

This submission is made to the Anti-Dumping Commission (Commission) following the Anti-Dumping Review Panel (ADRP) decision to revoke the terminate the investigation into the alleged dumping of certain crystalline silicon photovoltaic (PV) modules or panels exported from the People's republic of China (China).

Tindo supports the finding by the Anti-Dumping Review Panel (ADRP) Report No 29 that dumping does not have to be the sole cause of the injury.

Tindo has made separate submissions on finance costs and causal link. This submission addresses other aspects of the Commission's investigation.

TINDO'S POOR TIMING

1. Tindo agrees with the Commission that the 2013 Australian solar PV market was lower than the previous year. However the Commission went on to use this observation as the key reason as to why dumping had no impact on the injury suffered by Tindo. Tindo strong disagrees that the size of the 2013 was a key reason for injury suffered by Tindo. Tindo asserts that if not for dumping, the 2012 and 2013 markets were still big enough to absorb all of Tindo's planned production.
2. The level of market decline in 2013 was not injurious to Tindo. Tindo grew its business in 2013. Tindo was able to grow its business in 2014 even though the 790MW¹ market was 22% smaller than 2012. The same for 2015 where Tindo grew in a 913MW² market that was 9.8% smaller than 2012.
3. Below is a table showing the Australian solar market for 5 years proceeding Tindo's decision to commence manufacturing. The size of the PV market in 2012 and 2013 was 1,013MW and 811MW respectfully. The market was twice as big than anticipated by Tindo and the market was certainly large enough in 2012 and 2013 to absorb 100% of Tindo's planned production level.

¹ Source: Sunwiz

² As above

Year	Installed
2006	1.6 MW
2007	5.5 MW
2008	19.9 MW
2009	82.2 MW
2010	383.4 MW

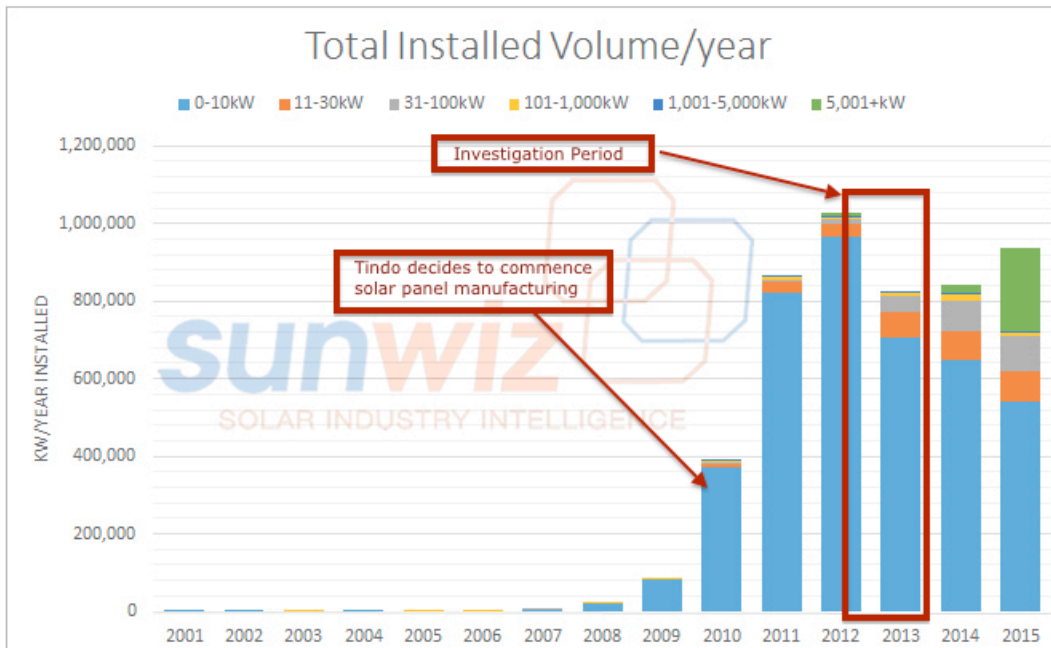
Source: Sunwiz

4. The following table compares Tindo’s estimated production numbers from the Ernst & Young business plan as a percentage of actual installations in Australia. Even with 2013 being a softer year than 2012, Tindo’s Business Plan’s estimated production numbers only represented [REDACTED] of the total Australian demand. The Australian market during the investigation period was certainly large enough to absorb all of Tindo’s planned production, however, dumped Chinese solar panels in the market applying pricing pressure to Tindo meant that Tindo was not able to follow its planned production.

Year	Ernst & Young Planned Production	Australian Market Size	Planned Production as a % of Australian Market Size
2012	[REDACTED]	1,013 MW	[REDACTED]
2013	[REDACTED]	811 MW	[REDACTED]

Source is Sunwiz and Ernst & Young Tindo Business Plan 2011

5. The following is a chart illustrating the timing of Tindo’s decision to manufacture solar panels in Australia in 2010. Market conditions during the investigation period were booming compared to the previous years and the market was easily large enough to absorb 100% of Tindo’s planned production.



Source is Sunwiz

6. The phase out of the Feed-in-Tariff (FIT) in South Australia (SA) was singled out by the Commission as a particular reason for its assertion that the slow down in 2013 caused injury to Tindo as South Australia represented the largest market for Tindo. However Tindo submits that the market slow down was not an issue in 2013 and the SA FIT was in place during the entire investigation period. As can be viewed in the table below, 2013 was a boom year for South Australia. The South Australian market in fact grew from 2012 to 2013. The market size was not a major factor in Tindo’s injury – dumped Chinese modules were a major factor.

Year	Installed (SA)
2012	134 MW
2013	142MW

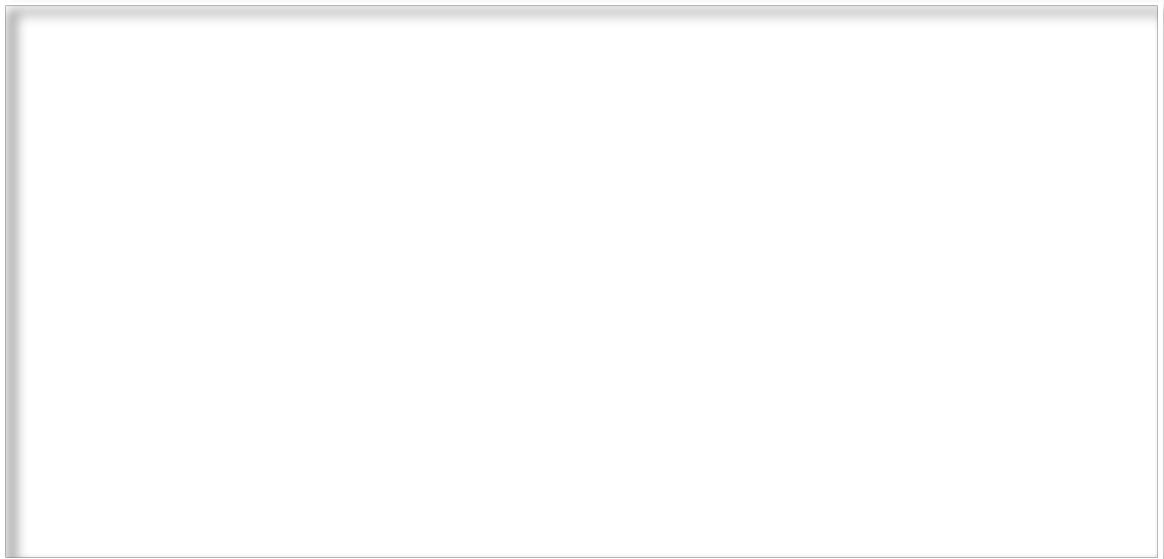
Source is Sunwiz

7. The reduction in the Australian market was not a key factor in Tindo’s injury other than the effect it had on Chinese manufacturers. Chinese manufacturers chose to dump modules into Australia and the slowdown in 2013 likely compounded this business practice as Chinese companies attempted to maintain their volumes in Australia. This business practice served to add further

injury to Tindo. As the market contracted, Australians had access to imported solar panels at dumped prices of up to 38.8% and this understandably encouraged the domestic market to choose Chinese solar panel over Australian solar panels.

LEVEL OF TRADE

8. Tindo supports the view of the ADRP that an analysis of the end user level of trade is required. The majority of Tindo sales during the investigation period were at the end user level of trade. By the end of the investigation period, [REDACTED] of Tindo's sales were to end-users – refer to the following chart.



9. The level of trade used by the Commission in Termination Report No. 239 to analyse sales of imported Chinese PV solar modules or panels at the wholesale level is not the same as almost all sales by Tindo.
10. Dumping of Chinese panels has had a deeply injurious effect on the competitiveness of Tindo in the market. In the absence of dumping, Tindo's price to the end users would have been the same or less than a Chinese solar panel system.

PREFERENCE FOR CHEAP CHINESE

11. The main reason why the market has chosen cheap Chinese panels is based on price. They are cheap because they are dumped. Tindo is perceived in the market as being a quality product. Recently, Tindo has been asked to quote against [REDACTED] for the supply of solar panels at a wholesale level to [REDACTED]. Tindo quoted [REDACTED]. [REDACTED] panels are priced at [REDACTED]. [REDACTED] have been found to have a dumping margin of [REDACTED] hence the undumped price for [REDACTED] is [REDACTED]. Due to dumping, Tindo is missing out on business with [REDACTED]. Tindo could even be justified to charge a premium over the undumped [REDACTED] price especially given [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]. [REDACTED] are continuing to use [REDACTED] because they are cheap and dumped.
12. The question the Commission needs to satisfy is whether the contribution of dumping is helping [REDACTED] sell panels to [REDACTED]. Tindo strongly feels it could sell against an undumped [REDACTED], or [REDACTED] solar panel and grow its business rapidly in such an environment.

VOLUME INJURY

13. Tindo's planned production during the investigation period after allowing for the six month delay in the commencement of the business was [REDACTED]. The actual production during the investigation period was [REDACTED]. This represents [REDACTED] performance ratio.
14. The market size during the investigation period was big enough to absorb all of Tindo's planned production. An undumped Chinese panel or installed solar system combined with any price premium Tindo has in the market has led to injury to Tindo. This is illustrated in the examples of [REDACTED], [REDACTED] [REDACTED], [REDACTED] [REDACTED] and many other examples provided by Tindo where Tindo has been forced to reduce its price or loose sales simply due to the price differential.

TINDO BUSINESS PLAN

15. Tindo has been able to reduce its price along with market trends. Tindo's price reduction has been bigger than what was planned for

in the Ernst & Young Business Plan. Tindo has the ability to continue to reduce prices with increasing volumes.

16. Given that the Tindo price at the end user level of trade found in the Statement of Essential Facts (SEF) is similar to the level of dumping found in the Termination Report, and when adding on the premium Tindo is receiving in the market place, it is clear that **if not for dumping**, Tindo would have represented fantastic value for money and it's production volume and corresponding revenue would have markedly increased.
17. Putting any premium for quality aside, if Tindo participated in selling modules at the same price as Chinese solar panels, it would have sold its modules at approximately [REDACTED] and it would have easily sold its planned production of [REDACTED]. The market survey conducted and previously submitted by Tindo showed that there was generous market acceptance of Tindo if not for its higher price. Selling Tindo panels at [REDACTED] would have resulted in a loss of [REDACTED] over the investigation period.

QUALITATIVE FEATURES

18. The number one selling solar panel in Australia during the investigation period, [REDACTED], was [REDACTED] higher in price than other tier 3 Chinese manufacturers. The market chose [REDACTED] even though it was more expensive - for qualitative and quantitative reasons. The evidence shows that in the market, there is a large group of customers who prefer to pay a premium for [REDACTED] over other tier 3 manufacturers. Solar panels are not a pure commodity product.
19. Tindo continued to make sales during the investigation period for the same reasons [REDACTED] was the number 1 module in Australia – a combination of qualitative and quantitative considerations.
20. The market has demonstrated it is prepared to pay more for a Tindo solar panel rather than a dumped Chinese panel. Tindo has an open and transparent factory where customers can come and watch their panels being made. Any service or warranty issues are managed in Australia. This compares to many Chinese manufacturers that require modules to be sent back to China at the customer's expense

to claim a warranty. Tindo has partnered with quality suppliers such as [REDACTED], [REDACTED] and [REDACTED] to ensure that its solar panel utilises top quality components. Tindo considers factors such as UV degradation and long life very seriously. For example, the average UV index in Alice Springs is four times higher than Munich and this must be considered when designing and manufacturing a solar panel for Australian conditions. Tindo's solar factory uses a high degree of automation as oppose to being hand made. These are some of the reasons why solar panels are not a pure commodity product and products can be differentiated in the market.

21. Tindo is a premium product, Tindo could reduce the price of its solar panel by reducing the quality of components and by shortening its manufacturing process. Tindo laminates solar panels for [REDACTED] to maximise the gel content of the ethylene-vinyl acetate whereas Tindo could reduce the lamination time by [REDACTED] saving time and utility cost. Tindo could source a cheaper [REDACTED] EVA for around [REDACTED] less than [REDACTED]. Tindo could use double sided tape to frame the module instead of silicone that also saves time and money, or Tindo could use a Chinese equivalent edge seal and silicone instead of [REDACTED] [REDACTED]. Tindo could use a [REDACTED] back sheet from a Chinese company instead of using [REDACTED] [REDACTED] again saving around [REDACTED]. Tindo could decommission its 100% electroluminescence testing of its solar panels saving production time. Tindo could have used a Chinese plastic junction box instead of a German aluminium junction box representing a substantially lower cost. These savings in material and process costs would help bridge the gap between the cost of a Tindo panel and an undumped Chinese solar panel. However Tindo is not interested in sacrificing quality in its ingredients and manufacturing process. Customers know this and are prepared to pay a premium to reflect the quality of a Tindo panel.
22. If the price gap between Tindo and Chinese modules was reduced, the result would invariably have been more sales for Tindo. The qualitative considerations would have remained in place however Tindo would have been closer in price to Chinese solar panels.

OTHER FACTORS

23. The Commission lists other factors other than dumping that caused injury as the following:

- a. **Contractions in demand after 2012** – Even after the 2012 national PV market contraction, Tindo’s planned production was less than [REDACTED] of Australia’s actual demand and therefore the size of the market could not be a contributing factor to Tindo’s injury. In addition the Commission goes on to say that the South Australian Feed-in-Tariff, which was the main market Tindo operates in, was phased out during the investigation period. This is not correct. The SA FIT stopped at the end of January 2014, which is outside the investigation period. Tindo’s main market of South Australia grew in size from 2012 to 2013.
- b. **Tindo’s non-aggressive marketing** – this is totally subjective. The Commission say that following discussions from Tindo’s competitors, Tindo did not aggressively market its product. The Commission did not listen to the radio advertising, or attend a training session, or attend a public factory tour, or did not attend industry conferences where Tindo presented and it is likely Chinese exporters provided responses to the ADC about Tindo’s marketing efforts to suit their own self interests, especially in a dumping case.
- c. **Preference of the market for DC rather than AC panels** – Tindo offered DC panels to the market and sold DC panels to the market during the investigation period. Tindo’s wholesale price list has been submitted previously, which clearly shows the prominence given to Tindo’s DC solar panel.

24. Tindo’s injury has come from exporters dumping panels at a rate of approximately [REDACTED] - not from a market share issue, marketing or Tindo not offering DC solar panels.

25. Even if an undumped Chinese solar panel system was cheaper than a Tindo solar system, it does not take into account any premium that is paid for an Australian designed and manufactured product.

26. The Commission seems to regard solar panels as being a commodity product and this simply is not the case, otherwise there

is no way that [REDACTED] could have been the #1 selling module in Australia during the investigation period given it is priced much higher than other tier 3 solar panel manufacturers.

THE INJURY TO TINDO CONTINUES – TINDO NEEDS A PAD

27. The injury to Tindo continues in 2016. Tindo has managed to grow its business however production levels are still lower than what was planned for in the Ernst & Young business plan. Tindo continues to miss out on opportunities daily such as supplying solar panels to [REDACTED] in competition to [REDACTED].