



oceaniaglass.com.au

ABN 99 630 152 206

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

24 January 2022

Mr Anthony Cameron
A/g Assistant Director
Investigations 3
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Email: Investigations3@adcommission.gov.au

Public File

Dear Mr Cameron

Investigation No. 582 – Response to request for information - Clear float glass exported from Malaysia and UAE

We refer to your email dated 19 January 2022 concerning the submission made by Guardian Zoujaj International Float Glass Co. LLC (“Guardian RAK”) dated 17 January 2022 (EPR Document No. 0023).

In particular, you have requested that Oceania Glass Pty Ltd (“Oceania Glass”) provide information concerning Oceania Glass’ import price parity (IPP) model and price increases made in relation to some of its clear float glass products.

Oceania Glass has addressed each of the matters raised by you below.

- (i) Can you please provide some more information on Oceania Glass’ import price parity (IPP) model and price setting mechanisms, including:
- The overall customer specific price determination process;
 - Is more than one country used in the IPP (please also provide evidence)?
 - How is the IPP factored into specific pricing negotiations?
 - The Commission understands that Malaysia is the current largest exporter, how do other countries influence the IPP?

Oceania Glass Response:

Oceania Glass monitors competitive import prices on an ongoing basis. During the investigation period, competitive offers for CFG from Malaysia and the UAE established

competitive pricing points for supply. Oceania Glass acknowledges that certain exporters may target particular CFG grades (i.e. substances).

Oceania Glass was aware that Indonesian exporters also were suppliers to the Australian market in 2020/21, however, anti-dumping measures continued to apply to these exports.

Oceania Glass does not operate an IPP model by country. Rather, Oceania Glass monitors international pricing (noting that China is largest global producer), raw material soda ash pricing and trends in shipping/freight costs when assessing its competitiveness with import prices for CFG from the subject countries (sourced from the Australian Bureau of Statistics).

Oceania Glass does not use one source country only when examining its competitiveness – it monitors imports from the main key sources (those the subject of measures and countries the subject of investigation No. 582).

By monitoring import prices for CFG, Oceania Glass is able to offer prices that are competitive with imports. It is Oceania Glass' assessment that its prices were above import prices across the investigation period.

Oceania Glass does not have ready access to prices for CFG in Malaysia. Oceania Glass monitors import prices from Malaysia and other relevant countries for guidance on price-setting.

- (ii) The Commission is seeking more information in relation to the price increases made by Oceania Glass for some of its products.
- How were these price increases determined?
 - Do these price increases cover the entire increased production cost?
 - Did the IPP/import pricing influence these price increases, and what was the consideration of competitor pricing?

Oceania Glass Response:

Oceania Glass assesses its overall financial position and determines inflationary pressures impacting the business. As was disclosed to the Commission, the financial situation of Oceania Glass was not sustainable, and its ongoing viability is at risk.

Taking account of its economic performance, Oceania Glass determines the extent to which it has scope to raise prices relative to import prices. Sometimes, and although the integrity of the import data is not always accurate, Oceania Glass may establish market prices that are above reference points observed.



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Although Oceania Glass has sought to raise prices in response to increasing costs, it has not been able to raise prices to recover all production cost increases. Unsurprisingly, lower import prices (at dumped levels) have limited Oceania Glass' ability to raise prices to fully recover increases in costs.

Oceania Glass notes that the Guardian ZAK submission intimates that Oceania Glass operates an IPP model that is based upon import prices from a select source. This is not the case. Oceania Glass examines all factors (competitive and cost driven) to assess its competitive position on the Australian market.

If you have any further questions relating to this issue, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'A. Alembakis', written over a light blue background.

Anthony Alembakis
Chief Financial Officer

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Although Oceania Glass has sought to raise prices in response to the rising cost of
has not been able to recover all production and disposal
Unsurprisingly, lower input costs (aluminum and soda ash) have allowed Oceania Glass
to rely to raise prices to fully recover increases in costs.

Oceania Glass notes that the Guardian ZAK submission for rates that include those payable by the
model that is based upon input prices from a selected source. This is not the case for Oceania Glass
examines all factors (competitive and cost drivers) to assess its competitive position in the Australian
market.

If you have any further questions relating to this issue, please do not hesitate to contact me.

Yours sincerely,

Anthony Anderson
Chief Financial Officer

