



Investigation No. 507

Power Transformers
exported to Australia from the People's Republic of China

Note for file

Responses to the Australian Market Questionnaire

As part of its investigation into the alleged dumping of power transformers exported to Australia from the People's Republic of China, the Anti-Dumping Commission (the Commission) sought the participation of purchasers of power transformers in the Australian market (purchasers) through the completion of an Australian Market Questionnaire (AMQ).

The Commission approached 18 purchasers identified through its verification of Australian industry, exporters and importers and requested the completion of an AMQ. The Commission received AMQs from the following purchasers:

- Ausgrid Operator Partnership;
- BHP Billiton Iron Ore Pty Ltd;
- Endeavour Energy;
- Energy Queensland;
- Essential Energy;
- Hydro Tasmania;
- NSW Electricity Networks Operations Pty Ltd (Transgrid);
- Powerlink Queensland;
- RJE Global Pty Ltd (RJE); and
- Zenviron.

The Commission evaluated the information contained in the AMQs, and subsequently held teleconferences with the following purchasers:

- Endeavour Energy;
- Hydro Tasmania;
- Powerlink Queensland;
- RJE;
- Transgrid; and
- Zenviron.

These teleconferences were conducted for the purpose of gaining further information about the Australian market and the procurement decisions of purchasers in the market.

File notes for each of the teleconferences are available on the public record.

The AMQs are considered confidential, however, the Commission has summarised the information from the AMQs in a non-confidential manner as follows:

- Generally power transformers are purchased through a competitive tendering process, however purchasers may also approach a supplier directly from time to time depending on the circumstances of the procurement;
- Purchasers may implement standard offer arrangement contracts (panel supply arrangements or panels). The Commission understands that panels consist of approved suppliers that have confirmed their ability to build to a specification and agreed delivery schedules. Pricing is included but generally with some movement allowable for changes in input costs. Several purchasers advised that while the panels are a convenient vehicle for supply, there are instances when suppliers outside of the panel are invited to bid for a power transformer. The Commission understands that the panels are not exclusive arrangements. Delivery and installation costs are also not typically included in the original agreement and these additional costs may impact the final bid price.
- There was a general consensus from purchasers that Wilson Transformer Company Pty Ltd's (WTC, the applicant) like goods are built to an acceptable standard. A minority of purchasers discussed issues with WTC's like goods, acknowledging that these occurred prior to the investigation period.
- Some purchasers commented that WTC are slow to provide bids for transformer projects. The Commission understands from the purchasers that this is an issue when a project has a short deadline. The purchasers recognised some suppliers as being more responsive than WTC.
- Some purchasers indicated that they will approach WTC for transformers in the small and medium range but have less confidence in WTC's ability to supply large transformers (above 180MVA). There appeared to be some consensus among purchasers that large, international manufacturers, including Chinese manufacturers, have more experience with larger sized power transformers.