



oceaniaglass.com.au

ABN 99 630 152 206

Oceania Glass  
95 Greens Rd,  
Dandenong South,  
Victoria 3175,  
Australia

24 June 2021

The Director  
Investigations 3  
Anti-Dumping Commission  
GPO Box 2013  
Canberra ACT 2601

Email: [Investigations3@adcommission.gov.au](mailto:Investigations3@adcommission.gov.au)

### Public File

Dear Sir/Madam

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

Oceania Glass Pty Ltd ("Oceania Glass") makes the following submission following the recent publication of the Australian Industry Verification report ("the report") by the Anti-Dumping Commission on 20 May 2021 (EPR Document 016 refers).

The Verification Report confirmed that Oceania Glass has suffered price depression and price suppression over the period reviewed 2017-2020. The price- effect indicators have caused direct and material financial injury to Oceania Glass in the form of reduced financial returns and profitability. Moreover, Oceania has declared a negative financial return in the latter years of the review period, (i.e. 2019 – 2020).

The declines in profit and profitability in Oceania Glass' clear float glass ("CFG") operation have the company in a vulnerable position concerning required capital investment necessary for ongoing equipment replacement. CFG manufacturing is a high, capital-intensive activity and Oceania Glass has maintained plant uptime to the best of its ability and without compromise to safety. Protection of Oceania Glass' 244 employees and all stakeholders remains a primary focus of the company.

Oceania Glass's future as an Australian manufacturer of clear float glass is uncertain and precarious.

The company's manufacturing facilities at Dandenong South, Victoria are coming to the end of their 18-year campaign life and will require substantial rebuild (prior to 2024). With environmental considerations, the costs of the rebuild is anticipated to be in the range of \$xxx-xxx million. The decision to enter front end engineering works will be upon the company through 2023 and an investment decision will be necessary by mid-2024. Based on current financial performance, and in the absence of ongoing measures, Oceania Glass will be further challenged to justify a return on capital for the rebuild investment.

Should Oceania Glass be unable to underwrite the investment necessary to rebuild facilities at the Dandenong South site, the consequences could result in the direct loss of xxx jobs, reduced competition in the Australian CFG market and CFG supply risk. The absence of local manufacturing is expected to have a material impact on downstream processors and fabricators, and further risk job security throughout the industry.





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CFG supply security should not be underestimated; should Oceania Glass not be able to recover from the decline in profit and profitability, the market for CFG would be supplied by exporters alone (including the suppliers the subject of measures in China, Indonesia and Thailand). Each of the exporters may not have the current or medium-term capacity, or even desire, to supply the entire local market, however, the absence of an Australian manufacturer would make the Australian market very attractive to overseas suppliers. Equally, the exporters would be free to alter their pricing strategy in the absence of competition from a local supplier. The downstream processors and fabricators would therefore be exposed to the vagaries of exporter pricing policies.

Oceania Glass is seeking to reinvest in its Dandenong South, Victoria CFG manufacturing operation over the long-term. Oceania Glass, however, considers the high-cost capital investment required cannot be undertaken if unfairly priced exports prevail on the Australian market. Oceania Glass is therefore seeking the Commissioner to recommend that the anti-dumping measures on CFG exported from China, Indonesia and Thailand not be allowed to expire on 17 October 2021.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'AA', written over a light blue horizontal line.

Anthony Alembakis  
Chief Financial Officer

