



Investigation 582

Clear float glass

Exported to Australia from Malaysia and the United Arab Emirates

File note

Preliminary variable factors assessment

The Anti-Dumping Commission (commission) sought and received exporter questionnaire responses from Guardian Zoujaj International Float Glass Co. LLC (Guardian RAK) and Emirates Float Glass LLC (EFG) from the UAE in relation to Investigation 582.¹ The questionnaire in respect of the UAE sought relevant and reliable information from exporters to inform the commission in its assessment of whether dumping has occurred.

Public versions of the questionnaires are available on the commission's website.²

The information sought in the questionnaire includes:

- particulars of the roles and parties involved in the export of the goods to Australia, allowing the commission to establish which party is the exporter of the goods
- details of sales of the goods and like goods made by the exporter into the export and domestic markets
- details of the cost of production of the goods and like goods.

The case team has considered the level of detail provided by the respondents in the exporter questionnaire responses. For the exporters detailed in this file note the case team consider the information received is relevant information.

The Minister may disregard any information that they consider unreliable.³ The case team have assessed the information in the respondents' questionnaires in accordance with the intent of Anti-Dumping Notice No. 2016/30. Where necessary, the case team compared responses to other relevant information. The case team is satisfied the information provided by the respondents detailed in this file note to be reliable unless noted otherwise.

¹ The case team has the power to seek this information under sections 269SMG and 269SMR of the *Customs Act 1901 (the Act)*.

² EPR 582, nos 009 and 013.

³ Sections 269TAB(4) and 269TAC(7) provide the Minister this authority.

Having considered the information provided relevant and reliable, the case team have conducted a preliminary assessment of export prices and normal values. The case team have compared the export prices and normal values to establish a preliminary dumping margins for the following exporters:

Exporter	Export Price	Normal Value	Dumping Margin
Guardian Zoujaj International Float Glass Co. LLC	s.269TAB(1)(a)	s.269TAC(1)	23.8%
Emirates Float Glass LLC	s.269TAB(1)(a)	s.269TAC(1)	42.5%

Table 1: Summary of preliminary variable factors

This file note outlines the analysis and evidence relied upon to reach these preliminary margins. These margins reflect the initial assessment of the questionnaire response and may not reflect the final position of the commission.

GUARDIAN ZOUJAJ INTERNATIONAL FLOAT GLASS CO. LLC

Export price

Importer

In relation to the goods exported by Guardian RAK to Australia, the case team is satisfied that the customers listed for each sale were the beneficial owners of the goods at the time of importation, and therefore were the importers of the goods.

Exporter

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

The case team considers that Guardian RAK is the exporter of the goods, for all of its Australian export sales during the investigation period, as it:

- is the manufacturer of the goods
- is named on the commercial invoice as the supplier
- is named as the shipper on the bill of lading
- arranges and pays for the inland transport to the port of export
- arranges and pays for the port handling charges at the port of export
- arranges and pays for the ocean freight and marine insurance in relation to cost, insurance and freight (CIF) sales.

Arms length

In respect of Guardian RAK's export sales of the goods to its unrelated customers during the investigation period, the case team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the price appeared to be influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller, or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise receive a benefit for, or in respect of, the whole or any part of the price.⁴

The case team therefore considers that all export sales made by Guardian RAK during the investigation period were 'arms length' transactions.

⁴ Section 269TAA of the Act refers.

Determination of export price

From the above findings, the case team is satisfied that Guardian RAK is the exporter of the goods to Australia, that the goods were exported to Australia otherwise than by the importer and that the goods were purchased in 'arms length' transactions by the importer from the exporter.

Accordingly, in respect of the Australian sales of the goods by Guardian RAK, the case team has determined the export price under section 269TAB(1)(a), being the price paid by the importer to the exporter less transport and other costs arising after exportation. The case team's preliminary export price calculations are at **Confidential Appendix 1**.

Normal value

Arms length

Guardian RAK did not make domestic sales of like goods to any related customers during the investigation period. In respect of Guardian RAK's domestic sales of like goods to its unrelated customers during the period, the case team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller, or
- the buyer, or an associate of the buyer, was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.⁵

The case team therefore considers that all domestic sales made by Guardian RAK to its unrelated domestic customers during the period were 'arms length' transactions.

Ordinary course of trade

Section 269TAAD states that domestic sales of like goods are not in the ordinary course of trade (OCOT) if 'arms length' transactions are:

- unprofitable in substantial quantities over an extended period and
- unlikely to be recoverable within a reasonable period.⁶

The case team tested profitability by comparing the net invoice price, less any reimbursements, against the relevant cost for each domestic sales transaction.

⁵ Section 269TAA of the Act refers.

⁶ In general, the commission will consider 'extended period' and 'reasonable period' to be the investigation, review or inquiry period.

The case team then tested whether the unprofitable sales were in substantial quantities (not less than 20%) by comparing the volume of unprofitable sales to the total sales volume, for each model over the period.

Finally, the case team tested recoverability by comparing the net invoice price, less any reimbursements, against the relevant weighted average cost over the period for each domestic sales transaction.

Determination of normal value

The normal value is determined in accordance with section 269TAC.

Section 269TAC(1) provides that:

...[T]he normal value of any goods exported to Australia is the price paid or payable for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arms length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

Section 269TAC(2) provides alternative methods for calculating the normal value of goods exported to Australia where there is an absence, or low volume, of relevant sales of like goods in the market of the country of export. An exporter's domestic sales of like goods are taken to be in a low volume where the total volume of sales of like goods for home consumption in the country of export by the exporter is less than 5% of the total volume of the goods under consideration that are exported to Australia by the exporter (unless the Minister is satisfied that the volume is still large enough to permit a proper comparison for the purposes of assessing a dumping margin).

The case team found that in relation to 2 models there were insufficient sales of like goods sold in OCOT on the basis that there was an absence, or low volume, of relevant sales of like goods in the market of the country of export. For these models, the case team was satisfied that there were sufficient domestic sales volumes of surrogate models based on the models with the closest physical characteristics under the model control code hierarchy structure. Accordingly, the case team has applied a specification adjustment to these models when calculating the normal value.

As the volume of domestic sales of the remainder of Guardian RAK's exported models are 5% or more of the volume exported, the case team considers it can make a proper comparison at the model level.

The case team also assessed the total volume of relevant domestic sales of like goods as a percentage of the total volume of goods exported to Australia and found that the volume of relevant domestic sales was not less than 5%.

From the above, the case team is satisfied that there are sufficient volumes of sales of like goods sold for home consumption in the country of export that were 'arms length' transactions and at prices that were within the OCOT.

Accordingly, the case team has determined the normal value for Guardian RAK under section 269TAC(1).

The case team’s preliminary normal value calculations are at **Confidential Appendix 3**.

Adjustments

In using domestic sales as a basis for normal value, the case team considers that certain adjustments, in accordance with section 269TAC(8), are necessary to ensure that differences between the normal value of goods exported to Australia and the export price of the exported goods would not affect comparison of domestic prices with export prices.

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

Adjustment type	Basis for adjustment	Deduction/addition
Domestic packaging	Domestic packaging was found to be different to export packaging	Deduct an amount for domestic packaging
Domestic inland transport	Cost incurred from transporting like goods from the factory to the domestic customer	Deduct an amount for domestic inland transport
Domestic sales team expenses	Cost of dedicated domestic sales staff	Deduct an amount for domestic sales team expenses
Domestic credit terms	Credit terms are different between export and domestic sales	Deduct an amount for domestic credit terms
Export packaging	Export packaging was found to be different to domestic packaging	Add an amount for export packaging
Export inland transport	Cost incurred from transporting the goods from the factory to the port	Add an amount for export inland transport
Export handling & other	Cost incurred at the port, including port handling charges, bill of lading fees, etc	Add an amount for export handling & other
Export commission	Commission paid to export sales agent	Add an amount for export commission
Export credit terms	Credit terms are different between export and domestic sales	Add an amount for export credit terms

Adjustment type	Basis for adjustment	Deduction/addition
Specification adjustment	Insufficient volume of domestic sales for a proper comparison at the model level	Adjustment made using the cost to make and sell difference and an amount for OCOT profit

Table 2: Summary of adjustments – Guardian RAK

Dumping margin

The dumping margin was assessed by comparing weighted average export prices to the corresponding quarterly weighted average normal value for the investigation period.⁷

The case team has calculated a preliminary dumping margin for the goods exported to Australia by Guardian RAK of **23.8%**.

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

⁷ Section 269TACB(2)(a).

EMIRATES FLOAT GLASS LLC

Export price

Importer

In relation to the goods exported by CFG to Australia, the case team is satisfied that the customers listed for each sale were the beneficial owners of the goods at the time of importation, and therefore were the importers of the goods.

Exporter

The case team considers that for all Australian export sales during the investigation period, EFG is the exporter of the goods, as it:

- is the manufacturer of the goods
- is named on the commercial invoice as the supplier
- is named as the shipper on the bill of lading
- arranges and pays for the inland transport to the port of export
- arranges and pays for the port handling charges at the port of export
- arranges and pays for the ocean freight and marine insurance in relation to cost, insurance and freight (CIF) sales.

Arms length

In respect of EFG's export sales of the goods to its unrelated customers during the investigation period, the case team found no evidence that:

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

The case team therefore considers that all export sales made by EFG during the investigation period were 'arms length' transactions.

Determination of export price

From the above findings, the case team is satisfied that EFG is the exporter of the goods to Australia, that the goods were exported to Australia otherwise than by the importer and that the goods were purchased in 'arms length' transactions by the importer from the exporter.

⁸ Section 269TAA of the Act refers.

Accordingly, in respect of the Australian sales of the goods by EFG, the case team has determined the export price under section 269TAB(1)(a), being the price paid by the importer to the exporter less transport and other costs arising after exportation. The case team's preliminary export price calculations are at **Confidential Appendix 5.**

Normal value

Arms length

EFG made make domestic sales of like goods to related and unrelated customers during the investigation period. In respect of EFG's domestic sales of like goods to its related and unrelated customers during the period, the case team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller, or
- the buyer, or an associate of the buyer, was not directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.⁹

The case team therefore considers that all domestic sales made by EFG to its related and unrelated domestic customers during the period were 'arms length' transactions.

Determination of normal value

Section 269TAA states that domestic sales of like goods are not in the OCOT if 'arms length' transactions are:

- unprofitable in substantial quantities over an extended period and
- unlikely to be recoverable within a reasonable period.¹⁰

The case team tested profitability by comparing the net invoice price, less any reimbursements, against the relevant cost for each domestic sales transaction.

The case team then tested whether the unprofitable sales were in substantial quantities (not less than 20%) by comparing the volume of unprofitable sales to the total sales volume, for each model over the period.

Finally, the case team tested recoverability by comparing the net invoice price, less any reimbursements, against the relevant weighted average cost over the period for each domestic sales transaction.

⁹ Section 269TAA of the Act refers.

¹⁰ In general, the commission will consider 'extended period' and 'reasonable period' to be the investigation, review or inquiry period.

As the volume of domestic sales of each of EFG’s exported models are 5% or more of the volume exported, the case team considers it can make a proper comparison at the model level.

The case team also assessed the total volume of relevant domestic sales of like goods as a percentage of the total volume of goods exported to Australia and found that the volume of relevant domestic sales was not less than 5%.

From the above, the case team is satisfied that there are sufficient volumes of sales of like goods sold for home consumption in the country of export that were ‘arms length’ transactions and at prices that were within the OCOT.

Accordingly, the case team has determined the normal value for EFG under section 269TAC(1).

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

Adjustments

In using domestic sales as a basis for normal value, the case team considers that certain adjustments, in accordance with section 269TAC(8), are necessary to ensure that differences between the normal value of goods exported to Australia and the export price of the exported goods would not affect comparison of domestic prices with export prices.

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

Adjustment type	Basis for adjustment	Deduction/addition
Domestic packaging	Domestic packaging was found to be different to export packaging	Deduct an amount for domestic packaging
Domestic inland transport	Cost incurred from transporting like goods from the factory to the domestic customer	Deduct an amount for domestic inland transport
Domestic credit terms	Credit terms are different between export and domestic sales	Deduct an amount for domestic credit terms
Export packaging	Export packaging was found to be different to domestic packaging	Add an amount for export packaging
Export inland transport	Cost incurred from transporting the goods from the factory to the port	Add an amount for export inland transport
Export handling & other	Cost incurred at the port, including port handling charges, bill of lading fees, etc	Add an amount for export handling & other

Adjustment type	Basis for adjustment	Deduction/addition
Export commission	Commission paid to export sales agent	Add an amount for export commission
Export credit terms	Credit terms are different between export and domestic sales	Add an amount for export credit terms

Table 3: Summary of adjustments - EFG

Dumping margin

The dumping margin was assessed by comparing weighted average export prices to the corresponding quarterly weighted average normal value for the investigation period.¹¹

The case team has calculated a preliminary dumping margin for the goods exported to Australia by EFG of **42.5%**.

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

¹¹ Section 269TACB(2)(a).

CONFIDENTIAL APPENDICES

Confidential Appendix 1	Guardian RAK – Export price
Confidential Appendix 2	Guardian RAK – CTMS
Confidential Appendix 3	Guardian RAK – Normal value
Confidential Appendix 4	Guardian RAK – Dumping margin
Confidential Appendix 5	EFG – Export price
Confidential Appendix 6	EFG – CTMS
Confidential Appendix 7	EFG – Normal value
Confidential Appendix 8	EFG – Dumping margin