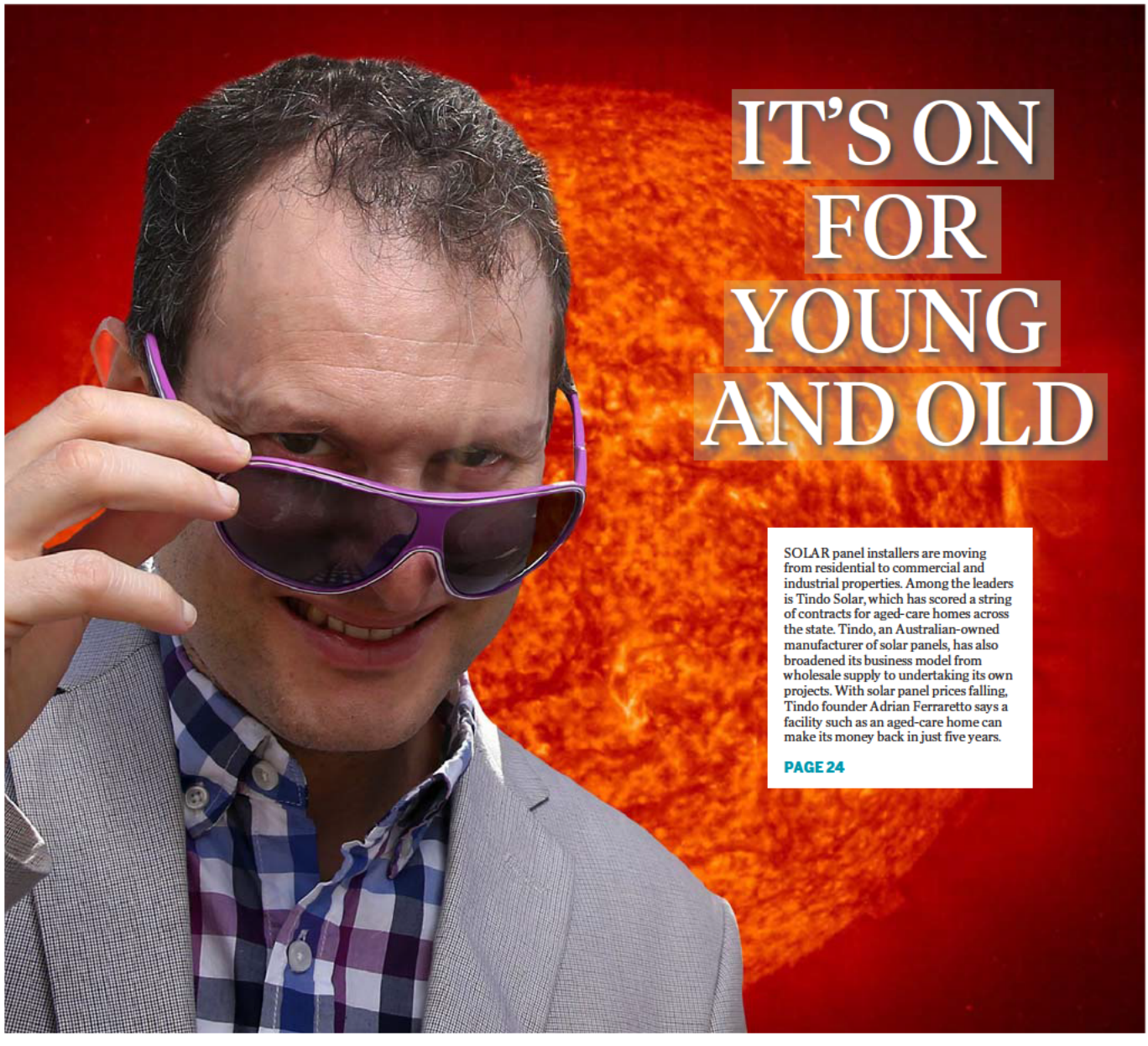

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It's on for young and old as Tindo thrives

VALERINA CHANGARATHIL

THE silver lining is getting brighter for SA solar panel manufacturer Tindo Solar with more aged care investors opting for large-scale installations to cut energy costs.

Tindo Solar has secured seven major projects in the past 12 months from aged care homes across the state - about $1.2 million in investment.

"The level of interest from aged care facilities over the past 12 months has been extraordinary," Tindo Solar founder Adrian Ferraretto said.

"Aged care facilities generally have a high electricity demand due to their 24-hour requirements, so as traditional energy prices continue to rise, it's actually not surprising that more facilities are now pursuing solar electricity as a cheaper, renewable alternative," he said.

The more than 500 kilowatts of solar capacity have been installed at Fullarton, Gawler, Valley View, Malvern, Seaton, Happy Valley.

The 100kW systems installed at Fullarton Lutheran Homes, St Hilarion Aged Care at Seaton and the one being installed at Martindale Aged Care at Gawler were arguably the largest solar arrays that an aged care facility has ever seen in the state, said Mr Ferraretto.

He expected more interest with facility owners capitalising on a complete return on investment, typically well within five years.

Tindo Solar is based at Mawson Lakes where it employs about 14 staff to design and manufacture solar panels for Australian and overseas markets using some imported components not available in Australia.

Mr Ferraretto said the business had grown strongly since it reshaped its business model from just wholesale supply in 2011 to undertaking its own projects.

Both streams were growing with installers in Queensland, NSW and WA reaching out for locally made panels and a growing portfolio of installation work.

"Tindo was the fifth largest installer in SA in May, based on market data," he said. "We are growing faster in our interstate supply of panels to retailers and we expect it will get stronger."

He said the recent focus on battery storage options was good, but it was still an expensive option.

"It is essentially spending $10,000-$15,000 to store $2 worth of energy. It's not cost effective at the moment."

He said rising levels of awareness and the lower price trajectory of solar systems had made the market sustainable for Tindo, and the factory was being run more efficiently, with the company able to match Chinese panel prices when necessary.