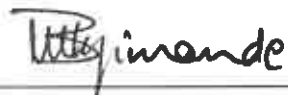


Report No. 615

**INVESTIGATION INTO THE ALLEGED DUMPING OF CLEAR FLOAT GLASS
ORIGINATING IN OR IMPORTED FROM SAUDI ARABIA AND THE UNITED ARAB
EMIRATES: FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents
its **Report No. 615: INVESTIGATION INTO THE ALLEGED DUMPING OF CLEAR
FLOAT GLASS ORIGINATING IN OR IMPORTED FROM SAUDI ARABIA AND
THE UNITED ARAB EMIRATES: FINAL DETERMINATION**



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18/10/2019

INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA

REPORT NO. 615

INVESTIGATION INTO THE ALLEGED DUMPING OF CLEAR FLOAT GLASS ORIGINATING IN OR IMPORTED FROM SAUDI ARABIA AND THE UNITED ARAB EMIRATES: FINAL DETERMINATION

SYNOPSIS

PFG Building Glass (Pty) Ltd submitted an application to the International Trade Administration Commission of South Africa (ITAC or the Commission) to investigate and consider the alleged dumping of clear float glass originating in or imported from Saudi Arabia and the United Arab Emirates (UAE). The initiation notice for the investigation was published in the *Government Gazette* on 17 August 2018.

The investigation was initiated after the Commission considered that there was *prima facie* evidence to show that the subject product was being imported at dumped prices and causing material injury and a threat of material injury to the Southern African Customs Union (SACU) industry.

On initiation of the investigation, the known producers/exporters of the subject product in Saudi Arabia and the UAE were sent foreign manufacturers/exporters questionnaires to complete. Importers of the subject product were also sent questionnaires to complete.

After considering all interested parties' comments, the Commission made a preliminary determination that the subject product originating in or imported from Saudi Arabia and the UAE is being dumped onto the SACU market causing material injury and a threat of material injury to the SACU industry.

As the Commission decided that the SACU industry would continue to suffer material

during the course of the investigation if provisional payments were not imposed, it decided to request the Commissioner for the South African Revenue Service (SARS) to impose provisional measures of the subject product for period of 6 months.

Provisional measures were imposed on the subject product originating in or imported from Saudi Arabia and the UAE through Notice R.448 and published in *Government Gazette* No. 42324 on 22 March 2019.

The Commission's reasons for its preliminary determination were contained in its Preliminary Report No.599. The report was made available to interested parties for comment.

Based on the details as contained in the Commission's preliminary report, comments received and exporter's verified information, the Commission made a final determination before "essential facts" that it was considering making a final determination that the subject product was being dumped on the SACU market and that, as a result, the SACU industry was suffering material injury.

Essential facts letters were sent to all interested parties, informing them of "essential facts" which were being considered by the Commission, and inviting interested parties to comment.

After considering all interested parties' comments on the "essential facts letter", the Commission made a final determination that the subject product originating in or imported from Saudi Arabia and the UAE was being dumped onto the SACU market, causing material injury and a threat of material injury to the SACU industry.

The Commission decided to recommend to the Minister of Trade and Industry that the following definitive anti-dumping duties be imposed on clear float glass originating in or imported from Saudi Arabia and the UAE:

Tariff heading	Tariff subheading	Description	Statistical unit	Final Duty		
				Saudi Arabia (All exporters)	UAE produced by Guardian Zoujaj	UAE (All other exporters)
70.05		Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked:				
7005.29		Of a thickness of not less than 3mm but not exceeding 6mm	m ²	23.9%	16.8%	16.8%

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation was conducted in accordance with the International Trade Administration Act, 71 of 2002 (the "ITA Act"), and the International Trade Administration Commission Anti-Dumping Regulations (ADR) read with the World Trade Organization Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement).

1.2 APPLICANT

PFG Building Glass (Pty) Ltd (the Applicant) lodged the application, the only manufacturer of clear float glass in the SACU region.

1.3 ACCEPTANCE OF APPLICATION

The application was accepted by the Commission as being properly documented in accordance with ADR 21 on 1 August 2018.

1.4 ALLEGATIONS BY THE APPLICANT

The Applicant alleged that imports of the subject product, originating in or imported from Saudi Arabia and the UAE were being dumped on the SACU market, thereby causing material injury and a threat of material injury to the SACU industry. The basis of the alleged dumping was that the goods are being exported to SACU at prices less than the normal value in the country of origin.

The Applicant alleged that, because of the dumping of the subject product from Saudi Arabia and the UAE, it was suffering material injury in the form of:

- (a) Price suppression;
- (b) Price depression;
- (c) Declining sales volume;
- (d) Declining market share;
- (e) Declining profits and losses;
- (f) Production decline;
- (g) Declining productivity;
- (h) Declining return on investment;

- (i) Declining utilisation of production capacity;
- (j) Impact on cash flow;
- (k) Impact on inventory levels; and
- (l) Slowdown in growth.

1.5 INVESTIGATION PROCESS

The Applicant submitted the properly documented application on 25 May 2018. Information submitted by the Applicant was verified on 19 June 2018.

The Commission initiated an investigation into the alleged dumping of clear float glass originating in or imported from Saudi Arabia and the UAE, pursuant to Notice No. 456 of 2018, which was published in *Government Gazette* No. 41839 on 17 August 2018.

Prior to the initiation of the investigation, the trade representatives of the countries concerned were notified of the Commission's intention to investigate, in terms of ADR 27.1. All known interested parties were informed and requested to respond to the questionnaires and the non-confidential version of the application.

1.6 INVESTIGATION PERIOD

This investigation period for dumping was from 1 March 2017 to 28 February 2018. The injury investigation involved evaluation of data for the period 1 March 2015 to 28 February 2018.

1.7 COMMENTS

The Commission considered comments received from interested parties with regard to the application and procedure. Non-confidential versions of these comments are available in the public file.

1.8 PARTIES CONCERNED

1.8.1 SACU Industry

The SACU industry consists of one manufacturer of the subject product, PFG Building Glass (Pty) Ltd (i.e. the Applicant).

1.8.2 Exporters, Importers and Other Parties

Interested Parties Responses

Importers and other parties	Deficient response to importers' questionnaire	Comments	Properly documented response to importers' questionnaire
Glass Partners	Yes	-	-
Gerber Goldschmidt Group S A	Yes	-	-
National Glass Distributors	-	Yes	-
McCoy's Glass	-	-	Yes
Guardian Africa	-	-	Yes
Prima Putty and Glass Wholesalers	-	Yes	-
FGW Safety Glass	-	Yes	-
Thiering and Partner	-	Yes	-
Executive Glass	-	Yes	-
Northern Hardware and Glass	-	Yes	-
The AAAMSA Group	-	Yes	-

Exporters and other parties	Deficient response to exporters' questionnaire	Comments	Properly documented response to exporters' questionnaire
Arabian United Float Glass Company	-	-	Yes
Emirates Glass LLC	Yes	-	-
Guardian Zoujaj International Float Glass CO. LLC	-	-	Yes
Saudi Guardian International Float Glass CO. LLC	-	-	Yes
Kingdom of Saudi Arabia - Ministry of Commerce and Investment	-	Yes	-

Although a properly documented response was received from Arabian United Float Glass Company, the information submitted was not verified, as ITAC officials' visa applications were declined by the Saudi Arabian Embassy in South Africa. As reason for the rejection of the visa applications, the Embassy indicated that ITAC officials are not allowed to use government official passports while visiting a private company in Saudi Arabia.

On 23 May 2019, Arabian United Float Glass Company was informed of the decision of the Commission not to conduct the planned verification as ITAC officials' visa applications were rejected by the Saudi Arabian Embassy. The exporter was also referred to ADR 18 which provides that *"where the government of the country concerned objects to the Commission's verification, the Commission may make a preliminary or final decision based on the facts available, and may exclude any information submitted by any party in that country."*

Essential facts comments from Kingdom of Saudi Arabia- Ministry of Commerce and Investment

The Ministry stated that the Commission rejected Obeikan Glass Company (Obeikan) request to submit its response to exporter's questionnaire via electronic means before the deadline and an extension for hard copies due to logistics. Consequently, the Commission considered Obeikan as non-cooperative party.

Commission's consideration: Obeikan

On 17 September 2018, Obeikan requested an extension for 14 more days beyond the set date of 26 September 2018 to submit its response to exporter's questionnaire. On the 19 September 2018, The Commission rejected the request indicating that merely citing insufficient time is not an acceptable reason to grant extension according to Anti-Dumping Regulations.

On 26 September 2018, Obeikan requested the Commission to submit its response to exporter's questionnaire and all supporting documents by email,

and indicated that written hard copy and electronic file (CD) will be couriered, and reach Commission's office 3-5 days after deadline. The Commission responded by stating that Obeikan's response will be regarded as deficient if both the hard copy and electronic version do not reach the Commission's office not later than 15:00 on 26 September 2018. No questionnaire response was received from Obeikan.

On 8 April 2019, in response to the Commission's preliminary determination Obeikan requested the Commission to grant it an opportunity to submit its information. On 10 April 2019, the Commission rejected the request and referred Obeikan to the Anti-Dumping Regulations 35.4 and 35.5, which states that:

35.4 "Other than as contemplated in subsection 5, the Commission will not accept new information following its preliminary finding".

35.5 "Parties that have submitted deficient responses, as contemplated in section 31, and that have addressed the deficiencies prior to the deadline indicated in subsection 1 of this section, shall be deemed cooperating parties and the Commission will consider their information in its final finding, subject to the provisions of section 36.1 and the requirements to finalise an investigation timeous".

In addition, the Commission stated that since Obeikan did not submit a questionnaire response to the exporter's questionnaire during the initial phase of the investigation, the Commission will not accept new information following its preliminary finding.

Based on the above, the Commission decided not to regard Obeikan Glass Company as a cooperating party.

1.9 PRELIMINARY DETERMINATION

After considering all properly documented responses and comments by interested parties, the Commission made a preliminary determination that clear float glass originating in or imported from Saudi Arabia and the UAE was dumped onto the SACU market, causing material injury and a threat of material injury to the SACU industry.

As the Commission decided that the SACU industry would continue to suffer material during the course of the investigation if provisional payments were not imposed, it decided to request the Commissioner for the South African Revenue Service (SARS) to impose provisional measures on the subject product for a period of 6 months.

Provisional measures were imposed on the subject product originating in or imported from Saudi Arabia and the UAE through Notice R.448 and published in *Government Gazette* No. 42324 on 22 March 2019.

The Commission's reasons for its preliminary determination were contained in its Preliminary Report No.599. The report was made available to interested parties for comment. Comments received from the Applicant, importers, exporters and other interested parties, were taken into account by the Commission in making its final determinations.

Essential facts letters were sent to all interested parties, informing them of "essential facts" which were being considered by the Commission, and inviting interested parties to comment. Comments on the essential facts letter were received from the Applicant, importers, exporters and the Ministry of Commerce and Investment (Kingdom of Saudi Arabia).

All responses and comments received from interested parties are contained in the Commission public file for this investigation and were made available for perusal. It should be noted that this report does not purport to present all comments received and considered by the Commission. However, some of the salient comments received from interested parties and the Commission's

consideration of these comments are included in this report.

1.10 FINAL DETERMINATION

After considering all comments received on the Commission's "essential facts letter" the Commission made a final determination that the subject product originating in or imported from Saudi Arabia and the UAE was being dumped onto the SACU market causing material injury and a threat of material injury to the SACU industry.

The Commission therefore decided to recommend to the Minister of Trade and Industry that definitive the anti-dumping duties on clear float glass originating in or imported from Saudi Arabia and the UAE be imposed as follows:

Tariff heading	Tariff subheading	Description	Statistical unit	Final Duty		
				Saudi Arabia (All exporters)	UAE produced by Guardian Zoujaj	UAE (All other exporters)
70.05		Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked:				
7005.29		Of a thickness of not less than 3mm but not exceeding 6mm	m ²	23.9%	16.8%	16.8%

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product of this application is clear float glass of a thickness of 3mm to 6mm (subject product).

2.1.2 Country of origin/export

The subject product originates in and is exported from Saudi Arabia and the UAE.

2.1.3 Tariff classification

The subject product is currently classifiable as follows:

Table 2.1.3

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty				
				General	EU	EFTA	SADC	MERCUSOR
70.05		Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked:						
7005.29		Other:						
	7005.29.17	Of a thickness exceeding 2.5 mm but not exceeding 3 mm (excluding solar glass and optical glass)	m ²	10%	free	free	free	10%
	7005.29.23	Of a thickness exceeding 3 mm but not exceeding 4 mm (excluding solar glass and optical glass)	m ²	10%	free	free	free	10%
	7005.29.25	Of a thickness exceeding 4 mm but not exceeding 5 mm (excluding solar glass and optical glass)	m ²	10%	free	free	free	10%
	7005.29.35	Of a thickness exceeding 5 mm but not exceeding 6 mm (excluding solar glass and optical glass)	m ²	10%	free	free	free	10%

2.1.4 Negligibility test

The following table shows the alleged dumped imports as a percentage of the total imports:

Table 2.1.4: Import volumes

HS 7005.29.17 (3 mm)						
Alleged Dumped Import Volumes (sqm)	Volumes	%	Volumes	%	Volumes	%
Country	2016	2016	2017	2017	2018	2018
Saudi Arabia	242 351	12.76	446 028	28.04	232 276	9.83
United Arab Emirates	1 504 695	79.24	1 005 390	63.20	2 010 010	85.08
Other	151 848	8.00	139 303	8.76	120 219	5.09
Total	1 898 893	100%	1 590 722	100%	2 362 506	100%
HS 7005.29.23 (4 mm)						
Alleged Dumped Import Volumes (sqm)	Volumes	%	Volumes	%	Volumes	%
Country	2016	2016	2017	2017	2018	2018
Saudi Arabia	478 713	31.40	328 979	12.22	302 642	24.89
United Arab Emirates	604 314	39.64	213 220	7.92	662 922	54.52
Other	441 394	28.95	2 150 116	79.86	250 469	20.60
Total	1 524 421	100%	2 692 315	100%	1 216 032	100%
HS 7005.29.25 (5 mm)						
Alleged dumped Import Volumes (sqm)	Volumes	%	Volumes	%	Volumes	%
Country	2016	2016	2017	2017	2018	2018
Saudi Arabia	60 456	48.81	48 351	20.93	134 467	37.85
United Arab Emirates	39 018	31.50	16 084	6.96	203 417	57.25
Other	24 382	19.69	166 593	72.11	17 416	4.90
Total	123 856	100%	231 027	100%	355 300	100%
HS 7005.29.35 (6 mm)						
Alleged dumped Import Volumes (sqm)	Volumes	%	Volumes	%	Volumes	%
Country	2016	2016	2017	2017	2018	2018
Saudi Arabia	56 220	21.87	33 737	26.16	24 7598	14.37
United Arab Emirates	36 379	14.15	11 438	8.87	59 764	34.69
Other	164 511	63.98	83 770	64.97	87 77	50.94
Total	257 108	100%	128 946	100%	172 292	100%

The Commission made a final determination that the imports from Saudi Arabia and the UAE are above the negligibility level.

2.2 SACU PRODUCT

The SACU product is described as clear float glass with a thickness of .3mm to 6mm. It is noted that the subject of the review is stipulated as being clear float glass.

2.3 LIKE PRODUCT ANALYSIS

In determining the likeness of products, the Commission uses the following criteria:

Table 2.3 like product determination

	Imported product	SACU product
Raw materials	Soda ash, silica sand, limestone, dolomite, electricity and gas.	Soda ash, silica sand, limestone, dolomite, electricity and gas.
Production process	Clear float glass is produced by floating molten glass onto a liquid tin bed and then cooling it. This is the latest technology used by manufacturers of flat glass in most countries around the world, and particularly throughout Europe, the Far East, the Middle East and the United States of America.	The production process in SACU is essentially the same as overseas as raw materials such as sand, limestone, soda, dolomite, feldspar and salt-cake are mixed and heated at a temperature of over 1 500 °C. When the materials are melted, they form a viscous liquid called quiescent melt.
Physical appearance	Clear glass of various thicknesses is produced by the float process. The technical characteristics and appearance are a uniform thickness without the need for further grinding or polishing.	Clear glass of various thicknesses is produced by the float process. The technical characteristics and appearance are a uniform thickness and bright polished surfaces, without the need for further grinding or polishing.
Tariff classification	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked	7005.29.17 of a thickness exceeding 2.5 mm but not exceeding 3 mm (excluding solar glass and optical glass) 7005.29.23 of a thickness exceeding 3 mm but not exceeding 4 mm (excluding solar glass and optical glass)

		<p>7005.29.25 of a thickness exceeding 4 mm but not exceeding 5 mm (excluding solar glass and optical glass)</p> <p>7005.29.35 of a thickness exceeding 5 mm but not exceeding 6 mm (excluding solar glass and optical glass).</p>
Application or end use	<p>To be sold in its existing form to glass merchants for general end use applications, such as residential glazing, architectural glazing (industrial and commercial), picture framing and furniture manufacture.</p> <p>A basic input for further processing to enhance the basic product into toughened (heat strengthened), laminated, mirror and automotive glass products for onward sale for use in the automotive, building, Industrial and furniture markets.</p>	<p>To be sold in its existing form to glass merchants for general end use applications, such as residential glazing, architectural glazing (Industrial and commercial), picture framing and furniture manufacture.</p> <p>A basic input for further processing to enhance the basic product into toughened (heat strengthened), laminated, mirror and automotive glass products for onward sale for use in the automotive, building, Industrial and furniture markets.</p>
Substitutability	<p>The SACU float glass products are fully substitutable with the imported Saudi Arabia and the UAE products.</p>	<p>There are no differences between the Imported float glass product and the SACU like product.</p> <p>They are identical in all aspects. The SACU float glass product is fully substitutable with the Saudi Arabia and the UAE Imported product of float glass.</p>

After considering all the above factors, the Commission made a final determination that the SACU product and the imported product are "like products", for purposes of comparison in this investigation.

3. SACU INDUSTRY

3.1 INDUSTRY STANDING

The application was submitted by PFG Building Glass (Pty) Ltd (i.e. the Applicant), the sole manufacturer of the subject product in the SACU market.

The Commission made a final determination that the application can be regarded as being made "by or on behalf of the domestic industry".

4. DUMPING

The margin of dumping is calculated by subtracting the export price from the normal value of the product (after all adjustments have been made). The margin is then expressed as a percentage of the f.o.b. export price. If the margin is less than two percent, it is regarded as *de minimis* in terms of the ADR 12.3 and no anti-dumping duty will be imposed.

Export price is defined in section 32(2)(a) of the ITA Act as the price actually paid or payable for goods sold for export, net of all taxes, discounts and rebates actually granted and directly related to the sale under consideration.

To enable a proper comparison with the normal value, the export price should be at the ex-factory level and at the same level of trade.

4.1 UAE

METHODOLOGY IN THIS INVESTIGATION FOR GUARDIAN ZOUJAJ IN UAE

4.1.1 Normal Value

The Commission accepted information submitted by Guardian Zoujaj in its response to the Commission's questionnaire for purposes of its final determination. Guardian Zoujaj produces clear float glass and sells it on the domestic market in the UAE. The actual invoice sales were used to calculate the normal value.

Adjustments to the normal value

The below claimed adjustments were not requested and substantiated in the exporter's response to the Commission's questionnaire, with the exception of the cost of payment terms adjustment. These adjustments were only explained and substantiated during the verification.

Commission's consideration

ADR 11.2 (c) states that "Adjustments should be requested in interested

parties' original response to the relevant questionnaire and must be –

- a) Substantiated;
- b) Verifiable;
- c) Directly related to the sale under consideration; and
- d) Clearly demonstrated to have affected price comparability at the time of setting prices".

(a) Adjustment for auto rebates

Guardian Zoujaj gives some of its customers in the domestic market automatic price discount that is calculated as a percentage of the total gross value on the related sales value.

Commission's consideration

This adjustment was not requested and substantiated in the exporter's response to the Commission's questionnaire. Furthermore, the calculation of the rebate can only be made once the total sales have been made and therefore, this could not have been taken into consideration by the exporter at the time of setting its prices.

The Commission made a final determination not to allow adjustment for auto rebates.

(b) Cost of payment terms

Guardian Zoujaj indicated that the interest rate applied in the calculation of the cost of payment terms was determined with reference to the investigating period and bank discount rate from 1 March 2017 to 28 February 2018. Cost of payment terms on domestic sales was established at the number of days of average credit period allowed to the customers. The payment days used by Guardian Zoujaj to calculate the cost of payment terms were displayed on the invoices.

Commission's consideration

It is the Commission's practice to consider adjustments to the normal value only if the adjustments affected price comparability at the time of setting prices. The payment days used by Guardian Zoujaj to calculate the cost of payment terms were displayed on the invoices. The adjustment was considered in the calculation of normal value as it was requested and substantiated in the exporter's response to the Commission's questionnaire and also affected price comparability at the time of setting the prices.

The Commission made a final determination to allow adjustment for cost of payment terms.

(c) Inland delivery charges

Guardian Zoujaj indicated that this is a local delivery charge from the plant to the customers in the UAE.

Commission's consideration

It is the Commission's practice to consider adjustments to the normal value to bring the price back to the ex-factory level.

The Commission made a final determination to allow adjustment for inland delivery charges.

(d) Adjustment for packaging cost

The packaging for the domestic and export market was confirmed to be the same.

Commission's consideration

This adjustment was not requested and substantiated in the exporter's response to the Commission's questionnaire.

The Commission made a final determination not to allow adjustment for packaging cost.

(e) Adjustment rebates (discount)

Guardian Zoujaj indicated that it gives some customers a discount based on volume rebate deals.

Commission's consideration

This adjustment was not requested and substantiated in the exporter's response to the Commission's questionnaire. Furthermore, the calculation of the volume rebate can only be made once the total sales have been made and therefore, this could not have been taken into consideration by the exporter at the time of setting its prices.

The Commission made a final determination not to allow adjustment for rebates (discount).

(f) Domestic outside sales team (Shown as "Commission")

Guardian Zoujaj indicated that an outside sales team is employed by the company in the UAE to handle sales and marketing for the domestic market. The costs of this team are segregated in its general ledger with department code "902". The exporter also indicated that these costs primarily include employment costs, and travel & entertainment, but can also include some supplies and miscellaneous costs as well.

Commission's consideration

This adjustment was not requested and substantiated in the exporter's response to the Commission's questionnaire.

The Commission made a final determination not to allow adjustment for domestic outside sales team (shown as "Commission").

(g) Adjustment for Technical Support (Agreement with regional head office In Bahrain)

Guardian Zoujaj indicated that it has a support services agreement, which was concluded with Guardian Glass Holdings S.P.C, in terms of which the following services are rendered for the benefit and or use of Guardian Zoujaj:

procurement, sales and marketing assistance, research and development, engineering services, assistance in strategic and support functions. Although the service agreement was submitted as part of its export questionnaire response, no adjustment was claimed and substantiated. The cost of this services is a certain percentage of net sales for all sales both domestic and export.

Commission's consideration

This adjustment was not requested and substantiated in the exporter's response to the Commission's questionnaire.

The Commission made a final determination not to allow adjustment for domestic technical support.

4.1.2 Export price

Export price is defined in section 32(2)(a) of the ITA Act as the price actually paid or payable for goods sold for export, net all taxes, discounts and rebates actually granted and directly related to the sale under consideration.

To enable a proper comparison with the normal value, the export price should be at ex-factory level and at the same level of trade.

The Commission accepted information the information submitted by Guardian Zoujaj in its response to the Commission's questionnaire for purposes of its final determination.

The information submitted by Guardian Zoujaj in its response to the Commission's questionnaire revealed that the importer in SACU (Guardian Africa) is a related party to Guardian Zoujaj and that they are both affiliated and partners to Guardian Glass Holdings. Guardian Zoujaj indicated that there is no special sales agreement with Guardian Africa and all sales are based on market prices. However, it was established during verification that the prices charged to Guardian Africa are lower than prices to other importers in the

SACU market. This confirmed the effect of the relatedness on export prices. Therefore, the export price was constructed from the point of sale by Guardian Africa to its first independent buyers, deducting all costs to the ex-factory level of Guardian Zoujaj and allowing for a reasonable profit.

Essential facts comments from Guardian Zoujaj

Guardian Zoujaj stated that it appears that the Commission has incorrectly calculated the export price. Guardian Zoujaj further stated that further indicated that Commission has deducted the full cost of the importer, which included the ex-factory export price of the exporter. Although all costs up to the export price are the part that is attributable to the importer. The costs attributable to the importer are only the costs that arise after the ex-factory price at the exporter. Thus, the only costs attributable to the importer would be movement expenses in the exporting country (costs to harbour, plus lading charges), ocean freight and insurance, customs clearance costs (duties, agencies fees and the like), inland transport to the importer's warehouse, and the importer's SGA costs.

Commission's consideration

Due to the fact that the exporter (Guardian Zoujaj) and the importer (Guardian Africa) are related parties, the export price from the exporter have to be calculated based on the importers' sales to the first independent buyer, deducting all cost up to the ex-factory level of the exporter.

Guardian Africa erroneously showed export price as Cost Insurance and Freight (CIF) and did not split these costs on the cost build-up schedule, hence there was an error from the Commission when it calculated the constructed export price. The costs attributable to the importer to arrive at ex-factory export price have been corrected in the final calculations.

4.1.3 Margin of dumping

The dumping margin calculated for each subject product was weighted with the export volumes to determine a weighted average dumping margin. A

weighted average dumping margin of 16.8% was calculated for Guardian Zoujaj.

METHODOLOGY USED IN THIS INVESTIGATION FOR ALL OTHER MANUFACTURERS/EXPORTERS FROM THE UAE (RESIDUAL DUMPING MARGIN)

It is the general policy of the Commission to impose separate anti-dumping duties on specific exporters that responded properly to the Commissioner's questionnaires, and in addition, a residual duty against the country in question, which applies to other manufactures of the subject product who might also have exported the subject product to the SACU, but did not participate in the investigation.

Based on the above, the Commission made a final determination to use the verified information from the cooperating exporter to calculate the residual duty for the UAE.

The residual dumping margin was therefore calculated to be 16.8%.

4.2 SAUDI ARABIA

METHODOLOGY IN THIS INVESTIGATION FOR ARABIAN UNITED FLOAT GLASS COMPANY

Although Arabian United Float Glass Company submitted a properly documented response to the Commission's exporter's questionnaire, its information was not verified as ITAC officials' visa applications were declined by the Saudi Arabian Embassy in South Africa. As reason for the rejection of the visa applications, the Saudi Embassy indicated that ITAC officials are not allowed to use government official passports while visiting a private company in Saudi Arabia.

Arabian United Float Glass Company was informed of the decision of the Commission not to conduct the planned verification as ITAC officials visa

applications were rejected by the Saudi Arabian Embassy. The exporter was also referred to ADR 18 which provides that *“where the government of the country concerned objects to the Commission's verification, the Commission may make a preliminary or final decision based on the facts available, and may exclude any information submitted by any party in that country.”*

Based on the above, for purposes of the Commission's final determination, the Commission decided not to use the information submitted by Arabian Glass and to resort to facts available.

Essential facts comments from Ministry of Commerce and Investment (Kingdom of Saudi Arabia)

The Ministry of Commerce and Investment stated that Article 6.7 of the Antidumping Agreement states that “in order to verify information provided or obtain further details, the authorities may carry out investigations in the territory of other members as required, provided they obtain the agreement of the firms concerned and notify the representatives of the government of the member in question, and unless that member objects to investigation”.

The Ministry further stated that the Commission has only informed the Saudi exporters of its intention to conduct the verification visit, the Saudi companies accordingly followed their common business procedures by requesting the issuance of ordinary commercial visas (work visit), which is inconsistent for official purposes. The Ministry further stated that ITAC officials had wrongly submitted other passports that did not match the passports copies included in the commercial invitation letter made by Arabian United Company. Thus, based on the above and the applicable Saudi regulations of the commercial visa, the visas application have been declined by the system.

Essential facts comments from Arabian United Float Glass Company

Arabian United stated that the Commission has taken visa rejection by Saudi Arabia embassy on mere technical grounds, which denied individual margin to Arabian United Float Glass Company, which has essentially resulted in inflated dumping margins.

Arabian United further stated that rejection of fully documented exporter's questionnaire response on grounds of failure to conduct verification is not correct view of the decisions taken by WTO Panel with regard to past cases. The requirements of verifications and its needs were interpreted by the WTO panel first at Foot note 65 in the panel report concerning Argentina –Definitive Anti-Dumping Measures on Imports of Ceramic Floor Tiles From Italy WT/DS2189/R dated 28th September 2001 and then in the matter Egypt – Definitive Anti-Dumping Measures on Steel Rebar From Turkey (WT/DS211/R dated 8th August 2002.

Arabian United also stated that the methodology of the Commission of applying the margin which was essentially determined for a company in UAE to all exporters in Saudi Arabia is incorrect. Arabian United stated that dumping margin concerning Saudi Arabia must be determined based on normal value concerning subject goods in Saudi Arabia and the export price from Saudi Arabia to South Africa. Application of any other margin on to exports from Saudi Arabia is against WTO Anti-Dumping agreement.

Commission's consideration

The Commission considered that although the information for Arabian United was verifiable, but due to undue difficulties, the Commission could not consider the information:

The exporter responded to the Commission's exporter's questionnaire on 20 September 2018. The response was deficient and a deficiency letter was sent 8 October 2018 and 19 October 2018. The exporter submitted a properly documented response only on 15 April 2019.

Verification of the information submitted was arranged with the exporter for 26 May and 27 May 2019. It is the Commission's practice to do on-the-spot verification of information to determine the adequacy and accuracy of the information submitted.

Investigators applied for Saudi visas on 9 May 2019 and appointment was made with One Visa World (Saudi Arabia Visa application centre) and submitted all required documents.

The verification visit was postponed to 29 May and 30 May 2019 in an attempt to accommodate the exporter. On 20 May 2019 the Saudi Government informed ITAC officials that visas were not granted since ITAC officials are not allowed to use government official passports while visiting a private company in Saudi Arabia. On 23 May 2019, Arabian United Float Glass was informed of the decision of the Commission not to conduct the planned verification as ITAC officials visa applications were rejected by the Saudi Arabia Embassy.

Amongst other, the information that had to be verified was the following:

- *Undertake a factory visit to confirm that the subject product is manufactured in Saudi Arabia and to familiarise the Commission's officials with the method of manufacturing*
- *Verify if the data in the questionnaire correspond with Arabian United's accounting system.*
- *Review the manner in which source documents for sales and expenses flow into the financial statements via accounting vouchers, journals, subsidiary ledgers, and general ledger accounts.*
- *Sales data information (domestic and export) – invoices are checked against the sales ledger accounts, management accounts and financial statements.*
- *Adjustments claimed are substantiated by accounting records*
- *Profit levels relating to the domestic and export sales to the SACU*
- *Cost build-up information*
 - *Verify various costs of production elements for the product under investigation*
 - *Various cost elements should be substantiated and precise details in respect of the cost build-up*
 - *Request for evidence supporting the cost of production data i.e. production plant cost data and production reports*

- o *Request for invoices and payments for all inputs purchased from third parties.*

From experience, as was the case with the verification of another exporter in this investigation, information changes during the verification process, due to corrections that need to be made on request of the exporter or due to mistakes identified by investigators. These changes affect the outcome of the dumping margin calculations. This is one of the reasons why on-the-spot verifications are always conducted by the Commission, rather than merely relying on written responses.

It is important to note that the outcome of on-the-spot verification provides the basis on which all calculations are made.

Based on the above it can therefore be concluded that the critical nature and complexity of the information that needed to be verified in this investigation required an actual on-the-spot verification.

The Commission decided not to take the information submitted by Arabian United Float Glass Company into consideration for purposes of its final determination.

4.3 METHODOLOGY IN THIS INVESTIGATION FOR INTERNATIONAL FLOAT GLASS Co LLC (SAUDI GUARDIAN)

Due to the fact that the exporters Saudi Guardian and Guardian Zoujaj (UAE) and the importer Guardian Africa are related parties, the export prices from the exporters have to be calculated based on the importers' sales to the first independent buyer, deducting all cost up to the ex-factory level of the exporters.

Information submitted by Saudi Guardian in its response to the Commission's exporter's questionnaire was verified at its related party Guardian Zoujaj's offices in the UAE on 27 May 2019. Although Saudi Guardian's information

was verified, it was found that the subject product exported (3mm) in February 2018, which is within the period of investigation, only arrived in the SACU after the period of investigating 1 March 2017- 28 February 2018. Since the export price has to be determined based on the importers' sales to the first independent buyer, these exports cannot be taken into consideration by the Commission. Therefore, although Saudi Guardian cooperated with the investigation, it will effectively be subject to the residual dumping margin calculated.

Essential facts comments from Saudi Guardian

Saudi Guardian indicated that the fact remains that Saudi Guardian did export the product during the investigation period. Saudi Guardian further indicated that in fact, the essential facts letter specifically indicates that "it was found that the subject product exported (3mm) in February, which is within the period of investigation". Accordingly, an individual margin of dumping has to be determined for Saudi Guardian. Saudi Guardian also indicated that the fact that the related importer did not resell the product to an independent buyer during the investigation period is of no relevance. It indicated that in fact, it is clear that the investigation period ended in February. However, the investigation was only initiated some 6 months later. Guardian South Africa had significant sales of the product imported from Guardian Saudi Arabia within this period, i.e. before the investigation was initiated and where sales would be unaffected by any anti-dumping action, and there is no reason why the Commission could not have used Saudi Guardian's exports to determine the export price, where such exports clearly took place during the investigation period.

Saudi Guardian also indicated that there is no basis to use the normal value of another country as basis for the normal value for Saudi Guardian, even if the exporter in the other country is a related party and even if the other country neighbours Saudi Arabia. Saudi Guardian further indicated that Article 2.1 Anti-Dumping Agreement provides as follows: "For the purpose of this Agreement, a product is to be considered as being dumped, i.e. Introduced into the commerce of another country at less than its normal value, if the export price

of the product exported from one country to another is less than the comparable price, in the ordinary course of trade, for the like product when destined for consumption in the exporting country."

Saudi Guardian also indicated that Section 32(2)(i) of the ITA Act defines normal value as "the comparable price paid or payable in the ordinary course of trade for like goods intended for consumption in the exporting country or country of origin".

In addition, ADR 8.1 defines normal value as "the price paid for like goods sold in the ordinary course of trade for home consumption in the country of export or the country of origin by the exporter, the producer or its related party under investigation".

Commission's consideration

The Commission considered that although Saudi Guardian's information was verified, it was found that the subject product exported (3mm) in February 2018, which is within the period of investigation, only arrived in the SACU after the period of investigation which was from 1 March 2017 to 28 February 2018. Therefore, Saudi Guardian sales could not have caused injury to the SACU market.

The Commission decided not to take the information submitted by Saudi Guardian into consideration for purposes of its final determination.

4.4 METHODOLOGY IN THIS INVESTIGATION FOR ALL MANUFACTURERS/EXPORTERS FROM SAUDI ARABIA (RESIDUAL DUMPING MARGIN)

It is the general policy of the Commission to impose separate anti-dumping duties on specific exporters that responded properly to the Commission's questionnaires, and in addition, a residual duty against the country in question, which applies to other possible manufactures of the subject product who might also have exported the subject product to the SACU, but did not participate in

the investigation.

Since Saudi Guardian and Arabian United information could not be used for purposes of the final determination, the Commission made a final determination after essential facts to use the best information available, being the information submitted by the Applicant for preliminary determination to determine the residual duty.

4.4.1 Normal Value

The Applicant submitted a quotation for August 2017 with regard to Saudi Arabian prices for 3mm, 4mm, 5mm and 6mm products. According to the August 2017 quotation, the domestic selling prices of clear float glass in Saudi Arabia were as follows:

Thickness	SAR/sqm	R/sqm
3mm	9.00	31.40
4mm	12.67	44.20
5mm	16.10	56.17
6mm	19.00	66.29

The above SAR prices per sqm for the 3mm, 4mm, 5mm and 6mm clear float glass products were converted to the Rand price per sqm, using the exchange rate that was obtained from www.fx-rate.net.

4.4.2 Export price

The average FOB import price was obtained from SARS import statistics for the dumping period 1 March 2017 to 28 February 2018 for 3mm to 6mm clear float glass thickness.

2018: Import Price (FOB)	ZAR/sqm
HS 7005.29.17 (3mm)	26.28
HS 7005.29.23 (4mm)	36.48
HS 7005.29.25 (5mm)	42.22
HS 7005.29.35 (6mm)	52.43

4.4.3 Margin of dumping

The dumping margin calculated for each product thickness was weighted with the export volumes to determine a weighted average dumping margin. A weighted average dumping margin of **23.9%** was calculated for Saudi Arabia.

The residual dumping margin is therefore calculated to be **23.9%**.

4.5 SUMMARY - DUMPING

For purpose of its final determination, the Commission, after considering all the comments from interested parties, found that the subject product originating in or imported from the UAE and Saudi Arabia was being dumped onto the SACU market.

Producer	Weighted Dumping margin %
UAE	
Guardian Zoujaj	16.8
Residual (All other manufactures/exporters)	16.8
Saudi Arabia	
Residual (All manufactures/exporters)	23.9

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis in this submission relates to the Applicant, which accounts for 100 per cent of the total domestic production of the subject product.

The Commission made a final determination that this constitutes "a major proportion" of the total domestic production, in accordance with the ADR.

5.2 CUMULATIVE ASSESSMENT

There are two countries involved in this investigation, namely Saudi Arabia and the UAE. In terms of the ADR16.3, the Commission may cumulatively assess the effect of the dumped imports only if it finds that cumulating is appropriate in light of –

- competition between imports from the different countries; and
- competition between the imported products and SACU like products; and if
- the fact that imports from the countries are not negligible as contemplated in subsection 3; and
- the fact that the dumping margin is one per cent or more when expressed as a percentage of the export price.

In considering whether cumulating is appropriate with regard to the imports from Saudi Arabia and the UAE, the Commission took note of the following:

Imports from the countries are not negligible	Imports from both countries are above negligibility, as contained in table 2.1.4 of this report.
The residual margin of dumping is above <i>de minimis</i> level	The dumping margins calculated are above two percent, as expressed as a percentage of the export price.
Competition between imports from different countries	They are both like products for purposes of comparison, their end use and substitutability is similar. They are both traded in the SACU market, and therefore part of the SACU market share analysis and the cumulative imports shows an increase in 3mm and 5mm but a decrease for 4mm and 6mm throughout the period of investigation.
Competition between imported product and SACU like product	The imported product and the SACU product are like products for the purposes of comparison; they are fully substitutable and have a similar end use. They are both traded in the SACU.

In light of the above, the Commission made a final determination to conduct a cumulative assessment of the effect of the alleged dumped imports on the SACU industry.

5.3 IMPORT VOLUMES AND EFFECT ON PRICES

5.3.1 Import volumes

The following table shows the volume of allegedly dumped imports in sqm, for the subject product:

Table 5.3.1: Import volumes

HS 7005.29.17 (3 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	1 747 046	92%	1 451 419	91%	2 242 287	95%
Other imports	151 848	8%	139 303	9%	120 219	5%
Total	1 898 893	100%	1 590 722	100%	2 362 506	100%

HS 7005.29.23 (4 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	1 083 027	71%	542 199	20%	965 563	79%
Other imports	441 394	29%	2 150 116	80%	250 469	21%
Total	1 524 421	100%	2 692 315	100%	1 216 032	100%

HS 7005.29.25 (5 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	99 474	80%	64 434	28%	337 884	95%
Other imports	24 382	20%	166 593	72%	17 416	5%
Total	123 856	100%	231 027	100%	355 300	100%

HS 7005.29.35 (6 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	92 599	36%	45 175	35%	84 522	49%
Other imports	164 510	64%	83 770	65%	87 770	51%
Total	257 108	100%	128 946	100%	172 292	100%

The tables above indicates that the import volumes increased over the period 2016 to 2018 with regard to the 3mm and 5mm and declined for 4mm and 6mm on clear float glass.

5.3.2 Effect on Domestic Prices (All the tables indexed were due to confidentiality)

5.3.2.1 Price depression

Price depression occurs where the SACU industry's ex-factory selling price decreases during the investigation period.

The table below shows the trend in domestic industry's ex-factory selling price per ton:

Table 5.3.2.1: Price depression

	2016	2017	2018
HS 7005.29.17 (3 mm)			
Ex-factory selling price (Rand per ton)	100	109	101
HS 7005.29.23 (4 mm)			
Ex-factory selling price (Rand per ton)	100	110	104
HS 7005.29.25 (5 mm)			

Ex-factory selling price (Rand per ton)	100	109	106
HS 7005.29.35 (6 mm)			
Ex-factory selling price (Rand per ton)	100	107	103

Information was indexed due to confidentiality using 2016 as the base year

The above table shows that the prices of the SACU industry increased from 2016 to 2017. Although there was no price depression in 2017, in 2018 prices were depressed.

5.3.2.2 Price undercutting

The following table compares the SACU industry's ex-factory prices with the landed cost of the imported product.

Table 5.3.2.2: Price undercutting

HS 7005.29.17 (3 mm)	2016	2017	2018
Domestic Selling Price (R/t)	100	109	101
Alleged Dumped products:			
Import Price FOB (R/t)	3 380.00	3 535.54	3 514.74
Import Price landed (R/t)	4 315.86	4 505.79	4 457.42
Price undercutting	positive	positive	positive
Price undercutting %	positive	positive	positive
HS 7005.29.23 (4 mm)	2016	2017	2018
Domestic Selling Price (R/t)	100	110	104
Alleged Dumped products:			
Import Price FOB(R/t)	2 791.00	3 360.59	3 360.59
Import Price landed(R/t)	4 091.74	4 353.35	4 284.88
Price undercutting	positive	positive	positive
Price undercutting %	positive	positive	positive
HS 7005.29.25 (5 mm)	2016	2017	2018
Domestic Selling Price (R/t)	100	109	106
Alleged Dumped products:			
Import Price FOB	3 553.87	3 812.29	2 898.36
Import Price landed	4 510.51	4 825.06	3 745.11
Price undercutting	negative	negative	positive
Price undercutting %	negative	negative	positive
HS 7005.29.35 (6 mm)	2016	2017	2018
Domestic Selling Price	100	107	103
Alleged Dumped products:			
Import Price FOB(R/t)	3 340.58	3 681.44	3 493.29

Import Price landed(R/t)	4 267.02	4 682.91	4 395.44
Price undercutting	positive	positive	positive
Price undercutting %	positive	positive	positive

Information was indexed due to confidentiality using 2016 as the base year

The information indicates that the applicant experienced price undercutting from 2016 to 2018, with the exception of the 5mm size product, on which it only experienced price undercutting in 2018.

5.3.2.3 Price suppression

Price suppression is the extent to which an increase in the cost of production of the product concerned cannot be recovered in selling prices.

The following table shows the Applicant's average costs of production and its actual average selling prices for the subject product:

Table 5.3.2.3: Price suppression

		2016	2017	2018
HS 7005.29.17 (3 mm)				
Selling price (Ex-factory)	R/ton	100	109	101
Cost of production (Ex-Factory)	R/ton	100	96	105
Gross Profit	R/ton	100	136	92
Gross Profit %		100	126	91
Cost of production % selling price		100	89	104
HS 7005.29.23 (4 mm)				
Selling price (Ex-factory)	R/ton	100	110	104
Cost of production (Ex-Factory)	R/ton	100	96	105
Gross Profit	R/ton	100	151	99
Gross Profit %		100	137	96
Cost of production % selling price		100	87	101
HS 7005.29.25 (5 mm)				
Selling price (Ex-factory)	R/ton	100	109	106
Cost of production (Ex-Factory)	R/ton	100	96	104
Gross Profit	R/ton	100	166	117
Gross Profit %		100	152	110
Cost of production % selling price		100	88	98
HS 7005.29.35 (6 mm)				
Selling price (Ex-factory)	R/ton	100	107	103
Cost of production (Ex-Factory)	R/ton	100	96	104
Gross Profit	R/ton	100	132	101
Gross Profit %		100	123	98
Cost of production % selling price		100	90	101

Information was indexed due to confidentiality using 2016 as the base year

The Applicant experienced price suppression with regard to three of the sizes during the period 2016 to 2018.

5.4 Consequent Impact of the dumped Imports on the Industry

5.4.1 Actual and potential decline in sales

The following table shows the Applicant's SACU sales volume of the subject product:

Table 5.4.1: Sales volume

		2016	2017	2018
HS 7005.29.17 (3 mm)	kg	100	98	91
HS 7005.29.23 (4 mm)	kg	100	107	87
HS 7005.29.25 (5 mm)	kg	100	89	96
HS 7005.29.35 (6 mm)	kg	100	119	118

Information was indexed due to confidentiality using 2016 as the base year

The 3mm size product showed a year-on-year decline in sales over the period 2016 to 2018, while the 4mm size product showed a slight increase in sales from 2016 to 2017, but sales decreased substantially in 2018. The 5mm size product experienced a sharp decline in sales from 2016 to 2017, which increased in 2018, but still remained below the 2016 level.

5.4.2 Profit

The following table shows the Applicants' profit margins:

Table 5.4.2: Profit

HS 7005.29.17 (3 mm)		2016	2017	2018
Kg Sold	kg	100	98	91
Total Gross profit	Rand	100	133	84
Total Net Profit	Rand	100	147	82
Total Gross profit per kg	R/kg	100	136	92
Total Net Profit per kg	R/kg	100	150	90
HS 7005.29.23 (4 mm)		2016	2017	2018
Kg Sold	kg	100	107	87
Total Gross profit	Rand	100	162	86
Total Net Profit	Rand	100	187	86

Total Gross profit per kg	R/kg	100	151	99
Total Net Profit per kg	R/kg	100	175	99
HS 7005.29.25 (5 mm)		2016	2017	2018
Kg Sold	kg	100	89	96
Total Gross profit	Rand	100	148	111
Total Net Profit	Rand	100	198	123
Total Gross profit per kg	R/kg	100	166	117
Total Net Profit per kg	R/kg	100	223	128
HS 7005.29.35 (6 mm)		2016	2017	2018
Kg Sold	kg	100	119	118
Total Gross profit	Rand	100	158	119
Total Net Profit	Rand	100	173	119
Total Gross profit per kg	R/kg	100	132	101
Total Net Profit per kg	R/kg	100	145	101

Information was indexed due to confidentiality using 2016 as the base year

The net profit declined from 2016 to 2018 regarding 3mm by 18 index points and 4mm by 14 index points. The net profit increased from 2016 to 2018 regarding 5mm by 23 index points and 6mm by 19 index points.

5.4.3 Output

The following table outlines the SACU Industry's domestic production volume of the subject product:

Table 5.4.3: Output

		2016	2017	2018
Total production: All Products	kg	100	94	94
HS 7005.29.17 (3 mm)	kg	100	98	91
HS 7005.29.23 (4 mm)	kg	100	107	87
HS 7005.29.25 (5 mm)	kg	100	89	96
HS 7005.29.35 (6 mm)	kg	100	119	118

Information was indexed due to confidentiality using 2016 as the base year

The production of the 3mm, 4mm and 5mm size products indicates downward trends over the period 2016 to 2018.

5.4.4 Market share

The following table shows the SACU market share for the subject product in tons:

Table 5.4.4: Market share

HS 7005.29.17 (3 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	98	103	91	94
Alleged dumped imports	ton	12 560	100	10 435	87	16 121	132
Other imports	ton	1 092	100	1 001	96	864	81
Total imports	ton	13 652	100	11 436	88	16 985	128
Total Market	ton	100	100	95	100	97	100
HS 7005.29.23 (4 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	107	81	87	103
Alleged dumped imports	ton	10 472	100	5 243	38	9 336	106
Other imports	ton	4 268	100	20 790	369	2 422	67
Total imports	ton	14 740	100	26 033	134	11 758	94
Total Market	ton	100	100	132	100	84	100
HS 7005.29.25 (5 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	89	86	96	77
Alleged dumped imports	ton	1 214	100	786	62	4 122	274
Other imports	ton	297	100	2 032	658	212	58
Total imports	ton	1 511	100	2 818	180	4 335	231
Total Market	ton	100	100	104	100	124	100
HS 7005.29.35 (6 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	119	131	118	122
Alleged dumped imports	ton	1 362	100	664	54	1 243	94
Other imports	ton	2 419	100	1 232	56	1 291	55
Total imports	ton	3 781	100	1 896	55	2 534	69
Total Market	ton	100	100	91	100	97	100

Information was indexed due to confidentiality using 2016 as the base year

The Applicant's market share in volume for the 3mm size (that represents traditionally the largest portion of the Applicant's sales of the four sizes) declined by 9 index points, 4mm market share declined by 13 index points, 5mm market share declined by 4 index points and the 6mm market share increased by 18 index points for the period 2016 to 2018.

5.4.5 Productivity

Using the production and employment figures sourced from the Applicant, its productivity in respect of the subject product is as follows:

Table 5.4.5: Productivity

		2016	2017	2018
Total production volume	Kg	100	101	92
Number of employees (Production)	No	100	99	96
Kg per employee	Kg	100	102	96

Information was indexed due to confidentiality using 2016 as the base year

The total production of the 3mm, 4mm, 5mm and 6mm sizes indicates a downward trend over the period 2016 to 2018. This is as a result of the decreasing trend in the productivity of each of the respective product categories over the period 2016 to 2018, which is based on the production of the subject products that shows a declining trend over the period 2016 to 2018. The Applicant stated that production was reduced to counter increased stockholding.

5.4.6 Return on Investment

Return on investment is normally regarded by the Commission as being the profit before tax and interest.

Table 5.4.6: Return on Investment

All Products (3mm, 4mm, 5mm and 6mm)	2016	2017	2018
Net profit	100	159	87
Net assets (Book value)	100	100	101
Return on net assets (Book value) %	100	157	86
Insured replacement value	100	115	123
Return on insured replacement value %	100	133	67

Information was indexed due to confidentiality using 2016 as the base year

The return on investment is based on the total profit of the 3mm, 4mm, 5mm and 6mm sizes expressed as a percentage of the net assets. Therefore, the return on investment based on net asset book value percentage, as well as the insured replacement value percentage, shows a decreasing trend over the period 2016 to 2018.

5.4.7 Utilisation of production capacity

The following table provides the Applicant's capacity and production for the subject product:

Table 5.4.7: Utilisation of production capacity

Clear Float Glass - All products	2016	2017	2018
Capacity Kg	100	100	100
Actual Production kg	100	101	90
Capacity utilization %	100	101	90

Information was indexed due to confidentiality using 2016 as the base year

The production capacity remained the same over the period 2016 to 2018. Capacity utilisation remained more or less the same in 2016 and 2017, but showed a steep decrease in 2018 as a result of declining sales and production.

5.4.8 Factors affecting domestic prices

The Applicant stated that it is not aware of any other factors, which could affect the domestic prices negatively.

5.4.9 The magnitude of the margin of dumping

The Commission decided to calculate a weighted average dumping margin on all four sizes of the subject product. A weighted average dumping margin of 16.8% was calculated for the UAE and 23.9% for Saudi Arabia.

5.4.10 Actual and potential negative effects on cash flow

The following table reflects the Applicant's cash flow situation with regard to the product under investigation:

Table 5.4.10: Cash flow situation

HS 7005.29.17 (3 mm)	2016	2017	2018
Cash flow: incoming	100	107	96
Cash flow: outgoing	negative	negative	negative
Net cash flow	100	118	86
Debtors (value)	100	106	96
Debtors: average days outstanding	100	100	100
HS 7005.29.17 (4 mm)	2016	2017	2018
Cash flow: incoming	100	114	93
Cash flow: outgoing	negative	negative	negative
Net cash flow	100	256	153
Debtors (value)	100	118	91
Debtors: average days outstanding	100	100	100
HS 7005.29.25 (5 mm)	2016	2017	2018
Cash flow: incoming	100	97	99
Cash flow: outgoing	negative	negative	negative
Net cash flow	100	165	103
Debtors (value)	100	97	123
Debtors: average days outstanding	100	100	100
HS 7005.29.35 (6 mm)	2016	2017	2018
Cash flow: incoming	100	126	122
Cash flow: outgoing	negative	negative	negative
Net cash flow	100	175	212
Debtors (value)	100	128	133
Debtors: average days outstanding	100	100	100

Information was indexed due to confidentiality using 2016 as the base year

The incoming cash flow showed a declining trend over the period 2016 to 2018, for the 3mm, 4mm and 5mm sizes while the cash flow of the 6mm size shows an increasing trend over the period 2016 to 2018.

5.4.11 Inventories

The following table provides the Applicant's inventory:

Table 5.4.11: Inventory

HS 7005.29.17 (3mm)		2016	2017	2018
Volume	Ton	100	165	161
Value	R	100	170	179
Value per unit	R/Ton	100	103	111

HS 7005.29.23 (4mm)		2016	2017	2018
Volume	Ton	100	90	78
Value	R	100	91	83
Value per unit	R/Ton	100	100	107

HS 7005.29.25 (5mm)		2016	2017	2018
Volume	Ton	100	93	92
Value	R	100	96	102
Value per unit	R/Ton	100	104	110

HS 7005.29.35 (6mm)		2016	2017	2018
Volume	Ton	100	103	66
Value	R	100	116	72
Value per unit	R/Ton	100	103	111

Information was indexed due to confidentiality using 2016 as the base year

The inventory levels (volume) over the periods 2016 to 2018, for the 3mm size (that represents traditionally the largest portion of the Applicant's sales of the four substances) reflects an increasing trend, with the 4mm, 5mm and 6mm size products indicating decreasing trends.

5.4.12 Employment

The following table provides the Applicant's employment figures for the subject product:

Table 5.4.12: Employment

Clear Float Glass - All products	2016	2017	2018
Direct labour (units) : production	100	99	96
Indirect labour (units) : production	100	111	107
Total labour (units) : production	100	106	102
Rest of SACU total labour (units)	n/a	n/a	n/a

Information was indexed due to confidentiality using 2016 as the base year

Direct labour units relate to the personnel component assigned to the actual manufacturing for all products. All these workers are utilised in the production

of all sizes and no worker is dedicated to produce a specific size. The indirect labour units relate to the personnel component allocated in support of and complimentary to the manufacturing process such as quality assurance, process technology and industrial engineering support.

5.4.13 Wages and salaries

The following table provides the Applicant's wages paid:

Table 5.4.13: Wages

Clear Float Glass - All products		2016	2017	2018
Direct Wages: Production	R	100	103	110
Indirect Wages: Production	R	100	104	96
Total wages: Production	R	100	104	101
Wage cost per ton produced	R	100	103	112

Table 5.4.13: Wages & Salaries (Monthly)

Clear Float Glass - All products		2016	2017	2018
Direct Wages: Production	R	100	103	110
Indirect Wages: Production	R	100	104	96
Total wages: Production	R	100	104	101
Wage cost per ton produced	R	100	103	112

Information was indexed due to confidentiality using 2016 as the base year

Direct wages (production) shows an increasing trend over the period 2016 to 2018.

5.4.14 Growth

The following table indicates the growth of the SACU market as provided by the Applicant:

Table 5.4.14: Growth

HS 7005.29.17 (3 mm)					2016/2018
		2016	2017	2018	Change
Applicant Sales	ton	100	98	91	(9)
Alleged dumped imports	ton	100	115	128	28
Other imports	ton	100	92	79	(21)
Total Imports	ton	100	190	124	24
Total SACU Market	ton	100	115	97	(3)
HS 7005.29.23 (4 mm)					
Applicant sales	ton	100	107	87	(13)
Alleged dumped imports	ton	100	50	89	(11)
Other imports	ton	100	487	57	(43)
Total imports	ton	100	177	80	(20)
Total SACU Market	ton	100	132	84	(16)
HS 7005.29.25 (5 mm)					
Applicant Sales	ton	100	89	96	(4)
Alleged dumping imports	ton	100	65	340	240
Other imports	ton	100	684	71	(29)
Total imports	ton	100	186	287	187
Total SACU Market	ton	100	104	124	24
HS 7005.29.35 (6 mm)					
Applicant Sales	ton	100	119	118	18
Alleged dumped imports	ton	100	49	156	56
Other imports	ton	100	51	53	(47)
Total imports	ton	100	50	90	(10)
Total SACU Market	ton	100	91	107	7

Information was indexed due to confidentiality using 2016 as the base year

The table shows negative growth in the Applicant's sales from 2016 to 2018, with regard to the 3mm, 4mm and 5mm sizes while the 6mm product's growth increased by 18 index points.

5.4.15 Ability to raise capital or investments

The Applicant provided the following information with regard to the SACU industry's ability to raise capital or investments:

Table 5.4.15: Ability to raise capital or investments

HS 7005.29.17 (3 mm)	Rand	2016	2017	2018
Total capital/investment in subject product	Rand	100	100	101
Capital expenditure during year on subject product	Rand	100	421	647

HS 7005.29.23 (4 mm)	Rand	2016	2017	2018
Total capital/investment in subject product	Rand	100	100	101
Capital expenditure during year on subject product	Rand	100	461	618

HS 7005.29.17 (5 mm)	Rand	2016	2017	2018
Total capital/investment in subject product	Rand	100	100	101
Capital expenditure during year on subject product	Rand	100	383	678

HS 7005.29.23 (6 mm)	Rand	2016	2017	2018
Total capital/investment in subject product	Rand	100	100	101
Capital expenditure during year on subject product	Rand	100	513	839

Information was indexed due to confidentiality using 2016 as the base year

Capital expenditure for all four sizes increased the period 2016 to 2018, as a result of certain routine maintenance that had to be incurred. Significant capital investment would be required for the manufacturing plant refurbishments.

Essential facts comments from Guardian Zouja/Saudi Guardian/Guardian Africa

Guardian Zoujaj /Saudi Guardian/Guardian Africa stated that the entire essential facts on material injury reads as follows: "The Commission is considering making a final determination that the SACU industry is experiencing material injury." They further stated that this does not set out any essential facts as far as injury is concerned. There is no information on import volumes, any of the three price injury factors, or any of the 19 factors the Commission has to evaluate under Article 3.4 of the Anti-Dumping Agreement. As such, they are not in a position to comment, other than to indicate that if there are no essential facts to consider on injury, the investigation should be terminated.

Commission's consideration

The Commission considered that there is no requirement to make a conclusion on each of the injury factors, only to consider each of the factors. The Commission considered each of the factors but made an overall assessment of whether the industry was experiencing material injury.

Furthermore, in making a determination on material injury, it should be borne in mind that an industry normally only suffers either "price" or "volume" injury. There is a sufficient information submitted to indicate that the Applicant is experiencing material injury with regard to the 3mm; 4mm and 5mm sizes of the subject product.

5.4.17 SUMMARY MATERIAL INJURY

From the information above, it is evident that the Applicant is experiencing sales volume injury over the period 2016 to 2018 for 3mm, 4mm and 5mm size products. The market share (by volume) of the Applicant declined by 9 index points, 4mm market share declined by 13 index points, 5mm market share declined by 4 index points and the 6mm market share increased by 18 index points for the period 2016 to 2018. Cumulating imports over the period 2016 to 2018 indicates that the import volumes increased over the period 2016 to 2018 with regard to the 3mm and 5mm product and declined for the 4mm and 6mm product. Productivity of 3mm, 4mm, 5mm and 6mm indicates a downward trend over the period 2016 to 2018. The inventory levels (volume) over the periods 2016 to 2018, for the 3mm product (that represents traditionally the largest portion of the Applicant's sales of the four substances) reflects an increasing trend, with the 4mm, 5mm and 6mm products indicating decreasing trends.

The Applicant experienced no price depression over the period 2016 to 2018. There was no price depression in 2017 compared with 2016 for each of the respective product categories, but in 2018 prices were depressed for each of the subject products. The cumulative information shows a positive price undercutting on 3mm, 4mm and 6mm products from 2016 to 2018,

while the 5mm had a negative price undercutting for 2016 and 2017 and in 2018 a positive price undercutting. Price suppression was experienced over the period 2016 to 2018 with regard to three of the subject products, while there was no price suppression for the 5mm product. The net profit declined from 2016 to 2018 regarding 3mm by 18 index points and 4mm by 14 index points. The net profit increased from 2016 to 2018 regarding 5mm by 23 index points and 6mm by 19 index points.

Taking the above into account, the Commission made a final determination that the Applicant and therefore the SACU industry is experiencing material injury.

6. THREAT OF MATERIAL INJURY

6.1 Freely disposable capacity of the exporters

The Applicant stated that in 2014, the glass sector in the European Union (EU) produced just below 8.5 million tonnes of float glass from the 55 float lines operating in the EU. Around 15000 people are directly employed in the manufacture of flat glass but the entire value-chain (glass processing, transformation, window assembly, installation, recycling, etc.) generates almost 1 million jobs in the EU. On average, annual growth in flat glass output is in the order of 2 – 3 per cent.

Float glass installations are located across 16 countries in the EU, but three quarters of EU production originates from Germany, France, Italy, Belgium, UK, Spain and Poland. However, demand for flat glass is particularly sensitive to economic cycles because of its high dependency on the building and automotive industries. During periods of economic growth and high demand for flat glass, annual growth is around 3 percent, whereas during economic downturns or recessions the flat glass sector is badly hit, as is the current case.

Therefore, although the Applicant does not have detailed information on Saudi Arabia, there is a worldwide over capacity of float glass as a result of the global slowdown. Therefore, there will be excess capacity in especially the Middle East, EU and China.

6.2 Significant Increase of alleged dumped imports

Imports of the alleged dumping imports under the tariff subheading are indicated as follows:

Table 6.2: Volume of alleged dumped imports

HS 7005.29.17 (3 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	1 747 046	92%	1 451 419	91%	2 242 287	95%
Other imports	151 848	8%	139 303	9%	120 219	5%
Total	1 898 893	100%	1 590 722	100%	2 362 506	100%

HS 7005.29.23 (4 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	1 083 027	71%	542 199	20%	965 563	79%
Other imports	441 394	29%	2 150 116	80%	250 469	21%
Total	1 524 421	100%	2 692 315	100%	1 216 032	100%

HS 7005.29.25 (5 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	99 474	80%	64 434	28%	337 884	95%
Other imports	24 382	20%	166 593	72%	17 416	5%
Total	123 856	100%	231 027	100%	355 300	100%

HS 7005.29.35 (6 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	92 599	36%	45 175	35%	84 522	49%
Other imports	164 510	64%	83 770	65%	87 770	51%
Total	257 108	100%	128 946	100%	172 292	100%

The above information indicates that the alleged dumped imports of the 3mm size, which is the largest proportion of the subject product imported during the period 2016 to 2018, increased significantly. Imports of the 5mm size also increased during this period, whilst imports of the 4mm and 6mm product declined.

6.3 Prices of Imports which will have a significant depressing or suppressing effect on domestic prices

Table 6.3.1: Prices of alleged dumped imports (FOB)

HS 7005.29.17 (3 mm)	Unit	2016	2017	2018
Alleged dumped imports	R/ton	3 380	3 536	3 515
Other	R/ton	5 308	4 894	3 349
Average	R/ton	4 344	4 215	3 432
HS 7005.29.23 (4 mm)		2016	2017	2018
Alleged dumped imports	R/ton	2 791	3 427	3 361
Other	R/ton	3 849	456	3 025
Average	R/ton	3 320	1 942	3 193
HS 7005.29.25 (5 mm)		2016	2017	2018
Alleged dumped imports	R/ton	3 554	3 812	2 898
Other	R/ton	6 712	1 055	3 935
Average	R/ton	5 133	2 434	3 417
HS 7005.29.35 (6 mm)		2016	2017	2018
Alleged dumped imports	R/ton	3 341	3 681	3 493
Other	R/ton	4 576	8 129	5 530
Average	R/ton	3 958	5 905	4 512

The prices for the 3mm, 4mm and 6mm size increased over the period of investigation whilst that of the 5mm size, declined. Prices of other imports declined significantly for the 3mm, 4mm and 5mm size products.

Table 6.3.2: Price suppression

HS 7005.29.17 (3 mm)	Unit	2016	2017	2018
Selling price (Ex-factory)	R/ton	100	109	101
Cost of production % selling price		100	89	104
HS 7005.29.23 (4 mm)		2016	2017	2018
Selling price (Ex-factory)	R/ton	100	110	104
Cost of production % selling price		100	87	101
HS 7005.29.25 (5 mm)		2016	2017	2018
Selling price (Ex-factory)	R/ton	100	109	106
Cost of production % selling price		100	88	98
HS 7005.29.35 (6 mm)		2016	2017	2018
Selling price (Ex-factory)	R/ton	100	107	103
Cost of production % selling price		100	90	101

Information was indexed due to confidentiality using 2016 as the base year

Price Depression

HS 7005.29.17 (3 mm)	2016	2017	2018
Ex-factory selling price in SACU	100	109	101
HS 7005.29.23 (4 mm)	2016	2017	2018
Ex-factory selling price in SACU	100	110	104
HS 7005.29.25 (5 mm)	2016	2017	2018
Ex-factory selling price in SACU	100	109	106
HS 7005.29.35 (6 mm)	2016	2017	2018
Ex-factory selling price in SACU	100	107	103

Information was indexed due to confidentiality using 2016 as the base year

Price suppression was experienced over the period 2016 to 2018 with regard to three of the sizes of the subject product, while there was no price suppression for the 5mm size product.

6.4 Exporter's inventories of the subject product

The Applicant stated that a glass plant cannot be stopped and started to cater for increase or decrease in demand, it continues to operate and thus if there is a global slowdown, or inflow of low priced imports, inventories will increase while products are also sold at lower prices, sometimes below cost of production to recover the capital cost. The fact that the subject product was exported to SACU at dumped prices is indicative of the fact that substantial inventories exist in Saudi Arabia and the UAE, and that these factories are trying to recover invested cost, especially when there is over supply in the market.

The Applicant has no data available about the inventory levels in Saudi Arabia and the UAE. However, as India and Brazil imposed anti-dumping duties on Saudi Arabia and the UAE, these countries had no option but to explore new viable markets for their product to ensure that their inventory levels does not increase substantially – therefore, as Saudi Arabia and the UAE were able to supply India and Brazil and now will be "prohibited" to export as a result of the dumping duties, there will be excess product to

export in increased volume to SACU.

6.5 Other markets that can absorb the free capacity of the exporter

The Applicant stated that Saudi Arabia and the UAE producers are supplying the world and that the SACU market is a very attractive market for Saudi Arabia and the UAE.

The Applicant further stated that average per capita clear float glass consumption in SACU is estimated at 9 kg per capita per annum compared to 17 kg per capita per annum in Saudi Arabia and the UAE; therefore the potential for growth in this region is large.

6.6 State of the economy of the country of origin

The Commission considered the following information submitted by the Applicant:

Saudi Arabia

The Saudi Arabian economy is fuelled almost entirely by the production and distribution of petroleum and its derivative products. Over the past decade oil sales have generated, on average, 90 percent of the country's yearly export earnings, 35 percent of annual gross domestic product (GDP), and 75 percent of all budget revenues. High oil prices in the 1970s led to rapid economic expansion, with GDP growing over the course of the decade by 10 percent per year. As oil prices dropped in the 1980s, GDP growth slowed, averaging just 1.3 percent per year between 1980 and 1998. Rising oil prices beginning in 1999 again boded well for the economy.

While petroleum exports are indeed lucrative, Saudi Arabia's dependence on oil as its primary source of revenue is potentially problematic. In the near term, the Saudi Arabian economy will be left vulnerable to shifts in the price of oil, lowered demand, or disrupted production due to any

number of factors, including regional conflicts and the Organization of Petroleum Exporting Countries (OPEC) shifting oil production quotas. In the long term there is the problem of dwindling supplies. While the Saudis maintain over a quarter of the world's known oil reserves (about 263 billion barrels at the end of 1999), these reserves, at the current rate of production, will last only 87.5 years. If, in that time, Saudi Arabia fails to sufficiently diversify its economy or discover new sources of oil, the country will be faced with a serious shortfall in revenues. And even if Saudi Arabia does discover new reserves (as will likely be the case; some estimates put undiscovered reserves in Saudi Arabia at nearly a trillion barrels) the price of oil will probably steadily drop in the coming years as supplies and production efficiency increase.

The need to begin generating alternative sources of income was recognized as early as 1970, when the government issued the first in an ongoing series of 5-year plans aimed at expanding the non-oil sectors of the economy.

While infrastructure expansion and urban development (both natural outgrowths of the oil industry) have proceeded at an impressive pace, attempts to diversify the economy have produced limited results. Similarly, efforts to decentralize the state-run economy through broad privatization schemes have been largely unsuccessful.

However, in April 2016, in a notable policy shift, the kingdom unveiled a significant economic reform plan, Saudi Vision 2030. The plan, which seeks to increase foreign investment and enhance the overall competitiveness of the Saudi Arabian economy, includes the sale of up to 5 percent of the state-owned oil company, ARAMCO and economic diversification through development of the private sector. Saudi Arabia joined the World Trade Organization ("WTO") in 2005 as part of an effort to promote foreign investment and economic diversification.

(Sources: www.nationsencyclopedia.com and heritage.org)

UAE

The UAE is a federation of 7 emirates occupying a portion of the South Eastern Arabian peninsula. It is one of the most economically secure states in the world. The UAE controls 98 billion barrels of oil—10 percent of the world's proven oil reserves—as well as 212 trillion cubic feet of gas, the fourth largest amount in the world after Russia, Iran, and Qatar. The UAE has employed its natural resources and its strategic location to become one of the most modern and wealthiest states in the world. It boasts both large petroleum and non-petroleum sectors. Economic growth in large part has hinged on the price of oil and the ability of UAE governments, whose proceeds come almost entirely from oil sales, to invest in large infrastructure projects.

For much of the last 2 centuries, the inhabitants of the UAE depended on pearling, fishing, commerce, and, allegedly, piracy of commerce in the Indian Ocean. To protect its trade routes to India, Great Britain attacked many communities along the UAE's Arabian/Persian Gulf coast in 1819 and 1820 and for the next 50 years extended an informal protectorate (protection and partial control of one region or dependent country by another country) over the region, which became known as the "Trucial Coast" because of the non-aggression pacts (or truces) that Great Britain forced regional emirates to sign with each other and Britain.

The region "entered" the 20th century in the 1950s with the discovery of oil in Abu Dhabi and subsequent discoveries of oil in Dubai and Sharjah in the 1960s. Following Britain's withdrawal from the Trucial Coast in 1971, the UAE became an independent state composed of 7 of the original 9 emirates. The other 2 emirates, Bahrain and Qatar, became separate independent states. Abu Dhabi, Dubai, and to a lesser extent, Sharjah, used the proceeds from oil sales to build modern, urban societies. Dubai, with substantially smaller oil supplies than Abu Dhabi, sought to build commercial institutions, leisure industries, manufacturing, port and transportation facilities, and other service industries that were not

dependent on oil proceeds.

The crown jewel of this project is the Jebel Ali Free Zone, which opened in 1985 and now boasts 1,600 international companies from over 70 different nations. Sharjah too has sought to broaden its economy by investing in manufacturing. Since the early 1980s, Abu Dhabi has invested billions of dollars in non-oil industries, including manufacturing, services, and agriculture. After the Gulf War, the UAE used the glut in the world arms industry to mandate an "offsets" program requiring all firms selling weapons to the federation to invest in its non-oil related industries.

Because the UAE had a relatively poor and unskilled population when oil was discovered there, the federation has depended on expatriate laborers and managers to meet close to 90 percent of its labor demands. The vast majority of these expatriate workers are South Asian, though there are large numbers of Arab and Western expatriate workers. Expatriates earn half as much as UAE nationals but present 3 significant problems.

First, expatriate workers may undermine the UAE by promoting their own governments' interests or that of organized crime within the federation. Second, expatriate workers often require high payments for social services and send virtually all of their salary home rather than spending it in the UAE. Third, expatriate workers intensify pre-existing social divisions within the UAE since they tend to be the principal workers in non-oil UAE industries, while UAE nationals generally prefer to work for the government.

The UAE can depend on the proceeds from the sale of its petroleum and natural gas. Abu Dhabi has US\$150 billion in overseas assets that can either cover budget shortfalls due to excessive spending or a sharp decline in oil prices.

Equally importantly, the UAE's free market system and open economy has fostered the creation of numerous medium and large corporations that

produce highly competitive goods for the regional and world markets.
(Source: nationsencyclopedia.com)

6.7 Other information submitted by the Applicant.

On 10 October 2014, the Indian Government published its final findings of the anti-dumping investigation with regard to imports of clear float glass originating in or exported from Pakistan, Saudi Arabia and the UAE in report F.No.14/25/2012-DGAD. This finding and imposition of the dumping duties on the three countries were reported by The Hindu Business Line on 15 December 2014, as well as by Glass Online on 17 December 2014.

It was also reported on 22 December 2014 by the Glass global Group that on 19 December 2014, Brazil's Foreign Trade Chamber (Camex), the Federal Government's policy-making body for the sector, decided to levy definitive anti-dumping duties on float glass imports from six countries, including Saudi Arabia, UAE and Egypt. The publication was made by the Brazilian Official Gazette. The glass types concerned by the ruling were clear float glass from 2mm to 19mm thick from the six countries concerned. The subject products' classification number under the Mercosur Common Nomenclature (NCM) is 7005.29.00

The global flat glass market is forecasted to grow at a 7.3 percent compound annual growth rate through to 2019. North America and Europe are expected to experience large improvements in the flat glass industry during the next several years, and developing markets are expected to continue to experience fast gains, according to the report, "Global Flat Glass Market 2015-2019."

Further, according to the "Global Flat Glass Market 2015-2019" Report that was published by ReportsnReports.com on February 9, 2015 it is stated that "The Asia/Pacific region holds by far the largest regional market for flat glass, accounting for 54 percent of worldwide demand in

value terms in 2013. The region is expected to also post the fastest gains through 2018, benefiting from the presence of five of the six fastest growing national markets for flat glass worldwide in China, India, Indonesia, Thailand, and Vietnam.”

From the above it is thus evident that the global flat glass market is set to grow and that as a result of India and Brazil imposing dumping duties, on amongst other Saudi Arabia and the Emirates, Saudi Arabia and the Emirates increased exports to SACU (as depicted in 2018) to ensure that they can continue to capitalize on the economies of scale, which will cause even further material injury to the SACU industry.

There was a sharp increase in imports from 2017 to 2018 of all four sizes of the subject product to this investigation. This is clearly indicative that a much bigger threat of further material injury exists with regard to the imports from Saudi Arabia and the UAE.

Significant price decreases have been introduced in the latter half of 2017 and early in January and February of 2018 to regain lost volumes which reduces the sales volume reduction that would have been experienced had no action been taken.

6.8 SUMMARY ON THREAT OF MATERIAL INJURY

The Commission took into account that the Applicant indicated that even though the 3mm, 4mm, 5mm and 6mm size products are classifiable separately, it should not be viewed and assessed in isolation within the context of a dumping application due to the nature of clear float glass manufacturing as well as the interrelated and interdependent nature of the four sizes that are manufactured on the same production line by it. The Commission is of the view that a real threat therefore exists of the continuation of material injury and closure of the plant, if the dumped imports with regard to the 3mm, 4mm, 5mm and 6mm sizes are not addressed as a whole.

The Commission therefore made a final determination that a threat of material injury to the SACU industry exists.

7. CAUSAL LINK

7.1 GENERAL

In order for the Commission to impose final measures, it must be satisfied that there is sufficient evidence to indicate that there is a causal link between the material injury experienced by the SACU industry and the dumping of the subject product from Saudi Arabia and the UAE. This however does not preclude other factors also being a cause of material injury, as provided for in the Anti-Dumping Agreement.

In assessing causality, the Commission accepts that where it has found that dumping is taking place and material injury occurs, there is an inference that the material injury is caused by dumping. The Commission will then examine whether there are any known factors apart from the dumped imports that are also materially injuring the industry. If other factors are identified, it must be established whether the material injury caused by other factors breaks the inferred causal link established. If there is no manifest cause of material injury apart from the dumped goods, then the inferred causal link is confirmed.

7.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent of the increase of volume of the subject imports from Saudi Arabia and the UAE and the extent to which the market share of the domestic industry has decreased since the commencement of injury, with a corresponding increase in the market share of the dumped product.

The following table compares the market share of the SACU industry with that of the alleged dumped imports:

Table 7.2.1: Market share

HS 7005.29.17 (3 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	98	103	91	94
Alleged dumped imports	ton	12 560	100	10 435	87	16 121	132
Other imports	ton	1 092	100	1 001	96	864	81
Total Imports	ton	13 652	100	11 436	88	16 985	128
Total Market	ton	100	100	95	100	97	100
HS 7005.29.23 (4 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	107	81	87	103
Alleged dumped imports	ton	10 472	100	5 243	38	9 336	106
Other imports	ton	4 268	100	20 790	369	2 422	67
Total Imports	ton	14 740	100	26 033	134	11 758	94
Total Market	ton	100	100	132	100	84	100
HS 7005.29.25 (5 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	89	86	96	77
Alleged dumped imports	ton	1 214	100	786	62	4 122	274
Other imports	ton	297	100	2 032	658	212	58
Total Imports	ton	1 511	100	2 818	180	4 335	231
Total Market	ton	100	100	104	100	124	100
HS 7005.29.35 (6 mm)		2016	%	2017	%	2018	%
Applicant	ton	100	100	119	131	118	122
Alleged dumped imports	ton	1 362	100	664	54	1 243	94
Other imports	ton	2 419	100	1 232	56	1 291	55
Total Imports	ton	3 781	100	1 896	55	2 534	69
Total Market	ton	100	100	91	100	97	100

Information was indexed due to confidentiality using 2016 as the base year

The Applicant's market share in volume for the 3mm size (that represents traditionally the largest portion of the Applicant's sales of the four sizes) declined by 9 index points, 4mm market share declined by 13 index points, 5mm market share declined by 4 index points and the 6mm market share increased by 18 index points for the period 2016 to 2018.

The following table shows the volume of imports:

Table 7.2.2: Import volumes

HS 7005.29.17 (3 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	1 747 046	92%	1 451 419	91%	2 242 287	95%
Other imports	151 848	8%	139 303	9%	120 219	5%
Total	1 898 893	100%	1 590 722	100%	2 362 506	100%

HS 7005.29.23 (4 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	1 083 027	71%	542 199	20%	965 563	79%
Other imports	441 394	29%	2 150 116	80%	250 469	21%
Total	1 524 421	100%	2 692 315	100%	1 216 032	100%

HS 7005.29.25 (5 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	99 474	80%	64 434	28%	337 884	95%
Other imports	24 382	20%	166 593	72%	17 416	5%
Total	123 856	100%	231 027	100%	355 300	100%

HS 7005.29.35 (6 mm)						
Import Volume (sqm)	Volumes	%	Volumes	%	Volumes	%
	2016	2016	2017	2017	2018	2018
Alleged dumped imports	92 599	36%	45 175	35%	84 522	49%
Other imports	164 510	64%	83 770	65%	87 770	51%
Total	257 108	100%	128 946	100%	172 292	100%

The tables above indicates that the import volumes increased over the period 2016 to 2018 with regard to the 3mm and 5mm and declined for 4mm and 6mm on clear float glass.

7.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects of the Applicant:

HS 7005.29.17 (3 mm)	2016	2017	2018
Ex-factory selling price in SACU (Price depression)	100	109	101
Cost of production % selling price(suppression)	100	96	105
Price Undercutting	positive	positive	positive
HS 7005.29.23 (4 mm)	2016	2017	2018
Ex-factory selling price in SACU (Price depression)	100	110	104
Cost of production % selling price(suppression)	100	96	105
Price Undercutting	positive	positive	positive
HS 7005.29.25 (5 mm)	2016	2017	2018
Ex-factory selling price in SACU (Price depression)	100	109	106
Cost of production % selling price(suppression)	100	96	104
Price Undercutting	negative	negative	positive
HS 7005.29.35 (6 mm)	2016	2017	2018
Ex-factory selling price in SACU (Price depression)	100	107	103
Cost of production % selling price(suppression)	100	96	104
Price Undercutting	positive	positive	positive

Information was indexed due to confidentiality using 2016 as the base year

The above table shows that the prices of the SACU industry increased from 2016 to 2017. Although there was no price depression in 2017, in 2018 prices were depressed.

It further shows that the Applicant experienced price suppression with regard to three of the sizes during period 2016 to 2018.

The above table also shows that the Applicant experienced price undercutting from 2016 to 2018, with the exception of 5mm size product, on which it only experienced price undercutting in 2018.

7.4 CONSEQUENT IMPACT OF DUMPED IMPORTS

Material Injury Indicator	Analysis (2016– 2018)
Price suppression	Yes for three products except 5mm
Price depression	None
Sales volume	Decrease on all products except 6mm
Market share	Decreased for 3mm, 4mm and 5mm and increased for 6mm
Profit	Decreased for 3mm and 4mm and increased for 5mm and 6mm.
Production	Decreased for all products except 6mm
Productivity	Decrease
Return on investment (%)	Decrease
Utilisation of production capacity	Decrease
Cash flow	Decreased on all products except 6mm
Inventory levels	Increase in 3mm and decreased on all other products
Growth	Decreased on all products except 6mm

7.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

7.5.1 Examination of causality under Article 3.5

The Applicant provided the following information:

Changes in the patterns of consumptions	The Applicant stated that the total market share of the 3mm, 4mm and 6mm size product shows a decreasing trend over the period 2016 to 2018, while the 5mm size product showed an increase from 2016 to 2018.
Trade-restrictive practices of foreign and domestic producers	There are no trade restrictive practices in place except for normal customs duties on imports.
Developments in technology	The Applicant stated that there are no known recent developments in technology that would place it at a disadvantage.
Export performance of the domestic industry	The Applicant is primarily focusing on supplying the domestic market, but does have limited exports to African countries outside the SACU.
Productivity of the domestic industry	The Applicant believes that its productivity compares favourably with its competitors.

The Applicant stated that the exchange rate does have impact with fluctuations in the currency, more severely impacting the Applicant selling

prices than production costs.

7.6 SUMMARY ON CAUSAL LINK

The Commission made a final determination that the subject product originating in or imported from Saudi Arabia and the UAE is being dumped in the SACU market, causing material injury and a threat of material injury to the SACU industry.

8. SUMMARY OF FINDINGS

8.1 Dumping

The Commission made a final determination that dumping of the subject product originating in Saudi Arabia and the UAE is taking place and decided to calculate a weighted average dumping margin on all 4 sizes of the subject product. A weighted average dumping margin of 16.8% was calculated for the United Arab Emirates and 23.9% for Saudi Arabia.

8.2 Material Injury

The Commission made a final determination that the SACU industry is suffering material injury in the form of:

- Price Suppression;
- Decline in Sales volume;
- Decline in Market share;
- Decline in Return on Investment;
- Declining productivity;
- Decline in Incoming cash flow;
- Decline in growth; and
- Declining utilisation of production capacity.

8.3 Threat of material injury

The Commission took into account that with regard to the threat of material injury the applicant indicated that even though the 3mm, 4mm, 5mm and 6mm subject products are classifiable items per its respective HS codes, it should not be viewed and assessed in isolation within the context of a dumping application due to the nature of clear float glass manufacturing as well as the interrelated and interdependent nature of the four subject products that are manufactured on the same production line by it. Therefore, there exists a real threat of the continuation of material injury and closure of the plant, if the

dumped imports with regard to 3mm, 4mm, 5mm and 6mm are not addressed as a whole.

The Commission made a final determination that a threat of material injury to the SACU industry exists.

8.4 Causal link

The Commission made a final determination that the subject product originating in or imported from Saudi Arabia and the UAE is being dumped in the SACU market, causing material injury and a threat of material injury to the SACU industry.

9. FINAL DUTIES

The ADR in section 17 provides that the Commission shall consider applying the lesser duty rule if both the corresponding importer and exporter have cooperated fully.

9.1 Price disadvantage

The price disadvantage is the extent to which the price of the imported product (landed cost) is lower than the unsuppressed and un-depressed ex-factory selling of the SACU product. It is the Commission's practice that the price disadvantage is only applied when both the exporter and the importer responded in the investigation.

The price disadvantage for Guardian Zoujaj was calculated based on the weighted average landed cost of Guardian Zoujaj's cooperating importers namely Guardian Africa and McCoy's.

The SACU unsuppressed price is based on an estimate by the Applicant in the absence of dumped imports. The Applicant applied the profit margins for the subject product before the entry of the dumped imports.

9.2 Amount of duty

The "lesser duty" is the final payment to be imposed at the lesser of the margin of dumping and the injury margin, which is deemed sufficient to remove the injury caused by the dumped imports. The Commission always considers the lesser duty rule but only applies it in instances where both the exporter and importer responded fully.

Essential facts comments from Arabian United Float Glass Company

Arabian United Float Glass stated that though the application of lesser duty is a matter of prerogative of the Commission, it is humbly felt that the present case is as fit case for application of lesser duty.

Essential facts comments from Guardian Zoujaj/Saudi Guardia/Guardian Africa

Guardian Zoujaj/Saudi Guardia/Guardian Africa stated that the essential facts letter indicates that the Commission always consider the lesser duty rule. ADR 17 specifically provides that the Commission shall consider applying the lesser duty rule if both the corresponding importer and exporter have cooperated fully. This clearly indicates that the Commission only considers applying the lesser duty under certain circumstances.

Commission's consideration

The "lesser duty" is the final payment to be imposed at the lesser of the margin of dumping and the injury margin, which is deemed sufficient to remove the injury caused by the dumped imports. In this investigation, the injury margin was calculated to be higher than the margin of dumping. The Commission has therefore decided to recommend the imposition of the weighted dumping margin for purposes of its final determination.

The rates of duty to be imposed were concluded to be the following weighted dumping margins:

Producer	Weighted dumping margin %
UAE	
Guardian Zoujaj	16.8
Residual (All other manufactures/exporters)	16.8
Saudi Arabia	
Residual (All manufactures/exporters)	23.9

10. FINAL DETERMINATION

Based on the information available and taking all comments into account, the Commission made a final determination that:

- dumping of the subject product originating in or imported from the UAE and Saudi Arabia is taking place;
- the SACU industry is experiencing material injury and a threat of material injury; and
- the injury suffered by the SACU industry is causally linked to the dumping of the subject product.

The Commission therefore made a final determination to recommend to the Minister of Trade and Industry that the following anti-dumping duties be imposed on clear float glass originating in or imported from Saudi Arabia and the United Arab Emirates:

Tariff subheading	Description	Statistical unit	Final Duty		
			Saudi Arabia (All exporters)	UAE produced by Guardlan Zoujaj	UAE (All other exporters)
70.05	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting or non-reflecting layer, but not otherwise worked:				
7005.29	Of a thickness of not less than 3mm but not exceeding 6 mm	m ²	23.9%	16.8%	16.8%

The subject products may not be imported under rebate of customs duty without payment of the Anti-dumping duties without special request from ITAC, with effect from date of publication.