

25 June 2019

Mr Reuben McGovern
Anti-Dumping Commission
Level 35, 55 Collins Street
Melbourne VIC 3000

PUBLIC DOCUMENT

Dear Reuben,

**Power Transformers exported from China (Investigation No 507) –
Submission by GE Grid Australia and GE High Voltage Equipment (Wuhan) – Doc 507-024**

1. Submission

I refer to the 16 May 2019 submissions on behalf of GE Grid Australia Pty Ltd (“GE AU”) and GE High Voltage Equipment (Wuhan) Co., Ltd (“GE Wuhan”) concerning Investigation No. 507 on power transformers exported from P R China.

The GE AU submission has identified a number of matters that WTC seeks to address.

2. GE Claims

GE AU correctly stated that the Commissioner has the discretion to publish a Preliminary Affirmative Determination (“PAD”) following Day 60 of an investigation. Investigation No. 507 has surpassed the 60-day threshold and the Commissioner may now publish a PAD. WTC again requests the Commissioner to publish a PAD to minimize the material injury to the Australian industry from dumped Chinese power transformers under consideration.

GE AU opines that the Anti-Dumping Commission (“the Commission”) “*could not at this point in time reasonably form the view that there is currently, or there is likely to be, sufficient grounds for the publication of a dumping duty notice*”. WTC disagrees. WTC has evidenced to the Commission that it has experienced material injury in the form of price suppression and impact on profits and profitability during the investigation period. Imports from China have accounted for a significant and substantial proportion of imports such that imports from China were the benchmark for selling prices during the investigation period.

WTC submits that the Commission is well-positioned to publish a PAD and, based upon the evidence supporting dumping by Chinese exporters and lost sales volumes by the Australian industry, along with price suppression impacting profit and profitability, is satisfied that sufficient grounds exist for the publication of a dumping duty notice.

WTC rejects the assertions of GE AU that its dumping claims in its application are based on ‘mere speculation’. The Commission was satisfied – for the purposes of initiation – that the prima facie normal values provided by WTC were sufficient. The 2013 investigation is not relevant to the current investigation as the investigation periods are different.

The Commission is well-positioned to assess the material injury experienced by WTC during the investigation period. China is the major source country for imports during the investigation period (accounting for well in excess of 50% of imports and in one year more than 70% of imports). The impact of ChAFTA is considered to have had only a minor impact with Australian tariffs being phased down from 5% to 0% during the investigation period.

WTC is concerned that GE AU has made ambit allegations concerning injury and causation with no supporting evidence. The Commission must disregard the speculative claims about WTC not experiencing injury from dumping.

Contrary to GE AU's assertions, the Commission can rely upon information supplied by WTC that confirms WTC has suffered material injury during the investigation period.

3. PAD

GE AU has argued that the Commissioner should not issue a PAD. GE AU contends that a PAD would:

- not ensure the Australian industry does not suffer further material injury;
- not impact tenders during the conduct of the investigation; and
- not permit a complete understanding of the complexity associated with dumping margin and injury assessments.

The reasons suggested by GE AU for the Commissioner not considering the imposition of a PAD are not convincing. A PAD would have the desired effect of ensuring the Australian industry is not subjected to further injury. The Commissioner is required to be satisfied that sufficient grounds exist for the publication of a dumping duty notice. Based upon the available information sourced from the verification visit with WTC, the exporter questionnaire responses and visits with Australian importers, the Commissioner is well positioned to form a view as to the appropriateness of a PAD in advance of publication of the Statement of Essential Facts ("SEF").

4. Conclusions

The GE AU submission does not contain sufficient or adequate evidence that would prevent the Commissioner from considering the publication of a PAD at the earliest opportunity.

WTC urges the Commissioner to publish a PAD as soon as practicable prior to the publication of the SEF to minimize further injury to the Australian industry manufacturing like goods.

Yours sincerely,



Robert Wilson
Executive Chairman