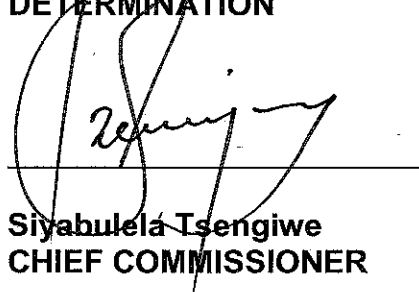


REPORT NO. 325

**SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON
CLEAR DRAWN AND FLOAT GLASS ORIGINATING IN
OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF
CHINA (PRC) AND INDIA: FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents its **Report No. 325: SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON CLEAR DRAWN AND FLOAT GLASS ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (PRC) AND INDIA: FINAL DETERMINATION**



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CHIEF COMMISSIONER

PRETORIA
28/01/ 2010

1. APPLICATION AND PROCEDURE

- 1.1. This investigation was conducted in accordance with the International Trade Administration Act, 2002 (ITA Act), the World Trade Organization Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement) and the International Trade Administration Commission Anti-Dumping Regulations (ADR).
- 1.2. The application was lodged by PFG Building Glass (Pty) Ltd, being the major manufacturer of the subject product in the SACU.
- 1.3. On 22 August 2008, the International Trade Administration Commission of South Africa (the Commission) notified the interested parties through Notice No. 995 of 2008 in *Government Gazette* No. 31341, that unless a substantiated request is made indicating that the expiry of the anti-dumping duty against imports of clear drawn and float glass originating in or imported from the PRC and India would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duty on clear drawn and float glass originating in or imported from the PRC and India would expire on 4 November 2009.
- 1.4. A response to the review questionnaire was received from the Applicant on 21 April 2009. A deficiency letter was sent to the Applicant on 5 May 2009. The deficiencies were addressed in a response submitted on 19 May 2009. The information submitted by the Applicant was verified on 3 June 2009. A verification report was sent to the Applicant on 5 June 2009.
- 1.5. The Commission formally initiated a sunset review investigation pursuant to Notice No. 1148 of 2009 in *Government Gazette* No. 32499, published on 21 August 2009. A correction Notice No. 1197 of 2009 in *Government Gazette* No. 32536 was published on 4 September 2009. Initiation letters to interested parties were sent on 7 September 2009. A further correction Notice No. 1278 of 2009 in *Government Gazette* No. 32581 was published on 25 September

2009 and letters to interested parties were sent on 28 September 2009. The due date for responses was 14 October 2009.

- 1.6 The submission contained information with regard to dumping for the period 1 April 2008 to 31 March 2009, and information with regard to injury for the period 1 April 2006 to 31 March 2009.
- 1.7 None of the importers and exporters responded to the Commission's sunset review questionnaire.
- 1.8 After considering all the information submitted by the Applicant, the Commission issued essential facts letters indicating that it was considering making a final determination that the expiry of the anti-dumping duties on clear drawn and float glass originating in or imported from the PRC and India would lead to the recurrence of dumping and to the recurrence of material injury.
- 1.9 Comments to the "essential facts" letters were received from the Applicant only.
- 1.10 After considering all the comments received from the Applicant to the Commission's essential facts letter, the Commission made a final determination that the expiry of the duties on clear drawn and float glass originating in or imported from the PRC and India would lead to the continuation and recurrence of dumping and to the recurrence of material injury.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 SUBJECT PRODUCTS

2.1.1 Description

The subject product is clear drawn and float glass of a 3mm to 6mm thickness. Although drawn glass is not manufactured in SACU, the product is a direct substitute for the SACU manufactured product, i.e. clear float glass.

2.1.2 Tariff classification

The subject product is classifiable as follows:

Tariff subheading	Article Description	Statistical unit	Rate of Duty			
			General	EU	EFTA	SADC
7004.90.90	<i>Other</i>	m ²	10%	free	free	free
7005.29.17	<i>Of a thickness exceeding 2,5mm but not exceeding 3mm (excluding optical glass)</i>	m ²	10%	free	free	free
7005.29.23	<i>Of a thickness exceeding 3mm but not exceeding 4mm (excluding optical glass)</i>	m ²	10%	free	free	free
7005.29.25	<i>Of a thickness exceeding 4mm but not exceeding 5mm (excluding optical glass)</i>	m ²	10%	free	free	free
7005.29.35	<i>Of a thickness exceeding 5mm but not exceeding 6mm (excluding optical glass)</i>	m ²	10%	free	free	free

In terms of the relevant agreements the duties on imports from SADC, EU and EFTA countries are free.

The following anti-dumping duties are applicable to the subject product, clear drawn and float glass, classifiable under tariff subheading(s), 7004.90 and 7005.29, originating in or imported from China and India:

Tariff Heading/ Subheading	Description	Imported from or originating In	Date of imposition	Rate of anti- dumping duty
7004.90	Drawn glass and blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass), manufactured by Gujarat Borosil Ltd.	India	05/11/2004	374c/m ²
7004.90	Drawn glass and blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass), (excluding that manufactured by Gujarat Borosil Ltd.)	India	05/11/2004	587c/m ²
7004.90	Drawn glass and blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass).	China	05/11/2004	562c/m ²
7005.29	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, of a thickness exceeding 2,5 mm but not exceeding 3 mm (excluding optical glass).	India	05/11/2004	720c/m ²
7005.29	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, of a thickness exceeding 2,5 mm but not exceeding 3 mm (excluding optical glass), manufactured by Dalian Float Glass Co. Ltd.	China	05/11/2004	359c/m ²
7005.29	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, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass), (excluding that manufactured by Dalian Float Glass Co. Ltd.)	China	05/11/2004	802c/m ²
7005.29	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, of a thickness exceeding 3 mm but not exceeding 4 mm (excluding optical glass).	India	05/11/2004	886c/m ²
7005.29	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, of a thickness exceeding 3 mm but not exceeding 4 mm (excluding optical glass), manufactured by Dalian Float Glass Co. Ltd.	China	05/11/2004	401c/m ²
7005.29	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, of a thickness exceeding 4 mm but not exceeding 5 mm (excluding optical glass), manufactured by Dalian Float Glass Co. Ltd.	China	05/11/2004	728c/m ²

Tariff Heading/ Subheading	Description	Imported from or originating In	Date of imposition	Rate of anti-dumping duty
7005.29	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, of a thickness exceeding 5 mm but not exceeding 6 mm (excluding optical glass).	India	05/11/2004	1387c/m ²
7005.29	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, of a thickness exceeding 5 mm but not exceeding 6 mm (excluding optical glass), manufactured by Dalian Float Glass Co. Ltd.	China	05/11/2004	668c/m ²

2.1.3 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, USA and the Far East.

Clear drawn glass is produced by a so-called 'drawn' process in which semi-molten glass is drawn (pulled) into sheets.

2.1.4 Like product decision

In the original investigation the Commission decided that the SACU product and the imported products were "like products" for purpose of comparison, in terms of the Anti-Dumping Regulations.

3. INDUSTRY STANDING

3.1 INDUSTRY STANDING

The Applicant is the only manufacturer of the subject product in the SACU.

The Commission decided that the application can be regarded as being made “by or on behalf of the domestic industry” under the provisions of the Anti-Dumping Regulations.

4. DUMPING

4.1 METHODOLOGY USED IN THIS INVESTIGATION FOR THE PEOPLE'S REPUBLIC OF CHINA (PRC)

4.1.1 Normal Value

Type of economy

The Record of understanding between ITAC and the Bureau of Fair Trade for Imports and Exports (BOFT) of the Ministry of Commerce of the PRC provides that the PRC will be treated as a market economy for purposes of investigations.

Calculation of normal value

In determining the normal value for the PRC, and as no Chinese manufacturer co-operated in the investigation, the Commission made a final determination to use the best information available, being the domestic price quotation submitted by the Applicant.

Adjustments to the normal value

Adjustments for VAT, gross merchant's margin and delivery cost, and finance cost were made to calculate the ex-factory normal value.

Ex-factory domestic price

After taking the above adjustments into account, the ex-factory domestic price was calculated.

4.1.2 Export price

Calculation of the export price

In calculating the export price for the PRC, the Commission made a final determination to use the best information available, being the import statistics obtained from SARS.

4.1.3 Dumping Margin

The dumping margin for the PRC was calculated as follows:

Country	Margin of dumping (%)
PRC	162.70

4.2 METHODOLOGY USED IN THIS INVESTIGATION FOR INDIA

4.2.1 Normal value

Type of economy

In determining the normal value for India, and as no Indian manufacturer co-operated in the investigation, the Commission made a final determination to use the best information available, being the domestic price quotation submitted by the Applicant.

Adjustments to the normal value

The adjustments for VAT, gross merchant's margin and delivery cost, and finance cost were made to calculate the ex-factory normal value.

Ex-factory domestic price

After taking the above adjustments into account, the ex-factory domestic price was calculated.

4.2.2 Export price

Calculation of the export price

India

Since there were no imports of the subject product from India, the Commission made a final determination to use the best information available, being an export price quotation from India to Zimbabwe, in calculating the export price for India.

4.2.3 Dumping Margin

The dumping margin for India was calculated as follows:

Country	Margin of dumping (%)
India	117.9

4.2.4 SUMMARY - DUMPING

The Commission therefore made a final determination that the expiry of the duty is likely to lead to the continuation or recurrence of dumping of the subject products originating in or imported from India.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to PFG Building Glass (Pty) Ltd, being the only producer of the subject product in the SACU. As their production volume represents 100 per cent of the total SACU production, the Commission decided that this constitutes “a major proportion” of the total domestic production, in accordance with the Anti-Dumping Regulations.

5.2 IMPORT VOLUMES AND EFFECT ON PRICES

Import volumes:

Metric tons	2006	2007	2008	2009 (Jan-Mar)	Estimate if duty expires
Imports from PRC	388	1 051	291	0	6 500
Imports from India	26	0	0	0	3 500
Sub Total	414	1 051	291	0	10 000
PRC imports as % of total imports	0.38%	1.02%	0.33%	0%	8.84%
India imports as % of total imports	0%	0%	0%	0%	4.76%

Effect on prices:

	2006	2007	2008	2009	Estimate if duty expires
Price depression -Applicant's selling prices in actual values	100	114	117	126	107
Price undercutting as a % of the Applicant's selling price:					
-PRC					100
-India					100
Cost as a % of the selling price	100	95	96	117	144

This table was indexed due to confidentiality using 2006 as the base year

The Applicant stated that the data for 2009 was calculated with the anti-dumping duties in place against subject product imports from the PRC and India and also taking into account the deteriorating market conditions arising from the current economic downturn.

5.3 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE INDUSTRY

	2006	2007	2008	2009	Applicant's estimate if duty expires
Applicant's sales volume in SACU	100	108	119	110	99
Profit margin (%)	100	126	115	25	(89)
Output	100	143	167	137	124
Market share – volume: Applicant	100	102	86	73	73
Market share – volume: Alleged dumped sales	100	254	70	0	2415
Productivity	100	145	160	135	131
Return on total net assets	100	126	115	25	(89)
Capacity utilization	100	100	100	100	90
Inventories	100	114	147	47	52
Employment	100	99	105	102	95
Gross wages/production worker	100	135	156	168	168
Magnitude of the margin of dumping					
PRC			162.7%		
India			117.9%		

This table was indexed due to confidentiality using 2006 as the base year

5.4 DISCUSSION ON CONTINUATION OR RECURRENCE OF MATERIAL INJURY

The Commission considered comments submitted by interested parties on the continuation or recurrence of material injury.

As there were no responses from exporters or importers and there was sufficient evidence of the continuation or recurrence of dumping of the subject product originating in or imported from the PRC and India and a likelihood of recurrence of material injury, the Commission decided to recommend to the Minister of Trade and Industry that the current anti-dumping duties be maintained, but that the existing anti-dumping duties for specific exporters be included in the residual duties.

5.5 CONCLUSION – RECURRENCE OF MATERIAL INJURY

The Commission analysed the material injury factors and made a final determination that the expiry of the anti-dumping duties on clear drawn and float glass originating in or imported from the PRC and India would lead to the recurrence of material injury to the SACU industry.

6. SUMMARY OF FINDINGS

6.1 Continuation or Recurrence of Dumping

The Commission made a final determination that the expiry of the anti-dumping duties is likely to lead to the continuation or recurrence of dumping of the subject products originating in or imported from the PRC and India.

Since no responses were received from exporters, the Commission made a final determination that the existing anti-dumping duties for specific exporters be included in the residual duties.

6.2 Continuation or Recurrence of Material injury

The Commission made a final determination that the expiry of the anti-dumping duties is likely to lead to the recurrence of material injury of the subject products originating in or imported from the PRC and India.

7. RECOMMENDATION

The Commission made a final determination that

- the expiry of the anti-dumping duties is likely to lead to the continuation or recurrence of dumping of clear drawn and float glass originating in or imported from the PRC and India, and
- that the expiry of the anti-dumping duties is likely to lead to the recurrence of material injury.

The Commission therefore decided to recommend to the Minister of Trade and Industry that the existing anti-dumping duties on clear drawn and float glass originating in or imported from the PRC and India be maintained and, in some instances, increased as follows:

Tariff heading	Description	Imported from or originating in	Rate of Anti-Dumping Duty
7004.90	Drawn glass and blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass).	India	587c/m ²
7004.90	Drawn glass and blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass).	China	562c/m ²
7005.29	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, of a thickness exceeding 2,5 mm but not exceeding 3 mm (excluding optical glass).	India	720c/m ²
7005.29	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, of a thickness exceeding 2,5 mm but not exceeding 6 mm (excluding optical glass).	China	802c/m ²
7005.29	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, of a thickness exceeding 3 mm but not exceeding 4 mm (excluding optical glass).	India	886c/m ²
7005.29	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, of a thickness exceeding 5 mm but not exceeding 6 mm (excluding optical glass).	India	1387c/m ²