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**Anti-Dumping Notice No. 2019/35**

**Public notice under subsection 269TC(4)  
of the *Customs Act 1901***

**Power Transformers**

**Exported to Australia from the People's Republic of China**

**Initiation of Investigation No. 507 into  
alleged dumping**

*Customs Act 1901 – Part XV B*

I, Dale Seymour, the Commissioner of the Anti-Dumping Commission, have initiated an investigation following an application lodged by Wilson Power Transformer Company Pty Ltd (WTC), a manufacturer of power transformers (the goods) in Australia. The application seeks the publication of a dumping duty notice in respect of the goods exported to Australia from the People's Republic of China (China).

The application alleges that the goods have been exported to Australia at prices less than their normal value. The application alleges that the dumping has caused material injury to the Australian industry through:

- loss of sales volume;
- reduced market share;
- price depression;
- price suppression;
- loss of profits;
- reduced profitability;
- reduced cash flow;
- reduced employment;
- reduced wages;
- reduced capacity utilisation;
- reduced return on investment;
- reduced ability to raise capital; and
- reduced capital investment.

The non-confidential version of the application, which contains the basis of the alleged dumping and injury, is available on the public record.<sup>1</sup>

Particulars of the reasons for the decision to initiate this investigation are in *Anti-Dumping Commission Consideration Report No. 507 (CON 507)*, which is available on the public record.

The date of initiation of this investigation is the date of publication of this notice.

### **The Goods**

The goods subject to the anti-dumping measures and this inquiry are:

*liquid dielectric power transformers with power ratings of equal to or greater than 10 MVA (mega volt amperes) and a voltage rating of less than 500kV (kilo volts) whether assembled or unassembled, complete or incomplete.*

Incomplete power transformers are subassemblies consisting of the active part and any other parts attached to, imported with or invoiced with the active parts of power transformers. The active part of a power transformer consists of one or more of the following when attached to or otherwise assembled with one other:

- the steel core;
- the windings;
- electrical insulation between the windings; and
- the mechanical frame.<sup>2</sup>

### **Tariff Classifications**

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:

<b>Tariff Subheading</b>	<b>Statistical Code</b>
8504.22.00	40
8504.23.00	26 and 41

These tariff classifications and statistical codes may include goods that are both subject and not subject to this investigation. The listing of these tariff classifications and statistical codes are for convenience or reference only and do not form part of the goods description. Please refer to the goods description for authoritative detail regarding goods, the subject of this investigation.

### **Investigation Process**

The investigation period is 1 January 2016 to 31 December 2018. I will examine exports to Australia of the goods during this period to determine whether dumping

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<sup>1</sup> The public record is available at [www.adcommission.gov.au](http://www.adcommission.gov.au)

<sup>2</sup> Further details about the goods are included in CON 507 and the application.

has occurred. I will examine details of the Australian market from 1 January 2014 for injury analysis purposes.

Where the Minister for Industry, Science and Technology (the Minister) is satisfied, as to goods of any kind, that:

- (a) the amount of the export price of the goods that have already been exported to Australia is less than the normal value of those goods, and (if applicable) the amount of the export price of like goods that may be exported to Australia in the future may be less than the normal value of the goods; and
- (b) because of that, material injury to an Australian industry producing like goods has been or is being caused or is threatened, or the establishment of an Australian industry producing like goods has been or may be materially hindered;

the Minister may, by public notice, impose interim dumping duties.<sup>3</sup>

Where there are grounds for the Minister to publish a dumping duty notice in respect of the goods, I will examine whether the trade in the dumped goods give rise to retrospective notices being published pursuant to section 269TN of the *Customs Act 1901* (the Act), and make recommendations to the Minister accordingly.

### **Public Record**

I must maintain a public record of each investigation. Documents included in the public record are available at [www.adcommission.gov.au](http://www.adcommission.gov.au).

The public record will contain, among other things, a copy of the application, CON 507 and copies of all non-confidential submissions from interested parties. Letters and electronic mail are generally regarded as submissions if they contain information relevant to the investigation.

### **Lodgement of Submissions**

Interested parties, as defined by subsection 269T(1) of the Act, are invited to lodge submissions concerning the publication of the dumping duty notice sought in the application, no later than **24 April 2019**, addressed to:

The Director  
Investigations 3  
GPO Box 2013  
CANBERRA ACT 2601  
Australia

or by email to [investigations3@adcommission.gov.au](mailto:investigations3@adcommission.gov.au) or by fax to +61 3 8539 2499.

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<sup>3</sup> In accordance with section 269TG of the Act.

Interested parties wishing to participate in the investigation must ensure that submissions are lodged by the due date. Interested parties should note that I am not obliged to have regard to a submission received after the date above if to do so would, in my opinion, prevent the timely placement of the statement of essential facts (SEF) on the public record.

Interested parties should also note that I am directed<sup>4</sup> to consider the matters set out in the *Customs (Extensions of Time and Non-cooperation) Direction 2015* in certain circumstances. This is available at [www.legislation.gov.au](http://www.legislation.gov.au).

Interested parties may reply to matters raised by other parties during the course of the investigation and in response to the SEF.

Interested parties claiming that information contained in their submission is confidential, or that the publication of the information would adversely affect their business or commercial interests, must:

- (i) provide a summary containing sufficient detail to allow a reasonable understanding of the substance of the information that does not breach that confidentiality or adversely affect those interests, or
- (ii) satisfy me that there is no way such a summary can be given to allow a reasonable understanding of the substance of the information.

Submissions containing confidential information must be clearly marked "FOR OFFICIAL USE ONLY".

Interested parties must lodge a non-confidential version or a summary of their submission in accordance with the requirement above (clearly marked "PUBLIC RECORD").

### **Lodgement of Exporter Questionnaires**

Exporters of the goods to Australia are invited to participate in this investigation by completing the exporter questionnaire and the associated spreadsheets by **24 April 2019**.

The exporter questionnaire and the associated spreadsheets are available under the case information for ADC 507 (which can be found under 'Cases' on the Anti-Dumping Commission's (Commission) website, [www.adcommission.gov.au](http://www.adcommission.gov.au)). Alternatively, exporters can email [investigations3@adcommission.gov.au](mailto:investigations3@adcommission.gov.au) and the Commission will forward the exporter questionnaire and spreadsheets for completion.

### **Proposed Model Control Code Structure**

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<sup>4</sup> Certain powers and functions under the *Customs (Extensions of Time and Non-cooperation) Direction 2015* have been delegated to General Managers of the Anti-Dumping Commission, (Anti-Dumping Notice (ADN) No. 2017/10 refers. All ADN's are available at [www.adcommission.gov.au](http://www.adcommission.gov.au).

In accordance with the Commission's Model Control Code (MCC) policy<sup>5</sup>, the MCC structure is not considered to be meaningful for the goods subject to measures as each sale of power transformers is a unique model which is not necessarily comparable to any other sale. A MCC structure will therefore not be used for interested party questionnaires and the assessment of relevant information in this investigation.

### **Provisional Measures**

Pursuant to section 269TD of the Act, I will make a preliminary affirmative determination (PAD) provided I am satisfied that there appears to be sufficient grounds for the publication of a dumping duty notice or there appears that there will be sufficient grounds for the publication of a dumping duty notice subsequent to the importation of the goods into Australia. This can occur no earlier than day 60 of an investigation.

In accordance with section 269TD of the Act, the Commonwealth may apply provisional measures, including the taking of securities under section 42 of the Act, in respect of interim dumping duty that may become payable on the goods, where a PAD has been made and the Commissioner is satisfied that it is necessary to do so to prevent material injury to Australian industry occurring while the investigation continues.

Where a PAD is not made 60 days after initiation of the investigation, the *Customs (Preliminary Affirmative Determinations) Direction 2015* (the PAD Direction) directs me to publish a status report providing reasons why a PAD was not made. The PAD Direction is available on the Federal Register of Legislation website, [www.legislation.gov.au](http://www.legislation.gov.au).

### **Statement of Essential Facts**

The dates specified in this notice for lodging submissions must be observed to enable me to report to the Minister within the legislative timeframe. In accordance with section 269TDAA of the Act, a SEF will be placed on the public record by **8 July 2019**<sup>6</sup>, or by such later date as allowed in accordance with section 269ZHI of the Act.<sup>7</sup> The SEF will set out the essential facts on which I propose to base my recommendations to the Minister. Interested parties are invited to lodge submissions in response to the SEF within 20 days of the SEF being placed on the public record.

Submissions received in response to the SEF within 20 days of that SEF being placed on the public record will be taken into account in completing the report and recommendation to the Minister.

### **Report to the Minister**

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<sup>5</sup> Refer to ADN No. 2018/128.

<sup>6</sup> The due date is 6 July 2019, but as this falls on a Saturday, the effective due date is the following business day.

<sup>7</sup> On 14 January 2017, the then Parliamentary Secretary delegated the powers and functions of the Minister under section 269ZHI of the Act to the Commissioner. Refer to ADN No. 2017/10 for further information.

In accordance with section 269TEA of the Act, a recommendation to the Minister will be made in a report on or before **20 August 2019** (or such later date as allowed under section 269ZHI), on the basis of the examination of exportations of the goods to Australia during the investigation period, unless I terminate the investigation.

The Minister must make a declaration within 30 days after receiving the report, or such longer period as the Minister considers appropriate.

### **Anti-Dumping Review Panel**

Certain persons will have the right to seek review with the Anti-Dumping Review Panel in accordance with Division 9 of Part XVB of the Act of either a decision by me to terminate the investigation, or a decision of the Minister to publish or not to publish a dumping duty notice and countervailing duty notice after considering my report.

### **Interested Party List**

Throughout the investigation, the Commission will maintain an internal list of interested parties. Updates on the investigation will be sent to parties on this list. If you would like to be added to the interested party list, please email [investigations3@adcommission.gov.au](mailto:investigations3@adcommission.gov.au).

### **Anti-Dumping Commission Contact**

Enquiries about this notice may be directed to the Case Manager on telephone number +61 3 8539 2437, or [investigations3@adcommission.gov.au](mailto:investigations3@adcommission.gov.au).

Dale Seymour  
Commissioner  
Anti-Dumping Commission

18 March 2019