



## Directorate General of Foreign Trade

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Our Ref. : 515 DAGLU.6.3/SD/10/2014

Jakarta, 7 October 2014

Mr. Geoffrey Gleeson  
Director Operations 1  
Anti-Dumping Commission  
Custom House  
101 La Trobe Street  
MELBOURNE VIC 3008.

Re : Report on Statement of Essential Facts No. 219 Australian Anti-Dumping Commission Investigation on Power Transformers Product from The Republic of Indonesia

Dear Sir,

The Government of Indonesia (GOI) would like to express its concern regarding the Report on Statement of Essential Facts (SEF) released by Australian Anti-Dumping Commission (Commission) on September 18, 2014 with respect to the abovementioned investigation. Furthermore the GOI would like to convey comments as follow:

1. The preliminary determination would bring serious detriment to the power transformers industry of Indonesia as well as the cooperative company in this investigation, PT. CG Power System Indonesia (CG Power), our national leading producer and exporter of power transformers. We understand from CG Power that The Commission's calculation of anti-dumping margin as disclosed in the SEF may contain some mistakes in calculation of normal values, which resulted in an inaccurately and a detrimental high margin of 11.1%, which need to be corrected immediately without any delay.
2. We consider that the determination of margin dumping in the report was not supported by the law, specifically Annex II.6 of the WTO Anti-Dumping Agreement (the ADA):

*"If evidence or information is not accepted, the supplying party should be informed forthwith of the reasons therefore, and should have an opportunity to provide further explanations within a reasonable period, due account being taken of the time limits of the investigation. If the explanations are considered by the authorities as not being satisfactory, the reasons for the rejection of such evidence or information should be given in any published determinations."*

In the Commission's letter of 3 March 2014, the Commission proposes recommending to the Commissioner that export prices and normal values be determined for CG Power from "all relevant information" because the company

is considered as an uncooperative exporter. We see this rather unfair in particular because CG Power had already responded to Commission's requests regarding exporter questionnaire and any additional information that are necessary and relevant for the investigation. Furthermore, on 5 February 2014, CG Power already sent an email requesting that if the Commission still need further information from the company or need an advise about the previous documents the Commission are welcomed to ask CG Power. However, there was no response from the Commission to that correspondence. Furthermore, the Commission did not advise CG Power what information the Commission considers that it had not provided and why that information was needed.

Moreover, under Annex II.5 of the ADA:

*"Even though the information provided may not be ideal in all respects, this should not justify the authorities from disregarding it, provided the interested party has acted to the best of its ability."*

Therefore, we kindly request that Australian Anti-Dumping Commission, as the authority, to be fair and objective and would consider the company's information in calculating the margin dumping.

3. The exporter had timely submitted its request for correction to the Commission on 21 July 2014, together with detailed worksheets showing step-by-step of margin dumping calculations, undertaken by its consultant, using the Commission's announced methodology and the data previously provided by CG Power with some corrections for errors in the data provided in the exporter questionnaire (those errors were of the type which routinely emerge during the verification process that the Commission usually conduct).

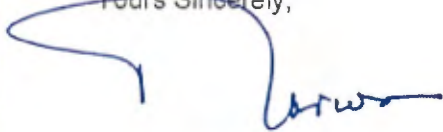
The calculation give rise to a negative dumping margin across the transactions identified (which were all transactions that had been selected by the Commission in requests for information in October 2013).

4. The source of the profit of % is the profit on sales to the Indonesian market of power transformers only. The use of an alternate profit margin of 32% is patently not appropriate, as it contains sales of goods and services other than the goods under consideration. Further, the use of a 32% profit margin is inconsistent with the Commission's proposed position as advised in Its Issues Paper 2014/01, namely that the Commission *"intends to determine a profit in accordance with Regulation 181A(3)(a) which refers to the actual amounts realised by the exporter from the sale of the same general category of goods in the domestic market of the exporting country"*.

Based on the above comments and arguments, the GOI would respectfully requests the Commission to immediately make correction to the provisional duty calculated for CG Power in this case before the application of such duty and to terminate the investigation ultimately.

We thank you for your attention and kind consideration, the GOI hope that both of our country would work hand in hand in the framework ASEAN-Australia-New Zealand free trade agreement to tackle any economic problem.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Oke Nurwan', written over a large, stylized blue scribble.

Oke Nurwan  
Director of Trade Defense

Cc:

1. Indonesian Ambassador in Canberra, Australia;
2. Director General of Foreign Trade, MoT;
3. Secretary of Directorate General of Foreign Trade, MoT.