



15 July 2016

NON-CONFIDENTIAL

Mr George Katsoulis
Australian Anti-Dumping Commission
55 Collins Street
Melbourne Vic 3000

Dear Mr Katsoulis,

SEF NO. 335: CLEAR FLOAT GLASS FROM CHINA, INDONESIA AND THAILAND

This submission, made on behalf of PT Asahimas Flat Glass Tbk (“AMG”), is in response to SEF No. 335 (“the SEF”) concerning clear float glass (“CFG”) from China, Indonesia and Thailand.

It is reported in the SEF that Viridian claims that it “does not supplement its sales with imports”.¹ It is our understanding that, because it has insufficient production capacity to meet the market demand, Viridian does in fact supplement its sales with a significant volume of imports from Xinyi Ultrathin (Dongyuan) Co Ltd, China (“Xinyi”), by either importing directly from Xinyi or by purchasing from an Australian customer of Xinyi. It is paramount that the Commission thoroughly investigates Viridian’s claim that it does not supplement its sales with imports from Xinyi.

Concerning Viridian’s improved economic performance since the imposition of the anti-dumping measures, we agree with the Commission’s consideration that it is “the range of business improvement initiatives undertaken by Viridian since the imposition of the anti-dumping measures which have clearly contributed to its improved performance”.² However, we disagree with the Commission’s consideration that the imposition of anti-dumping measures materially contributed to this improved performance, as imports subject to anti-dumping measures were replaced with imports not subject to anti-dumping measures entering the market at lower prices.

It is of important note in this regard that the imposition of anti-dumping measures on imports from China (other than from Xinyi), Indonesia and Thailand has resulted in replacement of imports from these countries (other than from Xinyi) with imports from other sources not subject to anti-dumping measures, ie. from United Arab Emirates (“UAE”) and Xinyi. Attached hereto is a spreadsheet providing details of CFG imports in 2015 from China,

¹ SEF No. 335, section 8.4.4.

² Ibid, section 8.4.5.

Indonesia, Thailand and UAE. It is very likely that the vast majority of imports from China are from Xinyi.

It is demonstrated by the attached spreadsheet that –

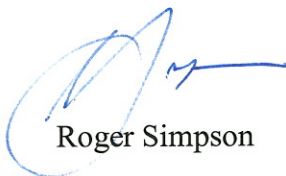
- a) the volume of imports from China and the UAE, which are not subject to anti-dumping measures, is significantly higher than that from Indonesia and Thailand; and
- b) the CIF unit prices of imports from UAE are significantly lower than those from Indonesia and Thailand.

Continuation of anti-dumping measures on imports from China (other than Xinyi), Indonesia and Thailand will no doubt result in further increased imports from UAE and Xinyi and will therefore provide no benefit to Viridian. To remove the anti-dumping measures will not result in imports from China (other than Xinyi), Indonesia and Thailand increasing their market share, as their market prices are significantly higher than those of imports from UAE. Please note that the price comparisons in the attached spreadsheet are CIF, so UAE being “further away from the Australian market”³ will not prevent its market prices being lower than those from Indonesia and Thailand in the absence of anti-dumping measures.

Furthermore, continuation of anti-dumping measures on CFG will have a negative downstream effect. As stated in the SEF, “demand for CFG in the Australian market generally aligns to construction activity and the downstream demand for other products which rely on CFG as the key input (such as laminated glass).”⁴ As Viridian has limited CFG production capacity, downstream industries need to source from countries other than Australia, eg China, Indonesia and Thailand, and continuation of current anti-dumping measures will cause further increase of input material costs for downstream processors and the construction industry.

Consequent upon the foregoing, discontinuation of the anti-dumping measures on CFG exported from China, Indonesia and Thailand is not likely to cause material injury to Viridian to recur and is likely to have a negative effect on downstream industries. They should therefore not be continued.

Yours sincerely,



Roger Simpson

³ SEF No. 335, section 8.4.5.

⁴ Ibid, section 5.4.

CFG: Australian imports 2015

		China		Indonesia		Thailand		UAE	
Taffit item	Thickness (mm)	Qty (sqm)	CIF U/pr (AUD/sqm)	Qty (sqm)	CIF U/pr (AUD/sqm)	Qty (sqm)	CIF U/pr (AUD/sqm)	Qty (sqm)	CIF U/pr (AUD/sqm)
7005290.009	2-3	103,388	3.30	189,358	2.79	460,065	2.57	107,448	3.37
7005290.003	4	370,324	6.65	457,662	5.12	2,503	4.99	429,281	4.51
7005290.004	5-6	768,088	8.95	566,714	7.31	12,428	7.70	544,842	6.44
7005290.005	7-10	183,130	12.76	119,355	13.86	3,296	13.05	138,982	12.06
7005290.006	12	190,815	14.56	83,762	16.96	327	17.39	59,448	15.82
Total		1,615,745	9.15	1,416,851	7.12	478,620	2.80	1,280,000	6.58

(Source: ABS import statistics)