

Ref. No. 719/DAGLU.6/SD/07/2021

Jakarta, 26 July 2021

The Director, Investigations 3

Anti-Dumping Commission

GPO Box 2013

Canberra ACT 2601

Subject : Submission on the Statement of Essential Facts of Inquiry Concerning the Continuation of Anti-Dumping Measures in respect of Clear Float Glass Exported to Australia from the People's Republic of China (China), the Republic of Indonesia (Indonesia), and the Kingdom of Thailand (Thailand)

Dear Sir,

The Government of Indonesia (GOI) refers to the Statement of Essential Facts dated July 5, 2021, issued by the Anti-Dumping Commission (ADC), and hereby would like to address our grave concerns regarding the investigation, as follows:

A. The Commission Has Treated Imports of Clear Float Glass from One of Indonesia's Exporters Unfairly

The GOI would like to express its deep disappointment to the decisions that the Commission has made on imports of Clear Float Glass from one of Indonesia's exporters namely PT Asahimas Flat Glass Tbk (Asahimas). Despite similar circumstances in respect of small import volume from PT Asahimas as compared to imports from Thailand and China, the Commission has treated PT Asahimas differently.

The Commission noted on page 69 of the Statement of Essential Facts (SEF) that the total value of PT Asahimas' sales which undercut the Australian industry's selling prices represented less than half of one percent of the Australian industry's total sales during the inquiry period. However, it still considers that dumped exports PT Asahimas will continue to undercut the Australian industry's selling prices in the absence of the anti-dumping measures. On the other hand, the Commission stated on page 66 of SEF that although the FOB export pricing of CFG from Thailand was lower than all others, these prices are not considered to be influential for the overall pricing trend within the Australian market due to the negligible volumes of import from Thailand in 2019 and 2020. Based on these findings, the GOI would like to question the Commission on its unfair treatment of PT Asahimas. As described by the Commission, PT Asahimas' sales that undercut the Australian industry's selling prices are very insignificant, representing less than half of one percent of the total sales of the Australian industry during the investigation period. As such, referring to the Commission's conclusion with regard to imports from Thailand, the same treatment should also apply for imports from PT Asahimas.

Our disappointment is compounded by the fact that the Commission also recommends the anti-dumping duty against imports from China to expire on 18 October 2021 despite the fact that Chinese exporters are all non-cooperative in this Sunset Review investigation. Again, the Commission considers that the absence of anti-dumping measures applicable to exports from China will not have a material effect on pricing within the Australian market because of the small volume of exports from China.

The GOI kindly recommends the Commission to conduct this investigation fairly and consistently based on the above explanations. The GOI strongly recommends that the continuation of dumping duty against PT Asahimas be terminated, to ensure fairness in this proceeding.

B. The Australian Domestic Producers Experienced Relatively Better Performance in 2020

From the economic parameters provided in Part 6 of the SEF, it is clear that:

- a. The sales volume of Australian producers was relatively stable from 2017 to 2019 and increased significantly in 2020.
- b. Petitioner recorded a relatively stable market share until 2019 and was able to increase its market share in 2020. On the other hand, imports of Clear Float Glass from the subject countries were in decreasing trend from 2017 to 2020.
- c. Unit selling price was slightly declined from 2017 to 2019 but then relatively stable in 2020.
- d. Petitioner was able to increase its revenue year by year. It was able to reach its revenue peak in 2020.
- e. Petitioner also maintained a consistently high level of capacity utilization and reached the highest point in 2020.

As such, an objective examination of relevant economic parameters shows that Australia's domestic industry is not suffering a material injury during the past 4 (four) years.

With regard to the continuous deterioration of profit and profitability experienced by the Petitioner, it should not be attributable to imports from the subject countries. This is due to the fact that the volume of imports from the subject countries as well as their market share in Australian market decreased substantially from 2017 to 2020. Further, the Commission also considered that the small volume of imports from Thailand and China will have an insignificant impact on the overall pricing trend within the Australian market. As the GOI has argued above, the same consideration should also be applied to imports from PT Asahimas.

On the other hand, Petitioner was able to expand its volume of sales, market share, as well as revenue during the same period. The selling price was also relatively stable. Therefore, there is no causal link between the lower profit and profitability of the Petitioner and the dumped imports from the subject countries. As such, the GOI kindly requests the Commission to carefully assess other factors apart from imports from the subject countries, including the substantial increase of imports from non-subject countries as well as internal factors of the Petitioner which caused such lower profit and profitability.

The GOI further would like to emphasize that Article 11.1 of the Anti-Dumping Agreement (ADA) provides that *“an anti-dumping duty shall remain in force only as long as and to the extent necessary to counteract dumping which is causing injury.”* Considering the fact that dumped

imports from the subject countries are not causing injury to the domestic industry, the anti-dumping duty on the subject products should then be discontinued.

C. Proof of Continued Injury Does Not Exist

The GOI would again reiterate that the SEF (particularly in part 6) provided facts, which describe the condition of Australian producers after being protected with the 10-year-long dumping duty.

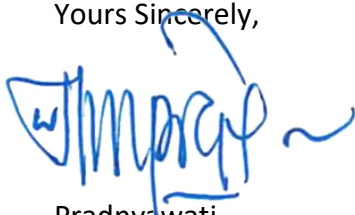
These parameters (as explained in Point B) show a stable sales volume, stable market share, stable sales, a high level of capacity utilization, and even experience an increase in revenue. The GOI does not see how these positive conditions can be considered as, and could still cause, injury to the Australian producer.

Should the Australian producer insisted to the Commission that injury exists, if any, the GOI would then be convinced that Commission that such injury is contributed by other factors. Knowing the fact that Australian producers themselves are still importing products from e.g Indonesia, only confirms that this Australian producer is unable to cater to the need of Australia's domestic demand. Therefore, such injuries if any would be a result of self-inflicting injuries.

Following our elaboration to the SEF, the GOI strongly suggests the Authority to refute the continuation of Anti-Dumping measures against imports of Clear Float Glass from Indonesia.

Thank you for your kind attention and consideration.

Yours Sincerely,



Pradnyawati

Acting Director of Trade Defense

C.c.:

1. Acting Director-General of Foreign Trade, MoT;
2. Ambassador of the Republic of Indonesia in Canberra, Australia;
3. Ambassador of Australia in Jakarta, Indonesia;
4. Secretary of Directorate General of Foreign Trade, MoT.