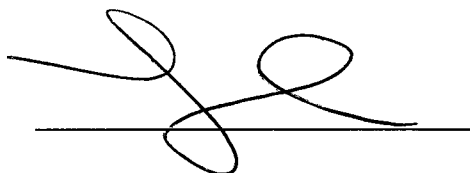


Report No. 186

Investigation into the alleged dumping of drawn and float glass originating in or imported from Indonesia: Final determination

The International Trade Administration Commission of South Africa herewith presents its
**Report No. 186: INVESTIGATION INTO THE ALLEGED DUMPING OF DRAWN AND
FLOAT GLASS ORIGINATING IN OR IMPORTED FROM INDONESIA: FINAL
DETERMINATION**

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**Mr Itumeleng Masege
ACTING CHIEF COMMISSIONER**

PRETORIA
07 August 2006

1. APPLICATION AND PROCEDURE

- 1.1 This investigation was conducted in accordance with the International Trade Administration Commission Act, 2002, (the ITA Act), the World Trade Organisation 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 of South Africa Anti-Dumping Regulations (ADR).
- 1.2 The application was lodged by Johan Lambrechts & Associates, acting on behalf of PFG Building Glass (Pty) Ltd (the Applicant), being the only manufacturer of the subject product in the SACU.
- 1.3 The application was accepted by the Commission as being properly documented in accordance with Article 5.2 of the Anti-Dumping Agreement on 23 February 2005. The trade representative of the country concerned was advised accordingly.
- 1.4 The Commission formally initiated an investigation into the alleged dumping of drawn and float glass originating in or imported from Indonesia pursuant to Notice No. 344 which was published in *Government Gazette* No. 27324 on 04 March 2005.
- 1.5 The investigation period for dumping was from 1 January 2004 to 31 December 2004. The injury investigation involved evaluation of data for the period 1 January 2001 to 31 December 2004.
- 1.6 The SACU industry consists of only one producer of the subject product, namely PFG Building Glass (Pty) Ltd, who submitted the information contained in this report.
- 1.7 The following exporters responded to the Commission's exporters questionnaires:

PT Mulia Industrindo - Jakarta;
PT Tensindo - Semarang; and

1.8 The following SACU importers responded to the Commission's questionnaires:

- Aldino Trading;
- Certosa Investments; and
- National Glass

1.9 After considering all parties' comments, the Commission made a preliminary determination that the subject product was being dumped on the SACU market and the SACU industry was suffering material injury as a result. The Commission however made a preliminary determination that factors other than dumping sufficiently detracted from the causal link between the dumping and the material injury.

1.10 The Commission sent out letters to all interested parties, informing them in terms of Section 37 of the International Trade Administration Anti-Dumping Regulations and Article 6.9 of the Anti-Dumping Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade of the "essential facts" which were being considered by the Commission. The Commission invited comments from interested parties on these "essential facts" being considered by the Commission.

1.11 After considering all parties' comments in respect of the preliminary determination and the "essential facts" letters, the Commission made a final determination, that the subject product was being dumped on the SACU market and that the SACU industry was suffering material injury as a result.

1.12 The Commission, therefore, decided to recommended to the Minister of Trade and Industry that definitive anti-dumping duties be imposed on float glass originating in or imported from Indonesia.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 IMPORTED PRODUCTS

2.1.1 Description

The subject product is described as clear drawn and float glass of a thickness exceeding 2,5 mm, up to 6 mm.

2.1.2 Country of origin/export

The subject product is exported from Indonesia.

2.1.3 Application/end-use

The imported subject product is used for building, glazing and furniture products.

2.1.4 Tariff classification

The subject product is classifiable as follows:

Table 2.1.4 (a)

Tariff subheading	Description	Rates of duty			
		Unit	General	EU	SADC
70.04	Drawn glass and Blown glass, in sheets, whether or not having an absorbent or reflecting layer, but not otherwise worked:				
7004.90 7004.90.90	-Other glass: =Other	M ²	10%	3.3%	Free

Table 2.1.4(b)

Tariff subheading	Description	Rate of duty			
		Unit	General	EU	SADC
70.05	Float glass and surface ground or polished glass, in sheets, whether or not having an absorbent, reflecting layer or non-reflecting layer, but otherwise worked				
7005.29	=Other:				
7005.29.17	- Of a thickness exceeding 2,5mm but not exceeding 3mm (excluding optical glass)	M ²	10%	3.3%	free
7005.29.23	- Of a thickness exceeding 3mm but not exceeding 4mm (excluding optical glass)	M ²	10%	3.3%	free
7005.29.25	- Of a thickness exceeding 4mm but not exceeding 5mm (excluding optical glass)	M ²	10%	3.3%	free
7005.29.35	- Of a thickness exceeding 5mm but not exceeding 6mm (excluding optical glass)	M ²	10%	3.3%	free

2.1.5 Other applicable duties and rebates

The following anti-dumping duties are already in place on the subject product:

Table 2.1.5 (a)

Tariff subheading	Description (excluding optical glass)	Origin	Unit	Rate of anti-dumping duty
7004.90.90	Drawn glass and blown glass, in sheets, 2,5mm to 6mm manufactured by Gujarat Borosil Ltd	India	M ²	374c/m ²
7004.90.90	Drawn glass and blown glass Excluding that manufactured by Gujarat Borosil Ltd	India	M ²	587c/m ²
7004.90.90	Drawn glass and blown glass, in sheets, 2,5mm to 6mm	China	M ²	562c/m ²

Table 2.1.5 (b)

Tariff subheading	Description (excluding optical glass)	Origin	Unit	Rate of anti-dumping duty
7005.29.17	Float Glass and surface ground or polished glass, in sheets - 2,5mm but not exceeding 3 mm.	India	M ²	720c/m ²
7005.29.17	Manufactured by Dalian Float Glass Co, 2,5mm - 3mm	China	M ²	359c/m ²
7005.29.17	Excluding that manufactured by Dalian Float Glass Co. 2,5mm - 3mm	China	M ²	802c/m ²
7005.29.23	3mm - 4mm	India	M ²	886c/m ²
7005.29.23	3mm - 4mm – Dalian Float Glass	China	M ²	401c/m ²
7005.29.23	3mm - 4mm Other than Dalian Float Glass Co.	China	M ²	802c/m ²
7005.29.28	4mm - 5mm Manufactured by Dalian Float Glass Co.	China	M ²	728c/m ²
7005.29.28	4mm - 5mm Other than Dalian Float Glass Co.	China	M ²	802c/m ²
7005.29.28	4mm - 5mm	India	M ²	No duty
7005.29.35	5mm - 6mm	India	M ²	1387c/m ²
7005.29.35	5mm - 6mm Manufactured by Dalian Float Glass Co.	China	M ²	668c/m ²
7005.29.35	5mm - 6mm Other than Dalian Float Glass Co.	China	M ²	802c/m ²

2.1.6 Negligibility test

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

Table 2.1.6: Import volumes

	Import volumes in tons 1 Jan 2001 to 31 Dec 2004 (POI)				Volume as a % of total import volume
	2001	2002	2003	2004	
Total dumped imports	7 166	6 554	9 130	15 187	44%
Other imports	14 655	34 503	46 946	19 313	56%
Total imports	21 820	41 057	56 076	34 500	100%

The information in the table above indicates that the dumped imports from Indonesia accounted for 44 per cent of the total imports of the like product for the period January 2004 to December 2004.

2.2 SACU PRODUCT

2.2.1 Description

The SACU product is described as clear drawn and float glass of a thickness of 2,5 mm to 6 mm, excluding optical glass.

2.2.2 LIKE PRODUCTS ANALYSIS

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

Table 2.2.2: Like product determination

	Imported product	SACU product
Raw materials	The raw materials for the imported products are similar to those of the SACU product.	The raw materials for domestic products are similar to those of the imported product.
Physical appearance	The imported products have similar physical appearance and characteristics as the domestic products.	The domestic products have similar physical appearance and characteristics as the imported products.
Tariff classification	The products imported are classifiable under a six-digit tariff subheading 7005.29 and 7004.90	The products sold domestically are classifiable under a six-digit tariff subheading 7005.29 and 7004.90
Production process	The raw materials are weighted and mixed and delivered to the melting furnace where it is melted. The molten mass fills the furnace at a constant level. The molten glass then moves out of a melting furnace like a continuous ribbon of molten glass and floats along the surface of a bath of molten tin. The ribbon is held in a chemically controlled atmosphere at a sufficiently high temperature for a period of time, which allows the irregularities to melt out and the surface to	The raw materials are weighted and mixed and delivered to the melting furnace where it is melted. The molten mass fills the furnace at a constant level. The molten glass then moves out of a melting furnace like a continuous ribbon of molten glass and floats along the surface of a bath of molten tin. The ribbon is held in a chemically controlled atmosphere at a sufficiently high temperature for a period of time, which allows the irregularities to melt out and the surface to become flat and parallel. Because the surface

	<p>become flat and parallel. Because the surface of molten tin is flat, the glass also becomes flat. The thickness is controlled at this stage. The ribbon is then cooled down while still advancing across the molten tin until the surface is hard enough for it to progress through the annealing process without the rollers marking its bottom surface.</p> <p>The glass produced in this manner is of uniform thickness and has a bright, fire-polished surface without the need for grinding and mechanical polishing.</p>	<p>of molten tin is flat, the glass also becomes flat. The thickness is controlled at this stage. The ribbon is then cooled down while still advancing across the molten tin until the surface is hard enough for it to progress through the annealing process without the rollers marking its bottom surface.</p> <p>The glass produced in this manner is of uniform thickness and has a bright, fire-polished surface without the need for grinding and mechanical polishing.</p>
<p>Application or end use</p>	<p>The imported product is 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>The imported product is also used as a basic input for further processing to enhance the basic product into toughened, laminated and mirror products for use in the automotive, building, industrial and furniture markets.</p>	<p>The product sold domestically is 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>The SACU product is also used as a basic input for further processing to enhance the basic product into toughened, laminated and mirror products for use in the automotive, building, industrial and furniture markets.</p>

After considering all the above factors and the comments received, the Commission was satisfied that the SACU product and the imported product were “like products” for purposes of comparison in this investigation, in terms of Article 2.6 of the Anti-Dumping Agreement.

3. INDUSTRY STANDING

The Applicant is the only manufacturer of the product in the SACU. The application is therefore supported by 100 per cent of the SACU industry.

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

4. DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR INDONESIA

4.1.1 Normal Value

Type of economy

Indonesia is considered to be a country with free market economy. Therefore, definition of section 32 (2)(b) of the ITA Act was applied as a basis.

PT Muliaglass, Jakarta

Calculation of normal value

Like products to those exported to the SACU area during the period of investigation were sold in the domestic market in Indonesia and the normal value was therefore determined using section 32(2)(b)(i) of the ITA Act as a basis.

Sales to distributors were used to determine the normal values. The weighted average domestic sales values for the various sized subject products were established on the basis of the total sales values (of each respective size) divided by the like total sales volumes concerned. Mulia's total domestic market sales of comparable products represented in excess of the minimum quantity required by the WTO Anti-Dumping Agreement.

The comparable models are:

- 3 mm clear float glass;
- 4 mm clear float glass;
- 5 mm clear float glass;
- 6 mm clear float glass.

Adjustments to the normal value

The following adjustments to the normal value, which were verified, were claimed by the exporter and allowed by the Commission as it was shown that there was a difference in costs, which was demonstrated to have affected price comparability at the time of setting the prices:

(i) Credit adjustment

The exporter indicated that some of its customers in the domestic market paid by L/C. However, during the verification it was found that none of the domestic customers paid by letters of credit but that credit terms were offered to clients.

(ii) Inland freight

The exporter indicated that included in the selling prices in its domestic market was the cost for delivery. These costs were verified.

(iii) Packaging

The exporter indicated that domestic packaging was different to the one used on exports. These differences in packaging were verified by the investigators.

The Commission decided not to allow the following adjustments as it considered that it did not affect the price comparability at the time of setting the prices:

(i) Sales commission to the holding company

The above-mentioned adjustment was not included in the calculations as the commission to the holding company could be construed as being a commission to the company itself. It was, therefore, not allowed.

(ii) Year-end commission to domestic buyers

The year-end incentive commission was also recommended not to be allowed as this

is generally awarded after year-end and consequently could not have affected price comparability, as is required by the ITAC Regulations.

4.1.2 Export price

Calculation of export price

Like products to those sold in the domestic market in Indonesia were exported to the SACU area during the period of investigation. The export price was therefore determined using section 32(2)(a) of the ITA Act (Act 71 of 2002) as a basis.

Sales to distributors in SACU were used to determine the export values. The weighted average export sales values for the various sized subject products were established on the basis of the total sales values (of each respective size) divided by the like total sales volumes concerned.

Adjustments to the export price

The Commission made the following adjustments to the export prices, as verified by the investigators, for purposes of calculating the ex-factory export prices:

- (i) *Credit adjustments*
- (ii) *Packaging*
- (iii) *Inland freight*
- (iv) *Clearing Charges*

4.1.3 Margin of dumping

The following dumping margins, expressed as a percentage of the fob export price, were calculated:

Table 4.1.3: Muliaglass dumping margins

Size	Dumping margin percentage
3mm	4.35%
4mm	-6.62%
5mm	-6.73%
6mm	7.71%

4.2 PT Tensindo, Semarang

4.2.1 Normal Value

Calculation of normal value

Like products to those exported to the SACU area during the period of investigation were sold in the domestic market in Indonesia in the ordinary course of trade and the normal value was therefore determined using section 32(2)(b)(i) of the ITA Act as a basis.

Sales to dealers were used to determine the normal values – which could be regarded as being at the same level of trade as that of its SACU exports. The weighted average domestic sales values (only of the 3mm size) for the subject product was established on the basis of the total sales values divided by the like total sales volumes concerned.

The comparable subject product is 3mm clear float glass which was the only size exported by Tensindo to the SACU for 8 months during the period of investigation.

Adjustments to the normal value

The following adjustments to the normal value, which were verified, were claimed by the exporter and allowed by the Commission as it was shown that there was a difference in costs, which was demonstrated to have affected price comparability at the time of setting the prices:

(i) Credit terms

The exporter indicated that it offers credit terms of a couple of days at a specific interest rate per annum.

(ii) Inland freight

The exporter claimed transport costs per square meter.

Normal value for trade boxes

This related to the export of window-pane size glass referred to as “Trader Boxes” which is different to the usual large sizes exported. This adjustment could, in the alternative, also be regarded as a level of trade adjustment as the trader boxes are supplied direct to end users whereas the large sized glass are supplied to resellers. The adjustment was calculated per square meters.

4.2.2 Export price

Calculation of export price

Like products to those sold in the domestic market in Indonesia were exported to the SACU area during the period of investigation. The export price was therefore determined in using section 32(2)(a) of the ITA Act (Act 71 of 2002) as a basis.

Sales to dealers in SACU were used to determine the export values.

The export sales were verified on the basis of the individual export transactions to the SACU area. Tensindo provided a detailed schedule of its export transactions showing individual invoiced transactions, volumes, values and product descriptions, as well as the applicable rates of exchange used. Export sales are invoiced in US Dollar values and converted into Indonesian Rupiah on the date of each of the applicable sales.

The export transactions also showed the basis of export as being on an fob basis.

Export shipment payments were made against letters of credit.

Tensindo advised that the Indonesian Government does not allow any rebate of import duties on imported raw materials, whether for domestic or export use and no further analysis was made in this regard. Export transactions were subject to letter of credit and it was found that a small period elapsed before the banks actually settled the drawings.

Tensindo also had export sales of trader boxes, which contained smaller sized glass panes.

Adjustments to the export price

The Commission made the following adjustments to the export prices, as verified by the investigators, for purposes of calculating the ex-factory export prices:

(i) Credit adjustments; and

(ii) Transport

4.2.3 Margin of dumping

A dumping margin, expressed as a percentage of the fob export price, was calculated to be 6.58 per cent for sheets and 8.13 per cent for trader boxes.

4.3 PT Abdi Rakyat Bakti ARB, Medan

4.3.1 Normal Value

Calculation of normal value

Like products to those exported to the SACU area during the period of

investigation were sold in the domestic market in Indonesia in the ordinary course of trade.

Sales to distributors were used to determine the normal values. The weighted average domestic sales values for the various sized subject products were established on the basis of the total sales values (of each respective size) divided by the like total sales volumes concerned. ARB's total domestic market sales of comparable products represented in excess of the minimum quantity required by the WTO Anti-Dumping Agreement.

The comparable models are:

- 3 mm clear float glass;
- 4 mm clear float glass;
- 5 mm clear float glass;
- 6 mm clear float glass.

Adjustments to the normal value

The following adjustments to the normal value, which were verified, were claimed by the exporter and allowed by the Commission:

Credit adjustment

The credit terms indicated on the domestic invoice ranges between a number of days.

Inland Freight

The exporter indicated that included in the selling prices in its domestic market was the cost for delivery. These costs were verified.

Packaging

The exporter indicated that domestic packaging was different to the one used on exports. These differences in packaging were verified by the investigators.

Discounts

The exporter indicated that during the period of investigation it allowed quantity discounts and cash discounts. These costs were verified.

4.3.2 Export price

Like products to those sold in the domestic market in Indonesia were exported to the SACU area during the period of investigation. The export price was therefore determined using section 32(2)(a) of the ITA Act (Act 71 of 2002) as a basis.

Sales to SACU were made through an agent (Royal Intisari), however the exporter did not pay commission to the agent. The agent earned the commission by marking-up the price. Sales to agent were used to determine the export values. The weighted average export sales values for the various sized subject products were established on the basis of the total sales values (of each respective model) divided by the like total sales volumes concerned.

Adjustments to the export price

The Commission made a packaging adjustment to the export price, as verified by the investigators, for purposes of calculating the ex-factory export price.

4.3.3 Dumping margin

The following dumping margins, expressed as a percentage of the fob export price, were calculated:

Table 4.3.3: PT Abdi Rakyat Bakti, ARB

Size	Dumping margin percentage
3 mm	4.5%
4 mm	-14.5%
5 mm	-22%
6 mm	13.2%

4.4 Residual dumping margin

Since there are other manufacturers of the subject product in Indonesia, the residual dumping margin was calculated by comparing the highest normal value per model of the cooperating exporters before adjustments to the lowest export price per model after adjustment of the cooperating exporters. When evaluating the normal value information it was found that the highest normal values before adjustments for 3mm, 4mm, 5mm and 6mm models were those of ARB. The lowest export price for 3mm was based on the ex-factory export price of ARB. The export price for 4mm, 5mm and 6mm models were based on the ex-factory export price of Muliaglass. Based on the information the following residual dumping margins were calculated:

Table 4.4: Residual dumping margins

Size	Dumping margin percentage
3 mm	45%
4 mm	10%
5 mm	12.5%
6 mm	30.5%

4.5 CONCLUSION - DUMPING

For purposes of its final determination, the Commission considered all the comments from interested parties and found that the subject product originating in Indonesia was being dumped into the SACU market with the following margins:

Table 4.5 (a): Dumping margins

Exporter	Model	Rate of duty
PT Tensindo	3mm	6.87%
PT Muliaglass: (excluding 4mm and 5mm)	3mm	4.35%
	6mm	7.71%
PT ARB: (excluding 4mm and 5mm)	3mm	4.5%
	6mm	13.2%

Table 4.5 (b): Residual dumping margins

Exporter	Model	Rate of duty
All other exporters:	3mm	45%
	4mm	10%
	5mm	12.5%
	6mm	30.5%

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION OF PRODUCTION

The following injury analysis relates to PFG Buiding Glass (Pty) Ltd, the Applicant, which constitutes 100 per cent of the total domestic production of the subject product.

The Commission decided that this constitutes “a major proportion” of the total domestic production, in accordance with Article 4.1 of the Anti-Dumping Agreement.

5.2 CUMULATIVE ASSESSMENT

The Commission found that the subject product competes directly with the other imported products and with the SACU manufactured product.

Based on this information, the Commission decided to cumulatively assess the effect of the subject products.

5.3 IMPORT VOLUMES AND EFFECT ON PRICES

Basic Data Set

Year	Unit	Subject Imports	Other imports	Applicant's Production	Inventories	Applicant's sales volumes
2001	Tons	7 166	14 655	100	100	100
2002	Tons	6 554	34 503	88	116	60
2003	Tons	9 130	46 946	72	104	43
2004	Tons	15 187	19 313	103	62	113

The information in this table was indexed due to confidentiality using 2001 as the base year.

Examination under Article 3.2

Growth of Subject Imports

Variable	Unit of Measurement	Year				Change
		2001	2002	2003	2004	2001/2004
Subjects imports/domestic production	%	100	125	216	175	75
Subjects imports/domestic consumption	%	100	90	120	140	40

The information in this table was indexed due to confidentiality using 2001 as the base year.

Price Effects of Subject Imports

Variable	Unit of Measurement	Year				Change
		2001	2002	2003	2004	2001/2004
Average price of domestic product (ex-factory) (price depression)	ton	100	124	107	100	No change
Price undercutting	%					
PT Muliaglass		3mm	4mm	5mm	6mm	
PT Tensindo		0.8	24.9	21.6	27.0	
PT ARB		12.2	-	-	-	
Cost as % of selling price (Suppression)	%	100	98	117	108	8

The information in this table was indexed due to confidentiality using 2001 as the base year.

5.4 CONSEQUENT IMPACT OF THE DUMPED IMPORTS ON THE INDUSTRY

Examination under Article 3.4

Variable	Unit of Measurement	Year				Change
		2001	2002	2003	2004	2001/2004
Sales:						
Quantities	tons	100	60	43	113	13
Inventories (quantities)	tons	100	116	104	62	Negative
Output (quantities)	Tons	100	73	58	95	5
Market share of Applicant	Percentage	100	96	80	91	Negative
Market share of alleged dumped imports	Percentage	100	90	120	170	70
Market share of other imports	Percentage	100	120	160	100	Negative

Capacity utilization	Percentage	100	92	89	95	Negative
Employment	Units	100	117	108	109	9
Wages (total wage bill, monthly average)	Rand	100	108	128	130	30
Productivity (output/worker)	Units per worker	100	62	53	88	Negative

The information in this table was indexed due to confidentiality using 2001 as the base year.

Variable	Unit of Measurement	Year				Change 2002/2004
		2001	2002	2003	2004	
Profit	Rand	100	135	17	70	Negative
Cash flow	Rand	100	135	17	70	Negative
Return on investment	Percentage	100	156	23	115	15
Growth in SACU market	Volume	100	99	108	127	27
Growth of Applicant	Volume	100	60	43	113	13
Factors affecting domestic prices (cost of raw material per unit)	PFG advised that its production during 2003 was severely disrupted as a result of carbon feedstock problems. Increases in energy (gas) costs and soda ash costs from Botswana were also experienced. This impacted on profitability and the applicant advised that 2003 should not be seen as a normal year. Botswana Soda Ash prices are based on international prices and according to the Indexmundi website prices of soda ash increased from 2002 to 2003.					

The information in this table was indexed due to confidentiality using 2001 as the base year.

Variable	Unit of Measurement	Year				Change 2001/2004
		2001	2002	2003	2004	
Magnitude of the margin of dumping		3mm	4mm	5mm	6mm	
PT Muliaglass	%	4.35	-6.62	-6.73	7.71	
PT Tensindo		6.87	-	-	-	
PT ARB		4.5	-14.5	-22	13.2	

5.5 CONCLUSION - MATERIAL INJURY

After considering all relevant factors and taking all comments into account, the Commission made a final determination that the Applicant was suffering material injury in that:

- the dumped imports had increased significantly;
- there was price undercutting;

- it experienced price suppression;
- its output declined;
- its sales declined;
- its profits decreased;
- its market share declined;
- its utilisation of production capacity declined;
- its productivity declined;
- there was a negative effect on its cash flow;
- its return on investment declined;
- its employment declined; and
- there was a negative effect on its growth.

6. CAUSAL LINK

6.1 GENERAL

In order for the Commission to impose final anti-dumping duties, it must be satisfied that there is sufficient evidence to indicate that the material injury experienced by the SACU industry is as a result of the dumping of the subject products.

6.2 VOLUME OF IMPORTS AND MARKET SHARE

An indication of causality is the extent of the increase of volume 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 6.2.1: Market share

	2001	2002	2003	2004
Percentage market share held by:				
Applicant	100	96	88	116
Total SACU	100	99	108	127
Alleged dumped imports	100	91	127	211

The information in this table was indexed due to confidentiality using 2001 as the base year.

The following table shows the volume of imports:

Table 6.2.2: Import volumes

Unit of measurement (tons)	2001	2002	2003	2004
Alleged dumped imports	7 166	6 554	9 130	15 187
Other imports	14 655	34 503	46 946	19 313
Total imports	21 820	41 057	56 076	34 500
Alleged dumped imports as a % of total imports	33%	16%	16%	44%

6.3 EFFECT OF DUMPED IMPORTS ON PRICES

The following table shows the price effects of the Applicant:

Table 6.3.1: Price undercutting, price depression and price suppression

	2001	2002	2003	2004
Price undercutting %				
PT Muliaglass	3mm 0.8	4mm 24.9	5mm 21.6	6mm 27.0
PT Tensindo	12.2	-	-	-
PT ARB	5.3	28.8	23.3	35.9
Applicant's ex-factory selling price (ton)	100	124	107	100
Cost as a % of selling price (%)	100	98	117	108

The information in this table was indexed due to confidentiality using 2001 as the base year.

6.4 CONSEQUENT IMPACT OF DUMPED IMPORTS

Material injury indicator	Analysis (2001– 2004)
Sales volume	Increased
Profit	Decreased
Output	Increased
Market share	Decreased

Productivity	Decreased
Return on investment	Decreased
Utilisation of capacity	Decreased
Cash flow	Decreased
Inventories	Decreased
Employment	Increased
Wages	Increased

6.5 FACTORS OTHER THAN THE DUMPING CAUSING INJURY

6.5.1 Examination of causality under Article 3.5

Variable	Unit of Measurement	Year				Change (%)
		2001	2002	2003	2004	2002/2004
Volume of imports not sold at dumping	Tons	14 655	34 503	46 946	19 313	
Contraction in demand:	According to the information submitted, the Applicant noted no changes in the patterns of consumption					
• GDP growth rate	%	3.7%	3.0%	4.5%	4.9%	32.4%
• Growth rate for subject product industry	tons	100	99	107	127	
Changes in the patterns of consumptions	According to information submitted the Applicant noted no changes in the patterns of consumption.					
Trade-restrictive practices of foreign and domestic producers	No information was provided in this regard					
Competition between foreign and domestic producers	The Applicant indicated that competition between foreign and domestic producers is reflected in the dumping margin, which is the margin by which the normal value exceeds the export price, after allowance has been made for any differences affecting price comparability, separately per product.					
Developments in technology	Indonesia uses similar technology to that used in the SACU area.					
Export performance of the domestic industry	tons	100	81	111	57	Negative
Productivity of the domestic industry	Tons/employee	100	62	53	88	Negative

The information in this table was indexed due to confidentiality using 2001 as the base year.

6.6 CONCLUSION ON CAUSAL LINK

After considering all relevant factors and comments, the Commission made a final

determination that there is a causal link between the dumped products and the material injury suffered by the Applicant.

The Commission considered the factors other than dumping that could have caused material injury to the SACU industry and concluded that these factors did not detract from the causal link.

7. SUMMARY OF FINDINGS

7.1 Dumping

The Commission found that the subject product originating in or imported from Indonesia was dumped into the SACU market in the following margins:

Table 7.1.1

Exporter	Model	Rate of duty
PT Tensindo	3mm	6.87%
PT Muliaglass: (excluding 4mm and 5mm)	3mm	4.35%
	6mm	7.71%
PT ARB: (excluding 4mm and 5mm)	3mm	4.5%
	6mm	13.2%

The following residual dumping margin margins were also calculated:

Table 7.1.2

Exporter	Model	Rate of duty
All other exporters:	3mm	45%
	4mm	10%
	5mm	12.5%
	6mm	30.5%

7.2 Material injury

The Commission found that the Applicant suffered material injury in the form of price undercutting, price suppression, the decline in output, sales, profit, market share, productivity, capacity utilization, negative effect on cash flow, employment return on investment and growth.

7.3 Causal link

The Commission considered all the comments received from interested parties and decided that the material injury suffered by the SACU industry is caused by the dumped products from Indonesia.

8. FINAL DETERMINATION

The Commission made a final determination that

- The subject product originating in or imported from Indonesia was being dumped into the SACU market;
- The SACU industry suffered material injury; and
- There was a causal link between the dumping of the subject products and the material injury.

The Commission therefore decided to recommend to the Minister of Trade and Industry that definitive anti-dumping duties be imposed on float glass originating in or imported from Indonesia, classifiable under tariff subheadings 7005.29.17, 7005.29.23, 7005.29.25 and 7005.29.35, in the following amounts, being the lesser of the dumping margin and the price disadvantage:

Table 8.1

Tariff sub-heading	Description	Rate of duty
7005.29.17	-Of a thickness exceeding 2,5mm but not exceeding 3mm (excluding optical glass), manufactured by PT Tensindo	6.87%
7005.29.17	-Of a thickness exceeding 2,5mm but not exceeding 3mm (excluding optical glass), manufactured by PT Muliaglass Industrindo	4.35%
7005.29.35	-Of a thickness exceeding 5mm but not exceeding 6mm (excluding optical glass), manufactured by PT Muliaglass Industrindo	7.71%
7005.29.17	-Of a thickness exceeding 2,5mm but not exceeding 3mm (excluding optical glass), manufactured by PT Abdi Rakyat Bakti	3.5%
7005.29.35	-Of a thickness exceeding 5mm but not exceeding 6mm (excluding optical glass), manufactured by PT Abdi Rakyat Bakti	12.3%

Table 8.2

Tariff sub-heading	Description	Rate of duty
7005.29.17	-Of a thickness exceeding 2,5mm but not exceeding 3mm (excluding optical glass), excluding those manufactured by, PT Muliaglass and PT Abdi Rakyat Bakti	45%
7005.29.23	-Of a thickness exceeding 3mm but not exceeding 4mm (excluding optical glass), excluding those manufactured by PT Muliaglass and PT Abdi Rakyat Bakti	10%
7005.29.25	-Of a thickness exceeding 4mm but not exceeding 5mm (excluding optical glass), excluding those manufactured by PT Muliaglass and PT Abdi Rakyat Bakti	12.51%
7005.29.35	-Of a thickness exceeding 5mm but not exceeding 6mm (excluding optical glass), excluding those manufactured by PT Muliaglass and PT Abdi Rakyat Bakti	30.5%