Mr Reuben McGovern  
Assistant Director  
Anti-Dumping Commission  

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

Dear Mr McGovern

Case No. 507 – Power transformers exported from the People’s Republic of China

1. Submission

I refer to the 24th July 2019 File Note “Responses to the Australian Market Questionnaire” concerning Investigation No. 507 on power transformers exported from P R China.

This document has identified a number of matters that Toshiba International Corporation Pty Ltd (herein after referred to as TIC) wishes to comment directly upon.

2. File Note “Responses to the Australian Market Questionnaire”

The Commission has summarised the information from the AMQs following evaluation and further teleconferences with a number of the respondents.

We would argue that the information published correlates very closely with what TIC have been advising the Commission all throughout this investigation.
The last dot point states that:

"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."

Firstly not all purchasers approached would use transformers of this size or above and the logical conclusion is that those who do are the ones who made the comments – hence the reference to “some purchasers”.

Secondly and more pertinently during the investigation period the Power Transformers imported by TIC were all above a power rating of 180 MVA with the exception of one single unit which itself was rated at 180 MVA.

Furthermore we understand that WTC did not bid on some 50% of the projects won by TIC on a project basis during the injury period. We also believe there was a very large project in which the customer outlined issues with WTC capability.

We find it difficult to believe that in such a scenario that WTC can credibly claim injury is caused by the action of TIC.

It is therefore inconceivable that, on the one hand the Australian market has clearly advised the Commission that it lacks confidence in WTC’s ability at this size (180MVA) and above, whilst on the other hand the Commission continues to investigate TIC when it has only supplied transformers at this level and above during the investigation period. It should also be added that all forward orders are above this rating as well.

On this basis we would argue that the investigation insofar as it concerns TIC should be terminated immediately.
The second last dot point states that:

"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."

The key message here is that in our experience (and I am sure in the experience of other suppliers), once you are late for a bid, then in most instances you are disqualified from proceeding further in the process.

The logical conclusion to this is that WTC has missed opportunities due to their own actions or inactions and once again can hardly have a credible claim of injury.

On the basis of this alone we would further argue that the investigation should be terminated immediately.

The third (last) dot point states that:

"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."

As the Commission would no doubt be well aware, that due to the nature of the goods under consideration there is a considerable lead time through design and production and thus actual supply of the goods after award of contract. It follows then quite logically that if WTC were not supplying certain transformers during the investigation period then, it is highly likely that it was due to these already acknowledged issues existing prior to the investigation period resulting in them not getting further orders.
Once again it is not logical that WTC can claim injury during this period on this basis and we would argue that the investigation should be terminated.

3. Conclusion

It can be argued on the basis of the response to each point above alone that the investigation at least insofar as it concerns TIC should be immediately terminated, however when all points are taken together there really should be no argument against terminating.

In fact based on the comments from purchasers, it is clear that WTC’s claimed capabilities and the market perception of these capabilities are at odds with each other and it may be possible to infer some ulterior motive on behalf of WTC in raising this dumping action with the ADC. Again on this basis the investigation should be terminated.

This investigation has cost and continues to cost a lot of time, money and other resources which has unfairly affected our business in Australia and created uncertainty in the market. TIC hereby respectfully request that the Commission terminate the investigation immediately as it clearly has no basis and any alleged injury, although unproven at this time, if it does exist has been wholly self-inflicted by WTC actions and inactions as the case may be.

Yours faithfully,

Regards,

John Denyer

General Manager

TOSHIBA INTERNATIONAL CORPORATION P/L

Energy Systems & Solutions Division