

NON-CONFIDENTIAL

David

The following comments relate to the Muliaglass submission dated 30 June 2011 (Public File 53-57, obtained from the electronic Public Record on 12 July 2011).

The Muliaglass submission noted:

- (1) The Australian Market
- (a) Upstream Production

The Australian market is dominated by Viridian as the sole domestic producer of CFG; this dominance has been further enhanced by their decision to add performance products into their production capabilities in Dandenong.

In a market which is increasingly demanding the use of performance products Viridian's ability to produce these products locally has already provided them with additional leverage over the CFG market, their customers and their competitors.

Table 2 in Viridian's 1 July 2011 submission indicates that imports (particularly from China, Indonesia and Thailand) occupy a significant proportion of the market for 3-12mm CFG.

Viridian's production of coated products has only been possible after a substantial investment. Previously Viridian imported these products and importers continue to supply alternatives to Viridian's domestically produced coated products. In any event, Viridian's production of coated products sits outside the like goods definition of 3-12mm CFG.

The Muliaglass submission noted:

- (b) Downstream Production

Viridian downstream production is also the dominant capacity in the Australian market and operates in direct competition with the very customers that their upstream operations seek to service.

Viridian downstream is a customer of Viridian upstream. The interaction of Viridian upstream and Viridian downstream has been discussed with Customs in the resumed investigation and in the original investigation.

The Muliaglass submission notes:

- (c) Overall

For all of the dominance Viridian enjoy, they do not have enough capacity to supply the market demand for CFG and this makes the import of CFG from overseas suppliers essential to:

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- (i) Meeting the needs of the overall Australian market
- (ii) Maintaining some degree of independence from a monopoly scenario for their downstream competitors.

Viridian's capacity to produce CFG is substantial and the Application for dumping duties document (March 2010) referred to the production capacity of Dandenong being increased from 120,000 tonnes to 165,000 tonnes after the refurbishment and that the Ingleburn plant had a capacity of 105,000 tonnes (page 12).

Viridian does not have an expectation that it can supply the total CFG market in Australia. Viridian accepts that fairly priced imports provide an alternative to its own products. Viridian does not agree with the description of the Viridian downstream business as a monopoly for obvious reasons. That is, there are significant processors of glass outside of the Viridian downstream business.

The Muliaglass submission refers to:

In Summary:

They have the technology in house.

- They have market dominance upstream and downstream.
- They have absolute penetration into the specifiers, designers and architects and construction companies.
- They do not need or require any further protection in the form of dumping duties.
- CFG has to all extent become a global commodity with global competitive pricing and Australia and Viridian cannot be immune or protected from this reality, otherwise the Australian consumer will be seriously disadvantaged.

Viridian does not have "market dominance".

Viridian does not seek "protection" but seeks to have dumping duties imposed to remove the advantage importers have through dumped prices.

The Muliaglass submission notes:

(d) The Real Threat

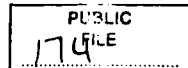
The real threat to the Australian flat glass industry is not the import of CFG but the vast increase in imports of processed downstream products at prices, which the Australian processors could not hope to match.

Muliaglass seems to be suggesting that it is acceptable for clear float glass to be imported at dumped prices but it is not acceptable for processed glass to be imported at low prices which could indicate the presence of dumping. If so, then the remedy available to glass processors is to seek anti-dumping duties against possible dumped imports.

The Muliaglass submission refers to a CSR media release for the year ending 31 March 2011. The in-depth analysis of the Viridian business producing 3-12mm CFG in the original investigation and the resumed investigation is not overtaken by general comments relating to the CSR business.

Regards  
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