

28 May 2021

The Director  
Investigations 3  
Anti-Dumping Commission  
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Canberra ACT 2601

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### Public File

Dear Sir/Madam

#### **Investigations 575 – Clear float glass exported from China, Indonesia and Thailand – Submissions from interested parties**

##### **I. Introduction**

Oceania Glass Pty Ltd (“Oceania Glass”) seeks to respond to recent submissions uploaded onto the Electronic Public Record (“EPR”) in Investigation 575. These submissions include:

- PT Muliaglass dated 9 March 2021 (EPR Document No. 003);
- PT Guardian dated 11 March 2021 (EPR Document 004);
- PT Muliaglass dated 25 March 2021 (EPR Document 006);
- Government of Indonesia dated 31 March 2021 (EPR Document 007);
- PT Asahimas dated 29 April (EPR Document No. 013); and
- PT Muliaglass dated 6 May 2021 (EPR Document 014).

##### **II. Submissions by Muliaglass**

###### **(a) 9 March 2021 submission**

In the initial 9 March 2021 submission PT Muliaglass agrees that the anti-dumping measures have been effective in limiting dumping and material injury. PT Muliaglass confirms that affiliated exporters to the producers in Malaysia and the United Arab Emirates have taken up supply to Australia due to the impact of the measures (on China and Thailand). Oceania Glass agrees that the measures have been effective.

PT Muliaglass contends that Oceania Glass cannot supply the whole of the Australian market (and demand in New Zealand) with locally produced clear float glass (“CFG”). It is not a requirement under the anti-dumping provisions that the Australian industry is required to have capacity to supply the whole of the Australian market. It is reasonable expectation, however, for Oceania Glass to be able to supply into the Australian market at fair prices.

Oceania Glass notes that PT Muliaglass confirms that it has altered its price by a “small adjustment” in order to compete and offset the depreciation of the Australian dollar during the investigation period. It should be



noted that during the period the cost of raw materials increased, and these increases have not been passed on by PT Muliaglass due to its “constant” pricing policy.

*(b) 25 March 2021 submission*

PT Muliaglass states that Oceania Glass “*enjoy a monopoly in the manufacture of CFG in Australia but do not have the capacity to service the Australian market*”. Oceania Glass is not a monopolistic supplier. The Australian market for CFG is transparent (in terms of pricing and specification) with complete substitutability between locally manufactured and imported goods. Oceania Glass is not the price leader in the market, with import parity prices the key driver for market prices.

Oceania Glass does not own the downstream glass processing facility formerly operated by CSR Viridian. This is owned by Capital Crescent Partners (“CCP”). The Anti-Dumping Commission has examined sales from Oceania Glass to Viridian Glass for the purposes of assessing whether these sales have been made at arms-length.

*(c) 6 May 2021 submission*

Oceania Glass requests the Anti-Dumping Commission (“the Commission”) to require PT Muliaglass to provide adequate non-confidential summaries of information redacted in its 6 May submission (refer ADN 2012/042). This requirement is not evident in the PT Muliaglass submission.

Oceania Glass has addressed PT Muliaglass’ assertions about Oceania Glass operating as the sole domestic producer in Australia. Oceania Glass does not engage in monopolistic practices as imports establish the competitive benchmark for CFG goods.

PT Muliaglass seeks to engage in unsubstantiated rhetoric alleging Oceania Glass is suffering injury due to mismanagement. These assertions are baseless and not supported with evidence.

PT Muliaglass states that Oceania Glass has sought to source CFG from it to address short-term supply in the Australian market. Oceania Glass respects PT Muliaglass as a creditable exporter of quality CFG. Oceania’s increased demand in 2020/21 is due to the short-term supply issues associated with exporters into Australia (refer ABS import statistics). As the representative Industry participant for CFG in Australia, Oceania Glass has made all attempts to ensure adequate balance of supply in the market. This has necessitated the sourcing of CFG from respected producers in the region on a short-term basis as appropriate.

Oceania Glass has demonstrated that increased production capacity is available to Indonesian CFG manufacturers and that in the absence of anti-dumping measures it is likely that Indonesian exports to Australia would be at dumped and injurious prices.

III. Submission by PT Guardian

PT Guardian’s comments about CFG exported to Australia from Thailand in the absence of measures are certainly not based upon speculation. PT Guardian has been the subject of an anti-circumvention investigation (No. 479) where it was determined by the Minister that PT Guardian had circumvented the applicable measures.





Additionally, PT Guardian has switched supply for CFG from its production facility in the United Arab Emirates ("UAE") to supply the Australian market. It would clearly make commercial sense to supply from Thailand (due to the short shipping timeframes) rather than the UAE should the measures be allowed to expire.

PT Guardian's past actions are indicative of a likelihood that it would increase CFG exports to Australia should the measures be allowed to expire.

PT Guardian further contends that the "CFG market segment will continue to be of no strategic interest to Guardian" as it seeks to supply to further value-adding processes (presumably in Thailand). As indicated, PT Guardian has sought circumvent measures to supply the Australian CFG market (as recently as 2018) suggesting PT Guardian's claims are hollow with intent.

Oceania Glass does not consider that the Commission can rely upon PT Guardian's suggestion that it will not increase exports of CFG to Australia from Thailand in the absence of measures. Past history is indicative of likely future intention and it can be considered that it would be likely that should the measures be allowed to expire, PT Guardian would seek to return to exporting from its facility in Thailand to the Australian CFG market.

#### IV. Submission by PT Asahimas

The 29 April 2021 submission on behalf of PT Asahimas and AGC Asia Pacific Pte Ltd ("AAP") references imports of CFG to Australia from Malaysia and the UAE.

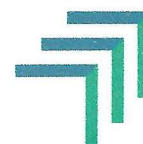
The exports to Australia from Malaysia and the UAE will be examined in the context of the Commission's Investigation No. 582.

Oceania Glass has commented above concerning its local production supply for the Australian market (and the expectation that it competes with fairly priced imports).

In respect of the referenced Oceania Glass letter to customers dated 16 December 2020, Oceania Glass considered it prudent for it to inform its customers of the surge in demand and the short-term supply issues (for containerised freight from Asia) and the subsequent impact on CFG supply by Oceania Glass.

PT Asahimas claims that it has been increasing its supply capacity since 2016. PT Asahimas further states that it directs the capacity to supply CFG to the Indonesian market and value-added products for export. Oceania Glass' application for the continuation of the measures confirmed that it considered the anti-dumping measures applicable to Indonesia had been effective. Oceania Glass has not altered its view in this regard. Further, Oceania Glass acknowledges that exports of CFG to Australia are essential to meet demand – however, the exports must be fairly priced not to cause injury to the Australian industry manufacturing like goods.

Oceania Glass' application identified *prima facie* dumping margins in 2020 from Indonesia above negligible levels. PT Asahimas considers that its exports of CFG to Australia would cause minimal injury to the Australian industry. Oceania Glass does not agree and considers the measures have impacted the supply of dumped exports from Indonesia since 2016.



The anti-dumping measures on all exporters of CFG from Indonesia are required to ensure the Australian industry does not experience a recurrence of injury that the measures are intended to prevent.

V. Submission by Government of Indonesia

The Government of Indonesia ("GOI") states that the Australian industry has "enjoyed" anti-dumping measures for 10 years and that the measures should be allowed to expire in October 2021. The duration of the measures is not the test for determining whether to allow the measures to expire (or otherwise). Rather, the appropriate test is for the Commissioner to be satisfied that the expiry of the measures would result in a recurrence of dumping and material injury that the measures are intended to prevent (Section 269ZHF of the *Customs Act*).

The GOI also comments about the process of the continuation investigation and that is conducted in a manner consistent with the WTO Anti-Dumping Agreement ("WTO ADA"). Oceania Glass anticipates that the Commission's Investigation 575 will be consistent with Australia's Anti-Dumping provisions and the WTO ADA.

The GOI submission references the higher volume imports of CFG from Malaysia and the UAE during the investigation period. Oceania Glass has referred to the Commission's Investigation No. 582 concerning exports of CFG to Australia from Malaysia and the UAE.

Oceania Glass welcomes the representations of the GOI and is respectfully opposed to the request to allow the measures to expire.

VI. Closing Remarks

The submissions from the exporters in Indonesia and Thailand have predictably submitted that their respective imports to Australia would not result in a recurrence of future material injury to the Australian industry.

The exporters in Indonesia and Thailand have maintained distribution links into the Australian market and would seek to increase exports to Australia should the measures be allowed to expire. Exporters in China will likely seek to increase supply to Australia once the short-term peak in domestic demand caused by the pandemic, dissipates.

Oceania Glass considers that in the absence of measures, exporters in China, Indonesia and Thailand will seek to match prices offered by exporters in Malaysia and the UAE which will likely result in incremental injury to the Australian industry.

The submissions by exporters in Indonesia and Thailand highlight the increase in export volumes of CFG to Australia from Malaysia and the UAE. Oceania Glass has made an application for measures on exports of CFG from Malaysia and the UAE (Investigation 582). Oceania Glass considers that anti-dumping measures on exports from China, Indonesia and Thailand should be continued as there exists a strong likelihood that should the measures expire, the exporters in the subject countries – with established distribution links into the Australian market – would seek to increase export volumes to Australia to compete with exports from Malaysia and the UAE (and undercut the Australian industry's selling prices).





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Oceania Glass considers the likelihood of a recurrence of dumping and injury in the absence of measures on CFG exports from China, Indonesia and Thailand is real and imminent, as highlighted by the 'flat-pricing' policies that are evident.

If you have any questions concerning this submission, please do not hesitate to contact me.

Yours sincerely

Anthony Alembakis  
Chief Financial Officer

