



FOR PUBLIC FILE

Application for the publication of
dumping and/or
countervailing duty notices
Clear Float Glass
exported from
Malaysia and the UAE

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:

- a dumping duty notice (for exports from United Arab Emirates), or
- a countervailing duty notice, or
- a dumping and a countervailing duty notice (for exports from Malaysia).

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

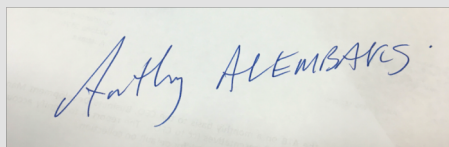
- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

Signature:



Name: Anthony Alembakis

Position: Chief Financial Officer

Company: Oceania Glass Pty Ltd

ABN: 99 630 152 206

Date: 15 March 2021

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants on the application for the publication of dumping and/or countervailing duty notices*
- *Instructions and Guidelines for applicants on the examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Email: clientsupport@adcommission.gov.au

Information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the Commission to discuss information requirements.

The application form requests data over several periods (P^1, P^2, \dots, P^n) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels $P^1 \dots P^n$ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices	Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u> . If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).
Provision of data	Industry financial data must, wherever possible, be submitted in an electronic format. <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission’s client support section for advice.
Lodgement of the application	This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either: <ul style="list-style-type: none">• preferably, email, using the email address clientsupport@adcommission.gov.au, or• post to: The Commissioner of the Anti-Dumping Commission GPO Box 2013 Canberra ACT 2601, or• facsimile, using the number (03) 8539 2499.
Public Record	During an investigation all interested parties are given the opportunity to defend their interests by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission’s website at www.adcommission.gov.au . At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”. The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

A-1 Identity and communication

Please nominate a person in your company for contact about the application:

Contact Name:	Mr Anthony Alembakis
Company and position:	Chief Financial Officer, Oceania Glass Pty Ltd
Address:	95 Greens Road, Dandenong South, Victoria, 3175.
Telephone:	xxxxxxxxxx
Facsimile:	
E-mail address:	AAlembakis@oceaniaglass.com.au
ABN:	99 630 152 206

Alternative contact

Name:	Mr Corne Kritzinger
Position in company:	Chief Executive Officer
Address:	95 Greens Road, Dandenong South, Victoria, 3175
Telephone:	xxxxxxxxxx
Facsimile:	
E-mail address:	ckritzinger@oceaniaglass.com.au

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name:	John O'Connor
Business name:	John O'Connor & Associates
Address:	P.O. Box 329, COORPAROO, QLD, 4151
Telephone:	+61 7 3342 1921
Facsimile:	+61 7 3342 1931
E-mail address:	jmoconnor@optusnet.com.au
ABN:	39 098 650 241

A-2 Company information

1. **State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

The legal name of the business is Oceania Glass Proprietary Limited (ABN 99 630 152 206) hereafter referred to as “Oceania Glass” or “Oceania”.

Financial information has been presented in this application that spans the period 1 April 2016 to date. For the period up until and including 31 January 2019, the Oceania Glass business was owned by CSR Limited and the business was run through one of CSRs’ business units, called “Viridian”. The Viridian business unit consisted of 3 main operating businesses:

- Downstream Processing business in Australia
- Downstream Processing business in New Zealand
- Upstream glass production and distribution – now known as “Oceania Glass”.

This business was a combination of two sub-business units within Viridian, a manufacturing business unit, known as “Supply Chain” and a sales business unit known as “Stock and Trade”.

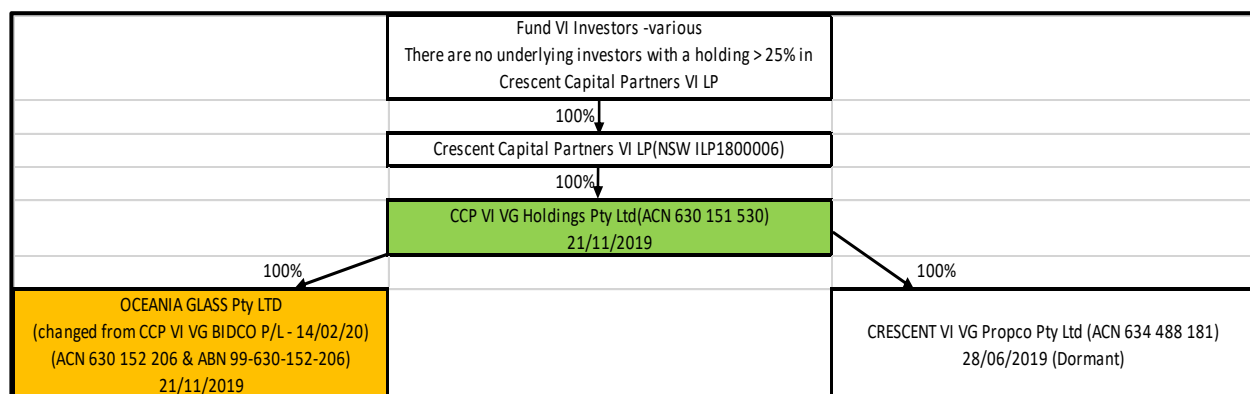
On 1 February 2019, the Viridian business unit was purchased by Crescent Capital. As part of this acquisition, the operations of Supply Chain and Stock and trade business units were transferred to a standalone legal entity (i.e. Oceania Glass Pty Ltd) as noted above (ABN 99 630 152 206).

2. **Provide your company’s internal organisation chart. Describe the functions performed by each group within the organisation.**

A copy of Oceania Glass’ internal organisation chart is included at Confidential Attachment A-2.2.

3. **List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

The major shareholders in Oceania Glass are depicted in the following diagram:



4. **If your company is a subsidiary of another company list the major shareholders of that company.**

Please refer to A-2.3 above.

5. If your parent company is a subsidiary of another company, list the major shareholders of that company.

Please refer to A-2.3 above. CCP VI VG Holdings (parent) is owned by Crescent Capital Partners VI, which is a limited liability Partnership.

6. Provide an outline diagram showing major associated or affiliated companies and your company's place within that structure (include the ABNs of each company).

The diagram at A-2.3 above identifies the applicant's affiliated companies.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

During the period of CSR ownership, there were corporate allocations of costs to the Viridian business units: Supply Chain and Stock and Trade (now Oceania). These costs included IT costs, debt collection, Account payable, payroll and other back office services.

During the period 1 February 2019 to 31 December 2020 there were back office services provided to Oceania Glass from its affiliated company, Viridian Glass Pty Limited. These services included, accounting; payroll; debt collection; accounts payable processing, other IT costs and were passed on at cost.

In addition, the Crescent Management company will pass charges on at cost, as they are incurred to Oceania for HR, finance and legal services.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

Oceania maintains a relationship with a number of importers of clear float glass into Australia for the purposes of procuring other related products, such as, bulk laminate glass, decorative bulk glass and bulk coated glass.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Oceania Glass has included its financial report for the year ending March 2020 at Confidential Attachment A-2.9 - this being the inaugural annual financial statements for Oceania Glass (as Viridian was owned by CSR in prior periods).

10. Provide details of any relevant industry association.

Oceania Glass is a member of the Australian Glass and Window Association (www.agwa.com.au).

A-3 The imported and locally produced goods

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.

The goods the subject of the anti-dumping application is Clear Float Glass ("CFG") in nominal thickness of 3 to 12 millimetres (mm).

The following Table 1 details the tolerances for each of the thicknesses in the nominated range (which are already the subject of anti-dumping measures – refer Investigation 575 on CFG exported from China, Indonesia and Thailand):

Table 1- Thickness tolerances for CFG

Nominal thickness (mm)	Acceptable Tolerances (mm)	
	Minimum	Maximum
3	2.80	3.50
4	3.51	4.50
5	4.51	5.50
6	5.51	7.00
8	7.01	9.00
10	9.01	11.00
12	11.01	12.30

The goods the subject of this application have the following characteristics:

- transparent;
- flat; and
- rectangle or square in shape.

Glass with the following characteristics is not the goods the subject of the application:

- coating, colour, tint or opaqueness;
- absorbent, reflective or non-reflective layer;
- wired;
- bent, edge-worked, engraved, drilled, enamelled or otherwise worked;
- framed or fitted with other materials;
- toughened (tempered) or laminated;
- acid etched; or
- low iron.

CFG sold in Australia (both Australian made and imported) is of international quality - sometimes referred to as western quality - which is characterised by the amount of distortions and imperfections in the glass. International quality CFG can also be separated into different grades. Some customers and end-users require a higher quality of glass beyond the 'normal' international quality, such as CFG for laminating.

2. List the tariff classification(s) and statistical code(s) of the imported goods.

The tariff classification of the goods the subject of the application is 7005.29.00, statistical codes 9, 3, 4, 5 and 6, in Schedule 3 of the *Customs Tariff Act 1995*.

The following is an extract from Schedule 3 of the Customs Tariff Act 1995 for the subject goods:

Harmonized Tariff Item Statistical Code & Description (HTISC)	
7005.29.00.03	Non-wired clear float glass, in sheets, having a nominal thickness exceeding 3 mm but not exceeding 4 mm
7005.29.00.04	Non-wired clear float glass, in sheets, having a nominal thickness exceeding 4 mm but not exceeding 6 mm
7005.29.00.05	Non-wired clear float glass, in sheets, having a nominal thickness exceeding 6 mm but not exceeding 10 mm
7005.29.00.06	Non-wired clear float glass, in sheets, having a nominal thickness exceeding 10 mm
7005.29.00.09	Float glass, in non-wired sheets, not worked, having nominal thickness not exceeding 3 mm.

3. Fully describe your product(s) that are 'like' to the imported product:

- **Include physical, technical or other properties.**
- **Where the application covers a range of products, list this information for each make and model in the range.**
- **Supply technical documentation where appropriate.**
- **Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.**

CFG manufactured by the Australian industry is a like good to CFG exported to Australia from the United Arab Emirates (UAE) and Malaysia.

Oceania Glass has included a copy of a technical specification sheet for CFG manufactured by Xinyi at Confidential Attachments A-3.3.1.

The goods manufactured by Oceania Glass and the CFG produced by the exporters in Malaysia and the UAE are alike (same thickness and composition, same sizes, etc) and compete directly with each other.

4. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

Oceania Glass is the sole Australian manufacturer of CFG. The CFG is manufactured at Oceania Glass' Dandenong plant and closely resembles the imported CFG from Malaysia and the UAE. As indicated, CFG sold in Australia (both Australian made and imported) is of international quality (commonly referred to as 'western quality') which is characterised by the amount of distortions and imperfections in the glass.

The essential characteristics of the imported goods are like the CFG produced by Oceania Glass as follows:

(a) Physical likeness

The goods produced by Oceania Glass has a physical likeness to the goods exported from Malaysia and the UAE. In fact it would be difficult to distinguish between the locally produced CFG and the imported CFG when laid along side each other.

Oceania Glass manufactures CFG in thicknesses between 3 mm and 12 mm, which is the same as the imported goods. Both the locally produced and imported goods from Malaysia and UAW are produced to "international quality".

(b) Commercial likeness

There is a commercial likeness between the locally produced CFG and imported CFG from Malaysia and the UAE as Oceania Glass competes directly with suppliers from these countries across its customer base. Customers are readily able to switch supply due to the CFG being price sensitive. CFG can be considered a homogenous product.

(c) Functional likeness

Locally produced CFG and imported CFG have a functional likeness such that they can both be further processed to be laminated, double glazed, soft coated or toughened, and can be used for the same end-uses, such as windows or door panels.

(d) Production likeness

The production of CFG via a float process is essentially the same production process in Malaysia and the UAE as is used in Australia.

Oceania Glass considers that on the basis of possessing similar essential characteristics as the imported goods, it can be concluded that the locally produced goods are alike to the imported goods from Malaysia and the UAE.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

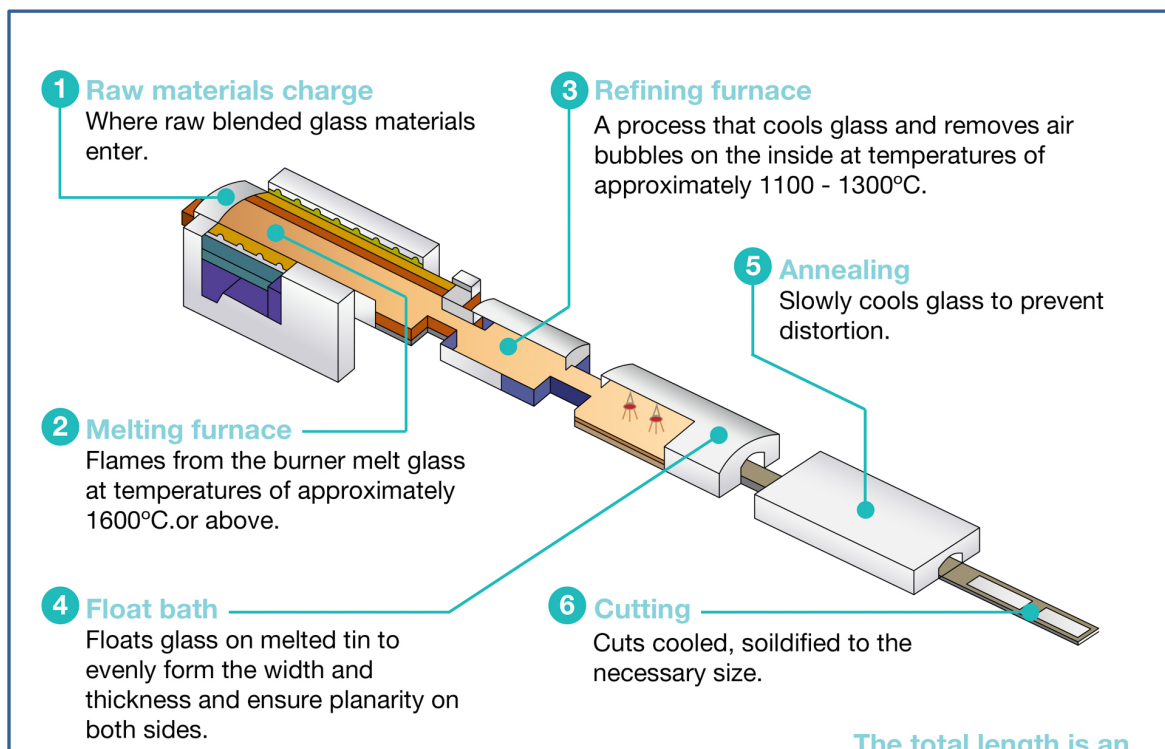
Steel strapping is covered by the ANZSIC Class 2110 Iron Smelting and Steel Manufacturing category which is classified as follows:

Division C	Manufacturing
Subdivision 20	Non-Metallic Mineral Product Manufacturing
Group 201	Glass and Glass Product Manufacturing
Class 2010	Glass and Glass Product Manufacturing

6. Provide a summary and a diagram of your production process.

The manufacture of flat annealed glass sheets involves using the float process whereby raw materials are melted in a large furnace, before the molten glass is floated on tin and manipulated to create different thicknesses of flat glass, which is then control cooled prior to being cut into large stock sheets. The Float process is by far the dominant manner in which flat glass is produced in the world for use in the building industry. Broadly qualities of glass are determined by fault density for subsequent use in silvering for mirror, laminating two or more sheets of glass, coating, toughening and general market applications.

Figure A-3.6 – CFG manufacturing process



7. **If your product is manufactured from both Australian and imported inputs:**
- describe the use of the imported inputs; and
 - identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

The manufacture of CFG by Oceania Glass is considered a substantial process of manufacture that is performed in Australia.

Certain raw material inputs are sourced from international markets, by value, with this contributing to approx. xx% of total inputs. Refer to table below. The raw materials used in the process are naturally occurring and have very little value added prior to going into the float glass manufacturing process. There is significant capital investment to establish a float line to manufacture CFG. Total investment required would be approx. \$xxm (excluding land value). The production process can not be interrupted, i.e. it needs to be performed in the one location, on the one float line.

[Deleted Confidential detail of costs for raw material inputs into CFG manufacture for Oceania Glass].

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

CFG is not a close processed agricultural good.

9. Supply a list of the names and contact details of all other Australian producers of the product.

Oceania Glass is the sole Australian producer of CFG.

10. If different models can be established for the goods subject to the application:

- **What are the differences in physical characteristics that give rise to distinguishable and material differences in price?**
- **Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.**
- **In providing the list of physical differences, identify the characteristics in order of significance.**
- **Identify key characteristics where the physical differences are significantly different and it is not meaningful to compare models with different physical characteristics.**
- **Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.**
- **Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.**

The goods under consideration (GUC) can be distinguished by reference to their substance, which refers to CFG thickness. The GUC are 3mm, 4mm, 5mm, 6mm, 8mm, 10mm & 12mm CFG.

Other differences relate to height and width of the glass plate although measurement of Cost to Make and Sell (CTMS) is determined in tonnage which is comparable at any substance.

The market is priced in square metres although conversion on tonnage is based on like conversions.

The Model Control Codes for the subject goods are as follows:

Category	Sub-category	Sales Data	Cost Data	Key category
3mm	Nil	Provided	Provided	Yes
4mm	Nil	Provided	Provided	Yes
5mm	Nil	Provided	Provided	Yes
6mm	Nil	Provided	Provided	Yes
8mm	Nil	Provided	Provided	Yes
10mm	Nil	Provided	Provided	Yes
12mm	Nil	Provided	Provided	Yes

A-4 The Australian market

1. Describe the end uses of both your product and the imported goods.

The most common use of CFG in Australia, both imported and locally manufactured, is as a building material. CFG is used in windows, doors, walls, roofing, partitions, fencing and balustrades. It may also be used in transportation, such as trains, trams and vehicles or solar panels.

Float glass manufacture results in a ribbon of glass in typical thickness of 3mm to 19mm in the building market, that is cut into large sheets and typically transported and sold in packs or cases of multiple sheets. GFC is sold to businesses referred to as 'glass processors' who then process the large glass sheets further by cutting, toughening, painting, laminating, constructing insulated glass units and so forth in preparation for use in its final intended form. This may then be sold to glaziers, window fabricators or other businesses that are responsible for the installation of the glass into buildings. Businesses may undertake one or more of these activities. A range of influencers will often be involved in the specification and selection of products to meet the intended use, including, but not limited to architects, building designers, engineers, energy assessors, builders and clients.

2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- sources of product demand;
- marketing and distribution arrangements;
- typical customers/users/consumers of the product;
- the presence of market segmentation, such as geographic or product segmentation;
- causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;
- the way in which the imported and Australian product compete; and
- any other factors influencing the market.

(i) Sources of product demand

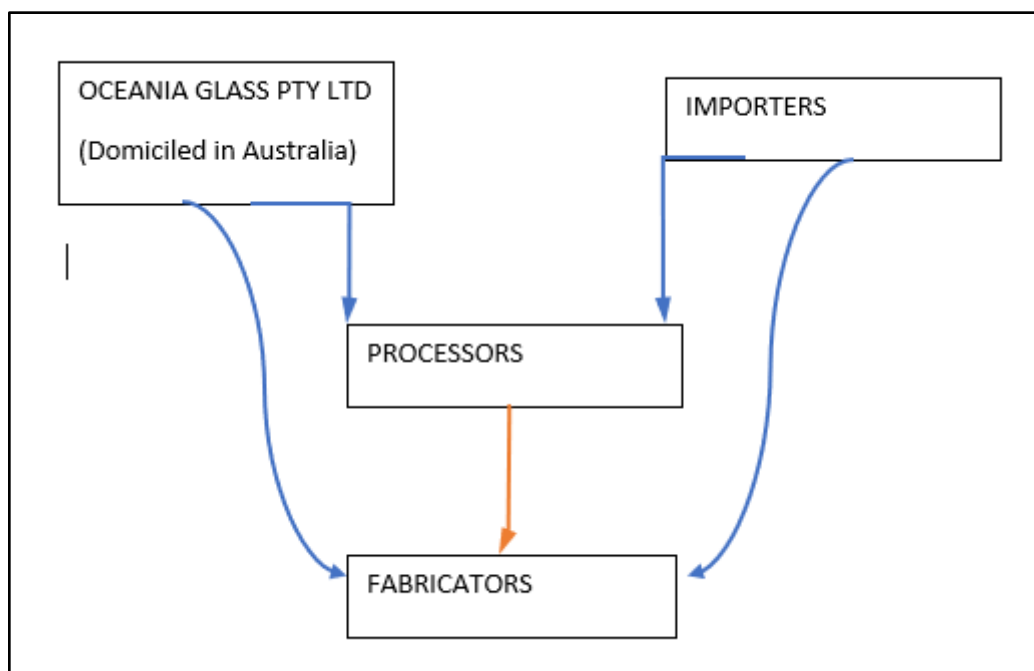
Demand is significantly influenced by construction activity in residential and commercial markets across Australia. Types of glass are selected for its ability to provide access to natural light, views, aesthetic considerations, occupant comfort, energy efficiency, acoustic, security and safety performance amongst other goals. The National Construction Code and other relevant standards influence the type of required to be used in certain applications.

(ii) Typical customers/users/consumers

Oceania Glass and importers sell CFG to glass processors (for lamination, painting, soft coating or toughened processing) or fabricators (for uses such as shower screens, splashbacks, doors, windows).

The glass processors tend to purchase higher volumes than fabricators, with product often on-sold to fabricators. Once further processed (or 'value-added') the CFG is no longer consider a like good.

The following diagram details the market structure in Australia for CFG.



(iii) Market segmentation

The market is not typically segmented by geographical location, although it is acknowledged highest demand for CFG is located on the eastern seaboard.

The main segmentation involves the split between sales to processors and fabricators. There are also a number of “Merchandisers” operating in the major capital cities. These businesses are resellers of float glass, with primarily a merchandised product offer, meaning mixed loads, sheet sales (versus bulk). They have a relatively low market share.

(iv) Causes of demand variability

As indicated above, construction activity is the key variable in demand for CFG.

(v) The way in which imports and local CFG compete

It is usual commercial practice for price lists to be agreed with customers for a period of 12 months. There are generally no fixed supply arrangements (take or pay) in place, rebates are sometimes negotiated with customers based on volume or product mix targets.

(vi) Other factors

Oceania is the only producer of CFG in Australia, other producers of CFG are a combination of large international companies such as St Gobain; Guardian and AGC that have float plants located across the world (none in Australia) and localised government / partial government owned float plants, located in Asia. These businesses import CFG into Australia.

The market for CFG is supplied by local production and imported product, with imports accounting historically for more xx% market share. In 2020, however, due to constraints on shipping, import volumes are at lower levels (than the past three years) and accounted for approximately xx per cent market share. Imports from Malaysia and the UAE accounted for more than half of the total import volume in 2020 at average prices that were the lowest of all import sources.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

CFG could potentially be substituted for a higher value glass, e.g. coated glass, laminated glass or “low iron” glass. However, all these products would be at a higher price point for the customers and would have performance and aesthetic differences from CFG.

There are no other building materials that would substitute for CFG that exhibit the key properties of the product i.e. transparency/light transmission.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

Oceania Glass has completed Confidential Appendix A1 for the 12 month period to 31 December 2020.

5. Complete appendix A2 (Australian market).

Oceania Glass has included its sales of CFG and sourced import data for the goods and completed Confidential Appendix A2 – Australian market for the four years 2017 to 2020.

6. Use the data from appendix A2 (Australian market) to complete this table:

*Indexed table of sales quantities**

Period	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
2017	100	100	100	100	100	100	100
2018	102.3	87.7	102.3	143.1	89.9	104.7	103.3
2019	98.6	87.4	98.6	159.4	67.1	92.7	96.0
2020	126.4	70.3	126.2	116.4	37.9	59.7	97.4

Notes:

1. Data from Confidential Appendix A2 and Confidential Appendix A6.1;
2. Years ending December.

The Australian market for CFG remained stable in 2020 despite the relative difficulties associated with freighting containers globally. From the outset it should be noted that the dumped imports (i.e. from Malaysia and UAE) grew rapidly in 2018 and 2019 to be 60 per cent higher in volume, than in 2017. Imports from other sources over this period declined by 33 per cent.

The Australian industry’s sales in 2020 improved as imports declined due to the difficulties associated with securing sea containers for shipments. The shortages did not affect exports from Malaysia which increased by approx. 180 per cent during 2020. Imports of CFG from the two largest supply sources are Malaysia and UAE – at prices that Oceania Glass contends are at dumped levels.

A-5 Applicant’s sales

1. Complete appendix A3 (sales turnover).

Oceania Glass has completed Confidential Appendix A3 for the goods the subject of this

application.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

*Indexed table of Applicant's sales quantities**

Quantity	2017	2018	2019	2020
All Products				
Aust. Market	100	106.0	94.8	109.0
Export Market	100	125.2	101.6	93.9
Total	100	108.0	95.5	107.5
Like Goods				
Aust. Market	100	105.8	101.2	128.3
Export Market	100	115.2	92.9	85.3
Total	100	107.0	100.1	122.5

*Index of data. For years ending 31 December.

Oceania Glass' sales of all manufactured glass declined in 2019, and increased in 2020.

*Indexed table of Applicant's sales values**

Revenues	2017	2018	2019	2020
All Products				
Aust. Market	100	106.3	93.2	101.8
Export Market	100	135.0	120.0	109.7
Total	100	108.5	95.3	102.5
Like Goods				
Aust. Market	100	103.0	96.7	122.8
Export Market	100	118.8	104.7	97.0
Total	100	105.0	97.7	119.6

*Index of data. Pⁿ For years ending 31 December.

Oceania Glass' domestic revenues have not matched comparative increases in volumes as average selling prices have failed to recover increases in production costs. Whereas revenues for like goods increased by 22 per cent in 2020, overall revenues increased 8.6 per cent.

- 3. Complete appendix A5 (sales of other production) if you have made any:**
- internal transfers; or
 - domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.

Oceania Glass has completed Confidential Appendix A5. The company does not have any internal transfers. Oceania Glass has imported some CFG in small quantities.

4. Complete appendix A4 (domestic sales).

Oceania Glass has completed Confidential Appendix A4 for the period 1 January 2020 to 31 December 2020.

5. **If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.**

Oceania Glass does not have any sales listed in Confidential Appendix A4 to related parties.

6. **Attach a copy of distributor or agency agreements/contracts.**

Oceania Glass does not have a distributor or agency agreement with a third party.

7. **Provide copies of any price lists.**

Oceania Glass has included a copy of a price list at Confidential Attachment A-5.7.

8. **If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.**

- **Where the reduction is not identified on the sales invoice, explain how you calculated the amounts shown in appendix A4 (domestic sales).**
- **If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.**

(i) Rebates

Oceania Glass has rebate arrangements in place with some customers. These rebates are agreed individually with each customer and generally consistent of either volume or product mix targets or a combination of both.

Rebates are not calculated on the sales invoice and therefore the amount shown at (12) Gross invoice value at appendix A4 does not include any rebates received by the customer.

Sales information has been provided for the calendar year to 31 December 2020 at Confidential Appendix A4. Rebates apply across all products of a customer's purchases and generally based on targets at a quarterly or annual basis

(ii) Credit Notes

If these have been issued to a customer during the sales periods presented at appendix A4, these are included as a negative value in column (12) Gross invoice value.

9. **Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.**

Oceania Glass has attached two complete sets of commercial documentation for each quarter within the twelve month period 1 January 2020 to 31 December 2020. Please refer to Confidential Attachment A-5.9.

10. Provide a list of model control codes from appendix A4.

The Model Control Codes for the subject goods are as follows:

Category	Sub-category	Sales Data	Cost Data	Key category
3mm	Nil	Provided	Provided	Yes
4mm	Nil	Provided	Provided	Yes
5mm	Nil	Provided	Provided	Yes
6mm	Nil	Provided	Provided	Yes
8mm	Nil	Provided	Provided	Yes
10mm	Nil	Provided	Provided	Yes
12mm	Nil	Provided	Provided	Yes

A-6 General accounting/administration information.

1. Specify your accounting period.

Oceania Glass' full financial year is the 12-month period ending 31 March.

2. Provide details of the address(es) where your financial records are held.

Oceania Glass' financial records are held at the company's premises at 95 Greens Road, Dandenong South, Victoria, 3175.

3. To the extent relevant to the application, please provide the following financial documents for the two most recently completed financial years plus any subsequent statements:

- **chart of accounts;**

Please refer to Confidential Attachment A-6.3.3 for a copy of Oceania Glass' Chart of Accounts.

- **audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion);**

For the period 1 April 2016 to 31 January 2019, covering financial periods Years-ending March 2017, 2018 and 10 months of Year-ending March 2019, the Oceania business was owned by CSR Limited. During this time, the Oceania business was incorporated into the CSR Business Unit referred to as "Viridian". The Oceania business as it is today, was run as 2 business units of Viridian: Supply Chain (manufacturing & bulk glass distribution) and Stock & Trade (selling & distribution).

The mandated CSR Corporate reports prepared for Viridian for this period can be reconciled to the CSR Limited audited financial statements for this period and this is provided at Confidential Attachment A-6.3 – Audited Financial Data (to CSR accounts).

On 31 January 2019, the Oceania business was acquired by Crescent Capital Partners and from 1 February 2019 to date, Oceania has been operating in its own legal entity (previously known as CCP VI VG Bidco Pty Ltd (ACN 630 152 206). The Year-Ending March 2020 financial statements are included at Confidential Attachment A-2.9.

- **internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods.**

These documents should relate to:

1. **the division or section/s of your business responsible for the production and sale of the goods covered by the application, and**
2. **the company overall.**

Refer to Confidential Attachment A-2.9 for 2020 annual financial statements and Confidential Attachment A-6.3.3 – for monthly P&L Reports from April to December 2020.

4. If your accounts are not audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Oceania Glass' financial statements are audited.

5. If your accounting practices, or aspects of your practices, differ from Australian generally accepted accounting principles, provide details.

Oceania Glass' accounts comply with Australian generally accepted accounting principles.

6. Describe your accounting methodology, where applicable, for:

- **The recognition/timing of income, and the impact of discounts, rebates, sales returns warranty claims and intercompany transfers;**

Sales of bulk glass are recognised when they are dispatched from the warehouse and sales of merchandised product when dispatched / small number on pick up by customer.

At the end of each month, an estimate of the rebates owing to customers is accrued in the accounts, the full value of this is then balanced up once the period to which the rebates relate to is completed, e.g. if quarterly targets, then this accrual is trued up at the end of the relevant quarter.

- **provisions for bad or doubtful debts;**

Bad debts are provided for on a case by case basis. Each month the customer accounts are reviewed and a provision is raised for those considered doubtful.

- **the accounting treatment of general expenses and/or interest and the extent to which these are allocated to the cost of goods;**

General expenses and interest are not incorporated into the standard costs / cost of goods.

- **costing methods (eg by tonnes, units, revenue, activity, direct costs etc) and allocation of costs shared with other goods or processes;**

Goods manufactured by Oceania are costed using a standard costing process. This involved establishing a cost for each type of manufactured product based on budgeted costs and expected manufacturing yields for the financial year. All manufacturing costs are allocated to the product cost / standard cost. Key components of standard costs are allocated as follows:

Raw materials "batch"	Able to be calculated based on each product and cost can be reasonably estimated based on long term supply agreements of major inputs
Packaging Materials	Not allocated to the standard cost of goods.
Gas/Electricity	Estimate calculated based on annual total production and allocated to products based on time (hours).
Labour	Estimate calculated based on annual total production and allocated to products based on time (hours).
Maintenance	Estimate calculated based on annual total production and allocated to products based on time (hours).
Depreciation	Estimate calculated based on annual total production and allocated to products based on time (hours).
Other	Estimate calculated based on annual total production and allocated to products based on time (hours).

- **the method of valuation for inventories of raw material, work-in-process, and finished goods (e.g. FIFO, weighted average cost);**

Raw materials – valuation is based on a standard costing methodology.

Work in progress (semi-finished) – Manufacturing absorbed costs at standard cost.

Finished goods – Manufacturing absorbed costs at standard cost.

- **valuation methods for scrap, by-products, or joint products;**

Float glass that is produced that does not meet quality standards can generally be reused. It is crushed into cullet and held on site for incorporation into Raw Materials / “batch” of future float glass manufacture. This cullet is valued at the estimated cost of the raw materials.

Float glass produced is used to produce laminated bulk glass. This involves bonding two sheets of float glass with one or more PVB interlayers by subjecting to heat pressure. Laminated glass that does not meet quality standards is sold at to be recycled.

- **valuation methods for damaged or sub-standard goods generated at the various stages of production;**

As above.

- **valuation and revaluation of fixed assets;**

Purchased fixed assets are valued at cost less depreciation. Assessment of carrying value is performed annually in line with Australian Accounting Standards.

- **average useful life for each class of production equipment, the depreciation method and depreciation rate used for each;**

Each fixed asset is reviewed at the time of capitalisation to determine the appropriate effective life. The depreciation method applied is straight line. Fixed asset registers can be provided upon request which detail rate used for production equipment.

- **treatment of foreign exchange gains and losses arising from transactions and from the translation of balance sheet items; and**

These are recorded once realised.

- **restructuring costs, costs of plant closure, expenses for idle equipment and/or plant shut-downs.**

During the period the business was under ownership of CSR Limited (until 31 January 2019) restructuring costs were allocated to the central Viridian cost centre and therefore not included in the results presented. From 1 February 2019, the business has incurred restructuring costs that relate to its share of the split up of the Viridian business into 3 separate standalone businesses, these primarily included costs associated with the establishment of separate IT environments and back office processes.

Additionally, there were one-off adjustment to stock following acquisition by CCP.

Idle time for the float plant associated with repairs and maintenance work requirements is included in manufacturing costs and will show in the financial results as a negative manufacturing variance.

7. **If the accounting methods used by your company have changed over the period covered by your application please provide an explanation of the changes, the date of change, and the reasons.**

The main change in accounting method over the period covered in the application has been the treatment and presentation of "internal" sales. As the business was split into two separate business units under CSR ownership, the treatment of transfers between these units and also to the Downstream Viridian business has therefore changed over the period. These have been normalised in the P&Ls presented.

A-7 Cost information

1. **Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.**

Oceania Glass has completed Confidential Appendices A6.1 and A6.2, by quarter for the 16 quarters to 31 December 2020.

2. **Provide a list of model control codes from appendix A6.1 and A6.2.**

The Model Control Codes for the subject goods are as follows:

Category	Sub-category	Sales Data	Cost Data	Key category
3mm	Nil	Provided	Provided	Yes
4mm	Nil	Provided	Provided	Yes
5mm	Nil	Provided	Provided	Yes
6mm	Nil	Provided	Provided	Yes
8mm	Nil	Provided	Provided	Yes
10mm	Nil	Provided	Provided	Yes
12mm	Nil	Provided	Provided	Yes

A-8 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

1. Estimate the date when the material injury from dumped and/or subsidised imports commenced.

The CFG business was purchased from CSR with effect from 1 February 2019. At this time, imports of CFG from Malaysia and the UAE were well-established in the Australian market and were materially impacting the profit and profitability of the CFG domestic business. At the time of acquisition of the business, imports from Malaysia and the UAE accounted for approximately 38 per cent of the total import volume (based on 2018 calendar year).

The import volume from Malaysia and UAE has continued to grow market share and during 2020 the imports from both sources accounted for 54 per cent of total imports (as imports from all other sources retreated).

The applicants consider that the material injury from the dumped exports from Malaysia and the UAE commenced prior to Oceania Glass' ownership – in 2017 and 2018.

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. Pⁿ is the most recent period.

Index of production variations (model control code)

Period	2017	2018	2019	2020
3 mm	100	101.1	80.0	91.8
4 mm	100	96.5	92.8	133.0
5 mm	100	115.7	100.6	117.5
6 mm	100	96.4	96.3	110.6
8 mm	100	87.6	77.1	106.0
10 mm	100	142.3	115.6	160.6
12 mm	100	105.8	94.7	123.7
All models	100	104.8	93.5	116.6

*Use data from label A of appendix A6.1

Oceania Glass' production of CFG increased in 2018, contracted by 11 per cent in 2019 and expanded by 13 per cent in 2020.

Index of cost variations (model control code)

Period	2017	2018	2019	2020
3 mm	100	84.3	112.5	111.0
4 mm	100	78.0	112.0	107.2
5 mm	100	78.6	110.6	108.3
6 mm	100	85.8	110.8	111.2
8 mm	100	94.3	113.2	113.4
10 mm	100	89.3	109.0	115.0
12 mm	100	88.6	106.5	111.5
All models	100	82.8	110.8	109.6

*use data from label J of appendix A6.1

Oceania Glass' production costs for the subject goods have, on average, increased 10 per cent since 2017.

Index of price variations (model control code)

Period	2017	2018	2019	2020
3 mm	100	100.7	101.2	103.1
4 mm	100	95.6	94.0	93.9
5 mm	100	99.0	98.4	98.5
6 mm	100	95.5	91.9	92.6
8 mm	100	100.6	100.3	101.7
10 mm	100	97.4	95.9	95.9
12 mm	100	99.5	98.2	99.1
All models	100	97.4	95.6	95.8

*Use data from label L of appendix A6.1

The applicant's selling prices have on average declined since 2017 (by approximately 4 per cent).

Index of profit variations (model control code)

Period	2017	2018	2019	2020
3 mm	100	-892.3	-3688.0	-2635.0
4 mm	100	42.6	-84.9	-33.0
5 mm	100	85.6	-49.4	-17.0
6 mm	100	56.2	-0.1	0.0
8 mm	100	79.9	25.4	14.8
10 mm	100	82.0	18.8	-17.7
12 mm	100	136.0	-4.2	-52.7
All models	100	61.4	-34.1	-20.7

*use data from label M or N (specify as appropriate) of appendix 6.1

Oceania Glass has experienced a decline in profit (and profitability) in 2018 and 2019, with a minor improvement in 2020 (although not to break-even).

Index of profitability variations (model control code)

Period	2017	2018	2019	2020
3 mm	100	-886.1	-3644.3	-2556.6
4 mm	100	44.6	-90.4	-35.2
5 mm	100	86.5	-50.2	-17.2
6 mm	100	58.8	-0.1	0.0
8 mm	100	79.4	25.3	14.5
10 mm	100	84.2	19.6	-18.4
12 mm	100	136.6	-4.2	-53.2
All models	100	63.0	-35.7	-21.6

*use data from label O of appendix A6.1

Oceania Glass' profitability in 2020 remains eighty per cent below the level of 2017.

3. Complete appendix A7 (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

Oceania Glass has completed Confidential Appendix A7. The 2020 data is for the first nine months of Oceania Glass' 2021 financial year.

Index of Assets

Period	2017	2018	2019	2020
Index	100	93.4	18.4	22.2

*use data from [appendix A7](#)

The asset values were written down at time of purchase by Oceania Glass.

Index of Return on Investment

Period	2015/16	2016/17	2017/18	2018/19
Index	100	123.7	-33.8	-23.7

*use data from [appendix A7](#)

Oceania Glass' return on the CFG business has deteriorated following its purchase.

Index of Capacity Utilisation

Period	2017	2018	2019	2020
Index	100	106.3	95.9	116.8

*use data from [appendix A7](#)

The capacity utilisation for the subject goods declined in 2019 and has increased in 2020 as imports declined due to shipping difficulties (although did not complete cease).

Index of employment

Period	2017	2018	2019	2020
Index	100	97.6	93.1	96.7

*use data from [appendix A7](#)

Oceania Glass employment numbers directly involved with the manufacture of the goods has remained relatively stable.

Index of Wages

Period	2017	2018	2019	2020
Index	100	113.6	97.7	104.1

*use data from appendix A7

The wages bill for the like goods covered by this application increased in 2020 by more than 6 per cent.

A-9 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

The volume of imports of CFG from Malaysia has increased from 57,726 square metres in 2017 to 875,681 square metres in 2020. This represents a 1500 per cent increase in volume. The imports from the UAE increased in 2018, remained at a similar level in 2019, and declined in 2020 to a level of approximately half the 2017 volume. Imports from Malaysia and the UAE have increased their combined share of the Australian CFG market from 12 per cent in 2017, peaking at 20 per cent in 2019, and declining to 14.4 per cent in 2020.

The decline in 2020 has only occurred due to the difficulties associated with securing shipping containers to export goods during the covid-19 pandemic. In the absence of the pandemic, the exports from Malaysia and the UAE would have continued to increase market share – at the expense of imports the subject of measures and sales by the Australian industry.

The Australian industry's sales volume and market share have improved in 2020 as imports have been difficult to secure due to limited shipping opportunities. However, the volumes imported have undercut the Australian industry resulting in price suppression that has resulted in losses in 2020.

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

The imports from Malaysia and the UAE increased in aggregate in 2018 and further again in 2019 as imports the subject of measures (i.e. from China, Indonesia and Thailand) retreated to one-third of the volume over a two-year period. The imports from Malaysia and the UAE capitalised on this retreat and secured increased sales with prices that undercut the selling prices for goods imported from countries the subject of measures.

As indicated above, the dumped imports share of the Australian market increased from 12 per cent in 2017 to 20 per cent in 2019, whereas the Australian industry's share remained stable in 2018 and increased by 2 per cent in 2019.

The growth in the dumped imports at rates that far exceeded the growth in imports from other sources of supply (including the Australian industry) was only achieved through price undercutting of all other industry suppliers.

The impact of the escalating dumped imports from Malaysia and the UAE on Oceania Glass' quarterly prices and profit and profitability is detailed in Confidential Appendix A6.1. Across all sales of the subject goods, Oceania Glass (or Viridian as it then was in 2018 and 2019) experienced a decline in overall selling prices in 2018 and again in 2019, as costs increased. This resulted in a deterioration of the Australian industry's profit of approximately 35 per cent in 2018, a further decline in 2019 of almost 100 per cent. In 2020, although Oceania Glass improved its sales volumes (due to shipping constraints that impacted imports) the company's selling price remained flat, as a consequence of the dumped imports from Malaysia and the UAE undercutting the Australian industry's prices.

Oceania Glass profit in 2020 improved slightly but remained in a loss position and represents a

126 per cent decline on the profit achieved in 2017.

Due to anti-dumping measures already applying on CFG from China, Indonesia and Thailand, access to competitor pricing for imports is difficult. Oceania Glass, however, has received feedback from the following customers as to pricing competition from imports.

(a) Case Study 1

[*Company name*] is an Oceania Glass customer. In June 2019 [*Company name*] confirmed that Xinyi of Malaysia was offering 4 mm clear CFG at approximately \$xxxx per square metre (based upon US\$xxxx per sq metre CIF). Oceania Glass price at the time for the equivalent CFG (i.e. 4 mm) was \$xxxx per sq metre.

Oceania Glass was required to reduce its selling price to \$xxxx per sq metre to retain the business. Refer to Confidential Attachment A-9.2.1.

(b) Case Study 2

[*Company name*] is a large [*products*] manufacturer. The company purchases significant volumes from Oceania Glass. In June 2019 [*Company name*] was approached by Xinyi of Malaysia for the supply of \$xxxxk value of CFG business.

J[*Company name*] reduced its purchases from Oceania Glass and sources some of its CFG requirements from Xinyi at a discount rate.

(c) Case Study 3

[*Company name*] is a glass processor in [*location*]. The customer purchases 10 mm and 12 mm CFG with an annual revenue of approx. \$xxx million. [*Company name*] was approached by Xinyi to purchase imported CFG from Malaysia. The prices offered (understood to be \$xxxx per sq metre and \$xxxx per sq metre) were priced below Oceania Glass' prices of \$xxxx and \$xxxx per sq metre respectively). This represented price undercutting of 16 and 11 per cent respectively.

Oceania Glass was involved in lengthy negotiations which resulted in two price reductions in response to the Xinyi price offerings. Oceania Glass reduced its prices initially by 7 per cent (with effect from *date*), and then again by a further 2 per cent to retain the business (with effect from *date*).

It is understood that [*Company name*] had sourced some Xinyi Glass imported product for trialling, however, Oceania Glass expects to be re-approached by [*Company name*] in time. Refer to Confidential Attachment A-9.2.3 for supporting information.

(d) Case Study 4

Oceania Glass supplies [*Company name*] in [*state*] with a wide range of CFG. Prior to the acquisition of the Glass business from CSR/Viridian, Viridian had a contract for supply with [*Company name*] (refer Confidential Attachment A-9.2.4(a)). During 2019 [*Company name*] was approached by Guardian to supply CFG from UAE. Oceania Glass was under pressure to retain the business and consequently reduced its selling prices at [*Company name*] by 15 to 17 per cent with effect from [*date*] (refer new contract at Confidential Attachment A-9.2.4(b)).

Oceania Glass reduced pricing at [*Company name*] by 15 per cent for its standard sized CFG in all thicknesses and for [*size*] the reduction was 17 per cent (refer Confidential Attachment A-9.2.4 (c) summary). The reductions were in direct response to offers from Guardian to supply ex UAE at [*Company name*].

3. **Compare the data at appendix A2 (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).**

During 2019 as imports of CFG from Malaysia and the UAE continued to increase (to approximately 20 per cent market share), Oceania Glass' CTMS increased materially (by almost 30 per cent). At the same time, Oceania Glass experienced a reduction in selling prices of xx per cent. Due to the increasing availability of dumped imports from Malaysia and the UAE (in aggregate) Oceania Glass was unable to raise selling prices to recover costs – particularly applicable following the change in ownership to Oceania Glass – with Oceania Glass reducing selling prices to hold sales volume and market share.

In 2019 and 2020 Oceania Glass has continued to experience price suppression that can be attributed to the company holding prices at reduced levels to compete with the dumped imports from Malaysia and the UAE. The high volume product of 4-6mm was particularly targeted with costs increasing and prices decreasing. The price suppression resulted in a deterioration of profits and profitability in 2019, with only a slight improvement in 2020 (even though sales volumes increased by 26 per cent). The Xinyi price offerings were approximately 17 per cent below that of the Australian industry.

4. **The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.**

A substantial investment is required every 18 - 20 years in the float line that manufactures clear float glass. This investment in 2020' dollars is estimated at \$xxm - \$xxm. This investment will be required for the Dandenong Float line around 2026. In order to make this investment, Oceania Glass' shareholders will require an expectation of a reasonable return on this investment in the lead up to 2026.

The reduction in profitability due to under-priced imports means the forecast returns on this investment may not be satisfactory, this could therefore result in the closure of the only float line in Australia and the loss of at least 120 jobs. A new business model would need to be established to ensure the continued operations of the business primarily as a distributor of imported products. If this new business model was not viable, another 115 jobs would be lost.

All float glass for the building and construction industry would therefore need to be imported and Australia would be reliant on other countries to supply a critical industry.

5. **Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be 'material'.**

As can be shown by the indexed tables provided, profit and profitability of like goods has at more than halved in 2019 and 2020. In 2019, this was a period in which imports from Malaysia and the UAE peaked at 20 per cent market share (and would have continued to escalate, but for the pandemic of 2020) across all categories and was negative in the last financial year.

Like goods are a material part of the Oceania Glass sales, contributing more than 50% of total sales by Oceania Glass sales by volume. Hence the deterioration in profit and profitability for the CFG business in 2019 and 2020 was material to Oceania Glass' profit.

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

The construction market is cyclical and over the past 10 years, has experienced a period of relatively stable and strong activity across Australia and New Zealand. The CFG market in the period 2017 to 2020 was relatively stable, with a shift away from imports from China, Indonesia and Thailand (all subject to measures) to increasing import volumes from Malaysia and the UAE.

The relative strength in demand (that has occurred during the Covid 19 pandemic period) could start to decline and this would mean that the dumped and subsidised imports will put further significant pressure on the profitability of the float glass industry should activity decline.

Float glass manufacturing is energy intensive and the business has experienced significant cost increases over the last 4 years in this area, with little relief in sight based on forecast prices.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry's economic condition. Use the data at appendix A2 (Australian market), appendix A6 (cost to make and sell), and appendix A7 (other economic factors) to support your analysis.

This application demonstrates that the imports of CFG from Malaysia and the UAE have escalated since 2017 when they accounted for 12 per cent market share, peaking at 20 per cent in 2019. Due to difficulties associated with shipping, the volumes decline in 2020 to 14.4 per cent market share, although the selling prices for the imports were priced below imports from all other sources.

An examination of FOB export prices from major sources of supply confirms that Malaysia and the UAE (with weighted-average A\$FOB export prices of \$7.246 per square metre and \$7.467 per square metre) during 2020, were the lowest of all import sources (except for Indonesia which is the subject of anti-dumping measures).

The import volumes from Malaysia and the UAE were double the volumes from China, Indonesia and Thailand in 2020. Malaysia and the UAE have emerged as the two largest sources of supply for CFG imports accounting for 54 per cent of total CFG imports into Australia in 2020. As other sources of supply (including from the Australian industry) remained relatively stagnant (or declined) in 2017 to 2019, the imports from Malaysia and the UAE were able to grow.

It is Oceania Glass' view that the dumped imports from Malaysia and the UAE were able to secure increased market share due to the dumping and price undercutting that was evident. Whilst it is difficult to secure information on competitor activity, Oceania Glass has received customer feedback (the majority of it being verbal) that the imported Xinyi (Malaysia and Guardian (UAE) CFG was offered at prices that undercut the Australian industry. Oceania Glass has reduced its prices for the high volume 4-6 mm CFG at some customers. Oceania Glass is therefore able to demonstrate it has experienced injury in the following forms:

- price depression;
- price suppression;
- lost profit and profitability;
- reduced return on investment;
- reduced attractiveness to reinvest.

Oceania Glass notes that the major CFG exporters in Malaysia and the UAE have links to associated companies that were involved in the initial investigation imposing anti-dumping

measures in 2011. Xinyi of Malaysia is related to Xinyi Ultrathin (Donguan) Co., Ltd of China (to which measures do not apply) and Guardian is affiliated with Siam Guardian Co Ltd of Thailand. The injurious exports from Malaysia and the UAE only commenced injuring the Australian industry in 2018, although there were volumes in the Australian market prior to this. As indicated, exports from Malaysia and the UAE have displaced volumes the subject of measures in China, Indonesia and Thailand, and increased their presence on the Australian market through 2018 and 2019. Oceania Glass is aware that once shipping limitations are removed (due to pandemic) the volumes from Malaysia and the UAE will increase further causing incremental injury to the Australian industry.

Oceania Glass requests the Commissioner to commence an investigation into the dumping of CFG from Malaysia and the UAE and the subsidisation of exports of CFG to Australia from Malaysia. Oceania Glass further requests the Commissioner to impose provisional measures as early from Day 60 as is practicable to limit the material injury currently being experienced by the Australian industry.

Oceania Glass looks forward to assisting the Commission with its investigation.

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The countries of export of the subject goods are Malaysia and the United Arab Emirates (“UAE”).

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

Oceania Glass understands that the country of export is also the country of origin for the goods (i.e. where the goods were manufactured).

3. If the source of the exports is a non-market economy, or an ‘economy in transition’ refer to Part C.4 and Part C.5 of the application.

Malaysia and the UAE are not considered non-market economy countries or economies-in-transition for the purposes of Australia’s Anti-Dumping provisions.

4. Where possible, provide the names, addresses and contact details of:

- producers of the goods exported to Australia;
- exporters to Australia; and
- importers in Australia.

The following producers are understood to be the exporters of the goods to Australia:

(i) Malaysia

Xinyi Glass Holdings Limited
Plot 23A & B
Elkay Industrial Park Lipat Kajang 77000
Jasin, Malacca, Malaysia
Tel: +606 530 6888

(ii) United Arab Emirates

Guardian Glass
Al Ittihad Road
(E11 Road Ras al Khaimah)
United Arab Emirates
Tel +91 7 205 8000

The following companies are understood to be importers of the subject goods:

(i) Walshs Glass
198 Bannister Road,
Canning Vale WA 6155
Tel: (08) 9366 6666

(ii) Solos Glass
1-9 Hedderwick Road
Dandenong Victoria 3175
Tel: (03) 9791 2333
Fax: (03) 9791 2030

(iii) Glassworks Pty Ltd
8a Kitchen Road
Dandenong South Victoria 3175
Tel: (03) 8788 5888

- (iv) Australian Glass Group
81-83 Rusdale Street
Knoxfield Victoria 3180
Tel: (03) 9730 7400

- (v) Barton Glass
420 Princess Highway
Noble Park Victoria 3174
Tel: (03) 9795 9514

- (vi) Cooling Bros Glass Company Pty Ltd
4 Dream Haven Court
Epping Victoria 3076
Tel: (03) 9408 3466

- (vii) Southern Star Aluminium Windows and Doors
55 Motorway Crt
Ormeau QLD 4208
Tel: (07) 5549 5600

- (viii) Modern Glass
20 Ryelane Street
Maddington WA 6109
Tel: (08) 9493 1600

- (ix) Core Toughened
Oakleigh South Victoria 3167
Tel: (03) 9544 6111

- (x) Melbourne Safety Glass Pty Ltd
73-85 Carroll Road
Oakleigh South Victoria 3167
Tel: (03) 9579 3844

- (xi) Tuffco Glass
11 Lawson Crest
Coffs Harbour NSW 2450
Tel: (02) 6651 1050
Fax: (02) 6651 1150

5. If the import volume from each nominated country at **Appendix A.2 (Australian Market)** does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

The imported goods from Malaysia and the UAE exceed 3 per cent of the total import volume in 2020. Table B-1.5 summarizes the import volumes from 2017 to 2020 into Australia.

Table 1.5 – Imports of CFG into Australia 2017-2020 (volume: m²)

Country	2017	2018	2019	2020	% of total 2020
Malaysia	57,726	145,866	309,337	875,681	32.5%
UAE	1,196,640	1,649,454	1,690,479	583,965	21.7%
China	1,577,209	736,407	418,700	300,456	11.1%
Indonesia	556,557	395,108	284,563	436,156	16.2%
Thailand	36,416	55,892	5,972	14,772	0.5%
USA	93,372	106,186	92,214	87,661	3.3%
Other	995,234	1,635,044	1,384,042	396,975	14.7%
Total	4,513,154	4,723,956	4,185,308	2,695,666	100.0%

Source: Confidential Appendix A2.

The imports from Malaysia and the UAE exceed 3 per cent of total imports during 2020.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at **Appendix A.2 (Australian Market)** does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application.

As this application does extend to an application for countervailing measures against imports from Malaysia and the volume of imports from Malaysia in 2020 exceeded 4 per cent of total imports, the application is consistent with the legislative requirements.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. **Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.**

The export price for the CFG imported from Malaysia and the UAE has been sourced from Australian Bureau of Statistics import data.

Table B-2.1 summarizes the FOB export price, by quarter, for each sized category of imports listed in the import data.

Table B-2.1 – FOB export prices by model, ex Malaysia and the UAE (A\$/sq metre)

Malaysia				
Model	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
3-4 mm	5.2521	4.5386	3.8650	4.0550
4-6 mm	5.7395	5.8206	5.2918	5.4660
6-10 mm	9.6292	9.7228	9.2322	9.4225
>10 mm	12.378	12.0707	11.1649	11.0585
< 3mm	7.1946	4.6250	5.6566	3.9695
UAE				
Model				
3.4 mm	3.6856	4.7615	4.1415	4.5859
4-6 mm	6.5651	7.3569	5.2575	6.5967
6-10 mm	13.5322	13.3847	10.9632	11.4576
>10 mm	15.3397	16.8903	13.8491	14.4376
< 3mm	3.2513	3.5874	2.9777	3.1312

Source: Confidential Attachment B-4.1 and Confidential Attachment B-1.5 (ABS Import Data).

The weighted-average export price for CFG exported from Malaysia during 2020 was \$6.7828 per square metre, and from UAE was \$5.9052 per square metre.

2. **Specify the terms and conditions of the sale, where known.**

The FOB export price is pricing at port of loading, country of export.

3. **If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.**

Oceania Glass considers published ABS import data is reliable for the purposes of establishing *prima facie* dumping margins.

4. **It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.**

Oceania Glass has relied upon published FOB export prices.

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

- 1. State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.**

Oceania Glass is not aware of published domestic selling prices for CFG sold in Malaysia or the UAE in industry publications, newsletters or on websites.

Oceania Glass has therefore determined normal values for CFG sold in Malaysia and UAE based upon another method. Refer to Section B-4 hereunder.

- 2. Specify the terms and conditions of the sale, where known.**

Refer to Section B-4.

- 3. Provide supporting documentary evidence.**

Refer to Section B-4.

- 4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.**

Oceania Glass is only aware of the nominated producers as per Section B-1.4 above.

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
- OR
- the selling price of like goods from the country of export to a third country.

- 1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).**

- (i) Introduction**

In the absence of domestic selling price information in each of Malaysia and the UAE, Oceania Glass has constructed normal values for CFG sold in both countries.

- (ii) Malaysia**

Oceania Glass has constructed normal values for CFG in Malaysia by MCC during 2020 by reference to Oceania Glass' manufacturing and selling costs. Adjustments have been made to Oceania Glass' costs to reflect differing wages paid in Malaysia in both the manufacturing and selling activities. World Bank GDP data has been used to adjust the local labour charges for rates in Malaysia (2019 data).

Oceania Glass has applied a 10 per cent amount for profit. This is considered reasonable for a capital intensive industry. Oceania Glass highlights with the Commission that Xinyi Glass Holdings (the parent company of the Malaysian exporter of CFG) recorded a 19.4 per cent operating profit over revenue in the six months ending June 2020 (29.0 per cent for same period in 2019) demonstrating that the 10 per cent profit applied in the constructed normal value is reasonable. Refer to Non-Confidential Attachment B-4.1 (a) for the Xinyi Glass Holdings Limited Interim Report 2020.

Normal values for CFG in Malaysia in 2020 are as follows:

Table B-4.2.1 CFG Normal Values in Malaysia 2020 (per square metre)

Malaysia				
Model	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
3-4 mm	Xxx	Xxx	Xxx	Xxx
4-6 mm	Xxx	Xxx	Xxx	xxx
6-10 mm	Xxx	Xxx	Xxx	xxx
>10 mm	Xxx	Xxx	Xxx	xxx
< 3mm	Xxx	Xxx	Xxx	xxx

Source: Refer Confidential Attachment B-4.1.

(iii) UAE

Oceania Glass has constructed normal values for CFG in the UAE by MCC during 2020 by reference to Oceania Glass' manufacturing and selling costs. Adjustments have been made to Oceania Glass' costs to reflect differing wages paid in the UAE in both the manufacturing and selling activities. World Bank GDP data has been used to adjust the local labour charges for rates in UAE (2019 data).

Oceania Glass has applied a 10 per cent amount for profit. This is considered reasonable for a capital intensive industry. Oceania Glass highlights with the Commission that Xinyi Glass Holdings (the parent company of the Malaysian exporter of CFG, and the only international company from which public information about profits is available) recorded a 19.4 per cent operating profit over revenue in the six months ending June 2020 (29.0 per cent for same period in 2019) demonstrating that the 10 per cent profit applied in the constructed normal value is reasonable. Refer to Non-Confidential Attachment B-4.1 (a) for the Xinyi Glass Holdings Limited Interim Report 2020.

Normal values for CFG in Malaysia in 2020 are as follows:

Table B-4.2.2 CFG Normal Values in UAE 2020 (per square metre)

UAE				
Model	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
3-4 mm	Xxx	Xxx	Xxx	xxx
4-6 mm	Xxx	Xxx	Xxx	xxx
6-10 mm	Xxx	Xxx	Xxx	xxx
>10 mm	Xxx	Xxx	Xxx	xxx
< 3mm	Xxx	Xxx	Xxx	xxx

Source: Refer Confidential Attachment B-4.1.

2. Provide supporting documentary evidence.

Refer to Confidential Attachment B-4.1.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

The normal values for CFG sold in Malaysia and the UAE are prices ex-factory. The export prices for CFG exported from Malaysia and the UAE to Australia are at the port of loading. An adjustment to normal value for inland freight from factory to port of loading is required, along with port handling charges. Oceania Glass does not have access to this cost information and has not included adjustments to the normal values for Malaysia and UAE.

It is noted, however, that the export inland freight and port handling charge adjustments would increase the dumping margins as reflected in B-6.1.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

The adjustments for export inland freight and port handling charges have not been included.

B-6 Dumping margin**1. Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).**

The dumping margins for CFG exported to Australia from Malaysia and the UAE are included in the following Table B-6.1.

Table B-4.2.1 CFG Dumping margins for exports from Malaysia to Australia 2020 (per square metre)

Malaysia				
Model	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
3-4 mm	Xxx	Xxx	Xxx	xxx
4-6 mm	Xxx	Xxx	Xxx	xxx
6-10 mm	Xxx	Xxx	Xxx	xxx
>10 mm	Xxx	Xxx	Xxx	xxx
< 3mm	Xxx	Xxx	Xxx	xxx

Source: Refer Confidential Attachment B-4.1.

The weighted average dumping margin for all models of CFG exported to Australia from Malaysia in 2020 was \$3.0681 per square metre.

Table B-4.2.1 CFG Dumping margins for exports from the UAE to Australia 2020 (per square metre)

Malaysia				
Model	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020
3-4 mm	Xxx	Xxx	Xxx	xxx
4-6 mm	Xxx	Xxx	Xxx	xxx
6-10 mm	Xxx	Xxx	Xxx	xxx
>10 mm	Xxx	Xxx	Xxx	xxx
< 3mm	Xxx	Xxx	Xxx	xxx

Source: Refer Confidential Attachment B-4.1.

The weighted average dumping margin for all models of CFG exported to Australia from the UAE in 2020 was \$2.88797 per square metre.

2. Show dumping margins as a percentage of the export price.

Table B-4.2.1 CFG Dumping margins – as a percentage of export price - for exports from Malaysia and UAE to Australia during 2020 (per square metre)

Malaysia	Margin as % of Export Price		UAE	Margin as % of Export Price
Model				
3-4 mm	24.53			50.14
4-6 mm	52.23			42.39
6-10 mm	53.07			31.64
>10 mm	42.74			54.19
< 3mm	-0.62			101.69

Source: Refer Confidential Attachment B-4.1.

The weighted average dumping margin for CFG exports to Australia from Malaysia during 2020 was 45.23 per cent. The weighted-average dumping for CFG exports to Australia from the UAE during 2020 was 48.91 per cent.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:

- (i) the nature and title of the subsidy;
- (ii) the government agency responsible for administering the subsidy;
- (iii) the recipients of the subsidy; and
- (iv) the amount of the subsidy.

Oceania Glass understands that the Malaysian producer and exporter Xinyi Glass has received countervailable benefits from the Government of Malaysia ("GOM").

Oceania Glass is aware that the GOM offers a range of subsidies to manufacturing businesses that invest in manufacturing in Malaysia. Report No. 362 – Aluminium extrusions from Malaysia and Vietnam, identified five subsidy programs that the GOM provides:

- Program 1 – Income Tax Reductions ('Pioneer Status');
- Program 2 – Income Tax Allowance;
- Program 3 – Double deductions for export credit insurance;
- Program 4 – Double deductions for freight charges relating to goods originating from Sabah and Sarawak;
- Program 5 – Reinvestment allowance.

Program 1: Income Tax reductions (Pioneer Status)

(a) Background

The purpose of this program is to encourage high impact, high value-added, and strategic investments that contribute to the future growth and development of the Malaysian economy.

(b) Legal basis

The legal basis for this program includes:

- *Income Tax Act 1967*: Income Tax Exemption order (NO. 11) 2006[P.U. (A) 112/2006];
- *Promotion of Investments Act 1986*.

The above order was made in 2006 and is deemed to have effect from year of assessment 1998. This program is ongoing.

(c) Eligibility criteria

Pioneer status may be granted to any company intending to participate in high impact, high value-added, and strategic investments that can contribute to the future growth and development of the Malaysian economy. The GOM outlined the eligibility criteria for a company as:

1. *Value added;*
2. *Level of technology measured based on number of management and technical employees in the company; and*

3. Compliance with a specific amount of fixed asset investment (excluding land cost) by specific time period.

Application process

Companies are required to submit an application to the Malaysian Investment Development Authority (MIDA), an agency under the Ministry of International Trade and Industry (MITI).

The application process ensures that the applicant complies with the eligibility conditions. After MIDA is satisfied that the company has complied with the eligibility conditions, MIDA will determine the production date for the company and determine the start and end date of the program.

Later, companies approved with the program submit their claims to the Inland Revenue Board (IRB) together with their annual tax returns containing the calculation of claimed tax exemptions.

The GOM grants a company with Pioneer Status a 70 per cent exemption (or any other rate as prescribed by the Minister) on corporate tax.

(d) Has Xinyi Glass received a benefit?

Oceania Glass has obtained an extract from Glass Worldwide July/August 2019¹ that states Xinyi Glass has received beneficial “taxation treatment” to establish its production facility at Malacca. The article confirms that Xinyi Glass commenced with Phase I in 2014, and some 13 months later commenced construction of a Phase II production line (that commenced operation in 2018). A third float line was trialled in late 2018.

The Glass Worldwide article further confirms that Malaysia “provides local exporters preferential trade and taxation treatment”. It is also referenced that “The Malaysia plants also allow the company to avoid anti-dumping duties in South Korea and India.”

Oceania Glass anticipates that the taxation benefit that Xinyi Glass receives falls under wither Program 1, 2 or 5 identified above.

For completeness, the details of the two programs follows. Oceania Glass cannot confirm if Xinyi Glass is in receipt of benefits under Program 3 although as an exporter this would likely be the case.

Program 2: Income Tax Allowance

(a) Background

The GOM provides assistance in the form of a tax exemption equivalent to a proportion of certain capital expenditure incurred by companies qualifying for an Income Tax Allowance.

The purpose of this program is to encourage high impact, high value-added, and strategi investments that contribute to the future growth and development of the Malaysian economy.

(b) Legal basis

The legal basis for this program includes:

- Income Tax Act 1967: Income Tax Exemption Order (No.12) 2006 [P.U. (A) 113/2006]; and
- *Promotion of Investments Act 1986.*

The above order was made in 2006 and is deemed to have effect from the year of assessment 1998. This program is ongoing.

¹ Refer Non-Confidential Attachment C-1.1.

(c) Eligibility criteria

This program may be granted to any company intending to participate in high impact, high value-added, and strategic investments that can contribute to the future growth and development of the Malaysian economy.

The allowance is only given on capital expenditure incurred on industrial buildings, plant and machinery directly used. The GOM outlined the eligibility criteria for a company as:

1. *Value added;*
2. *Level of technology measured based on number of management and technical employees in the company; and*
3. *Compliance with a specific amount of fixed asset investment (excluding land cost) by specific time period.*

Application process

Companies are required to submit an application for the exemption to MIDA, an agency under MITI. The company will then be required to establish the commencement of this program period which is on the incurrence of the first capital expenditure duly certified by MIDA.

Later, companies approved with the program submit their claims to the IRB together with their annual tax returns containing the calculation of claim for the tax allowance.

A company granted an Income Tax Allowance is entitled to an allowance equivalent to 60 per cent (or any other rate as prescribed by the Minister) of its qualifying capital expenditure (factory, plant, machinery or other equipment used for the approved project) incurred within five years from the date the first qualifying capital expenditure is incurred.

The company can offset this allowance against 70 per cent of its statutory income for each year of assessment. Any un-utilised allowance can be carried forward to subsequent years until fully utilised. The remaining 30 per cent of its statutory income will be taxed at the prevailing company tax rate.

(d) Has Xinyi Glass received a benefit?

Program 2 – is a taxation benefit that could likely have flowed to Xinyi Glass due to the expansion of its production lines post 2014.

Program 5: Reinvestment allowance

(a) Background

The GOM provides assistance in the form an exemption from statutory income for tax purposes to companies engaged in manufacturing, and selected agricultural activities that reinvest for the purposes of expansion, automation, modernisation or diversification of its existing business into any related products within the same industry in certain circumstances.

(b) Legal basis

The legal basis for this program is Schedule 7A of the Income Tax Act 1967.

(c) Eligibility criteria

The reinvestment allowance is an incentive awarded to a company that carries on manufacturing and selected agricultural activities.

Companies can only claim the reinvestment allowance upon the completion of a qualifying project, i.e. after a building is completed or when the plant/machinery is put to operational use.

The reinvestment allowance will be given for a period of 15 consecutive years beginning from the year of assessment in which the first reinvestment is made.

As part of 2016 Malaysian budget announcements, the GOM introduced a 'special reinvestment allowance' which extends the 15 year eligibility period by up to three years for companies that would or would have completed the 15 year period in or before the initial year of assessment.

The reinvestment allowance is given at the rate of 60 per cent on the qualifying capital expenditure incurred by the company, and can be offset against 70 per cent of its statutory income for the year of assessment. Any unutilised allowance can be carried forward to subsequent years until fully utilised. A company can offset the reinvestment allowance against 100 per cent of its statutory income for the year of assessment if:

- the company undertakes reinvestment projects in the promoted areas i.e. the States of Sabah, Sarawak, Perlis and the designated "Eastern Corridor" of Peninsular Malaysia; or
- the company attains a productivity level exceeding the level determined by the Ministry of Finance.

(d) Has Xinyi Glass received a benefit

On the basis of the eligibility criteria and the timing of the investment is likely that Xinyi Glass plant expansions qualified for the reinvestment allowance. Refer to Non-Confidential Attachment C-1.1 re the timing of the plant expansions for Xingyi Glass.

Program 3 – Double deduction for Export Credit Insurance

As an exporter, Xinyi Glass would also likely benefit from double deductions on export credit insurance for its export sales of CFG.

(a) Background

The GOM outlined in its response to the government questionnaire that a double deduction for income tax purposes is provided to exporters for amounts incurred in relation to export credit insurance premiums, to encourage Malaysia's exporters.

(b) Legal basis

The legal basis for this program is:

- Income Tax (Deductions of Premiums for Export Credit Insurance) Rules 1985 (P.U. (A) 526/1985) made under Section 154 of the *Income Tax Act 1967*.

The program was established in 1985 and is an ongoing program. This program is effective from year of assessment 1986 and subsequent years of assessment.

(c) Eligibility criteria

To be eligible for this program a premium must be paid in respect of export credit insurance with an insurance company approved by the Minister of Finance. During the investigation period, the Export Import Bank of Malaysia Berhad (EXIM) is the only approved insurance company under this program.

Upon request by a policyholder, the EXIM will issue a certificate under *Income Tax (Deduction for Export Credit Insurance) Rules 1985* for policyholders to claim a double deduction. The policyholder has to retain the above-mentioned certificate along with all official receipts issued by EXIM.

In relation to this program, there is no application process and claims are made during submission of an income tax return (self-assessment).

Other Programs

Xinyi Glass is understood to receive gas at less than market rates. The following outlines Oceania Glass' understanding of the likely benefit received by Xinyi Glass for gas at less than adequate remuneration.

- Xinyi entered Malaysia via the acquisition of land from PKNM;
- (<https://pknmenergy.com.my/about-us/>). PKNM is a government agency corporation that has specific mandate to grow economic development in the State of Malacca. [https://m.marketscreener.com/XINYI-GLASS-HOLDINGS-LTD-6170707/news/Xinyi-Glass-Announcement-Acquisition-of-land-in-malacca-malaysia-for-construction-of-a--19471715/\(See Non-Confidential Attachment C-1.2\);](https://m.marketscreener.com/XINYI-GLASS-HOLDINGS-LTD-6170707/news/Xinyi-Glass-Announcement-Acquisition-of-land-in-malacca-malaysia-for-construction-of-a--19471715/(See-Non-Confidential-Attachment-C-1.2);)
- PKNM's primary business is the development of upstream oil and gas and as part of the land sales agreement, PKNM agreed to develop the services infrastructure for Xinyi, who have declared their plan to develop extensive glass manufacturing facilities at the plant.
- These services infrastructure would can reasonably be determined to include gas supply, which would include a long-term supply agreement.
- Although natural gas supply in Malaysia is a regulated industry essentially handled by the National petroleum corporation in Petronas. PKNM's mandate granted by the Melaka State Government allows the corporation to make long term sales agreements outside of national supply rules for Industrial Users.
- A recent study by The Oxford Institute for Energy Studies, suggests that current energy prices should be approximately 35MYR/MMBtu (A\$12.16/Gj). Under the land acquisition agreement, it's likely that the acquisition costs per gigajoule would be a fraction of this inflation driven price level and one estimates Xinyi's acquisition costs are more like A\$3.00/Gj Vs almost A\$8.00/Gj for Oceania Glass Pty Ltd <https://www.oxfordenergy.org/wpcms/wp-content/uploads/2020/03/Gas-Industry-Reform-and-the-Evolution-of-a-Competitive-Gas-Market-in-Malaysia-NG-158.pdf> (Non-Confidential Attachment C-1.3).

Conclusions – subsidies

As a minimum, Xinyi Glass has received taxation benefits to establish and expand its CFG operations in Malaysia at Malacca. Oceania Glass cannot confirm the program that the GOM has provided this benefit to Xinyi Glass, however, it is expected to be Programs 1, 2 and/or 5.

Xinyi Glass would also likely benefit from the double deduction for export credit insurance for the export of manufactured items.

Finally, Xinyi Glass may also be in receipt of raw material natural gas at less than adequate remuneration when considered in the context of prevailing market prices for natural gas in the region.

C-2. Threat of material injury

1. Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:
 - (i) the rate of increase of dumped/subsidised imports;
 - (ii) changes to the available capacity of the exporter(s);
 - (iii) the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;
 - (iv) inventories of the product to be investigated;
 - (v) for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or
 - (vi) any other relevant factor(s).

Oceania Glass application for anti-dumping measures is not based upon a future threat of material injury. The material injury experienced by the Australian industry has occurred since 2018 and is considered likely to continue in the absence of anti-dumping measures.

Oceania Glass submits that it can demonstrate it has suffered material injury from the dumped CFG exports to Australia from Malaysia and the UAE as disclosed in Confidential Appendix A6.1.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.

Oceania Glass considers it has sustained material injury in the period 2018 to 2019. The application is therefore not based on a future threat of material injury.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission’s client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

CFG are not close processed agricultural goods. This question is not applicable.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

Not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

Not applicable.

4. Provide information to establish either:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or

- **that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.**

Not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

- 1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.**

Malaysia and the UAE are not considered “non-market economy” countries for the purposes of Australia’s Anti-Dumping provisions.

This question does not apply to this application.

- 2. Nominate a comparable market economy to establish selling prices.**

This question does not apply to this application.

- 3. Explain the basis for selection of the comparable market economy country.**

This question does not apply to this application.

- 4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.**

This question does not apply to this application.

C-5 Exports from an ‘economy in transition’

An ‘economy in transition’ exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an ‘economy in transition’ are covered by the application. **Applicants are advised to contact the Commission’s client support section before completing this section**

- 1. Provide information establishing that the country of export is an ‘economy in transition’.**

Malaysia and the UAE are not considered “economy in transition” countries for the purposes of Australia’s Anti-Dumping provisions. This question is not applicable.

2. **A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.**

This question does not apply to this application.

3. **Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.**

This question does not apply to this application.

4. **Estimate a 'normal value' for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.**

This question does not apply to this application.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2 \(Australian Market\)](#) to complete the table.

The goods the subject of this application do not account for less than 3 per cent of the total import for volume of goods imported into Australia during 2020 from Malaysia or the UAE. The goods imported from Malaysia exceed the 4 per cent negligible volume for goods the subject of a countervailing application.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value