

12 Feb. 16

PAD MATERIAL INJURY CAUSAL LINK

This submission is made to the Anti-Dumping Commission with regarding to the Anti-Dumping Review Panel 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 that dumping does not have to be the sole cause of the injury for anti-dumping measures to be taken and requests that the Commissioner to make a preliminary determination and require securities be taken whilst the investigation continues.

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.

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. 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.

Tindo requests that the Commissioner make a PAD as a matter of urgency.

Undercutting, material injury and causal link

Undercutting and material injury

Tindo has previously provided the Commission evidence of price undercutting, lost sales and lost revenue that could be directly linked to the PV panels exported from China.

Evidence of revenue lost to price undercutting and lost sales was provided in the application, the industry verification visit and in submissions to the SEF. The submissions to the SEF quantified the injury caused by the exports of PV panels from China, the injury was considered material.

Tindo also provided evidence of customers prepared to pay a price premium and the price that customers would be willing to pay to purchase the Tindo product over the Chinese product. The customer survey in support of the price premium and the prices that Tindo was required to meet was provided in the application, the industry verification visit and in submissions to the SEF.

In addition documents relating to sales clearly show evidence of a price premium, these documents were provided in the application, the industry verification visit and in submissions to the SEF.

Tindo also provided documentary evidence of sales lost to the exported PV panels from China. This evidence was provided in the application, the industry verification visit and in submissions to the SEF.

Tindo calculated additional lost revenue from its customer survey on sales that it could have achieved if the exported PV panels from China were not dumped. This evidence was provided in submissions to the SEF.

Causal link

In its submissions to the SEF Tindo directly linked lost revenue from undercutting to the dumped exports from China. Tindo calculated the amounts of revenue lost based on margins found in the SEF and margins based on its understanding of a non-market economy finding.

The material injury in terms of lost revenue due to price undercutting, lost sales due to price undercutting and potential lost sales identified in

the customer survey were directly and causally linked to the amount of dumping.

Tindo provides in this submission its revised analysis of material injury causally linked to the amount of dumping in the attached two spreadsheets. This revised analysis is calculated on the margins found in the termination report and margins taking into account non-competitive market interest costs.

Attachment 1 – Causal link calculations

This spreadsheet calculates:

- the amount of revenue lost due to price undercutting on sales that Tindo won;
- the amount of revenue lost due to price undercutting on sales that Tindo lost;
- the amount of revenue lost identified from the customer survey for business that Tindo could have won if not for the price undercutting;
- the volume of sales lost due to price undercutting on sales that Tindo lost; and
- the volume of sales lost identified from the customer survey for business that Tindo could have won if not for the price undercutting.

The calculations are supported by documents provided in previous submissions to the ADC, including the recent submissions 131 and 132 to the SEF.

Revenue lost on identified sales won by Tindo

Tindo has re-calculated revenue lost on the identified sales due to undercutting caused by the dumped exports at [REDACTED]. On actual revenue achieved the lost revenue amounts to [REDACTED] %, this lost revenue is material.

Tindo has causally linked this lost revenue to the dumped exports by uplifting the price of the Chinese PV panel by the amount of dumping found in the Termination report. The difference between the uplifted price and the dumped price is the amount of revenue lost due to price undercutting causally linked to the dumped export price.

Tindo has provided further examples of lost revenue on sales separate to those identified in the analysis and can provide more identified sales if the ADC requires further evidence.

Tindo considers that the evidence of the lost revenue from the identified sales is reasonably representative of price undercutting and lost revenue affecting all of its sales during the investigation period.

Lost sales

Tindo has identified sales that it would have won if the Chinese PV panels had not been dumped. This has been by uplifting the price of the Chinese PV panel by the amount of dumping found in the Termination report. The uplift of the Chinese dumped price shows that this price would have been above the price quoted by Tindo and Tindo would have expected to win the sale.

The identified revenue from the lost sales is approximately [REDACTED]. This amount of revenue is material and when considered against Tindo's total revenue of [REDACTED] million represents [REDACTED] % of total revenue. The revenue lost from the sales is material in itself and when the amount of revenue lost due to price undercutting on sales won is added the total identified lost revenue is over [REDACTED] of total revenue.

Lost Volumes

The identified lost sales above include lost volumes of [REDACTED] panels, these lost volumes are considered material and would also have a flow on effect on Tindo's cost to make of the PV panels.

Attachment 2 - Lost sales and volumes identified customers in survey.

At Attachment 2 Tindo has identified customers that it would have been able to sell PV panels to if the Chinese PV panels were not dumped.

Tindo has identified lost revenue of [REDACTED] and lost volumes of [REDACTED] panels. These amounts are not immaterial, the lost revenue and lost volumes are evidence of material injury and can be causally linked to the dumped exports.

Tindo considers that its assumptions on the lost revenue and lost volumes from the customer survey are reasonable given its evidence above on revenue lost from actual sales and lost sales that were causally linked to the dumped exports.

Conclusion

Tindo submits that it was able to compete with the dumped Chinese exports in the Australian market.

The fact that Tindo was able to achieve ██████ in sales during the investigation period demonstrates that its products were accepted in the market and that it could sell its products in the market.

Tindo contends that it would have been able to achieve higher sales and higher revenue if not for the presence of dumped exports from China in the market.

Tindo has provided evidence to the Commission that demonstrates a causal link between the dumped exports and the lost sales and lost revenue.

Tindo has also provided evidence that the lost sales and lost revenue were material and that material injury was caused to Tindo, the Australian industry, by the dumped exports of PV panels from China during the investigation period.

Tindo respectfully requests that the Commission accepts the evidence provided by Tindo as being representative of the injury to the Australian industry caused by dumping.