

23 July 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

#### **Investigation 575 – Clear float glass exported from China, Indonesia and Thailand – Oceania Glass Pty Ltd response to Statement of Essential Facts No. 575**

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

Statement of Essential Facts No. 575 (“SEF 575”) details the Commissioner’s proposed recommendation to the Minister for Industry, Science and Technology (“the Minister”) that the Minister:

- take steps to secure the continuation of the dumping duty notice applicable to the goods exported from PT Asahimas and all other exporters from Indonesia (excluding PT Muliaglass);
- alter the variable factors for the dumping duty notice in relation to PT Asahimas; and
- allow the dumping duty notice applicable to the goods exported from China, Thailand and PT Muliaglass to expire.

Oceania Glass Pty Ltd (“Oceania Glass”) welcomes the Commissioner’s proposed recommendation to secure the continuation of the anti-dumping measures on exports of clear float glass (“CFG”) exported from Indonesia (excluding exports by PT Muliaglass) and to vary the applicable variable factors. Oceania Glass, however, does not agree with the Commissioner’s proposed recommendation to allow anti-dumping measures on exports of CFG from Thailand to expire on 17 October 2021.

This submission will outline the grounds upon which Oceania Glass considers that future exports of CFG from Thailand will likely be at dumped prices and will likely cause material injury to the Australian industry manufacturing like goods should the measures on exports from Thailand be allowed to expire.

##### **II. Exports of CFG from Thailand**

At Section 8.4.4 of SEF 575 the Anti-Dumping Commission (“the Commission”) has concluded that should the measures on CFG expire, exports from the subject countries (i.e. China, Indonesia and Thailand) are *likely* to continue.

The Commission has determined the following dumping margins for exports of CFG to Australia during the calendar year 2020 investigation period:



Country	Exporter	Dumping Margin
China	Uncooperative and all other exporters	28.2%
Indonesia	PT Muliaglass	-2.6%
	PT Asahimas Flat Glass Tbk	15.3%
Thailand	Guardian Industries Corp Ltd	47.8%

The Commission stated that it *“has preliminarily determined that the goods exported to Australia from Indonesia by all exporters other than PT Muliaglass, Thailand and China were dumped in the inquiry period”*.

The Commission further stated that in respect of exports by Guardian Industries Corp Ltd (“Guardian”) the determined dumping margin relates to a “single export”. Guardian stated to the Commission that the export was the only export volume of the subject goods during the investigation period. In its further assessment of the Guardian export sale to Australia the Commission contended that it *“does not consider that this export sale is representative of the price (or the quantities) at which guardian may export the goods to Australia in the absence of the measures”*. It further opined that the export shipment provides *“limited probative value”* in assessing whether dumping by Guardian would continue in the future if the exports are allowed to expire.

Separately, Oceania Glass notes the Commission’s analysis of Guardian’s third country sales, including sales to New Zealand. Specifically, the Commission stated:

*“..the Commission examined Guardian’s exports of CFG to New Zealand. The Commission considers that New Zealand’s geographical proximity to Australia and the similar level of market development may inform the Commission of the nature of exports if they were to resume to Australia. The Commission noted that Guardian’s selling prices into the New Zealand market are comparable to Guardian’s domestic selling prices. However, the Commission also noted that the prices into New Zealand were significantly higher than the weighted average selling price into all third countries and considers this may not be reflective of Guardian’s pricing strategy into Australia if it were to resume exports.”*

The Commission did note *“considerable variability in export pricing relative to Guardian’s weighted average domestic selling price”*. It is not clear what this “variability” relates to, however, it would appear to represent the broad range of domestic prices versus export pricing.

The Commission offered a contingent view as to the likelihood of future dumping by Guardian. It stated that *“On the current balance of probabilities, the Commission considers that while Guardian may export at dumped prices in the future, there is insufficient evidence at present to conclude that it is **likely** that it will do so. However, **this finding is finely balanced and may change if additional evidence was submitted that indicated that dumping was likely to continue**”* (emphasis added).

Oceania Glass considers that *on balance* it is *likely* that Guardian would resume exports to Australia at dumped levels in the absence of measures. This viewpoint is based on a number of additional considerations





including a recent article published in July/August 2020 newsletter of Glass Worldwide involving an interview with the General Manager for Guardian Glass' Asia Pacific region that included the following excerpts<sup>1</sup>:

*"Guardian first invested in Thailand in 1991, with a float glass plant in Nong Khae. A second plant was built in Rayong in 1996 and Guardian Glass has continued to invest and grow in the country. More than 50% of Guardian's business is now exported outside Thailand.*

*The new headquarters, in the centre of Bangkok, is a collaborative space that forms the base for Guardian's Asia-Pacific business."*

The interview involved comments concerning the recent highlights of Guardian Glass' performance in the region, including:

*"Guardian has invested \$100 million in the past five years and is excited by investment plans. This includes critical rebuilds of existing equipment and the addition of a state-of-the-art, automated laminated glass line. We continue to see large potential in Thailand and the broader Asia Pacific region, which for Guardian Glass includes Japan and South Korea in the north, down to **Australia** and New Zealand in the south and spanning west to India."*

Guardian has upgraded its glass production facilities and has excess capacity to supply (CFG and laminates). The Glass Worldwide commentary confirms that Guardian firmly has Australia in its sights as a target export country for its glass (including CFG) exports.

In the context of a continuation investigation (and some nine months following the Glass Worldwide interview) Guardian's 11 March 2021 submission (EPR Document 004) contends it *"does not intend to supply CFG from its Thailand facility"* to the Australian market. These representations would appear to conflict with Guardian's Asia Pacific General Manager's statements and seek to superficially veil Guardian's true intentions.

Oceania Glass also reminds the Commission of recent Investigation No. 479 (published on 7 March 2019) that involved certain circumvention activities of Guardian to export CFG to Australia to circumvent the CFG anti-dumping measures. It would seem premature to release Guardian – that was found to have circumvented the applicable measures continued in 2016 - from the measures in light of the company's intention to continue export sales into the Australian (and New Zealand) markets.

Additionally, Oceania Glass has examined available export data for CFG exported from Thailand to Australia and New Zealand across the investigation period. The export data assessed below confirms that the anti-dumping measures applicable to CFG exported from Thailand have had the desired impact of discouraging sales into Australia at dumped prices. Export data published by Thailand Customs for CFG is available under the following tariff classifications:

- 7005.29.90/001 – for glass of a thickness not exceeding 5 mm; and
- 7005.29.090 – Other.

---

<sup>1</sup> Glass Worldwide Newsletter, July/August 2020, Issue No. 90 (see Non-Confidential Attachment 2).



As indicated in SEF 575, Thai exports of some CFG are also classified to subheading 7006.00, and are captured by the Thai subheading 7006.90/000. Total exports of CFG to Australia under the three categories on a month-by-month basis contrasted with export volumes to Australia are reflected in Tables 1-3 below.

**Table 1 – Thai CFG exports of glass not exceeding 5mm (7005.29.90/001)**

	<b>Australia</b>			<b>New Zealand</b>		
Period	Qty (kgs)	FOB Value (A\$)	Unit FOB A\$/kg	Qty (kgs)	FOB Value (A\$)	Unit FOB A\$/kg
Jan 2020	69349	42784	0.6169	825231	334576	0.4054
Feb 2020	115790	68620	0.5926	620361	253196	0.4081
Mar 2020	254060	145717	0.5736	677428	293250	0.4329
Apr 2020	107538	69326	0.6447	111054	48601	0.4376
May 2020	111092	77624	0.6987	923409	411823	0.4460
Jun 2020	117577	73243	0.6229	937367	396325	0.4228
Jul 2020	158788	96529	0.6079	1317425	523767	0.3976
Aug 2020	131306	82974	0.6319	550782	215572	0.3914
Sep 2020	115134	67511	0.5864	838029	317258	0.3786
Oct 2020	207319	115692	0.5580	569345	224176	0.3937
Nov 2020	173230	104111	0.6010	432864	165679	0.3828
Dec 2020	153275	84869	0.5537	750616	272490	0.3630
<b>Total</b>	<b>1,714,458</b>	<b>1,028,999</b>	<b>0.6002</b>	<b>8,553,911</b>	<b>3,456,712</b>	<b>0.4041</b>

Source: Thai Customs export data at Customs.go.th/Statistical data. – see Confidential Attachment 1.

Table 1 reflects exports of glass not exceeding 5 mm with approximately 1,714,458 kgs exported to Australia during 2020 compared with exports to New Zealand of 8,553, 911 kgs. The weighted average unit FOB for exports to Australia was A\$0.6002 per kg, compared with A\$0.4041 per kg for exports to New Zealand.

The overall quantity of less than 5 mm glass exported to New Zealand was almost 5 times the volume exported to Australia in 2020. The weighted average price to New Zealand was approximately 33 per cent lower than the weighted average export price to Australia over this period.

Table 2 below reflects Thai exports for all other CFG (i.e. exports of 5mm and above) to Australia and New Zealand.





**Table 2 – Thai CFG exports – other (7005.29.90/090)**

	<b>Australia</b>			<b>New Zealand</b>		
Period	Qty (kgs)	FOB Value (A\$)	Unit FOB A\$/kg	Qty (kgs)	FOB Value (A\$)	Unit FOB A\$/kg
Jan 2020	58092	38893	0.6695	388941	169118	0.4348
Feb 2020	19776	13391	0.6771	408391	178589	0.4373
Mar 2020	19776	14207	0.7184	192456	89299	0.4640
Apr 2020	0	0	0	37152	18094	0.4870
May 2020	19776	14494	0.7329	582931	277298	0.4757
Jun 2020	0	0	0	498554	226501	0.4543
Jul 2020	19776	13014	0.6581	589516	250248	0.4245
Aug 2020	0	0	0	339875	141858	0.4174
Sep 2020	4045	2669	0.6599	573789	233151	0.4063
Oct 2020	0	0	0	397192	163319	0.4112
Nov 2020	19776	11555	0.5843	534709	220222	0.4119
Dec 2020	40003	20778	0.5194	550492	212147	0.3854
<b>Total</b>	<b>201,020</b>	<b>129,003</b>	<b>0.6418</b>	<b>5,093,998</b>	<b>2,179,845</b>	<b>0.4279</b>

Source: Thai Customs export data at Thaicustoms.go.th. – see Confidential Attachment 1.

Table 2 confirms that Thai exports to New Zealand for glass of 5 mm and greater in thickness were 25 times greater than Thai exports to Australia. The weighted average Thai FOB export price for this category into New Zealand was 33 per cent lower than the weighted average FOB export price into Australia.

The Commission confirmed that some Thai exports of CFG are exported to Australia from Thailand only under tariff subheading 7006.00.00. Thai export data confirms that approximately 277,417 kgs of glass was exported to Australia in 2020 with a weighted average unit FOB value of A\$1.938 per kg.

There were almost no exports of CFG to New Zealand under subheading 7006.00 in 2020.

The Thai export data confirms that exports under the identified CFG classifications are greater to New Zealand than Australia during the 2020 investigation period at much lower FOB export prices. The volume and price levels into the smaller New Zealand market suggest that the applicable anti-dumping measures that apply in the larger Australian market have had the desired effect.

Oceania Glass also notes the Commission's use of the "*shipping distance estimation calculator*" which it used to understand what Guardian production facility in the UAE or Thailand would be used to supply product with the shortest shipping timeframe to eight countries supplied from both facilities. The Commission confirmed that for Guardian's exports "*97% of the total volumes exported to these 8 common countries was supplied from the facility with the shortest shipping time*". The Commission concluded that "*should the measures not be continued.....Guardian would be motivated to change its strategic objectives and would continue to export the goods to Australia*" from its closest manufacturing facility in Thailand. This finding confirms a strong likelihood that Guardian would increase exports to Australia from Thailand in the absence of measures.



The Commission further established that Guardian had exported CFG into New Zealand during 2020. It is also evident from public comments by Guardian's General Manager, Asia Pacific that Australia (and New Zealand) are strategic markets for Guardian following its recent capital expenditure that has modernised the company's CFG manufacturing facilities.

Having considered these relevant facts (i.e. intention to supply Australia, Guardian's circumvention activity, trends for exports into New Zealand versus Australia and the Commission's assessment on shipping distances) Oceania Glass considers that future exports of CFG to Australia by Guardian are more *likely* than not should the measures be allowed to expire. The Guardian General Manager Asia Pacific comments that it sees "large potential" for markets in Asia including Australia and New Zealand is indicative of a likelihood that Guardian will target the Australian market for CFG if the measures on CFG are allowed to expire.

### III. Exports of CFG from China

The Commission did not receive cooperation from any Chinese exporter of CFG to Australia. The Commission did identify 14 new Chinese exporters of CFG to Australia since the measures were continued in 2016. Oceania Glass agrees with the Commission's assessment that China would appear to have spare capacity from which to supply the Australian market should the measures expire. It is Oceania Glass' understanding that CFG producers in China are presently focused on the domestic market due to increased demand in China.

### IV. Exports of CFG from Indonesia

The Commission confirmed that exports of CFG by PT Asahimas to Australia during 2020 were at dumped levels of 15.3 per cent. The Commission also confirmed that PT Asahimas' exporter questionnaire response confirmed that the company possessed excess production capacity from which it could supply an increased level of exports to Australia in the absence of measures.

Oceania Glass concurs with the Commission's assessment that future exports of CFG to Australia by PT Asahimas are likely to be at dumped prices that will likely result in a recurrence of material injury that the anti-dumping measures are intended to prevent.

### V. Recommendations

Oceania Glass agrees with the Commissioner's preliminary recommendation to the Minister that he take steps to continue the anti-dumping measures on CFG exports to Australia from Indonesia (except for exports by PT Muliaglass).

Oceania Glass further agrees with the Commissioner's assessment that future material injury from exports of CFG from China are not likely to cause material injury to the Australian industry should those measures be allowed to expire.

Oceania Glass, however, does not agree with the Commissioner's proposed recommendation concerning CFG exported from Thailand. In contrast with the Commission's "on balance" finding concerning CFGG exports to Australia by Guardian, Oceania Glass submits that Guardian is more *likely* than not to review its strategy of not exporting the subject goods to Australia in the absence of measures as:





- Guardian's General Manager Asia Pacific has identified Australia as a key export market for its CFG exports;
- the recent \$100 million upgrade of its glass making (including CFG) facilities positioning it to export to Asian markets including Australia;
- The activities of Guardian to circumvent the 2106 continued measures with the Minister's decision confirming circumvention by Guardian in March 2019 (Investigation 481);
- The Commission's shipping distance estimation calculator confirmed that Guardia exports from its closest production facility to the intended export market; and
- recognition that the anti-dumping measures have had the desired impact of limiting dumping (and material injury) from Thai CFG exports as evidenced in the higher volumes at significantly reduced prices into the New Zealand market (when compared with exports to Australia).

Oceania Glass considers that the available information supports a finding that should the measures on Guardian be allowed to expire it is *likely* that exports of Guardian's CFG from Thailand to Australia would resume at dumped prices in order for it to compete with imports from other sources of supply. Oceania Glass considers that the probability of this occurring is more likely than not and therefore requests the Commissioner to reconsider his preliminary recommendation that reflects an "on balance" assessment which is inconsistent with the available information.

Oceania Glass therefore proposes that the Commissioner recommend to the Minister that he take steps to continue the anti-dumping measures on CFG exported from Indonesia (except for PT Muliaglass) and Thailand. The measures applicable to CFG exported from China will therefore expire on 17 October 2021.

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

Yours sincerely



Anthony Alembakis  
Chief Financial Officer

