



21 September 2015

NON-CONFIDENTIAL

Mr Sanjay Sharma
Manager
Anti-Dumping Commission
Level 12, Industry House
10 Binara Street
Canberra ACT 2601

Dear Mr Sharma,

PV MODULES OR PANELS FROM CHINA: CAUSATION

Our previous submissions of 4 and 16 September 2015 concerning the causal link between dumped imports of PV modules or panels from China and the material injury experienced by the Australian industry, Tindo Solar (“Tindo”), during the investigation period (“IP”) and material hindrance to the establishment of an Australian industry, claim that the Commission’s revised dumping margins based on a particular market situation (“PMS”) finding will not change its conclusions per SEF No. 239 that –

- *The average undercutting margin found was around 45 per cent. The size of the dumping margins is such that if the export prices were equivalent to the normal values established for the investigation period, the importers’ selling prices, at a level of trade comparable with Tindo, would still undercut Tindo’s selling price by a significant degree;*
- *Noting the size of the price undercutting and dumping margins found, the Commission is not satisfied that, in the absence of dumping, Tindo would be able to reduce its selling prices of AC PV modules to the extent required to ensure Tindo’s prices are competitive with DC PV modules exported from China, even after allowing for the premium that would be expected for an AC model over a DC model; and*
- *Even in the absence of dumping the price offers of the imported goods from China would provide a significant competitive advantage to importers. If the export prices during the investigation period were equivalent to the normal values found, that is there was no dumping, Tindo would still have been required to reduce its initial prices to match those lower import offers and attract custom. The Commission is therefore satisfied that any price injury suffered by Tindo that was caused by the dumping was negligible. For the same reason the Commission is also satisfied that any hindrance to Tindo’s establishment caused by the dumping was negligible.*

This submission provides evidence that even if the Commission's revised weighted average dumping margin is substantially higher than the 3.9 per cent previously found, in the absence of dumping during the IP, ie. at export prices equivalent to revised normal values, import prices from China would still have undercut Tindo's prices by a significant degree, causing the abovestated conclusions to continue to apply.

The following table demonstrates the impact of various levels of increased dumping margins on the amount by which undumped imports would have undercut Tindo's selling prices during the IP. The table assumes Tindo's average selling price of \$1.15/w during the IP and imports from China at 45 percent less, ie. \$0.63/w.

| Revised dumping margin (%) | Undumped export price (\$) | Price undercutting (%) |
|----------------------------|----------------------------|------------------------|
| 10 | 0.69 | 40 |
| 20 | 0.76 | 34 |
| 30 | 0.82 | 29 |
| 40 | 0.88 | 23 |
| 50 | 0.95 | 18 |

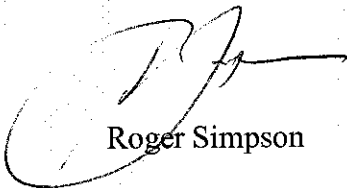
Note:

To assume Tindo's average selling prices and import prices at \$1.10/w and \$0.60/w respectively or \$1.20/w and \$0.66/w respectively does not meaningfully impact on the above price undercutting percentages.

It is demonstrated by the above that the large comparative cost advantage of China's producers of the subject merchandise, as discussed in our previous submissions, is such that that export prices to Australia during the IP could have been increased to levels well beyond that necessary to remove any revised dumping margins assessed by the Commission and still undercut Tindo's selling prices by a significant degree. It must therefore continue to be concluded that in the absence of dumping, Tindo would still have had to significantly reduce its selling prices to match lower import offers and attract custom and therefore the negative price and profit effect of imports from China on its economic performance was not because of dumping of those imports.

The facts established by this investigation make it clear that, because Tindo's poor economic performance is due to factors other than dumping, it will be a travesty to impose anti-dumping measures on imports of PV modules or panels from China. The correct decision of the Commissioner will be termination of this investigation.

Yours sincerely,



Roger Simpson