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Mr Reuben McGovern  
Assistant Director  
Anti-Dumping Commission

Our ref: RXW/RXW  
Matter no: 9627025

By email: reuben.mcgovern@adcommission.gov.au

Dear Mr McGovern

**Investigation 507 – Power transformers exported from the People's Republic of China**

We act from GE Grid Australia Pty Ltd (**GE AU**) and GE High Voltage Equipment (Wuhan) Co.,Ltd (**GE Wuhan**) in relation to Anti-Dumping Commission (**ADC**) investigation 507 concerning certain power transformers exported from the People's Republic of China.

We refer to GE AU's submission to the ADC dated 13 June 2019 (**GE Submission**) and the response by Wilson Transformer Company (**WTC**) dated 18 June 2019 (**WTC Submission**).

The thrust of the GE Submission was that based on the information received by GE AU from its informal discussions with the customers, WTC had not been considered as a genuine competitor for contracts won by GE AU. As a result of this, it was GE AU's assertion that WTC had not suffered loss as a consequence of contracts won by GE AU during the investigation period.

In the WTC Submission, WTC rejected these claims. In determining whether a customer would have considered WTC to be a genuine option for the supply of the relevant transformers, the ADC must contact the customer. GE AU based its claims on informal information provided by these customers. The relevant customers can inform the ADC as to the reasons why WTC was either not invited to submit a tender or why any tender submitted by WTC was rejected.

The claims made by WTC are mere speculation and the ADC must have a factual basis for any finding that the alleged dumping caused loss. Please let us know if the ADC requires any contact details for the relevant customers.

In respect of the claims made in the WTC Submission GE AU notes the following:

- (a) the highest kV rated power transformer that WTC claims to have supplied is 330kV. On its website WTC describes its capabilities as "*Wilson Transformer Company's Power Transformer Business Unit produces customised power transformers ranging in size from 3MVA up to 550MVA 400kV at our Glen Waverley facility*". Given this, the ADC:
  - (1) must carefully review whether WTC can produce all type of goods with a kV rating up to 500 kV as set out in the description of the goods under consideration;
  - (2) needs to fully test whether Australian purchasers consider WTC to be a proven supply of all type of power transformers with a kV rating above 300 kV and/or MVA rating greater than 250 MVA.

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- (3) needs to fully test whether Australian customers view Chinese suppliers as being proven suppliers of power transformers with a kV rating above 300kV;
- (b) in respect of the upper limits of its production capabilities, it is important that the ADC find out the particular type of power transformers produced by WTC. It is expected that WTC's production range is adequate for high MVA auto transformers but that this production range may not be matched in respect of a conventional high MVA double wound transformer. Only if the ADC takes into account the WTC production range for a particular type of transformer and compares this to the type of transformer required by the customer can the ADC determine whether WTC was a genuine potential supplier;
- (c) it is not sufficient to merely produce a power transformer with certain specifications. The supplier will often be required to carry out certain specified tests on that power transformer. A customer may not consider a supplier to be a viable supplier if the customer forms the view that that the supplier cannot carry out the specified testing. To verify the claims that WTC suffered loss as a result of exports by GE Wuhan the ADC must determine the extent to which WTC could conduct standard testing of the required power rating. For example, did customers require, and could Wilson perform, a temperature rise test and/or impulse tests on all types of transformers of 250 MVA and above, and voltage rating above 300 kV;
- (d) **[CONFIDENTIAL INFORMATION PROVIDED TO GE AU BY AN END USER REGARDING THAT ENTITY'S VIEW OF THE PERFORMANCE OF A TRANSFORMER]**
- (e) WTC has stated that it has offered 5 limb core design structures to some customers. The ADC should obtain evidence from:
- (1) WTC as to whether it has actually supplied power transformers with a 5 limb core design structure;
- (2) relevant customers as to whether a proven ability to provide a 5 limb core design structure is a factor in selecting a supplier, especially for projects where maximum transport height is restricted by the transport limit or any other reasons;
- (f) in the WTC Submission reference is made to WTC being able to purchase complete 5-limb structures (transaction 2, first dot point). The weight of 5-limb core structure power transformers manufactured by GE Wuhan is in excess of 100 tonne. In GE's experience, it would be extremely unlikely that a transformer manufacturer would purchase, or outsource the production of, this product from a third party manufacturer. We recommend that the ADC request actual evidence from WTC of it ever manufacturing or purchasing a 5-limb core design structure;
- (g) WTC refers to a WA generator "*where the customer specification, possibly influenced by WTC's competitors, precluded WTC*". It is crucial that the ADC interrogate which customer specifications preclude WTC from submitting a bid. If there are technical specifications that WTC cannot satisfy, this is clearly the reason for that particular lost sale, and not the pricing of the transformer. The

claim that a potential power transformer supplier could influence a customer's specifications is fanciful and should be dismissed;

- (h) in respect of transaction 3, WTC has requested to know where the relevant panel exists and claims that the only reason for its non-inclusion would be the existence of dumped pricing. GE AU has informed the ADC of the customer name **[NAME OF CUSTOMER]** and the ADC can verify the existence of the panel and the reasons why certain suppliers were, and were not, included on the panel.

Please feel free to contact us if you have any questions.

Yours faithfully  
**Hunt & Hunt**



**Russell Wiese**  
Principal

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