



General Electric International, Inc

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### **Non-Confidential Submission**

The Director, Investigations 1  
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#### **BY EMAIL**

**Submission by General Electric International Inc (GE) regarding Anti-Dumping Notice No. 2018/115 Initiation of a Continuation Inquiry into Anti-Dumping Measures for Wind Towers Exported from the People's Republic of China and the Republic of Korea (Inquiry).**

We refer to the inquiry initiated by the Commissioner of the Anti-Dumping Commission into whether the continuation of the anti-dumping measures, in the form of a dumping duty notice, in respect of certain wind towers (the goods) exported to Australia from the People's Republic of China (China) and the Republic of Korea (Korea) is justified (Anti-Dumping Notice No. 2018/115).

#### **GE's position in the Australian wind energy sector**

GE is a global supplier of wind turbines and, since 2011, it has actively worked with industry partners to develop wind farm projects in Australia. GE is the importer/vendor of certain wind towers which are then integrated into wind farms it constructs in consortium with others. GE's tender and supply process and relationship with wind tower suppliers is more particularly set out in section 2 of its previous submission in relation to the Anti-Dumping Commission Case no 405 in relation to the alleged dumping of certain wind towers exported from the Socialist Republic of Vietnam ("Prior Submission") to which GE refers the Commission.

#### **Material injury and causation**

GE does not represent any wind tower suppliers based in China or Korea and cannot comment on whether any wind towers could be considered to have been dumped but for the imposition of anti-dumping duties.

GE considers that the Applicants' claims regarding material injury may not sufficiently take into account the position of Australian wind manufacturers within the wind energy market and places a heightened emphasis on the influence of price competition on procurement decisions. GE would urge the commission to consider the accuracy of claims of lost sales revenue in the context of the Australian market during the investigation period and the ability of the applicants to meet the

procurement requirements of the industry. If there is downward pressure on prices for wind towers due to increased competition in the market, it does not necessarily follow that such downward pressure is as a result of dumped goods, nor does it follow that such pricing pressure results in a loss of sales volume and other forms of injury to local market participants. For example, as noted in GE's Prior Submission Australian manufacturers do not have the capacity to satisfy all demand for wind towers in the Australian market, and imported goods will always be required to fill the gap. In this light, GE encourages the Commission to conduct a thorough analysis of the Applicants' manufacturing capacity relative to demand for wind towers in the Australian market during the relevant period.

As also noted in its Prior Submission, GE has observed that Australian suppliers have a substantially high cost base associated with manufacture of wind towers, even by comparison with other countries such as Germany. This cost base differential seems to be substantially based on productivity and labour cost and the fabrication technology employed. These matters should not, however be considered as indicators of injury for the purposes of this Inquiry.

## **Conclusion**

Wind farm developers involved in the supply of towers during the period under consideration would have been aware of the anti-dumping duties currently applicable to the certain wind towers the subject of the Continuation Inquiry resulting in pricing of projects that takes such matters into account. Where such duties are imposed on imported wind towers (therefore increasing the cost of wind towers purchased by a developer/customer) this can have the effect of increasing the cost of supply of energy for a particular proposed project to the point where the project could not proceed. This would have the flow on effect of reducing equipment sales and project construction levels in Australia leading in turn to reduction of local profitability and jobs for local operations. In respect of the market more generally, increased prices for equipment on which anti-dumping duties are imposed will mean that consumers will face higher prices for renewable energy and the consequences of reduced economic activity across Australia. This is also likely to impact the appetite of investment capital for Australian energy projects.

GE is therefore concerned to ensure that dumping duties are not imposed without basis and to the detriment of increased competition in the Australian wind towers market, particularly in circumstances where Australian manufacturers may not have the capacity to meet upcoming volume requirements. GE considers that the changes in the market for wind towers in Australia since the Anti-Dumping Measures were imposed in 2013 must be considered to ensure that price and volume effects are not explained by other factors that are not attributable to import competition.

GE would be happy to assist the Commission with further queries in the course of its investigation.

Yours sincerely,

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