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**Public File**

**Anti-Dumping Review 615 – Wind Towers exported from the People's Republic of China**

## 1. Introduction

Keppel Prince Engineering Pty Limited (**KPE**) is an Australian manufacturer of Certain Utility Scale Wind Towers (**wind towers**), and was the applicant company that requested the above-noted variable factors review (**REV 615**) – refer ADN No. 2023/011. KPE makes the following submission in relation to the recently published preliminary *Statement of Reasons* by the Canadian Border Services Agency (**CBSA**) concerning the ongoing dumping and subsidisation investigation into wind towers from China.

## 2. Section 20 Conditions determined and normal values constructed

On 4 August 2023, the CBSA published its above-noted statement of reasons confirming, inter alia, that the scope of the Government of China's (**GOC**) macro-economic policies and initiatives provide a compelling factual basis that the GOC is likely influencing the Chinese wind tower sector. From the *Statement of Reasons*, in relevant part:[1]

> *[133] The GOC's ownership of upstream enterprises involved in the supply of steel inputs, indicate that producers are likely to be instilled with the GOC's responsibilities and mandates. Competitive market conditions in the steel and wind tower sector could be significantly influenced as the GOC's directives and objectives compete against the commercial interests of the enterprises and their corporate decisions, which are normally based on market dynamics of supply and demand.*
>
> *[134] Evidence was collected that non-market conditions exist in the steel industry, an important input in the production of wind towers. Information was gathered on the record that the GOC provides subsidies to the steel industry and by doing so, indirectly subsidised wind tower manufacturers. Steel producers receive extensive subsidies from the GOC and are likely able to pass the benefit to the wind tower manufacturers by offering low-priced steel inputs. This gives wind tower producers the ability to market their products at lower prices and further distort prices.*

[1] Non-Confidential Attachment 1: Statement of Reasons concerning the preliminarily determinations with respect to the dumping and subsidizing of Certain Steel Utility Scale Wind Towers and Sections Originating in or Exported from The People's Republic of China, 4 August 2023, p. 25.

*[135] The GOC did not provide evidence supporting or rebutting the existing evidence on the record. The GOC provided comments concerning the section 20 allegations, but did not provide evidence in relation to the existence of significant distortions and/or on the appropriateness of the application of section 20 in the wind tower sector in China.*

*[136] Based on the analyses presented, the CBSA believes that there is sufficient evidence to support the allegation of the existence of non-market conditions in the wind tower industry.*

*[137] For the purposes of the preliminary determination of dumping, the CBSA is of the opinion that domestic prices in the wind tower sector in China are substantially determined by the GOC and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.*

Given this finding, the CBSA has estimated Chinese normal values using the selling prices, total costs and profit, of like goods sold by producers in a surrogate country, specifically:[2]

*[150] The CBSA selected Mexico as a surrogate country for the purposes of estimating normal values, where information was available to do so. Mexico is an appropriate surrogate country as it has significant domestic production of wind towers, a similar level of development as China, been found to be an appropriate surrogate by other investigating authorities, there is publicly available information on its domestic wind tower producers, and has a market-based economy. These factors support that the prices and costs are determined in a highly competitive market, allowing them to be considered as a reliable and fair source for purposes of the preliminary determination.*

*[151] The CBSA estimated normal values for sections of wind towers based on the information available on the record, including information provided by the complainant, publicly available information, and information obtained through MetalBulletin Fastmarkets as well as SteelBenchmarker, subscription-based providers of steel and metal prices around the world.*

The CBSA has therefore primarily concluded that the following margins of dumping and subsidisation should be imposed, and provisional duties collected:[3]

| Exporter | Estimated Margin of Dumping (% of Export Price) | Estimated Amount of Subsidy (% of Export Price) | Provisional Duties (% of Export Price) |
|---|---|---|---|
| CS Wind China Co., Ltd. | 92.9% | 42.8% | 135.7% |
| Penglai Dajin Offshore Heavy Industry Co., Ltd. | 89.8% | 7.8% | 97.6% |
| Shanghai Taisheng Wind Power Equipment Co., Ltd. | 83.8% | 16.3% | 100.0% |
| All Other Exporters | 151.0% | 42.8% | 193.8% |

KPE submits that the CBSA's preliminary finings are highly relevant to REV 615. In its 19 July 2023 submission, KPE evidenced the existence of a particular market situation for wind towers in China, and therefore emphasised that the Commission should determine Chinese normal values under section 269TAC(2), constructing all costs of production and sale, plus an amount for profit, on the basis of undistorted prices/costs or benchmarks. The current CBSA Program 20 finding supports this position.

For and on behalf of KPE.

[2] Ibid, p. 30.
[3] Ibid, p. 43.