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Dear Mr Moulis

**INVESTIGATION INTO THE ALLEGED DUMPING OF  
POWER TRANSFORMERS - USE OF ALTERNATIVE APPROACH TO  
DUMPING MARGIN ASSESSMENTS**

I am writing again in relation to the potential use of an alternative approach to dumping margin assessments in terms of subsection 269TACB(3) of the *Customs Act 1901* in respect of your client ABB Thailand.

In the case of ABB Thailand, the Commission's re-examination of the preliminary export prices and normal values for power transformers exported in the investigation period revealed certain export prices that appear to differ significantly among purchasers. This analysis was based on comparisons of the ratios of FOB export price to full cost to make and sell the goods exported to Australia during the investigation period.

The Commission considers that the observed differences make the methods for comparison of export price and normal value under s. 269TACB(2) inappropriate for use in respect of the whole investigation period. The Commission considers that export prices that 'differ significantly' for certain ABB Thailand export prices are masked and not taken into account appropriately when the *weighted average to weighted average* or *transaction to transaction* methods for determining dumping are applied. The Commission also considers that the margin of dumping particular to those sales, and the volume of those sales at dumped prices, has the potential to have caused material injury to the Australian power transformer industry.

In these circumstances, the Commission considers that injurious dumping may have been masked by the *weighted average to weighted average* or the *transaction to transaction* approaches to calculating dumping margins. Therefore, the Commission considers it is inappropriate to use s. 269TACB(2) for working out whether dumping has occurred in relation to ABB Thailand export sales to Australia in the investigation period.

The export price comparisons and the assessment of whether s. 269TACB(2) is inappropriate for ABB Thailand are outlined in **confidential attachment A** to this letter. The calculations and charts of export price comparisons are contained with **confidential attachment B**. The confidential assessment also takes into account the content of the following correspondence on this matter between the Commission and ABB Thailand:

- Commission letter to ABB Thailand dated 20 August 2014, which requested a response by 27 August 2014;
- ABB Thailand letter in response to the Commission dated 27 August 2014;
- Commission letter to ABB Thailand dated 29 August 2014 to correct inaccuracies in its letter of 20 August 2014, seeking any further response by 4 September 2014; and
- ABB Thailand letter in response to the Commission dated 4 September 2014.

The Commission proposes to rely upon the dumping margin established in terms of s. 269TACB(3) instead of an approach under s. 269TACB(2). This changes the dumping margin assessment for ABB Thailand to positive 3.6%. The revised dumping calculations are contained in the Excel spreadsheet at **Confidential Attachment C**.

Given the timing of this letter is very close to the due date for the statement of essential facts (SEF) to be placed on the public record, the Commission considers it is reasonable for ABB Thailand to provide comments on this letter and confidential attachments by the same date that responses to the SEF are due. Indeed, the SEF also addresses the issue of whether to assess dumping under s. 269TACB(3) for certain exporters.

Yours sincerely

Geoff Gleeson  
Director, Operations 1  
Anti-Dumping Commission

17 September 2014