



Australian Government
Department of Industry,
Science and Resources

Australian Trade
Remedies Commission

Consideration report 723

Application for a dumping duty notice and a
countervailing duty notice

Submitted by CSR Building Products Ltd and
Fletcher Insulation Pty Ltd

In relation to glass wool insulation batts exported
from the People's Republic of China and Malaysia

23 October 2026



Acknowledgement of Country

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2024

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Findings and Recommendations

This report provides the result of the consideration by the Commissioner of the Australian Trade Remedies Commission (**the Commissioner**) of an application under section 269TB(1) of the *Customs Act 1901*¹ by CSR Building Products Ltd (**CSR**) and Fletcher Insulation Pty Ltd (**Fletcher**) for the publication of dumping and countervailing duty notices in respect of certain glass wool insulation batts (**the goods**) imported into Australia from People's Republic of China (**China**) and Malaysia.

CSR and Fletcher allege that the Australian industry for glass wool insulation batts has suffered material injury caused by glass wool insulation batts exported to Australia from China and Malaysia at dumped and subsidised prices.

The legislative framework that underpins the making of an application and the Commissioner's consideration of an application is in Divisions 1 and 2 of Part XVB.

Findings

In accordance with section 269TC(1), the Commissioner has examined the application and is satisfied that:

- the application complies with the requirements of section 269TB(4) – see 'Compliance with section 269TB(4)' chapter
- there is an Australian industry in respect of like goods – see 'Like goods and the Australian industry' chapter
- there appear to be reasonable grounds for the publication of dumping and countervailing duty notices in respect of the goods the subject of the application.

Commissioner's decision

Based on the above findings, the Commissioner has not rejected the application and will initiate an investigation to determine whether dumping and countervailing duty notices should be published.

The Commissioner has decided:

- to examine exports to Australia during an investigation period of **1 July 2025 to 30 June 2026** for dumping and subsidisation (**investigation period**), and
- to examine details of the Australian market from **1 July 2022** for injury analysis purposes (**injury period**).

The Commissioner must give public notice of this decision (**Non-Confidential Attachment 1**) in accordance with the requirements set out in section 269TC(4).

¹ All legislative references in this report are to the *Customs Act 1901* unless otherwise specified.

The application and the Australian industry

Lodgement of the application

Legislative framework

The procedures for lodging an application are set out in section 269TB.

The procedures and timeframes for the Commissioner's consideration of the application are set out in section 269TC.

The Commissioner's timeframe

Table 1: Timeline for considering the application

Event	Date	Details
Application lodged and receipted by the Commissioner under sections 269TB(1) and (5)	30 September 2026	The Commissioner received a joint application from CSR and Fletcher alleging that the Australian industry has suffered and is suffering material injury from imports of the goods into Australia from China and Malaysia at dumped and subsidised prices.
	7 October 2026	The Commissioner notified CSR and Fletcher that the application contained critical and important deficiencies which if left unaddressed create doubt on the reasonableness of the grounds for the publication of a dumping or countervailing duty notice.
Applicants provided further information in support of the application under section 269TC(2A)	8 October 2026 and 14 October 2026	The applicants provided further information and data in support of the application without having been requested to do so, as provided for in section 269TC(2A). The application was taken to have been lodged and receipted on 14 October 2026 when the final additional information was received. Accordingly, the 20-day period for consideration of the application was restarted.
Consideration decision due under section 269TC(1)	3 November 2026	The Commissioner shall decide whether to reject or not reject the application within 20-days after the last day the applicants provided further information.

Compliance with section 269TB(4)

Finding

Based on the information submitted by the applicants, the Commissioner considers that the application complies with section 269TB(4).

Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping and countervailing duty notice if, among other things, the Commissioner is not satisfied that the application complies with section 269TB(4).

The Commissioner's assessment

The table below summarises the Commissioner's assessment of compliance with section 269TB(4).

Table 2: Compliance assessment of the application

Requirement for the application	Details
Lodged in writing under section 269TB(4)(a)	The applicants lodged in writing confidential and non-confidential versions of the application. The non-confidential version of the application can be found on the electronic public record at www.atrc.gov.au
Lodged in an approved form under section 269TB(4)(b)	The application is in the approved form (Form B108) for the purpose of making an application under section 269TB(1).
Contains such information as the form requires under section 269TB(4)(c)	The applicants provided: - a completed declaration signed by authorised representatives of both applicants - answers to all questions required by Form B108 - completed appendices A1 to A8, together with supporting attachments - sufficient detail in the non-confidential version of the application to enable a reasonable understanding of the substance of the information submitted in confidence.
Signed in the manner indicated in the form under section 269TB(4)(d)	The application was signed in the manner indicated in Form B108 by a representative of the applicant.
Supported by a sufficient part of the Australian industry under section 269TB(4)(e) and determined in accordance with section 269TB(6)	As assessed in 'Like goods and the Australian industry', CSR and Fletcher are the only known Australian producers of like goods and comprise 100% of Australian production of like goods. Based on the information available, the Commissioner is satisfied that the application complies with sections 269TB(6)(a) and (b).
Lodged in the manner approved under section 269SMS for the purposes of section 269TB(4)(f)	The application was lodged in a manner approved in the Commissioner's instrument made under section 269SMS, being by approved electronic lodgement. The application was therefore lodged in a manner approved under section 269SMS(2).

The goods the subject of the application

The goods

The table below outlines the goods as described in the application.

Table 3: The goods description

Full description of the goods, as subject of the application
Glass wool insulation products, being pre-formed segments, cut pieces, or rolls (commonly referred to as 'batts' or 'partition batts') of fibrous insulation material manufactured from glass fibres (commonly referred to as fibreglass or glass wool) or glass fibre variants/blends, suitable for thermal and/or acoustic insulation within buildings, with a declared density of between 6 and 48 kilograms per cubic metre and a thickness of between 50 and 300 millimetres (inclusive). Where the goods have a declared thermal resistance (R-value), the R-value is not less than R1.2 and not greater than R8.0 (inclusive). Goods without a declared R-value, such as acoustic partition batts, are also included where they meet the density and thickness criteria.
Further information
The goods are typically sized for installation between structural members such as wall studs, ceiling joists, roof rafters, or floors. The goods may be: - of varying densities, thicknesses, widths, and lengths - supplied compressed or packaged in bulk for transport, and - suitable for use in walls, ceilings, floors, or roof spaces. The goods are commonly referred to as glass wool batts, fiberglass batts, or insulation batts. Some variants may be described using the term 'wool' without reference to glass fibre. The goods include all glass wool batt products within the specified density, thickness range, and R-value range, regardless of branding, naming convention, packaging format, sector supplied (residential, commercial, industrial), or end-use application (thermal, acoustic), provided they meet the above description.
Exclusions
The following goods are excluded: - loose-fill/blown glass wool - glass wool boards, used in heating, ventilation and air conditioning (HVAC) applications - non-glass fibre batts, e.g., mineral wool/rockwool - glass wool blankets.

Tariff classification

The goods are generally, but not exclusively, classified to the following tariff classification in Schedule 3 of the *Customs Tariff Act 1995*.

Table 4: General tariff classification for the goods

Tariff classification				
Tariff code	Statistical code	Unit	Description	Duty rate
7019	GLASS FIBRES (INCLUDING GLASS WOOL) AND ARTICLES THEREOF (FOR EXAMPLE, YARN, ROVINGS, WOVEN FABRICS):			
7019.80.00	80	..	Chemically bonded fabrics: Glass wool and articles of glass wool	5% DCS:4% DCT:5%

This tariff classification and statistical code may include goods that are both subject and not subject to this investigation. The listing of this tariff classification and statistical codes is for convenience or reference only and does not form part of the goods description. The goods description in Table 3 provides the authoritative detail regarding the goods the subject of the application.

The Commissioner has not included one other tariff classification referred to in the application², as the Commissioner considers, after seeking advice from the Australian Border Force (**ABF**), that imports of the goods are likely captured under tariff classification 7019.80.00: 80. However, the Commissioner will examine other classifications during the investigation to ensure all goods are captured, including 7019.90.00: 90 Chemically bonded fabrics: other.

Like goods and the Australian industry

Finding

The Commissioner is satisfied that there is an Australian industry producing like goods to the goods the subject of the application on the basis that:

- CSR and Fletcher produce goods that are identical to or have characteristics that closely resemble the goods the subject of the application, and
- at least one substantial process in the manufacture of those goods is carried out in Australia.

Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping or countervailing duty notice if, among other things, the Commissioner is not satisfied that there is, or is likely to be established, an Australian industry in respect of like goods.

Like goods are defined under section 269T(1). Sections 269T(2), 269T(3), 269T(4), and 269T(4A) are used to determine whether the like goods are produced in Australia and whether there is an Australian industry.

² The other tariff classification listed in the application was 7019.80.00 (90) Chemically bonded fabrics: other. The ABF advised that this tariff classification does not exist.

Section 269TB(4) requires that an application for a dumping or countervailing duty notice must be supported by a sufficient part of the Australian industry. Section 269TB(6) provides that a sufficient part of the Australian industry is the support of persons who:

- account for more than 50% of the total production or manufacture of like goods produced or manufactured by that portion of the Australian industry that has expressed either support for, or opposition to, the application, and
- account for not less than 25% of the total production or manufacture of like goods in Australia.

Locally produced like goods

The table below summarises the Commissioner's assessment of whether the locally produced goods are identical to, or closely resemble, the goods the subject of the application and are therefore like goods.

Table 5: Like goods assessment

Factor	The Applicants' claims	The Commissioner's assessment
Physical likeness	The applicants state that imported and locally produced goods are of identical physical composition, that is, fine glass fibres spun from recycled glass, bonded with resin. Imported and locally produced goods are supplied as flexible to semi-rigid rectangular batts in the same lengths, thicknesses and R-values. They have the same physical properties: low density, high loft and recovery, non-combustibility, non-hygroscopicity, dimensional stability, and resistance to rot and vermin, with the only differences being colour, which does not affect performance or use.	The information presented in the application indicates that the locally produced and imported goods appear to have similar physical characteristics, including shape, available dimensions, and physical properties. The Commissioner reviewed the application and ABF import database and observed that imported goods appear to have similar physical characteristics to the goods produced by the Australian industry.³
Commercial likeness	The applicants state that imported and locally produced goods compete in the same market and are sold to the same customers through the same channels. They are marketed on the same attributes with purchasers choosing between imported and local versions primarily on price and availability.	Both the imported goods and locally produced goods appear to be commercially alike, competing directly in the Australian market.
Functional likeness	The applicants state that imported and locally produced goods are supplied in the same R-values, to the same standard dimensions, are manufactured to the same Australian Standards, and are used interchangeably.	Both the imported goods and those manufactured by Australian industry appear to serve the same end uses. They are functionally substitutable and are sold to the same customer base for similar applications.

³ Confidential Attachment 2 – Australian market, 'Goods analysis'

Factor	The Applicants' claims	The Commissioner's assessment
Production likeness	The applicants state that the imported and locally produced goods are made by the same manufacturing process from the same raw materials: fine glass fibres spun from recycled glass bonded with resin.	The Commissioner has reviewed the application and is satisfied that the production process and raw material inputs appear to be substantially identical to locally produced and imported goods.

Based on the analysis in Table 5, the Commissioner considers that the locally produced goods have characteristics that are identical to or closely resemble goods the subject of the application and are, therefore, like goods. The Commissioner will further examine like goods during the investigation.

Manufacture in Australia

The table below summarises the Commissioner's assessment of whether the goods are wholly manufactured in Australia and whether the like goods are therefore considered to have been manufactured in Australia.

Table 6: Manufacturing of like goods in Australia

The Applicants' claims
CSR and Fletcher manufacture glass wool insulation batts that are alike to goods at their manufacturing facilities in Ingleburn, New South Wales; Brendale, Queensland; and Dandenong, Victoria. The like goods are manufactured at these facilities from molten glass comprising predominantly recycled glass cullet together with sand, soda ash and limestone. The molten glass is spun into fine glass fibres and bonded with a thermosetting resin before being formed into insulation blankets and cut into batt dimensions. The applicants' production process is described in Non-Confidential Diagram A 3.7 of the application.
The Commissioner's assessment
Based on the information contained in the application, the Commissioner is satisfied that the like goods are manufactured in Australia. Accordingly, the Commissioner is satisfied that the requirements of sections 269T(2), 269T(3) and 269T(4) have been met.

Sufficient support

The application states that CSR and Fletcher are the only known Australian producers of like goods and comprise 100% of Australian production of like goods.

The Commissioner has conducted further desktop research and has not identified any other manufacturers of like goods in Australia. The Commissioner identified Knauf⁴ as a manufacturer of the goods with a significant presence in Australia but confirmed it does not manufacture like goods in Australia.

The Commissioner is therefore satisfied the application is supported by 100% of the Australian industry and satisfies sections 269TB(6)(a) and (b).

⁴ <https://knauf.com/en-AU>, accessed 21 October 2026.

Australian industry information

Assessment of Australian industry data

The tables below summarise the Commissioner's assessment of whether CSR and Fletcher have provided sufficient information in the application to analyse the performance of the Australian industry.

Table 7: CSR Building Products Ltd – application completeness assessment

Have the relevant appendices to the application been completed?		
A1	Australian production	Yes
A2	Australian market	Yes
A3	Sales turnover	Yes
A4	Domestic sales	Yes
A5	Sales of other production	Yes
A6.1	Cost to make and sell (& profit) – Domestic sales	Yes
A6.2	Cost to make and sell (& profit) – Export sales	Yes
A7	Other injury factors	Yes
General administration and accounting information		
History	CSR began in Sydney in 1855 as the Colonial Sugar Refining Company before transforming into a major building materials manufacturer and eventually becoming a subsidiary of the French company Saint-Gobain in 2024.	
Ownership	CSR is a wholly owned subsidiary of the French multinational building materials company Compagnie de Saint-Gobain S.A.	
Operations	CSR has provided details of its areas of operation in its application.	
Financial year	CSR's financial year is 1 January to 31 December.	
Audited accounts	CSR provided audited accounts for FY 2024 and FY 2025.	
Annual reports	CSR provided annual reports for FY 2024 and FY 2025.	
Production and sales information	Cost to make and sell information	Other injury factors
The Commissioner considers that there are no material concerns, subject to the Commissioner's usual verification practices.	The Commissioner considers that there are no material concerns, subject to the Commissioner's usual verification practices.	The Commissioner considers that there are no material concerns, subject to the Commissioner's usual verification practices.

Table 8: Fletcher Insulation Pty Ltd – application completeness assessment

Have the relevant appendices to the application been completed?		
A1	Australian production	Yes
A2	Australian market	Yes
A3	Sales turnover	Yes

Have the relevant appendices to the application been completed?		
A4	Domestic sales	Yes
A5	Sales of other production	Yes
A6.1	Cost to make and sell (& profit) – Domestic sales	Yes
A6.2	Cost to make and sell (& profit) – Export sales	Yes
A7	Other injury factors	Yes
General administration and accounting information		
History	Fletcher traces its history back to the United States company, Sisalkraft, which established itself in Australia in the 1930s. In the 1960s, ACI (Australian Consolidated Industries) set up a glass wool insulation manufacturing facility in Dandenong, Victoria and, with a licence from Owens Corning, started manufacturing the Pink Batts brand of insulation in Australia. From 2003, Fletcher Building acquired several insulation businesses, including products made by Sisalkraft and ACI, resulting in the formation of Fletcher Insulation.	
Ownership	Fletcher is wholly owned by the trans-Tasman building materials conglomerate Fletcher Building group.	
Operations	Fletcher manufactures glass wool insulation products under the Pink Batts brand and operates a manufacturing facility at Dandenong, Victoria.	
Financial year	Fletcher's statutory accounting period is 1 July to 30 June.	
Audited accounts	Fletcher provided audited accounts for FY 2024 and FY 2025.	
Annual reports	Fletcher provided annual accounts for FY 2024 and FY 2025.	
Production and sales information	Cost to make and sell information	Other injury factors
The Commissioner considers that there are no material concerns, subject to the Commissioner's usual verification practices.	The Commissioner considers that there are no material concerns, subject to the Commissioner's usual verification practices.	The Commissioner considers that there are no material concerns, subject to the Commissioner's usual verification practices.

Based on the information contained in the application, the Commissioner is satisfied that sufficient information has been provided to analyse the performance of the Australian industry from 1 July 2022, which is the proposed injury analysis period.

Market size

In the application, the applicants estimated the size of the Australian market for the goods based on its sales for like goods and import data sourced from a third-party provider, TradeData International Pty Ltd (**TradeData**).

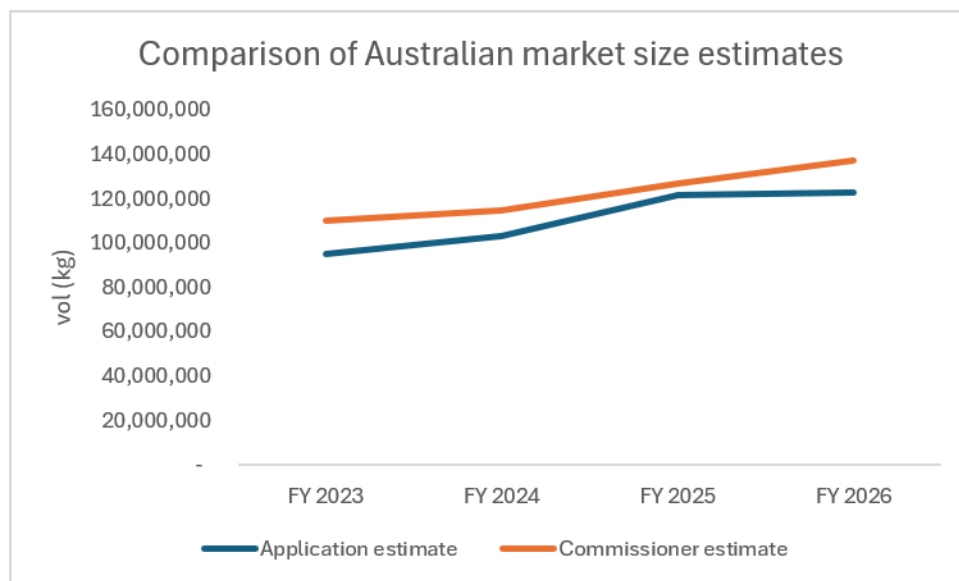
The Commissioner has estimated the size of the Australian market using the sales data provided by the Australian industry and import data from the ABF import database. To identify imports of the goods in the ABF data, the Commissioner:

- examined those consignments declared under tariff classification 7019.80.00:80 (see ‘Tariff classification’)
- As this tariff classification likely include goods and non-goods, the Commissioner manually filtered these consignments by their description to identify likely imports of the goods.
- For those consignments where it was unclear by its description whether the consignment was of goods or non-goods (approximately 20%), the Commissioner filtered those by known exporters of the goods.
- The Commissioner filtered the data to exclude consignments where the free on board (**FOB**) price per kilogram was outside a range of AUD\$0.40/kg to AUD\$4/kg. The Commissioner considers this a reasonable price range to use as a filter for the goods, based on costs and price data provided in the application.

Using this method, the Commissioner was able to identify approximately 99% of consignments under the relevant tariff classification as either the goods or not the goods.

Figure 1 compares the applicants’ estimate with that of the Commissioner.

Figure 1: Estimates of the Australian market for the goods⁵



Both the applicants’ estimate and the Commissioner’s estimate show an approximate market size of 100 million kilograms in FY 2023, with the Commissioner’s estimate slightly higher than the applicants’ estimate. Both estimates increase during the injury period until FY 2026, when the Commissioner’s estimate continues on a similar upward trend, while the applicants’ estimate flattens out.

⁵ Confidential Attachment 2 – Australian market

The Commissioner is satisfied that the similarity between the estimates indicates that the data provided by the applicants and from the ABF import database is relevant and reliable to estimate the size of the Australian market

In making the decision on whether or not to reject the application and initiate an investigation, the Commissioner has favoured data from the ABF import database, which provides data to a greater granular level compared to TradeData.

The Commissioner will reassess the market size during the course of the investigation based on verified data provided by interested parties. This may result in a revision to the volumes depicted in Figure 1.

Reasonable Grounds – dumping

Findings

Pursuant to section 269TC(1)(c), the Commissioner considers that there appear to be reasonable grounds to conclude that:

- the goods have been exported to Australia from China and Malaysia at dumped prices
- the estimated dumping margins for exports from both China and Malaysia are greater than 2% and therefore are not negligible
- the estimated volumes of goods from China and Malaysia that appear to have been dumped is greater than 3% of the total Australian import volume of goods and therefore are not negligible.

The Commissioner's volume analysis and dumping analysis forms **Confidential Attachment 2 – Australian market**.

Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a dumping duty notice if, among other things, the Commissioner is not satisfied that there appear to be reasonable grounds for the publication of a dumping duty notice.

Under section 269TG, one of the matters that the Minister for Industry and Innovation and Minister for Science must be satisfied with in order to publish a dumping duty notice is that the export price of goods that have been exported to Australia is less than the normal value of those goods, i.e. that dumping has taken place (to an extent that is not negligible).

Export price

Legislative framework

Export price is determined by applying the requirements in section 269TAB taking into account whether the purchase or sale of goods was an arms length transaction under section 269TAA.

The Applicants' estimate

The table below summarises the approach taken by the applicants to estimate export prices and the evidence relied upon.

Table 9: Applicants' estimate of export prices

Country	Basis of estimate	Details
China	Export prices based on TradeData	The applicants calculated weighted average FOB export prices for the goods exported from China during the investigation period

Country	Basis of estimate	Details
	international import data.	using import volume and value data sourced from TradeData, making certain assumptions regarding the composition of goods and non-goods of imports of glass wool products.
Malaysia	Export prices based on TradeData International import data.	As above, based on imports from Malaysia instead of China.

The Commissioner's assessment

The Commissioner examined the export price calculations and supporting evidence provided by the applicants, which is based on TradeData import data.

To assess the reliability of the applicants' calculated export price, the Commissioner calculated a weighted average export price for exporters of the goods from China and Malaysia using ABF import data, filtered via the method discussed in 'Market size'. The Commissioner then compared its calculated export prices to the export prices for each country in the application.

While the Commissioner's and applicants' estimates of the size of the Australian market are comparable, there is a difference between the respective calculated export prices, with the Commissioner's estimates 19% lower for Chinese exports and 25% lower for Malaysian exports over the investigation period, when compared to the applicants' estimate.

Noting this difference, the Commissioner has further examined the goods descriptions accompanying the consignments reported in the ABF import data used to calculate the export price. This is a level of analysis unavailable in the TradeData used by the applicants. The Commissioner observed there is a wide range of export prices within the data but is satisfied that the data accurately relates to the goods, and that it is reliable for calculating an export price.

The Commissioner has accordingly relied on the ABF import data to estimate export prices for China and Malaysia.

The applicants' calculation of export prices and the Commissioner's comparison is in **Confidential Attachment 2 – Australian market**.

Normal value

Legislative framework

Normal value is determined by applying the requirements in section 269TAC considering whether:

- the purchase or sale of the goods was an arms length transaction under section 269TAA
- the goods were sold in the ordinary course of trade under section 269TAAD;

- there has been an absence or low volume of sales of like goods in the country of export, and
- whether the situation in the market of the country of export is such that sales in that country are not suitable for determining normal value under section 269TAC(1).

The Applicants' estimate

The table below summarises the approach taken by the applicants to estimate normal values and the evidence relied upon.

Table 10: Applicants' estimate of normal values

Country	Basis of estimate	Details
China	Constructed normal value under section 269TAC(2)(c).	The applicants claim that a particular market situation exists in China due to extensive government influence over the building materials, glass fibre and glass wool sectors. The applicants submit that domestic sales in China do not permit a proper comparison with export prices and have therefore constructed normal values using their own production costs adjusted to reflect competitive market costs. The applicants relied on their own cost to make and sell data, adjusted for available Chinese economic benchmarks. Further detail on the construction of the normal value is below. <u>Production costs</u> In the absence of Chinese production costs, the applicants have used a weighted average of their own production (variable and fixed) costs and selling, general and administration (SG&A) costs with a downward adjustment for Chinese labour costs. The use of the applicants' own data also means that any distortions in key raw material prices are avoided. <u>Profit</u> A level of profit of 5.24% has been applied, based on the 2024 financial statements of CNBM Co. Ltd (CNBM), a significant Chinese manufacturer of the goods. <u>Adjustments</u> The applicants made no adjustments to account for the difference between Ex-works (EXW) and FOB incoterms. The applicants submit that specific adjustments will be required for each exporter, to account for domestic and export credit terms, and domestic and export packing, etc.
Malaysia	Domestic market selling prices under section 269TAC(1).	The applicants estimated Malaysian normal values using observed domestic selling prices of comparable glass wool products sold in Malaysia. Retail prices were adjusted to remove distributor and retailer margins and Malaysian Sales and Service Tax (SST) to estimate an ex-works domestic selling price. The resulting normal value was converted into Australian dollars using average Australian Taxation Office exchange rates during FY 2026. <u>Adjustments</u>

Country	Basis of estimate	Details
		The applicants made no adjustments to account for the difference between EXW and FOB incoterms. The applicants submit that specific adjustments will be required for each exporter, to account for domestic and export credit terms, and domestic and export packing, etc.

The Commissioner's assessment – China

The Commissioner must determine whether there appear to be reasonable grounds for supporting a claim that the goods have been exported at dumped prices. The Commissioner is therefore required to assess whether the estimated normal values provided in the application appear to be reasonable.

For an estimated constructed normal value, as in the present application, the Commissioner will assess whether the costs used by the applicants to construct the normal value reasonably reflect the costs of production in the exporting country, in this case, China. When making this assessment, the Commissioner notes that applicants usually have access to limited data to enable them to estimate the costs in the country of production. The Commissioner considers it reasonable for applicants to use their own costs, but where it is practicable to do so, the costs should be adjusted to reflect costs in the country of export.

In certain circumstances, the Commissioner will have access to additional information from other sources that is more relevant and reliable than the information relied upon by the applicants.

Particular market situation claims

The applicants claim that a particular market situation exists in the Chinese market for glass wool insulation batts and that accordingly, domestic sales in China do not permit a proper comparison with export prices to Australia.

The application provides a substantial body of information supporting their claim that a particular market situation may exist in the Chinese glass wool insulation industry. The applicants rely upon evidence concerning Government of China (**GOC**) influence over the building materials sector, state ownership within the glass fibre industry, industrial planning policies, government grants, preferential financing and alleged distortions affecting key raw material and energy inputs. This is set out in section B-3 of the application.

For the purposes of section 269TC(1), the Commissioner considers that the applicants' claim of a particular market situation appears reasonable and that the constructed normal value methodology adopted by the applicants provides an adequate basis for estimating normal value.

The Commissioner will seek further information from exporters and the GOC to assess the applicants' claims of a particular market situation during the course of the investigation.

Production and SG&A costs

The Commissioner considers the use of costs based on the applicants' own labour, conversion and SG&A costs in respect of the goods, after adjustment, is a reasonable basis for estimating such costs in China. The Commissioner notes that the applicants adjusted downwards its own labour costs to account for lower labour costs in China.

However, the Commissioner notes that the applicants have used a weighted average of their own production and SG&A costs. Noting comments in the application that imported goods benefit from lower manufacturing costs, lower labour costs and larger scale production facilities (all of which the applicants claim are subsidised), the Commissioner considers that it is preferable to use the lower production and SG&A costs of the 2 Australian industry members as the basis for constructing a normal value for China (along with an adjustment for lower Chinese labour costs), as this will likely more closely reflect the lower cost of production of the goods in China, absent any possible distortions.

Profit

At this stage of the investigation, the Commissioner does not have any data on the production and sale of the goods in the Chinese domestic market which could be used to estimate typical profits for the goods. In previous consideration reports, the Commissioner used verified data from other investigations into similar goods in the same general category as the goods being investigated. However, this approach cannot be taken in the present case as the Commissioner has not previously examined glass wool insulation batts or any similar product.

The applicants used a profit margin of 5.24% in constructing the normal value, based on the 2024 financial statements of CNBM. The applicants submit that CNBM has a central role in Chinese glass wool batts and fibreglass industries, controlling several large producers of the goods and related insulation products in China.

The Commissioner considers this profit margin reasonable for the purposes of this report, noting that, based on the available evidence, CNBM appears to be representative of Chinese domestic producers of the goods, given its significant place in the Chinese domestic market.

The Commissioner will further examine the profit relevant to the calculation of Chinese normal values during the investigation.

Adjustments to normal value

The Commissioner's general practice is to compare export prices and normal values at an FOB level. Comparing an export price and normal value on equal delivery terms provides an accurate estimate of a dumping margin. However, the applicants have limited access to information to adjust EXW normal values to ensure a fair comparison with FOB export prices. In the Commissioner's consideration of previous applications where limited or no information has been provided on specific FOB costs, the Commissioner has used verified information from earlier cases examining similar goods. This approach cannot be taken in the present application, as the Commissioner has not previously examined glass wool insulation batts. The Commissioner has therefore compared the estimated FOB price with the estimated EXW normal value in

calculating the dumping margin. This approach results in a conservative estimate of the dumping margin, as any upwards adjustment to calculate the normal value at FOB terms would have an effect of increasing the dumping margin.

The Commissioner's assessment – Malaysia

The Commissioner considers that the applicants' use of observed Malaysian domestic selling prices appears to provide a reasonable estimate of normal value based on information available to the applicants. The Commissioner considers the applicants' assumptions regarding downstream margins and SST adjustments to be reasonable in the Commissioner's assessment of the application.

Adjustments to normal value

Like its estimate of Chinese normal values, the applicants have limited access to information to adjust EXW normal values to FOB terms. Consistent with the approach taken for Chinese normal values, the Commissioner has compared the estimated FOB export price with the estimated EXW normal value in calculating the dumping margin.

The applicants' calculation of export prices and the Commissioner's comparison is in **Confidential Attachment 4 – Normal values and Dumping margins**.

Dumping margins

Legislative framework

Dumping margins are determined in accordance with the requirements of section 269TACB.

Dumping margins and dumping volumes cannot be negligible, otherwise the investigation is terminated. Whether the dumping margins and dumping volumes are negligible is assessed under section 269TDA.

The Commissioner's assessment

The table below summarises the dumping margins estimated by the applicants and dumping margins calculated by the Commissioner based on revised estimates of export prices and normal values. Dumping margins are expressed as a percentage of the export price. The table also indicates whether the Commissioner is satisfied that the dumping margins and volume of dumped goods are above negligible levels.

Table 11: Estimated dumping margins

Country	Applicants' estimate	Commissioner's estimate ⁶	Volume ⁷
China	Quarterly dumping margins ranging from 46.4% to 80.0% during FY 2026.	The Commissioner has used ABF import data to calculate a weighted average export price for Chinese exporters in FY 2026. The Commissioner has calculated a normal value using the same method as the applicants but instead used the production and SG&A costs of the lowest costed Australian industry member, rather than a weighted average.⁸ The Commissioner has then calculated a weighted average normal value for all of FY 2026, using quarterly export volumes of Chinese exporters, on the assumption domestic weightings would be similar. The Commissioner has calculated a dumping margin of 69.4%.	China accounts for more than 3% of total Australian import volume and the volume of dumped goods does not appear negligible.
Malaysia	Quarterly dumping margins ranging from 14.9% to 24.3% during FY 2026.	The Commissioner has used ABF import data to calculate a weighted average export price for Malaysian exporters in FY 2026. The Commissioner has used the applicants' method for calculating the normal value of Malaysian exporters. The Commissioner has calculated a dumping margin of 57.3%. The difference between the applicants' and Commissioner's estimates is driven by a lower export price based on the ABF import data. As discussed in 'Export price', the Commissioner considers ABF import data a more reliable source of export prices of the goods into Australia.	Malaysia accounts for more than 3% of total Australian import volume and the volume of dumped goods does not appear negligible.

At this stage, the Commissioner is satisfied that exports from China and Malaysia are dumped at dumping margins above 2% and are therefore not negligible under section 269TDA(1).

Volume of dumped goods

The Commissioner is satisfied that:

⁶ Confidential Attachment 4 – Normal values and Dumping margins

⁷ Confidential Attachment 2 – Australian market

⁸ The Commissioner calculated a weighted average normal value for the investigation period, rather than on a quarterly basis as in the application.

- exports from China account for greater than 3% of imports
- exports from Malaysia account for greater than 3% of imports.

Section 269TDA(3) provides that the Commissioner must terminate an investigation into dumping if the Commissioner finds that the total volume of goods exported to Australia over the relevant investigation period that have been or may be dumped, is negligible. A negligible volume of goods is less than 3% of the total Australian import volume pursuant to section 269TDA(4).

Based on ABF import data, as discussed in 'Market size', the Commissioner is satisfied that the volume of goods that may have been dumped is above negligible levels.

Reasonable grounds – subsidisation

Findings

Pursuant to section 269TC(1)(c), the Commissioner considers that there appear to be reasonable grounds to conclude that:

- countervailable subsidies have been received in respect of the goods exported to Australia from China and Malaysia
- the countervailable subsidy margins for exports from both China and Malaysia are greater than 2% and therefore are not negligible
- the volumes of goods exported from China and Malaysia in respect of which a countervailable subsidy has been or may be received are greater than 4% of the total Australian import volume of goods and therefore are not negligible.

Legislative framework

Section 269TC(1) requires that the Commissioner reject an application for a countervailing duty notice if, among other things, the Commissioner is not satisfied that there appear to be reasonable grounds for the publication of a countervailing duty notice.

Under section 269TJ, one of the matters that the Minister must be satisfied with in order to publish a countervailing duty notice is that countervailable subsidisation has taken place, to an extent that is not negligible. Whether the countervailable subsidisation and the volume of subsidised goods are negligible is assessed under section 269TDA.

The determination as to whether there is a countervailable subsidy is made in accordance with section 269T(1), section 269T(2AA), section 269TACC and section 269TAAC.

Subsidy margins are determined under section 269TACD.

Consultation with foreign governments

In accordance with section 269TB(2C), the Commissioner invited both the GOC and the Government of Malaysia (**GOM**) for consultation during the pre-initiation phase. The Commissioner provided both governments with a non-confidential version of the application.

The purpose of the invitations was to provide an opportunity for the GOC and GOM to respond to the claims made within the application in relation to countervailable subsidies, including whether they exist and, if so, whether they are causing, or are likely to cause, material injury to an Australian industry, with the aim of arriving at a mutually agreed solution.

As of the date of this report, there has been no request for consultation from either the GOC or GOM. The Commissioner remains open to consulting with both governments during the investigation.

Subsidy programs – China

The Applicants' claims

In applying to the Commissioner to initiate a countervailing subsidy investigation into Chinese exports of the goods, the applicants have relied upon the following sources of evidence.

Table 12: Sources of evidence for the applicants' countervailable subsidy claims in respect of China

Evidence	Summary from application
Previous Commissioner findings	The Commissioner has made affirmative subsidy findings in numerous Chinese investigations, identifying recurring subsidy categories, including provision of primary inputs at less than adequate remuneration (LTAR), preferential energy and electricity pricing, preferential lending by state-owned commercial banks treated as public bodies, industrial land use rights for LTAR, tax preferences (particularly the High and New Technology Enterprise 15% rate), grants under 'Famous Brands' and similar programs, and VAT export rebate distortions. The methodologies developed in steel and the aluminium extrusions are particularly directly applicable to this present application, given the overlapping industrial policy framework, the use of constructed external benchmarks, and the treatment of state-owned commercial banks as public bodies.
United States Department of Commerce (USDOC) findings	- Case no. C-570-176, <i>Float Glass Products from China – Final Affirmative CVD Determination</i> (9 Feb 2026): the USDOC found multiple countervailable programs above de minimis levels in respect of soda ash, silica sand, energy and lending, all of which are inputs relevant to the production of the goods. - Case no. C-570-180, <i>Fiberglass Door Panels from China – Final CVD</i> (21 Aug 2025): the USDOC imposed countervailing rates of between 59.17% and 921.42% in respect of similar products to the goods. - Case no. C-570-145, <i>Tin Mill Products from China – CVD</i> (10 Jan 2024): the USDOC found multiple countervailable programs provided to the Chinese steel sector. The applicants have referred to the findings in this case as evidence of the existence of subsidy programs across sectors. - Case no. C-570-968, <i>Aluminium Extrusions from China – CVD</i> (5 Apr 2011): the USDOC imposed countervailing rates at 374.15%. The applicants have referred to the findings in this case as containing the 'foundational catalogue of [Chinese] programmes'.
European Commission findings	- The European Commission's investigations and expiry reviews on continuous filament glass fibre; woven and stitched glass fibre fabrics; and glass fibre yarns - The European Commission's Staff Working Document on Significant Distortions in the Economy of the PRC - The UK Trade Remedies Authority's determination in Case AD0012 (aluminium extrusions).

Evidence	Summary from application
Audited financial statements of listed Chinese producers	The four principal CNBM listed entities each disclose substantial government grant receipts in their audited annual reports. The Notes to the financial statements typically itemise individual grant programmes by name, amount, granting authority and accounting treatment (deferred income vs immediate recognition). The applicants relied on these disclosures as direct source evidence of the existence and operation of subsidy programs.
WTO subsidy notification record	In China's 30 June 2025 notification to the WTO Committee on Subsidies and Countervailing Measures, China identifies subsidies available at the central and sub-central levels of government which take the form of cash grants, land-use rights, discounted inputs, preferential loans and directed credit, special tax rebates, and VAT and tariff exemptions.

Based on the evidence discussed above, the applicants claim that Chinese exporters of glass wool batts benefit from a substantial range of countervailable subsidies. Table 13 provides a summary of these subsidies.

Table 13: Summary of the applicants' countervailable subsidy claims in respect of China

Subsidy program	Summary from application
Silica sand provided at LTAR	Silica sand is the principal raw material for the goods by mass. The Chinese silica sand industry is highly concentrated, with the GOC controlling supply through 3 main mechanisms: - the long-standing MOFCOM export ban on natural silica sand - provincial-level production quotas allocated by the relevant Departments of Natural Resources - the inclusion of silica sand mining in the National Development and Reform Commission (NDRC) Guidance Catalogue as a sector subject to restriction or encouragement depending on quality and end use. The combination of the export ban and quota system creates a captive domestic supply at suppressed prices. The USDOC in the <i>Float Glass Products from China – Final Affirmative CVD Determination</i> found the provision of silica sand for LTAR to be a countervailable subsidy.
Soda ash provided at LTAR	Soda ash (sodium carbonate) is the second-largest raw material input into the goods by mass. The Chinese soda ash industry is dominated by State-Owned Enterprises (SOEs), and is characterised by structural overcapacity, administratively-influenced pricing, and substantial reported government grants to producers. The USDOC in <i>Fiberglass Door Panels from China – Final CVD</i> found the provision of soda ash for LTAR to be countervailable.
Borax / boron bearing minerals provided at LTAR	Boron-bearing minerals (borax, colemanite) are used as a flux and to confer specific thermal properties on the finished glass wool fibre. World borax production is concentrated in Turkey and the western U.S., with China's domestic production modest in global terms. To the extent Chinese glass wool producers source borax domestically, the applicants allege that the input is supplied predominantly by SOE producers (notably Tibet Mineral and SOEs

Subsidy program	Summary from application
	within the Inner Mongolia and Liaoning supply complexes) at non-market prices reflecting domestic energy and labour subsidies.
Energy – electricity, natural gas, steam provided at LTAR	Glass wool manufacture is highly energy-intensive: furnaces must operate at high temperatures, fiberisation requires substantial additional energy, and curing ovens consume significant gas or electricity. The applicants submit that the Chinese energy market is comprehensively distorted, in 3 ways: • differential electricity pricing for encouraged vs restricted industries • natural gas pricing: piped industrial natural gas in China is supplied predominantly by SOE operators at administratively-set prices that diverge from import-parity prices for LNG, generating an implicit subsidy to gas-intensive manufacturing • industrial steam supplied by combined-heat-and-power SOE complexes: where glass wool plants are co-located with industrial parks, process steam is frequently supplied by SOE operators at below-cost rates. The USDOC has found electricity for LTAR to be a countervailable subsidy in multiple Chinese investigations including aluminium extrusions, tin mill products, and float glass. The Commissioner has likewise found this across, for example, China-specific aluminium extrusions inquiries.
Land and water and steam provided at LTAR	All urban land in China is state-owned and all rural land collective-owned; industrial enterprises obtain land use rights from local government departments at administratively determined benchmark prices that systematically diverge from market value.
Grant programs	The principal programs documented in the USDOC determinations and listed-company disclosures relied upon include the ‘Famous Brands’ and ‘Key Enterprises’ programs, the Energy Conservation Special Fund and Energy-Saving Technical Renovation grants, the Green Manufacturing Special Fund, Technical Renovation / Industrial Transformation grants, special-purpose grants for innovation centres and intelligent-manufacturing demonstration.
Tax preferences	China’s income tax system contains a series of preferential rates and deductions of particular benefit to the Chinese glass wool industry, including the High and New Technology Enterprise (HNTE) reduced rate of 15%, the R&D super-deduction (currently a 100% additional deduction on qualifying R&D expenses), residual ‘Two-Free Three-Half’ preferences persisting at provincial and zone level, value-added tax (VAT) export rebates and exemptions for enterprises in encouraged categories, Western Development tax preferences relevant to capacity in Inner Mongolia, Sichuan and Yunnan, and various municipal property tax, urban construction tax and education-surcharge reductions or refunds.
Preferential lending	The applicants submit that state-owned commercial banks should be characterised as public bodies. Lending by these institutions to Chinese glass wool producers at interest rates systematically below those obtainable from a commercial benchmark lender constitutes a financial contribution conferring a benefit. The OECD has quantified below-market finance benefits to large Chinese industrial firms at 100-300 basis points below comparable market benchmarks, most pronounced in firms with more than 25% government investment.
Equity programs	The GOC and the State-owned Assets Supervision and Administration Commission (SASAC), directly and through their controlled holding entities,

Subsidy program	Summary from application
	periodically inject equity into central SOEs at non-market terms; such injections are countervailable where the price paid for the equity exceeds that which an arms-length investor would pay given the risk adjusted return profile. The applicants submit that these equity injections could be countervailable subsidies.
Export programs	Three principal export-contingent programmes are relevant: • Sinosure short-term export credit insurance, which the USDOC has consistently found countervailable • the Export Buyer's Credit Programme operated by the Export-Import Bank of China, to which the USDOC has applied adverse facts available where the GOC declined to provide program documentation • the MOFCOM Foreign Trade Development Special Fund and provincial export-stimulus grant programmes, including export-rebate top-ups, brand-promotion grants for exporters and trade-fair subsidies.
Provincial and municipal programs	Chinese glass wool capacity is concentrated in particular provinces, each operating its own ecosystem of provincial and municipal subsidy programs. This includes Shandong (home to Taishan Fiberglass at Tai'an and several Sinoma S&T subsidiaries), Zhejiang (China Jushi's principal production base at Tongxiang), Jiangsu (Sinoma S&T and other glass fibre producers), Hebei (BNBM facilities), Sichuan (Sinoma Jianan and other western producers, who additionally benefit from Western Development tax and tariff preferences), and Inner Mongolia, Hubei and Beijing (further CNBM Group subsidiaries). The applicants submit exporter questionnaires should seek disclosure of all provincial and municipal grants received during the investigation period.

The Commissioner's assessment

In exercising the power under section 269TC(1) of the Act, the Commissioner has assessed the evidence relied on by the applicants regarding countervailable subsidies.

The Commissioner considers that the application contains sufficient evidence that Chinese exporters of the goods are likely beneficiaries of countervailable subsidies, as set out in Table 14.

Table 14: Commissioner's assessment of countervailable subsidy claims in respect of China

Evidence	Relevance to the goods
The findings of the USDOC in several cases of countervailable subsidy programs being provided in respect of raw materials used in the manufacture of the goods, namely, silica sand, soda ash and borax/boron.	The Commissioner considers there appears to be a reasonable basis to conclude that silica sand, soda ash and borax/boron used in the manufacture of the goods were provided by the GOC for less than adequate remuneration, providing an upstream subsidy in respect of the goods.
The findings of the USDOC in several cases into products unrelated to the goods of electricity being provided at LTAR, along with previous findings by the Commissioner into distortion in the Chinese electricity market in several recent cases, for example,	The Commissioner considers there appears to be a reasonable basis to conclude that electricity is a significant cost into the production of the goods, and that electricity costs in China are distorted and may be supplied by the GOC or public bodies for LTAR thus conferring a benefit in relation to the goods

Evidence	Relevance to the goods
<i>Investigation 658 – Hot rolled coil steel (INV 658).</i>	exported from China. The Commissioner considers there is a reasonable basis to conclude that this subsidy program predominately benefits particular energy intensive enterprises, including manufacturers of glass wool insulation batts.
Previous Commissioner findings in several cases of countervailable grant programs being provided to Chinese manufacturers, by the GOC at the provincial, municipal and national level, for example, <i>Continuation 689 – Precision pipe and tube (CON 689)</i> and <i>Investigation 690 – Freight Railway Wheels (INV 690).</i>	The Commissioner considers there appears to be a reasonable basis to conclude that Chinese manufacturers of the goods have received various grants in relation to the production and sale of the goods and that these grants are limited to particular enterprises and therefore countervailable.
Previous Commissioner findings in several cases of countervailable tax preferences being provided to Chinese manufacturers, for example, CON 689 and INV 690.	The Commissioner considers there appears to be a reasonable basis to conclude that Chinese manufacturers of the goods have benefited from various tax preferences in relation to the production and sale of the goods and these preferences are limited to particular enterprises and therefore countervailable.
Previous Commissioner findings in several cases of countervailable preferential loans being provided to Chinese manufacturers, for example, INV 658.	The Commissioner considers there appears to be a reasonable basis to conclude that Chinese manufacturers of the goods may have received preferential loans from state-owned commercial banks, and that those loans may be a countervailable subsidy and are limited to particular enterprises and therefore countervailable.
Previous Commissioner findings in several cases of GOC equity in manufacturers, including through SASAC, for example, INV 690.	While the Commissioner has identified in several previous cases GOC equity stakes in manufacturers, the Commissioner has not found such stakes to be a countervailable subsidy. However, the Commissioner has found that such stakes may be tied to non-market outcomes, see for example, INV 658. The Commissioner will examine any evidence provided during the investigation indicating manufacturers of the goods have received a countervailable subsidy under an equity program.
The findings of the USDOC in several cases of countervailable subsidy programs in relation to exports.	The Commissioner considers there appears to be a reasonable basis to conclude that Chinese manufacturers of the goods have received subsidies contingent on export performance.

Based on the evidence provided by the applicants, the Commissioner is satisfied there appears to be a reasonable basis for concluding that glass wool insulation batts exported to Australia from China received countervailable subsidies. The Commissioner notes that this assessment for the purposes of section 269TC(1) does not constitute a final finding. The Commissioner will further assess the receipt of

countervailable subsidies in respect of glass wool insulation batts exported to Australia from China during the course of the investigation.

Subsidy programs – Malaysia

The Applicants' claims

In applying to the Commissioner to initiate a countervailing subsidy investigation into Malaysian exports of the goods, the applicants have relied upon the following sources of evidence.

Table 15: Sources of evidence for the applicants' countervailable subsidy claims in respect of Malaysia

Evidence	Summary from application
USDOC findings	- Case no. C-557-833; <i>Float Glass Products from Malaysia – Final Affirmative CVD Determination</i> (9 Feb 2026): the USDOC found multiple countervailable programs were provided to producers and exporters of float glass products from Malaysia, which are within the same broad HS chapter 70 family as the goods. The applicants have also referred to preliminary findings by the USDOC in that case. - Case no. C-557-822; <i>Utility Scale Wind Towers from Malaysia – Final Affirmative CVD Determination</i> (9 June 2021): the USDOC found countervailable subsidisation, examining among other programmes Land for LTAR, an Import Duty Exemption programme, and electricity and water benchmarks. - Case no. C-557-831; <i>Crystalline Silicon Photovoltaic Cells from Malaysia – Final Affirmative CVD Determination</i> (25 April 2025): the USDOC examined import-duty and sales-tax exemptions conferred through Licensed Manufacturing Warehouses and Free Industrial Zones.
Company specific evidence	PGF Capital Bhd (PGF) is a listed company that designs, manufactures and distributes glass mineral wool insulation under the Ecowool brand. Through its published financial statements, quarterly results and stock exchange announcements, the applicants claim to have identified several countervailable subsidy programs relevant to PGF, which may also be relevant to other Malaysian manufacturers of the goods.

Based on the evidence discussed above, the applicants claim that Malaysian exporters of glass wool batts benefit from a substantial range of countervailable subsidies. Table 16 provides a summary of these subsidies.

Table 16: Summary of the applicants' countervailable subsidy claims in respect of Malaysia

Subsidy program	Summary from application
Northern Corridor Economic Reform (NCER) tax incentive package (5+5-year tax holiday)	The NCER is a development region covering the four northern States (Perlis, Kedah, Perak and Penang) administered by the Northern Corridor Implementation Authority; its incentives include income-tax exemption, investment tax allowance, and stamp-duty and import-duty exemptions. In April 2025, PGF announced that it had received formal approval for the NCER tax incentive package for its new Kulim plant, granting it five-plus-five years of corporate tax exemption.

Subsidy program	Summary from application
	The applicants allege this is a financial contribution conferring a benefit equal to the corporate tax otherwise payable at 24% and is specific both regionally and by enterprise and industry eligibility.
Pioneer Status	Under the <i>Promotion of Investments Act 1986</i> , a company granted Pioneer Status in respect of a promoted product enjoys exemption of 70% to 100% of statutory income for 5-years (extendable to 10).
Investment Tax Allowance	As an alternative to the Pioneer Status program, the Investment Tax Allowance grants an allowance of 60% to 100% of qualifying capital expenditure incurred within 5 to 10 years, set off against up to 70% (or 100%) of statutory income. The applicants submit that, given PGF's capital-intensive Kulim plant expansion, it is likely PGF has received a benefit under this program.
Green Investment Tax Allowance / Green Income Tax Exemption	The Green Investment Tax Allowance provides up to 100% allowance on qualifying green-technology capital expenditure set off against 70% of statutory income. The Green Income Tax Exemption exempts 70-100% of the statutory income of green service providers. PGF positions Ecowool as a green product made from up to 80% recycled content and its insulation directly serves energy-efficiency objectives. The applicants allege PGF is placed to qualify for a subsidy under this program.
Green Technology Financing Scheme	The Green Technology Financing Scheme provides a 60-80% government guarantee of the green-component cost financed by participating financial institutions, together with a rebate on the financing rate. The applicants allege PGF and potentially other Malaysian manufacturers of the goods, as producers of green technology, would be eligible to receive a benefit under this program.
Free Industrial Zone / LMW duty, excise and sales-tax exemptions	Under the <i>Free Zones Act 1990</i>, goods may be brought into, produced or manufactured in a free zone without payment of customs duty, excise duty, sales tax or service tax. The statute also gazettes a Free Industrial Zone at Prai (Seberang Perai), Penang, which is the location of PGF's existing plant. The USDOC in the <i>Float Glass Products</i> and <i>Crystalline Silicon Photovoltaic Cells</i> cases found import-duty and sales-tax exemptions through free industrial zones and LMWs countervailable.
Preferential lending by State development financial institutions	Bank Pembangunan Malaysia, SME Bank and EXIM Bank Malaysia are wholly state-owned development financial institutions operating under government mandates, which the applicants allege are public bodies. To the extent Malaysian manufacturers of the goods have obtained financing, revolving credit, or contract financing from any of these institutions at preferential rates, the applicants allege a financial contribution conferring a benefit measured against a commercial benchmark, specific because such mandated finance is directed to targeted sectors.
EXIM export credit, export credit insurance	EXIM Bank Malaysia offers export credit refinancing, buyer financing, supplier financing, and trade credit takaful and insurance. As more than 70% of PGF's export volume is directed to the Oceania region, export financing and export-credit insurance provided by a state export-credit

Subsidy program	Summary from application
and buyer/supplier financing	agency on terms more favourable than the market, or at premium rates inadequate to cover the long-term operating costs and losses of the program, would constitute export subsidies and are deemed specific. The Applicants allege Malaysian exporter use of any EXIM Bank facility is countervailable and export-contingent.
Provision of electricity for LTAR / subsidised industrial tariff	Glass wool manufacture is highly energy-intensive, so any energy benefits are material. The applicants allege that the provision of electricity to PGF and others at regulated industrial tariffs below an undistorted market benchmark is a financial contribution (the provision of a good or service) conferring a benefit and is specific to industrial consumers. The USDOC in the <i>Utility Scale Wind Towers from Malaysia – Final Affirmative CVD Determination</i> examined and applied an electricity benchmark to a Malaysian producer.
Provision of natural gas for LTAR	Glass wool manufacture is highly energy-intensive, so any energy benefits are material. Gas to industrial users is benchmarked to an administered reference price. To the extent Malaysian producer glass-melting furnaces consume natural gas supplied at regulated or subsidised prices by PETRONAS (a State-owned public body), the applicants allege the provision of a good for LTAR conferring a specific benefit.
Government grants for plant and machinery upgrade	PGF's disclosures confirm receipt of a GOM grant in respect of upgraded plant and machinery. The applicants allege this grant is countervailable.
MATRADE Market Development Grant; Double Deduction for Promotion of Exports	MATRADE administers a Market Development Grant, a reimbursable grant for export-promotion activities, while the Inland Revenue Board administers a Double Deduction for Promotion of Exports for export-promotion expenses. The applicants allege both programs are financial contributions that are export-contingent.
Land / industrial-zone benefits at concessional prices	The applicants allege that, to the extent Malaysian manufacturers acquired or leased land in a government-developed industrial zone at a concessional price below a market benchmark, a financial contribution (the provision of land) conferring a regionally specific benefit arises. The USDOC in the <i>Utility Scale Wind Towers</i> applied adverse facts available to that program in the 2022 review.

The Commissioner notes that the applicants do not press a strong allegation that the GOM provides silica sand or soda ash for LTAR, because available evidence indicates that Malaysian manufacturers used predominantly recycled glass cullet.

The Commissioner's assessment

In exercising the power under section 269TC(1) of the Act, the Commissioner has assessed the evidence relied on by the applicants regarding countervailable subsidies.

The Commissioner considers that the application contains sufficient evidence that Malaysian exporters of the goods are likely beneficiaries of countervailable subsidies, as set out in Table 17.

Table 17: Commissioner's assessment of countervailable subsidy claims in respect of Malaysia

Evidence	Relevance to the goods
The findings of the USDOC in <i>Float Glass Products from Malaysia – Final Affirmative CVD Determination</i> of countervailable subsidy programs being provided to producers of float glass products.	The Commissioner considers there appears to be a reasonable basis to conclude that subsidies provided to Malaysian producers of float glass products would also be provided to Malaysian producers of glass wool products, particularly the USDOC-identified subsidy programs referred to by the applicants that relate to export-contingent grants, preferential lending and tax incentives and exemptions which would be relevant to the production and sale of glass wool insulation batts exported to Australia.
Public disclosures by PGF	The Commissioner considers there appears to be a reasonable basis to conclude that the grants and other benefits identified in various PGF disclosures are financial contributions which conferred a benefit in relation to goods exported from Malaysia by PGF and are therefore subsidies. Further, the Commissioner considers there appears to be a reasonable basis to conclude that these subsidies are limited to particular enterprises, are limited to enterprises operating within a designated geographical region or are contingent on export performance. The Commissioner therefore considers there appears to be a reasonable basis to conclude that the subsidies are countervailable. The Commissioner is satisfied, based on the available information, that PGF is a significant exporter of the goods from Malaysia, and that grants provided to it may also have been received by other Malaysian exporters of the goods.

Based on the evidence provided by the applicants, the Commissioner is satisfied there appears to be a reasonable basis for concluding that glass wool insulation batts exported to Australia from Malaysia received countervailable subsidies. The Commissioner notes that this assessment for the purposes of section 269TC(1) does not constitute a final finding. The Commissioner will further assess the receipt of countervailable subsidies in respect of glass wool insulation batts exported to Australia from Malaysia during the course of the investigation.

Reasonable grounds – injury to the Australian industry

Findings

Pursuant to section 269TC(1)(c), having regard to the matters contained in the application, and to other information considered relevant, the Commissioner considers there appears to be reasonable grounds to support the claims that the Australian industry has experienced injury in the form of:

- lost sales volumes
- lost market share
- price suppression
- loss of profits
- loss of profitability
- decline in asset values
- decline in capital investment
- decline in research & development (**R&D**).

Legislative framework

Under sections 269TG and 269TJ of the Act, in order to publish a dumping duty and a countervailing duty notice, the Minister must be satisfied that the Australian industry has experienced material injury. This issue is considered in the following sections.

The Applicants' claims

The applicants claim that the Australian industry has been injured in the forms of:

- lost sales volumes
- lost market share
- price suppression
- loss of profits
- loss of profitability
- decline in asset values
- decline in capital investment
- decline in R&D
- revenue foregone.

The applicants submit that the injury commenced from the beginning of FY 2024.

Approach to injury analysis

Legislative framework

The matters that may be considered in determining whether the industry has suffered material injury are set out in section 269TAE.

The Commissioner's approach

The analysis detailed in this chapter is based on information submitted by the applicants as part of their application, together with data extracted from the ABF import database.

The Commissioner examined the injury period to assess changes in the economic condition of the Australian industry. This is one year prior to when the applicants claim injury commenced, providing a baseline against which to compare.

The Commissioner has assessed the Australian industry as a whole in examining volume, price and profit and profitability effects. The applicants claimed that members of the Australian industry have experienced injury to different degrees in respect of other economic factors, and so, the Commissioner has examined these claims on an individual industry member level.

The Commissioner's assessment of the economic condition of the Australian industry is found in **Confidential Attachment 3**.

Volume effects

Sales volume

Table 18 shows that Australian industry domestic sales volume as a whole remained steady, with a minor increase, over the injury period.

Table 18: Index of Australian industry sales volumes, compared to FY 2023

	FY 2023	FY 2024	FY 2025	FY 2026
Sales volume (index)	100	104	106	107

However, Table 19 shows that Australian industry domestic sales volume fell over the investigation period, when examined on a quarterly basis.

Table 19: Index of Australian industry sales volumes over the investigation period

	2025 - Q3	2025 - Q4	2026 - Q1	2026 - Q2
Sales volume (index)	100	89	90	82

Market share

Table 20 shows the relative change in Australian industry market share, indexed to FY 2023, the beginning of the injury period.

Table 20: Index of Australian industry market share, compared to FY 2023⁹

	FY 2023	FY 2024	FY 2025	FY 2026
Market share (index)	100	100	92	85

Conclusion – volume effects

The Commissioner considers that there are reasonable grounds to support the applicants' claims that the Australian industry has suffered injury in the form of lost market share over the injury period, with its share of the market falling by 15% over the injury period.

On an annualised basis, the Australian industry does not appear to have lost sales volume over the injury period. However, the Commissioner notes that during the investigation period, Australian industry volumes have fallen consistently on a quarterly basis, finishing 18% lower compared to the beginning of the period.

Price effects

Price depression

Price depression occurs when a company, for some reason, lowers its prices.

Table 21 and Table 22 show that Australian industry unit selling prices slightly increased over both the injury and investigation periods.

Table 21: Index of Australian industry unit sales price, compared to FY 2023

	FY 2023	FY 2024	FY 2025	FY 2026
Unit selling price (index)	100	105	103	104

Table 22: Index of Australian industry unit sales prices over the investigation period

	2025 - Q3	2025 - Q4	2026 - Q1	2026 - Q2
Unit selling price (index)	100	101	101	102

Price suppression

Price suppression occurs when price increases, which otherwise would have occurred, have been prevented. An indicator of price suppression may be the margin between

⁹ Confidential Attachment 2 – Australian market

prices and costs. In determining whether price suppression has occurred, the Commissioner may assess:

- whether prices have increased at the same rate as costs over time or within a specified period, and/or
- whether prices for the Australian industry's like goods are lower than prices that may have been achieved in the absence of dumping and subsidisation.

Figure 2 and Figure 3 compare the weighted average selling price and weighted average cost to make and sell (**CTMS**) of like goods manufactured and sold by the applicants over the injury period, presented on an actual basis and an indexed basis respectively.

Figure 2: Australian industry unit selling price and CTMS (AUD/kg) – injury period

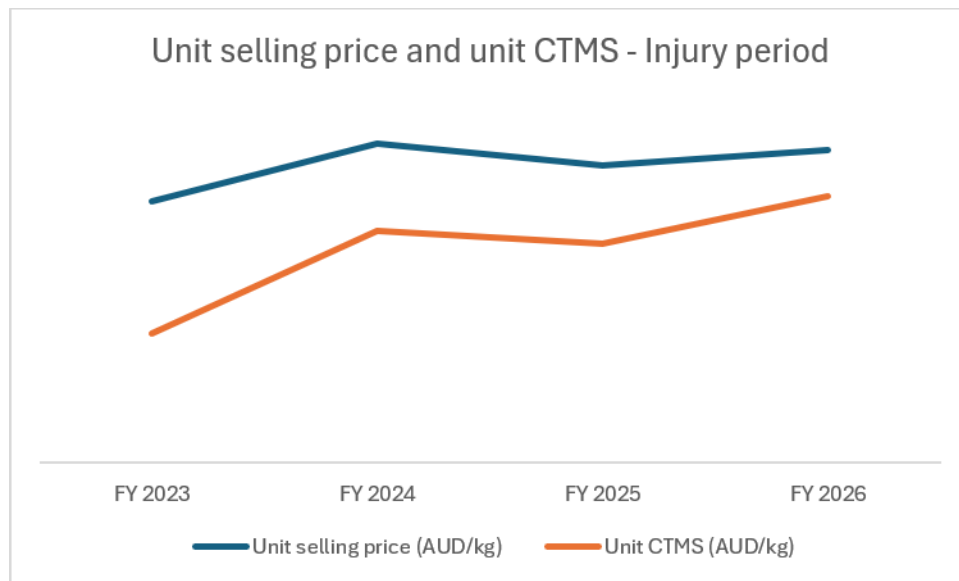


Figure 3: Index of Australian industry unit selling price and CTMS – injury period, compared to FY 2023

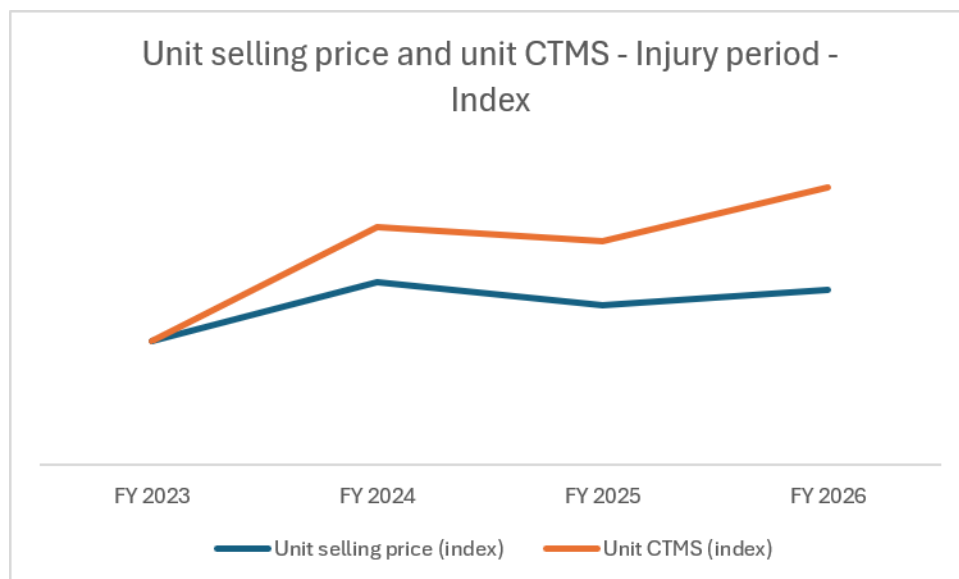
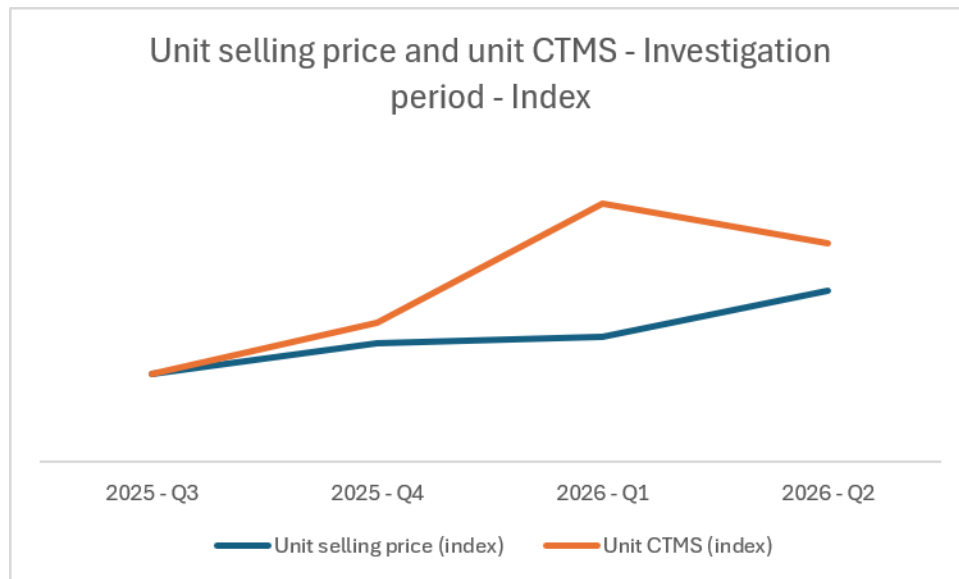


Figure 2 and Figure 3 show Australian industry's unit CTMS increasing over the injury period, while unit selling prices have remained largely flat. Accordingly, Australian industry's margins have decreased over the injury period.

A similar pattern has continued during the investigation period, with unit CTMS increasing at a faster rate than unit sales prices, as shown in Figure 4.

Figure 4: Index of Australian industry unit selling price and CTMS – investigation period



The Commissioner considers that the inability of the Australian industry to increase its selling prices in line with its increase in costs over the injury period (which has continued throughout the investigation period) is an indicator of price suppression.

Conclusion – price effects

Based on the analysis outlined above, the Commissioner is satisfied that there appear to be reasonable grounds to conclude that the Australian industry has suffered injury in the form of price suppression, but not price depression. This is consistent with the applicants' claims.

Profit and profitability effects

In the application, the applicants claim to have experienced materially declining profits and profitability across the injury and investigation periods, driven by ongoing price suppression compressing their margins between costs and price. The applicants submit that unit revenue and profitability would have not declined to the levels observed if price suppression and lost market share was not occurring. Further, due to the relatively high fixed costs required to produce like goods, the loss of sales volume has resulted in higher fixed costs on a per unit basis than they otherwise would have been, resulting in reduced profitability.

Figure 5 depicts total profit and profitability for the Australian industry over the injury period.

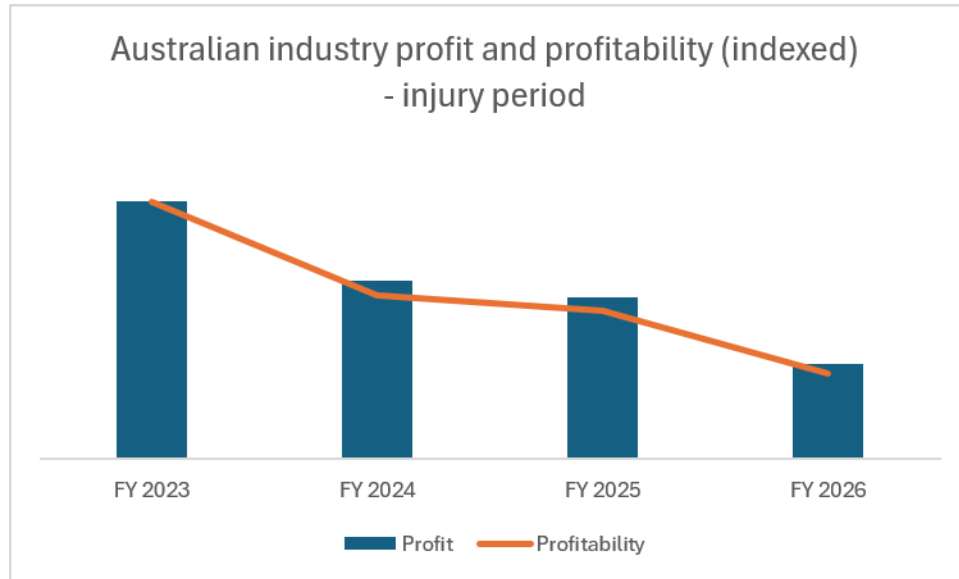
Figure 5: Index of Australian industry profit and profitability, compared to FY 2023

Figure 5 shows a consistent fall in profit for the Australian industry over the injury period. Profitability, measured as unit profit or loss as a percentage of unit revenue, followed a similar pattern throughout the injury period.

Conclusion – profit and profitability effects

Based on the analysis outlined above, the Commissioner is satisfied that there appear to be reasonable grounds to conclude that the Australian industry has suffered injury in the form of a loss of profit and profitability.

Other injury factors

In addition to volume, price, and profitability effects, the Australian industry claims injury in the form of other economic factors, including:

- decline in asset values
- decline in capital investment
- decline in R&D
- revenue foregone.

The applicants claim that the Australian industry has experienced injury to different degrees for the above factors. On this basis, the table below provides an index of these economic factors for each individual Australian industry member, rather than the Australian industry as a whole.

Table 23: Other injury factors, compared to FY 2023

	FY 2023	FY 2024	FY 2025	FY 2026
Asset values (member #1)	100	101	99	87
Capital investment (member #1)	100	96	41	30

	FY 2023	FY 2024	FY 2025	FY 2026
R&D (member #2)	100	-	-	-
Revenue (member #1)	100	108	97	99

Conclusion – profit and profitability effects

The Commissioner considers that these indicators demonstrate that members of the Australian industry have experienced injury during the injury period, in the form of:

- a decline in asset values
- a decline in capital investment
- a decline in R&D.

The Commissioner notes that the application claims that the Australian industry has suffered injury through revenue foregone. At this stage of the investigation, the Commissioner cannot determine whether Australian industry has lost revenue, as it contemplates a counterfactual that considers possible increases in volumes or sales prices. The Commissioner will further examine this claim during the course of the investigation.

Reasonable grounds – causation factors

Findings

Having regard to the matters contained in the application, and to other information considered relevant, the Commissioner considers there appears to be reasonable grounds to support the claims that the Australian industry has suffered injury caused by dumping or subsidisation, and that the injury is material.

Cause of injury to the Australian industry

Legislative framework

Under sections 269TG and 269TJ, one of the matters that the Minister must be satisfied of to publish a dumping duty and countervailing duty notice is that the material injury suffered by the Australian industry was caused by dumping and subsidisation. This issue is considered in the following chapters.

Matters that may be considered in determining whether the Australian industry has suffered material injury caused by dumped or subsidised goods are set out in section 269TAE.

Section 269TAE(2C) sets out the requirements for assessing the cumulative material injury effects of exports of goods to Australia from different countries, such as in the present case. Where exports are from more than one country and are simultaneously the subject of an investigation, the Minister may cumulatively assess the effects of such imports if:

- the margin of dumping established for each exporter and/or the amount of countervailable subsidy received is not negligible
- the volume of dumped and/or subsidised imports from each country is not negligible, and
- a cumulative assessment is appropriate in light of the conditions of competition between the imported goods, and between all of the imported goods and the like domestic goods.

The Applicants' claims

The table below summarises the causation claims of the applicants.

Table 24: Applicants injury and causation claims

Injury caused by dumping and subsidisation	
<u>Volume effects</u>	
• The applicants claim there is a direct correlation between the ongoing presence and increase in volumes of glass wool batts imported from China and Malaysia, and the Australian industry's annual sales volume and market share for the like goods.	

Injury caused by dumping and subsidisation

- In a market that grew materially over the period, that growth was captured almost entirely by imports from China and Malaysia, with the Australian industry's participation and market share declining. China and Malaysia together captured a significant amount of all market growth, leaving the Australian industry and other suppliers to compete for a diminishing balance.
- China grew from a small base at an accelerating rate. Chinese volume more than doubled year-on-year in each of FY 2024, FY 2025 and FY 2026, with the sharpest increase occurring in FY 2026. As Malaysian volumes eased in FY 2026, Chinese volumes filled the gap, so that combined subject volumes continued to rise.
- Australian market displacement has been borne by the domestic industry and non-subject imports. Other (non-subject) imports declined over the injury period. Subject imports have therefore grown squarely at the expense of the domestic industry, not by serving incremental demand the industry could not.

Price effects

- The applicants submit that the correlation between the Australian industry's quarterly selling prices and the annual FOB export prices of dumped imports demonstrates price suppression causation. The presence of dumped imports forced the Australian industry to either restrain price increases for like goods or forfeit sales volumes to import competition, resulting in share losses. This correlation exists because Australian industry pricing decisions were constrained by the competitive pressure from dumped Chinese and Malaysian imports.
- The applicants submit that, absent imports from China and Malaysia at material margins of dumping, the Australian industry would have achieved prices indicative of a level playing field in Australia and would not have suffered the price suppression evidenced in the application.

Profit and profitability

- The applicants submit the Australian industry competes on price to maintain production volume. Therefore, Australian industry profits and profitability are affected by factors impacting its ability to raise prices sufficient to cover costs.

Materiality of injury

- The applicants submit that over the injury and investigation periods, the injury caused to Australian industry by dumped (and subsidised) imports from China and Malaysia is greater than that likely to occur in the normal ebb and flow of business.
- The applicants have experienced declines in revenue over the injury and investigation periods, alongside corresponding declines in profitability.

The Applicants have lost sales volumes and market share and have experienced price suppression. When considered as a whole, these factors have adversely impacted like goods profits and profitability, collectively and not in isolation. When also taking account of all relevant economic factors, the Australian industry has experienced injury from trade in the subject goods from the subject countries, and such injury is considered material.

Injury caused by other factors

The applicants do not consider that factors other than dumped and subsidised imports from China and Malaysia have caused the material injury alleged.

The Commissioner's assessment

The following chapters set out the Commissioner's consideration of the information provided by the applicants in conjunction with information obtained from the ABF import database and other relevant information, as specified in this report, and assessment of the causation and material injury claims.

Cumulative effect on injury

The Commissioner considers, for the purposes of this report, that the requirements of section 269TAE(2C) have been satisfied and that it is appropriate to examine the cumulative effect of exports from both China and Malaysia to determine whether the Australian industry has experienced injury caused by dumped and subsidised goods. This is based on the Commissioner considering there are reasonable grounds to conclude that:

- the dumping margins for exporters from China and Malaysia is not negligible and the volume of dumped imports is not negligible – see ‘Reasonable Grounds – dumping’.
- the amount of the countervailable subsidy margin for exporters from China and Malaysia is not negligible and the volume of subsidised imports is not negligible – see ‘Reasonable grounds – subsidisation’.
- the conditions of competition between the imported goods, and between all of the imported goods and the like domestic goods, are essentially the same, in that there appears to be direct competition in the Australian market for glass wool insulation batts between the imported and Australian industry produced goods, and these goods are interchangeable, in that they compete for sales to the same customers for similar (or the same) end-uses.¹⁰

The analysis in the remainder of this chapter is therefore based on the cumulative effect of exports from both China and Malaysia.

Dumping margin and amount of countervailable subsidy

Under section 269TAE(1)(aa), the Minister may have regard to the size of the dumping margins worked out in respect of the goods exported to Australia. As set out in the ‘Reasonable Grounds – dumping’ chapter, the Commissioner is satisfied that there appear to be reasonable grounds for concluding that the goods exported from both China and Malaysia were dumped above negligible levels.

Under section 269TAE(1)(ab), the Minister may have regard to the particulars of any countervailable subsidy received in respect of the goods exported to Australia. As set out in the ‘Reasonable grounds – subsidisation’ chapter, the Commissioner considers that there are reasonable grounds for concluding that the amount of countervailable subsidy received in respect of the goods exported from both China and Malaysia is greater than 2%.

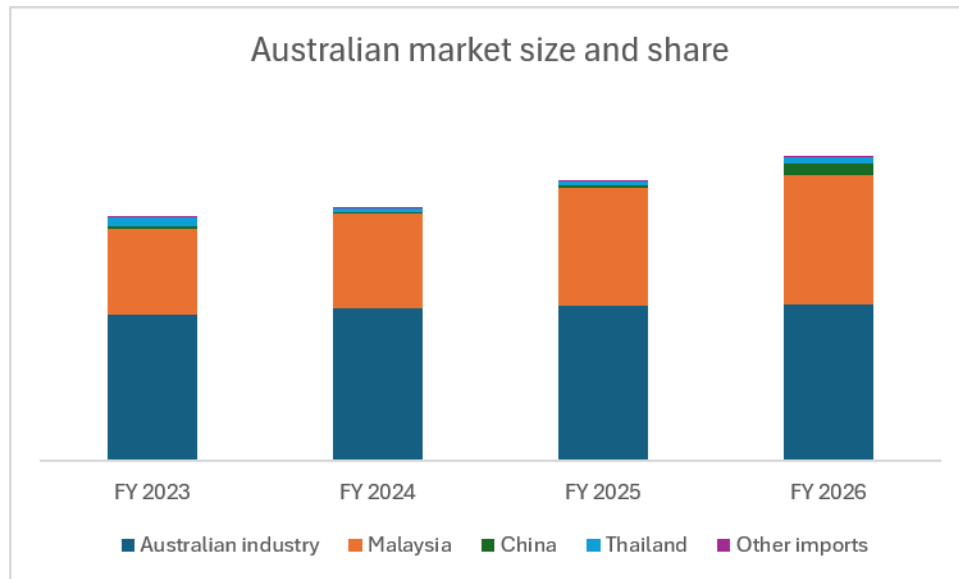
Volume effects

As discussed in the ‘Volume effects’ chapter, the Australian industry does not appear to have lost sales volume over the injury period. However, over the injury period, the demand for the goods in the Australian market increased. This resulted in Australian industry market share falling by 15% in FY 2026 compared to FY 2023, from 60% to 51% of Australian sales volumes (see Table 20). As shown in Figure 6, this increase in the size

¹⁰ See the Commissioner’s findings in Table 5, under ‘Locally produced like goods’

of the Australian market has correlated with an increase in export volumes from China and Malaysia, as well as Thailand.

Figure 6: Australian market share for glass wool insulation batts



This supports the applicants' claims of a direct correlation between the ongoing presence and increase in volumes of glass wool batts imported from China and Malaysia, and the Australian industry's decrease in market share for the like goods. The applicants also provided evidence demonstrating examples of their customers either reducing their purchase volume of the Australian like goods or switching supply to either directly importing the goods from China or Malaysia.¹¹

The Commissioner is satisfied that this appears to provide reasonable grounds to establish that the Australian industry has experienced volume injury due to dumped and subsidised goods exported from China and Malaysia.

Price effects

As discussed in the 'Price effects' chapter, Australian industry has suffered injury in the form of price suppression over the injury period. Australian industry prices increased slightly between FY 2023 and FY 2026, but this increase did not match corresponding increases in costs.

The applicants claim that the presence of dumped imports forced the Australian industry to either restrain price increases for like goods or alternatively forfeit sales volumes to import competition, resulting in share losses. The applicants claim there is a correlation between the presence of dumped and subsidised imports and lower Australian industry prices because Australian industry pricing decisions were constrained by the competitive pressure from dumped (and subsidised) Chinese and Malaysian imports.

The Australian industry submitted that, absent imports from China and Malaysia at material margins of dumping and subsidisation, it would have achieved prices

¹¹ Application, Confidential Attachments A-10.1 and A-10.2

indicative of a level playing field in Australia and would not have suffered the price suppression observed.

Figure 7 shows an index of changes in Australian industry's per unit sales margin (unit selling price, minus its unit cost) over the injury period, compared with total import volumes of the goods from Malaysia and China.

Figure 7: Index of Australian industry sales margins and combined Chinese and Malaysian import volumes, compared to FY 2023¹²

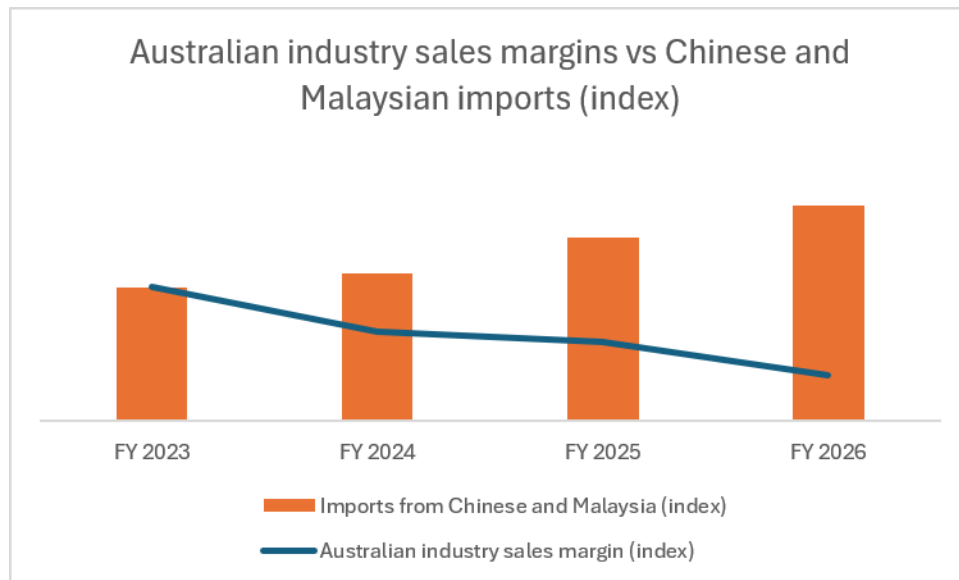


Figure 7 shows that the decline in Australian industry sales margins (as a result of price suppression) correlates with the increase in imports from China and Malaysia, consistent with the applicants' claim.

On the information available, the Commissioner considers that the applicants' claims that the presence of dumped and subsidised goods from China and Malaysia have restrained price increases is reasonable.

Profit and profitability effects

Based on the available evidence, the Commissioner is satisfied that the applicants lowered their prices to maintain production volume and that their profit and profitability were affected by their inability to raise prices sufficient to cover increasing costs, leading to price suppression. This correlated with an increase in the volume of dumped and subsidised exports from China and Malaysia.

The decline in the Australian industry's profit and profitability is discussed in the 'Profit and profitability effects' chapter. The Commissioner considers that there appears to be reasonable grounds to support the applicants' claim that the dumped and subsidised goods from China and Malaysia have caused injury to the Australian industry in the form of reduced profit and profitability.

¹² Confidential Attachment 3 – Economic condition

Other injury factors

The application did not identify any factor other than dumped and subsidised goods from China and Malaysia causing injury to the Australian industry. The applicants claim that the material injury caused to the Australian industry is by the dumped and subsidised imports from China and Malaysia and is greater than that likely to occur in the normal ebb and flow of business.

The Commissioner notes that there are notable volumes of imports of the goods from Thailand across both the injury and investigation periods.

In accordance with section 269TAE(2A), the Commissioner will assess the volume of Thai imports and other potential causes of injury to the Australian industry during the course of the investigation.

Materiality of injury

The Commissioner's preliminary assessment of the claimed injury to the Australian industry caused by reduced market share, price suppression and reduced profit and profitability was material in degree. The Commissioner will further consider the materiality of injury during the investigation.

Conclusion – material injury caused by dumping and subsidisation

In accordance with section 269TC(1), the Commissioner is satisfied that there appear to be reasonable grounds to support the applicants' claims that exports of the goods from China and Malaysia at dumped and subsidised prices have caused material injury to the Australian industry. This finding is based on:

- the level of the dumping and countervailing margins indicated in the application and in the Commissioner's calculations
- the preliminary assessment of volumes of dumped and subsidised goods imported into Australia over the injury and investigation periods
- the correlation between increased volumes of dumped and subsidised goods imported into Australia with the Australian industry experiencing injury
- the preliminary assessment of lost market share
- the preliminary assessment of price suppression
- the preliminary assessment of reduced profit and profitability.

The Commissioner's assessment is in **Confidential Attachment 2 – Australian market** and **Confidential Attachment 3 – Economic condition**.

Appendices and attachments

Attachments	Confidentiality	Title
Attachment 1	Non-confidential	Public notice of decision, Trade Remedies Notice No 2026/152
Attachment 2	Confidential	Australian market
Attachment 3	Confidential	Economic condition
Attachment 4	Confidential	Normal values and Dumping margins