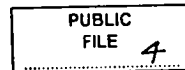


**TURNER David**

**From:** Blackburn Croft & Co [bcc@tradecon.co.nz]  
**Sent:** Friday, 22 July 2011 13:51  
**To:**  
**Cc:**  
**Subject:** G JAMES VISIT REPORT - NON CONFIDENTIAL

The following comments relate to the G James Importer Visit Report dated 1 June 2011 which was obtained from the electronic Public Record on 13 July 2011.

1. The Visit Report noted:

The original investigation's definition of the market size (which excluded Viridian Upstream transfers) was discussed and G James responded that they did not believe that upstream transfers should be excluded from the total market. G James believes that Viridian is in a position to provide full production volumes to quantify the G James assessment of the total market size.

Viridian does not agree that upstream transfers are part of the market for clear float glass 3-12mm which is subject to price and volume effects of dumped imports. These upstream transfers are not part of the industry producing like goods in the same way as glass produced for the automotive industry is not part of the industry.

2. The Visit Report noted:

G James provided a view that nearly all clear float glass, either produced in Australia or imported, is either cut or further processed in some manner before being sold to end-users.

Viridian supplies clear float glass to its customers. These customers then process this glass as supplied by Viridian or importers. The like goods are unprocessed clear float glass.

3. The Visit Report noted:

G James stated that the number of companies operating secondary processing facilities in Australia had increased over the past years. .... [comments on secondary processing market]

G James acknowledged that some of their business would have gone to these smaller processors as a result of operating at capacity of higher yield products during the years prior to the global financial crisis. G James and Viridian were subjected to increased competition from these smaller secondary processing businesses.

Viridian noted during the original investigation, the TMRO Application and in its submission of 1 July 2011 that there is growth in the number of processors reflecting processor rationalisation and availability of processing equipment. This has resulted in Viridian upstream supplying, in some cases, glass directly to processors who would previously have obtained processed glass from Viridian downstream.

4. The Visit Report noted:

The effective of imports is only felt during periods of reduced activity in Australia.

Viridian, as a manufacturer of clear float glass, is exposed to the pricing and volume effects of dumped imports independent of the level of demand in Australia.

5. The Visit Report noted:

G James stated that it has a unique position with Viridian as it is a major customer of Viridian's upstream business for clear float

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glass while at the same time being a competitor of Viridian's downstream sales of further processed glass.

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This reflects the price and volume effects that Viridian upstream experiences in its sales to both external customers and Viridian downstream.

6. The Visit Report noted:

G James stated that the imported price was cheaper than the prices offered by Viridian, however G James considers that a price premium should be afforded to Viridian to account for the benefits of being a local supplier. This premium was traditionally in the vicinity of 7.5 to 10% however this reduced over the investigation period to approximately 5% as a result of the strengthening Australian dollar and the global financial crisis.

Viridian notes that not all of its customers take into account a premium when assessing Viridian's into store price for 3-12mm clear float glass. Some customers make a direct comparison with Viridian's into store price with that of the into store price for clear float glass sourced from China, Indonesia or Thailand.

7. The Visit Report noted:

G James noted that although it is a major customer of Viridian's upstream business, it is also a major competitor of Viridian's downstream business. Thus commercial activity by Viridian's downstream sales of secondary processed glass can affect sales of primary processed glass to G James.

This again confirms Viridian's explanation of the interaction between upstream and downstream pricing of 3-12mm clear float glass.

8. The Visit Reported noted:

G James stated that its competitors are using what it believes to be cheaper imported glass to fabricate cheaper fully assembled products. G James stated it is a reality of business that Viridian's price to G James for clear float glass is linked to the price of imported clear float glass so that G James can remain competitive in the processed glass market.

G James claims that there had been no significant fluctuations in the price for the last 2 to 3 years.

This confirms Viridian's explanation of its pricing structure.

Regards  
Jules Croft

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