



Continuation Inquiry 575

Clear float glass

Exported to Australia from the People's Republic of China, the Republic of Indonesia and the Kingdom of Thailand

File note

The Anti-Dumping Commission (Commission) conducted a benchmark verification of the responses to the exporter questionnaires (REQ) by PT Asahimas Flat Glass Tbk,¹ AGC Asia Pacific Pte Ltd² and Guardian Industries Corp Ltd.³ The verification involved targeted procedures informed by risk and consistent with Anti-Dumping Notice No. 2016/30 to satisfy the verification team of the accuracy, relevance and completeness of the REQs. Verification work programs were completed at **Confidential Attachments 1 and 2.**

This file note details the findings, analysis, evidence relied upon and reasoning on key verification outcomes of data submitted to the Commission by the verification teams for publication on the public record.

It provides interested parties with information regarding all material aspects of the verification, including explanations of any material issues identified during the verification. It outlines the nature, extent and consequences of any changes made to the data submitted, including data corrections made by the company or by the verification team.

Verification teams are authorised to conduct verifications under section 269SMG and 269SMR of the *Customs Act 1901* (Cth) (the Act).⁴

¹ EPR 575, no 010.

² EPR 575, no 011.

³ EPR 575, no 008.

⁴ References to any section in this report relate to provisions of the Act, unless specifically stated otherwise.

**PT ASAHIMAS FLAT GLASS TBK AND AGC ASIA PACIFIC
PTE LTD**

A combined verification was conducted for these entities as AGC Asia Pacific Pte Ltd (AAP) is the entity which facilitates the Australian sales of the goods manufactured by PT Asahimas Flat Glass Tbk (PT Asahimas).

Export price

The verification team considers that for all Australian export sales during the inquiry period, supplied directly from PT Asahimas or through AAP, PT Asahimas is the exporter of the goods.

The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

The verification team considers that PT Asahimas meets the latter definition, as all sales during the inquiry period were supplied by PT Asahimas through AAP. Furthermore, in relation to those sales:

- PT Asahimas is named as the manufacturer on the invoice; and
- PT Asahimas is named as the shipper/exporter on the bill of lading.

In respect of PT Asahimas's sales of the goods to its unrelated customers through AAP during the period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price;
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁵

The verification team therefore considers that all export sales to Australia made by PT Asahimas via AAP to its Australian customers during the inquiry period were arms length transactions.

In respect of Australian sales of the goods by PT Asahimas, the verification team considers that the importer has not purchased the goods from the exporter, and export prices cannot be determined under sections 269TAB(1)(a) or 269TAB(1)(b). The verification team has therefore determined the export price under section 269TAB(1)(c), having regard to all circumstances of the exportation. Specifically, the

⁵ Section 269TAA of the Act refers.

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verification team has calculated the export price as the price paid by the importer to AAP, less transport and other costs after exportation.

The verification team's preliminary export price calculations are at **Confidential Appendix 1**.

Normal value

PT Asahimas did not make domestic sale of like goods to any related customers during the inquiry period. In respect of its domestic sales of like goods to its unrelated customers during the inquiry period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price;
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁶

The verification team therefore considers that all sales made by PT Asahimas to its domestic customers during the inquiry period were "arms length" transactions.

In respect of domestic sales of like goods by PT Asahimas, the verification team recommends that the normal value be determined under section 269TAC(1), being the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter.

When calculating a normal value under section 269TAC(1), in order to ensure a proper comparison between the goods exported to Australia and the goods sold on the domestic market, the Commission considers the volume of sales of each exported MCC on the domestic market. As the volume of domestic sales of each of PT Asahimas' exported models are 5% or more of the volume exported, the verification team considered a proper comparison could be made at the MCC level. The verification team also assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia and found that the volume of sales was not less than 5%.

The verification team's preliminary normal value calculations are at **Confidential Appendix 3**.

Adjustments

The verification team is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The verification team considers

⁶ Section 269TAA of the Act refers.

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these adjustments to be necessary to ensure a fair comparison of normal value and export prices:

Adjustment Type	Deduction/addition
Domestic sales commission	Deduct an amount for domestic sales commission
Domestic credit terms	Deduct an amount for domestic credit terms
Domestic inland transport	Deduct an amount for domestic inland transport
Export inland transport	Add an amount for export inland transport
Export handling & other	Add an amount for export handling & other

Table 1 - Summary of adjustments - PT Asahimas

Dumping margin

The preliminary dumping margin in respect of the goods exported to Australia by PT Asahimas for the inquiry period is **15.3%**.

The preliminary dumping margin calculation is at **Confidential Appendix 4**.

GUARDIAN INDUSTRIES CORP LTD

Export price

Guardian Industries Corp Ltd (Guardian) made one export sale to an unrelated customer in the inquiry period.

Guardian noted in its REQ that this sale of the goods was approximately 0.7 tonnes and was the result of an order being mistakenly accepted from a customer which normally places one order of 2 mm clear float glass (not the goods subject to measures) with Guardian per year.⁷

The verification team considers that for this sale, Guardian is the exporter of the goods, as:

- Guardian is the manufacturer of the goods located in the country of export;
- Guardian is named as the seller on the commercial invoice;
- Guardian arranged transportation of the goods to the port of export to Australia;
- Guardian is named as the shipper on the bill of lading; and
- Guardian was aware that the goods were destined for Australia.

Guardian did not make export sales of the goods to any related customers in Australia during the inquiry period. In respect of its sale of the goods to its unrelated customer during the period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price;
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁸

The verification team therefore considers that the one sale made by Guardian during the inquiry period was an “arms length” transaction.

The verification team has sufficient information to calculate the export price under section 269TAB(1)(a), being the price paid by the importer to the exporter, less transport and other costs after exportation for the one transaction identified.

The verification team’s preliminary export price calculations are at **Confidential Appendix 5**.

⁷ EPR 575, no 008, p 16.

⁸ Section 269TAA of the Act refers.

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Normal value

In respect of Guardian domestic sales of like goods to its unrelated customers during the inquiry period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price;
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁹

The verification team therefore considers that all sales made by Guardian to its domestic customers during the inquiry period were “arms length” transactions.

In respect of domestic sales of like goods by Guardian, the verification team recommends that the normal value be determined under section 269TAC(1), being the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter.

When calculating a normal value under section 269TAC(1), in order to ensure a proper comparison between the goods exported to Australia and the goods sold on the domestic market, the Commission considers the volume of sales of each exported MCC on the domestic market. As the volume of domestic sales of each of Guardian exported models are 5% or more of the volume exported, the verification team considered a proper comparison could be made at the MCC level. The verification team also assessed the total volume of relevant sales of like goods as a percentage of the goods exported to Australia and found that the volume of sales was not less than 5%.

The verification team’s preliminary normal value calculations are at **Confidential Appendix 7**.

Adjustments

The verification team is satisfied there is sufficient information to justify the following adjustments in accordance with section 269TAC(8). The verification team considers these adjustments to be necessary to ensure a fair comparison of normal value and export prices:

Adjustment Type	Deduction/addition
Export ocean freight	Add an amount for export ocean freight
Export packaging	Add an amount for export packaging
Export inland freight	Add an amount for inland freight
Export port handling charges	Add an amount for port handling charges
Domestic packaging	Deduct an amount for domestic packaging

⁹ Section 269TAA of the Act refers.

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Domestic inland freight	Deduct an amount for domestic inland freight
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Table 2 - Summary of adjustments - Guardian

Dumping margin

As detailed above, Guardian made only one export sale during the inquiry period. As part of the Commission's verification process, the verification team has calculated a preliminary dumping margin of **47.8%** on this sale.

Guardian's claims and the relevance of the dumping margin to the Commissioner's recommendations to the Minister for the purposes of this inquiry will be examined in the Statement of Essential Facts.

The preliminary dumping margin calculation is at **Confidential Appendix 8**.

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CONFIDENTIAL APPENDICES

Confidential Appendix 1	PT Asahimas – Export price
Confidential Appendix 2	PT Asahimas – Cost to make and sell
Confidential Appendix 3	PT Asahimas – Normal value
Confidential Appendix 4	PT Asahimas – Preliminary dumping margin
Confidential Appendix 5	Guardian – Export price
Confidential Appendix 6	Guardian – Cost to make and sell
Confidential Appendix 7	Guardian – Normal value
Confidential Appendix 8	Guardian – Preliminary dumping margin
Confidential Attachment 1	PT Asahimas – Verification work program
Confidential Attachment 2	Guardian – Verification work program