ITAC

International Trade Administration Commission of South Africa

Report No. 69

Sunset review of the anti-dumping duties on drawn and float glass originating in or imported from the People's Republic of China (the PRC) and India: Final determination

enabling

FAIR TRADE

The International Trade Administration Commission presents its Report No. 69: SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON **DRAWN AND FLOAT GLASS ORIGINATING IN OR IMPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA (THE PRC) AND INDIA: FINAL DETERMINATION**

PRETORIA

12/08/2004

Ms N. P. Maimela
Chief Commissioner

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

SYNOPSIS

In accordance with the provisions in Article 11.3 of the World Trade Organisation Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, any definitive anti-dumping duty shall be terminated on a date not later than five years from its imposition, unless the authorities determine, in a review initiated before that date on their own initiative or upon duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to that date, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury. On 30 May 2003, the Commission notified PFG Building Glass (Pty) Ltd (PFG), through Notice No. 789 in Government Gazette No. 24893, that unless a substantiated request was made by it indicating that the expiry of the duties on drawn and float glass originating in or imported from the People's Republic of China (PRC), Israel and India would be likely to lead to a continuation or recurrence of dumping and injury, that the anti-dumping duties on clear drawn and float glass originating in or imported from PRC, Israel and India would expire on 28 May 2004. The manufacturer of the subject product in the Southern African Customs Union (SACU) was notified and supplied with a copy the Sunset Review Questionnaire, indicating what information the Commission would need in order to determine whether the expiry of the duty would be likely to lead to the continuation or recurrence of dumping and injury. All interested parties were given the opportunity to complete either the importer or exporter questionnaire.

PFG responded in the matter, but did not request a continuation of the anti-dumping duties against Israel. No importer or exporter cooperated in this investigation, and, consequently, the Commission decided to recommend that the current anti-dumping duties imposed on the importation of the subject products from the PRC and India, in the amounts below, be maintained:

Tariff subheading	**Description (excluding optical glass)**	**Origin**	**Rate of anti-dumping duty**
7004.90.90	Drawn glass and blown glass, in sheets, 2,5 to 6 mm manufactured by Gujarat Borosil Ltd	India	374c/m²
7004.90.90	Drawn glass and blown glass Excluding that manufactured by Gujarat Borosil Ltd	India	587c/m²
7004.90.90	Drawn glass and blown glass, in sheets, 2,5 to 6 mm	China	562c/m²

Tariff subheading	**Description (excluding optical glass)**	**Origin**	**Rate of anti-dumping duty**
7005.29.17	Float Glass and surface ground or polished glass, in sheets – 2,5 mm but not exceeding 3 mm.	India	720c/m²
7005.29.17	Manufactured by Dalian Float Glass Co, 2,5 mm - 3 mm	China	359c/m²
7005.29.17	Excluding that manufactured by Dalian Float Glass Co. 2,5 – 3 mm	China	802c/m²
7005.29.23	3 mm - 4 mm	India	886c/m²
7005.29.23	3 mm - 4 mm – Dalian Float Glass	China	401c/m²
7005.29.23	3 mm – 4 mm Other than Dalian Float Glass Co.	China	802c/m²
7005.29.28	4 mm - 5 mm Manufactured by Dalian Float Glass Co.	China	728c/m²
7005.29.28	4 mm – 5 mm Other than Dalian Float Glass Co.	China	802c/m²
7005.29.28	4 mm – 5 mm	India	**No duty**
7005.29.35	5 mm - 6 mm	India	1387c/m²
7005.29.35	5 mm - 6 mm Manufactured by Dalian Float Glass Co.	China	668c/m²
7005.29.35	5 mm – 6 mm Other than Dalian Float Glass Co.	China	802c/m²

1. APPLICATION AND PROCEDURE

1.1 LEGAL FRAMEWORK

This investigation was conducted in accordance with the International Administration Act, 2002, as amended, (the ITA Act) and the World Trade Organisation Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, 1994 (the Anti-Dumping Agreement).

In accordance with the provisions in Article 11.3 of the World Trade Organisation Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade, any definitive anti-dumping duty shall be terminated on a date not later than five years from its imposition, unless the authorities determine, in a review initiated before that date on their own initiative or upon duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to that date, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury.

Article 11.3 of the Anti-Dumping Agreement provides as follows:

> "Notwithstanding the provisions of paragraph 1 and 2, any definitive anti-dumping duty shall be terminated on a date not later than five years from its imposition (or from the date of the most recent review under paragraph 2 if that review has covered both dumping and injury, or under this paragraph), unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of the time prior to that date, that the expiry of the duty would be likely to lead to continuation of dumping and injury. The duty may remain in force pending the outcome of such a review."

1.2 APPLICANT

The Applicant review questionnaire was sent to PFG Building Glass (Pty) Ltd (PFG), being the manufacturer of the subject product in the SACU.

1.3 INVESTIGATION PROCESS

On 30 May 2003, the Commission notified PFG through Notice No. 789 in Government Gazette No. 24893, that unless a substantiated request is made by it indicating that the expiry of the duties on drawn and float glass originating in or imported from PRC, Israel[1] and India would likely to lead to continuation or recurrence of dumping and injury, the anti-dumping duties on drawn and float originating in or imported from PRC, Israel and India will expire on 28 May 2004. A detailed response of the review questionnaire was received from PFG on 28 November 2003. Deficiencies in the application were addressed with the Applicant.

On 24 March 2004, identified importers and exporters were sent questionnaires and were all afforded a 30-days period to submit information. The original return

1 Refer to Report No. 55 – duties already withdrawn as PFG did not request a continuation of the anti-dumping duties.

date was 30 April 2004 to which an additional 14 days were granted to the requesting parties. No responses were received from the interested parties.

1.4 INVESTIGATION PERIOD

This report contains information with regard to dumping for the period 1 January to 31 December 2003, and information with regard to injury for the period 1 January 2000 to 31 December 2003.

1.5 PARTIES CONCERNED

1.5.1 SACU industry

The SACU industry consists of one producer, PFG Building Glass (Pty) Ltd (PFG).

1.5.2 Exporters/manufacturers

The following exporters were identified as interested parties:

The PRC

(a) Qinhuangdao Huazhou Glass Co. Ltd
(b) Dalian Float Glass
(c) Nanning Float Glass Co. Ltd

INDIA

(a) Saint-Gobain Glass India Limited
(b) Floatglass India Limited
(c) Gujarat Guardian Limited
(d) Triveni Glass Limited
(e) Gujarat Borosil Limited

No exporters/manufacturers responded to the questionnaire.

1.5.3 Importers

The following SACU importers were identified as interested parties:

(a) Alpine Wholesalers
(b) Macedonia Investments
(c) Ice World Investments
(d) Rustica Investments
(e) National Glass
(f) Aldino Trading (Pty) Ltd
(g) Guardian Africa
(h) Africa Glass Holdings (Pty) Ltd
(i) Glasshopper

(j) PFG Building Glass

No importers responded to the questionnaire.

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 (Excluding 4 mm – 5 mm imported from India. See 2.1.5 below).

2.1.2 Country of origin/export

The subject product was exported from the PRC and India.

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:

Tariff subheading	Description	Unit	General duty & 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	M²	All10%	

Tariff subheading	Description	Unit	General duty & 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 2,5 mm but not exceeding 3 mm (excluding optical glass)	M²	All 10%	
7005.29.23	- Of a thickness exceeding 3 mm but not exceeding 4 mm (excluding optical glass)			
7005.29.25	- Of a thickness exceeding 4 mm but not exceeding 5 mm (excluding optical glass)			
7005.29.35	- Of a thickness exceeding 5 mm but not exceeding 6 mm (excluding optical glass)			

2.1.5 Other applicable duties and rebates

The product under investigation can be imported under rebate provisions.

The following anti-dumping duties were imposed on the subject products:

Tariff subheading	Description (excluding optical glass)	Origin	Unit	Rate of anti-dumping duty
7004.90.90	Drawn glass and blown glass, in sheets, 2,5 to 6 mm manufactured by Gujarat Borosil Ltd	India	M²	374c/m²
7004.90.90	Drawn glass and blown glass Excluding that manufactured by Gujarat Borosil Ltd	India	M²	587c/m²
7004.90.90	Drawn glass and blown glass, in sheets, 2,5 to 6 mm	China	M²	562c/m²

Tariff subheading	Description (excluding optical glass)	Origin		Rate of anti-dumping duty
7005.29.17	Float Glass and surface ground or polished glass, in sheets – 2,5 mm but not exceeding 3 mm.	India	M²	720c/m²
7005.29.17	Manufactured by Dalian Float Glass Co, 2,5 mm - 3 mm	China	M²	359c/m²
7005.29.17	Excluding that manufactured by Dalian Float Glass Co. 2,5 – 3 mm	China	M²	802c/m²
7005.29.23	3 mm - 4 mm	India	M²	886c/m²
7005.29.23	3 mm - 4 mm – Dalian Float Glass	China	M²	401c/m²
7005.29.23	3 mm – 4 mm Other than Dalian Float Glass Co.	China	M²	802c/m²
7005.29.28	4 mm - 5 mm Manufactured by Dalian Float Glass Co.	China	M²	728c/m²
7005.29.28	4 mm – 5 mm Other than Dalian Float Glass Co.	China	M²	802c/m²
7005.29.28	4 mm – 5 mm	India	M²	**No duty**
7005.29.35	5 mm - 6 mm	India	M²	1387c/m²
7005.29.35	5 mm - 6 mm Manufactured by Dalian Float Glass Co.	China	M²	668c/m²
7005.29.35	5 mm – 6 mm Other than Dalian Float Glass Co.	China	M²	802c/m²

2.1.6 Production process

The raw materials are weighed 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 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. 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.

2.2 SACU PRODUCT

2.2.1 Description

The subject 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 Application/end use

The SACU 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. The subject 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.

2.2.3 Tariff classification

The SACU product is currently classifiable under tariff subheading 70.05.29 and 70.04.90. See paragraph 2.1.4 above.

2.2.4 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 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. 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.

In the original investigation, the Commission decided that the SACU product and the imported products are "like products", for purposes of comparison, in terms of Article 2.6 of the Anti-Dumping Agreement.

2.3 Like products

In the original investigation the Commission decided that the SACU product and the imported products are "like products" for purposes of comparison, in terms of Article 2.6 of the Anti-Dumping Agreement.

3. SACU INDUSTRY

3.1 INDUSTRY STANDING

Article 5.4 of the Anti-Dumping Agreement provides as follows:

> "The application shall be considered to have been made 'by or on behalf of the domestic industry' if it is supported by those domestic producers whose collective output constitutes more than 50 per cent of the total production of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than 25 per cent of total production of the like product produced by the domestic industry."

PFG is the only manufacturer of the subject product under investigation.

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 Agreement.

4. DUMPING

4.1 DUMPING

Article 11.3 of the Anti-Dumping Agreement provides as follows:

> "Notwithstanding the provisions of paragraphs 1 and 2, any definitive anti-dumping duty shall be terminated on a date not later than five years from its imposition (or from the date of the most recent review under paragraph 2 if that review has covered both dumping and injury, or under this paragraph), unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to that date, that the expiry of the duty would be likely to lead to continuation or recurrence of dumping and injury. The duty may remain in force pending the outcome of such a review."

Dumping is defined in section 1(2) of the International Trade Administration Act (ITA) Act as follows:

> "'dumping' means the introduction of goods into the commerce of the Republic or the common customs area of the Southern African Customs Union at an export price which is less than the normal value of the goods.".

4.2 NORMAL VALUE

4.2.1 Normal values are determined in accordance with section 32(2)(b) of the ITA Act. This section provides as follows:

> 2(b) "'normal value' means -
>
> (i) the comparable price actually paid or payable in the ordinary course of trade for like goods intended for consumption in the exporting country or country of origin; or
>
> (ii) in the absence of information on a price contemplated in subparagraph (i), either -
>
> (aa) the constructed cost of production of the goods in the country of origin when destined for domestic consumption, plus a reasonable addition for selling, general and administrative costs and for profit; or
>
> (bb) the highest comparable price of the like product when exported to an appropriate third or surrogate country, as long as that price is representative;
>
> (4) If the Commission, when evaluating an application concerning dumping, concludes that the normal value of the goods in question is, as a result of government intervention in the exporting country or country of origin, not determined according to free market principles, the Commission may apply to those goods a normal value of the goods, established in respect of a third or surrogate country."

4.2.2 *Surrogate country*: The ITAC Anti-Dumping Regulations, promulgated on 14 November 2003 in *Government Gazette* No. 25684, provides as follows, with regard to surrogate country normal values:

"8.14 In cases where the normal value needs to be determined as contemplated in section 32(4) of the Main Act, the Commission may determine the normal value of the products under consideration for the foreign producer or country in question on the basis of -

(a) the normal value established for or in a **third or surrogate country**; .... .".

4.3 EXPORT PRICE

Export prices are determined in accordance with section 32(2)(a) of the ITA Act, which provides as follows:

"'export price', subject to subsections (3) and (5), means the price actually paid or payable for goods sold for export, net of all taxes, discounts and rebates actually granted and directly related to that sale ".

Sections 32(5) and 32(6) of the ITA Act further provides as follows:

(5) The Commission must, despite the definition or "export price" set out in subsection (2), when evaluating an application concerning dumping that meets the criteria set out in subsection (6), determine the export price for the goods in question on the basis of the price at which the imported goods are first resold to an independent buyer, if applicable, or on any reasonable basis.

(6) Subsections (5) applies to any investigation of dumping if, in respect of the goods concerned-

(a) there is no export price as contemplated in the definition of dumping;
(b) there appears to be an association or compensatory arrangement in respect of the export price between the exporter or foreign manufacturer concerned and the importer or third party concerned: or
(c) the export price actually paid or payable is unreliable for any other reason

4.4 ADJUSTMENTS

Article 2.4 of the Anti-Dumping Agreement provides as follows:

"A fair comparison shall be made between the export price and the normal value. This comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at as nearly as possible the same time. Due allowance shall be made in each case, on its merits, for differences which affect price comparability, including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics, and any other differences which are also demonstrated to affect price comparability. In the cases referred to in paragraph 3, allowances for costs, including duties and taxes, incurred between importation and resale, and for profits accruing, should also be made. If in these cases price comparability has been affected, the authorities shall establish the normal value at a level of trade equivalent to the level of trade of the constructed export price, or shall make due allowance as warranted under this paragraph. The authorities shall indicate to the parties in question what information is necessary to ensure a fair comparison and shall not impose an unreasonable burden of proof on those parties.".

Both the Anti-Dumping Agreement and the ITA Act provide that due allowance shall be made in each case for differences in conditions and terms of sale, in taxation and for other differences affecting price comparability. The Commission considers that for an adjustment to be allowed, quantifiable and verified evidence has to be submitted, and it must further be demonstrated that these differences actually affected price comparability at the time of setting the prices.

4.5 COMPARISON OF EXPORT PRICE WITH NORMAL VALUE

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 export price. If the margin is less than two percent, it is regarded as *de minimis* in terms of the Anti-Dumping Agreement and no anti-dumping duty will be imposed.

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

4.6.1 Normal Value

4.6.1.1 Type of economy

The **People's Republic of China (PRC)** is considered to be a country which has had previous government intervention and therefore Section 32(4) of the ITA Act applies.

4.6.1.2 Surrogate country

India was nominated by the Applicant to be used as a surrogate country for the PRC. The Applicant regards India as having a more market-oriented economy than the PRC and a glass industry of significant size, with excess capacity.

4.6.1.3 Normal value using the surrogate country sales details

The applicant provided a quote from a glass supplier in Mumbai, India for purposes of establishing a comparative normal value for the goods under investigation in India. Therefore, as no domestic producer in the PRC responded, the Commission based its findings on "facts available", which was the information provided by the SACU industry, as is envisaged in paragraph 6.8 of the WTO Anti-Dumping Agreement.

4.6.2 Export prices

4.6.2.1 Definition of Export price

The export prices were determined in accordance with Section 32(2)(a) of the ITA Act of 2002. As was the case with the normal value, and also as no domestic producer in the PRC responded, the Commission based its findings on "facts available", which was the information provided by the SACU industry, as is envisaged in paragraph 6.8 of the WTO Anti-Dumping Agreement.

4.6.3 Margin of dumping

The Commission found the following dumping margins:

DUMPING MARGINS	PRC			
	3mm	4mm	5mm	6mm
Margin of dumping expressed as a percentage of the export price	177	136	121	134

4.7 METHODOLOGY IN THIS INVESTIGATION FOR INDIA

4.7.1 Normal Value

4.7.1.1 Type of economy

India is considered to be a country with a free market economy and therefore Section 32(2) of the ITA Act applies.

4.7.1.2 Normal value

The applicant provided a quote from a glass supplier in Mumbai, India for purposes of establishing a comparative normal value for the goods under investigation in India. Therefore, as no domestic producer in the PRC responded, the Commission based its findings on "facts available", which was the information provided by the SACU industry, as is envisaged in paragraph 6.8 of the WTO Anti-Dumping Agreement.

4.7.2 Export prices

4.7.2.1 Definition of Export price

The export prices were determined in accordance with Section 32(2)(a) of the ITA Act of 2002. The export price for the various sizes was obtained by the applicant from a trader in New Delhi, India. Therefore, as no domestic producer in the PRC responded, the Commission based its findings on "facts available", which was the information provided by the SACU industry, as is envisaged in paragraph 6.8 of the WTO Anti-Dumping Agreement.

4.7.3 Margin of dumping

The Commission found the following dumping margin:

DUMPING MARGINS	INDIA		
	3mm	4mm	6mm
Margin of dumping expressed as a percentage of the export price	99	91	87

4.8 SUMMARY - DUMPING

The Commission found the following the dumping margins in respect of imports from the PRC and India:

DUMPING MARGINS	PRC				INDIA		
	3mm	4mm	5mm	6mm	3mm	4mm	6mm
Margin of dumping expressed as a percentage of the export price	177	136	121	134	99	91	87

On the information supplied, the Commission found that should the measures in place be revoked or repealed there is a likelihood of a continuation or recurrence of dumping.

5. MATERIAL INJURY

5.1 DOMESTIC INDUSTRY FOR PURPOSES OF DETERMINING MATERIAL INJURY

Article 3 of the Anti-Dumping Agreement is entitled "Determination of injury". Footnote 9 to the word "injury" provides as follows:

> "Under this agreement the term "injury" shall, unless otherwise specified, be taken to mean material injury to a domestic industry, threat of material injury to a domestic industry or material retardation of the establishment of such an industry and shall be interpreted in accordance with the provisions of this Article."

5.2 GENERAL

Article 3.1 of the Anti-Dumping Agreement provides as follows:

> "A determination of injury for purposes of Article VI of GATT 1994 shall be based on positive evidence and involve an objective examination of both.
>
> (a) the volume of the dumped imports and the effects of the dumped imports on the prices in the domestic market for the like products, and
> (b) the consequent impact of these imports on domestic producers of such products".

Article 4.1 of the Anti-Dumping Agreement further provides as follows:

> "For purposes of this Agreement, the term "domestic industry" shall be interpreted as referring to the domestic industry as a whole of the like products or to those of them whose collective output of the products constitutes a major proportion of the total domestic production of those products,...".

The material injury analysis in this section of the report relates to that of PFG, the Applicant, which constitutes 100% of the total SACU production of the subject product in SACU. The Commission decided that this constitutes "a major proportion" of the total domestic production, in accordance with Articles 4.1 and 4.1(ii) of the Anti-Dumping Agreement. The information with regard to each of the injury indicators reflects the position of PFG subsequent to the imposition of the anti-dumping duties, as well as a substantiated estimate of what the effect of the expiry of the duties will have on the SACU industry.

5.3 IMPORT VOLUMES AND EFFECT ON PRICES

5.3.1 Import volumes

With reference to Article 3.1(a), Article 3.2 of the Anti-Dumping Agreement provides as follows:

"With regard to the volume of the dumped import, the investigating authorities shall consider whether there has been a significant increase in dumped imports, either in absolute terms or relative to production or consumption in the importing Member.".

In any anti-dumping investigation, the Commission normally uses audited import statistics from SARS to determine the volume of the subject product entering the SACU from the countries under investigation and other countries. It considers these statistics to be the most reliable.

The following two tables show the volume in square meters and tons, separately, of the allegedly dumped imports of the subject products (information from SARS statistics):

Table 5.3.1

Table 5.3.1(b) – Analysis in square meters								
Square meters	2000		2001		2002		2003	
ALLEGED DUMPED IMPORTS*								
PRC	10 971	0,36%	5 691	0,22%	7 574	0,15%	42 393	0,65%
India	27 441	0,90%	48 476	1,87%	15 067	0,31%	11 376	0,17%
SUB TOTAL	38 412	1,26%	54 167	2,09%	22 641	0,46	53 769	0,8%
OTHER COUNTRIES	3 011 884	98.7%	2 536 014	97,9%	4 883 718	99,5%	6 459 661	99,2%
TOTAL	3 050 296	100%	2 590 181	100%	4 906 359	100%	6 513 430	100%

Table 5.3.1(b) – Analysis in tons								
	2000		2001		2002		2003	
ALLEGED DUMPED IMPORTS								
PRC	84	0.38	49	0.26	71	0.20	373	0.80
India	314	1.42	453	2.42	173	0.49	139	0.30
SUB TOTAL	398	1.80	502	2.68	244	0.69	512	1.10
OTHER COUNTRIES	21 662	98.20	18 239	97.30	35 124	99.31	46 459	98.90
TOTAL	22 060	100	18 741	100	35 368	100	46 971	100

Note: The information in the table above summarises the imports as the subject products (various glass sizes - 2,5mm to 6mm) appear in separate subheadings.

5.3.2 Effect on Domestic Prices

With reference to Article 3.1(a), Article 3.2 of the Anti-Dumping Agreement further provides as follows:

With regard to the effect of the dumped imports on the prices, the investigating authorities shall consider whether there has been a significant price undercutting by the dumped imports as compared with the price of a like product of the importing Member, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree. No one or several of these factors can necessarily give decisive guidance."

Price undercutting

Price undercutting is the extent to which the landed cost of the imported product is lower than the ex-factory selling price per unit price of the SACU product.

The landed cost was constructed on the basis of information obtained from quotes. Adjustments were made to include sea freight, wharfhage and customs duties. The Applicant stated that it was clear that if the anti-dumping duties were terminated, further severe price undercutting would occur.

Price Depression

Price depression occurs when the domestic industry experiences a decrease in its selling prices over time. The table below shows the SACU industry's domestic selling prices since the duties were imposed, and an estimate, in the event of the withdrawal of the duties:

Table 5.3.2(a)

R/tonne	2000	2001	2002	2003	If duties are withdrawn
Ex-factory selling price: Indexed	100	112	135	122	102

Table indexed due to confidentiality reasons with 2000 as the base year

The information contained in the above table shows an increasing trend for the period 2001 and 2002. The Applicant's prices decreased in 2003 and it is estimated that they will decrease even further, if the anti-dumping duties are removed.

The Applicant stated that despite the dumping, prices in the SACU market recovered after the imposition of anti-dumping duties until 2002 when the effects of market disruption became acute. The Applicant stated that if the anti-dumping duties pertaining to glass from the PRC and India are terminated, further price depression of at least 20% from forecast 2004 prices, will occur, as projected in the table.

It further stated that suppliers in the cited countries previously practised injurious dumping to the SACU and that export statistics from the cited countries clearly indicate that product is being exported to various markets at significant margins of dumping, it is highly likely that if the current SACU anti-dumping duties were to be removed, there would almost certainly be a recurrence of injurious dumping from those sources.

Price suppression

Price suppression is the extent to which increases in the cost of production of the product concerned, cannot be recovered in selling prices. To determine price suppression, a comparison is made of the percentage increase in cost with the percentage increase in selling price (if any), and whether or not the selling prices have increased by at least the same margin at which the cost of production increased.

The following table shows the costs of production and ex-factory selling prices for the Applicant for the subject product for the years since the duties were imposed, and an estimate for the next year, in the event of the duties expiring:

Table 5.3.2(b)

Rand/Kg and % Movement analysis	2000	2001	2002	2003	If duties are withdrawn - 2004
Cost of production as a percentage of selling price	100	107	105	122	147

Table indexed due to confidentiality reasons with 2000 as the base year

The data in the table was based on indexed costs and selling prices for 2000 to 2002, an estimate for 2003 and on projections for 2004.It should be noted that the base year reflected residual price suppression following the dumping by third countries. The Applicant stated that while costs increased in 2003, it was not possible to recover the cost increases in selling prices as acute market disruption was occurring from another country. The projected reductions in selling prices in 2004 were based on the expected effects of renewed dumping from the PRC and India in the absence of anti-dumping duties.

5.3.3 Consequent Impact of The Dumped Imports on The Industry

With reference to Article 3.1(b), Article 3.4 of the Anti-Dumping Agreement provides the following:

> "The examination of the impact of the dumped imports on the domestic industry concerned shall include an evaluation of all relevant economic factors and indices having a bearing on the state of the industry, including actual and potential decline in sales, profits, output, market share, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; the magnitude of the margin of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital or investments. This list is not exhaustive, nor can one or several or these factors necessarily give decisive guidance.".

5.3.3.1 Actual and potential decline in sales

The following table shows the Applicant's sales volumes in tonnes of the subject product for all the years subsequent to the imposition of the anti-dumping duties, and an estimate in the event of the expiry of the duties:

Table 5.3.3.1

VOLUME (TONNES)	2000	2001	2002	2003	2004 - If the duty is withdrawn
Applicant's sales in SACU *	100	107	130	113	93

Table indexed due to confidentiality reasons with 2000 as the base year
*Own production plus sales of product imported by the PFG

The Applicant stated that the decline in sales volume in 2003 was partially the result of loss of market share to disruptive imports. The projection for 2004 was for a reduction in sales volume of 18% from budget/forecast 2004 sales volumes, in the absence of existing anti-dumping duties and is also based on past experience of dumping and the effects thereof on the market.

5.3.3.2 Profit

The following table shows the Applicant's profit before interest and tax since the imposition of the anti-dumping duties, and an estimate for the next year in the event of the expiry of the duties:

Table 5.3.3.2

DESCRIPTION	2000	2001	2002	2003	2004- If duty is withdrawn
Profit margin on selling price (%):	100	97	126	65	21

Table indexed due to confidentiality reasons with 2000 as the base year

The information in the table reflects actual results for the years 2000 to 2002 and an estimate for the full year for 2003. The projection for 2004 is based on the expected prices that will prevail in the market owing to renewed dumping by the PRC and India and the lower volumes sold by the Applicant as a result of loss of market share. The Applicant stated that the recovery in returns in 2000, 2001 and 2002 is largely attributable to the cost reduction measures that it took and the anti-dumping measures imposed on China, India and Israel.

5.3.3.3 Output

The following table outlines the Applicant's domestic production volume of the subject product years since the duties were imposed and an estimate for the next year in the event of the expiry of the duty:

Table 5.3.3.3

VOLUME (tonnes)	2000	2001	2002	2003	2004 – If the duty is withdrawn
Applicant*	100	104	98	66	60

.*PFG's output of glass for the general trade only.

Table indexed due to confidentiality reasons with 2000 as the base year

The projected output in 2004 was based on the expected unavoidable loss in market share should the anti-dumping duty be terminated. There has been a decrease in output since 2000 and according to the Applicant the float glass plans had to be operated at or near capacity levels to be viable. The Applicant stated that the projected output figure for 2004 represents the optimum product mix achievable in the face of renewed dumping from China and India in general. The Applicant stated that in the extreme case of it becoming necessary to slow output of glass for the general trade to minimum sustainable levels, output for other lines would also decline.

5.3.3.4 Market share

The following table shows the market share in tons for the subject product for all years subsequent to the imposition of the anti-dumping duties, and an estimate for the next year in the event of the expiry of the duties:

Table 5.3.3.4

VOLUME (TONS)	2000	2001	2002	2003	2004 – if duties are withdrawn
Alleged imports					
The PRC:	100	22	28	152	4420
India:	100	149	57	46	2632
Other imports:	100	87	104	143	109
Domestic sales PFG	100	.107	101	71	62
Own import sales PFG	100	63	9 655	13 921	10 185
Total sales PFG	**100**	**107**	**130**	**113**	**93**
Total market	100	99	119	125	125
% share held by:					
SACU industry	100	109	109	90	74
Other imports	100	88	86	83	86
Dumped imports:					
·The PRC	100	20	23	120	3 333
India	100	148	48	36	2 000

Table indexed due to confidentiality reasons with 2000 as the base year

The above table indicates that the market share held by the SACU industry decreased by 10 index points from 2000 to 2003. The Applicant estimated that the market share would decrease further by 16 index points if the anti-dumping duties were to be withdrawn, which would as a result lead to a continuation or recurrence of dumping and injury.

5.3.3.5 Productivity

Using the production and employment figures sourced from the Applicant, its productivity in respect of the subject product was as follows for the years subsequent to the imposition of the anti-dumping duties, and an estimate is also provided for what the productivity would be in the event of the expiry of the duties:

Table 5.3.3.5

DESCRIPTION	2000	2001	2002	2003	2004- If duty is withdrawn
Employee productivity (tons/employee)	100	105	89	84	95

Table indexed due to confidentiality reasons with 2000 as the base year

Production losses in 2002 and 2003 caused by problems experienced with certain raw materials negatively affected productivity in these years.

5.3.3.6 Return on investment

Return on investment is normally regarded by the Commission as being the profit before interest and tax as a percentage of the net value of assets.

The following table provides the Applicant's return on current value total assets (before interest and tax and ignoring abnormal expenditure) for the years subsequent to the imposition of the anti-dumping duties, and an estimate for the next year in the event of the expiry of the duties:

Table 5.3.3.6

YEARS	2000	2001	2002	2003	If the duty is withdrawn – 2004
Return on current value total assets (before interest and tax ignoring abnormal expenditure)	100	35	73	29	10

Table indexed due to confidentiality reasons with 2000 as the base year

The table reflects actual data for the period 2000 to 2002 and an estimate for the full year 2003. The 2004 figures are projections based on the prices and volumes of the subject product likely to be dumped in the SACU by the PRC and India if the anti-dumping duties were terminated.

5.3.3.7 Utilisation of production capacity

The following table provides the Applicant's utilisation of capacity for the subject product for the years subsequent to the imposition of the anti-dumping duties, and an estimate for the next year in the event of the expiry of the duties:

Table 5.3.3.7

DESCRIPTION	2000	2001	202	2003	If the duty is withdrawn 2004
Utilization of capacity %	100	102	93	94	99

Table indexed due to confidentiality reasons with 2000 as the base year

The decline in utilization of capacity was due to decline in output in 2002 and 2003, which was a result of problems experienced with certain raw materials. The Applicant estimated that the utilization of production capacity would decrease compared with 2000 if the anti-dumping duties were withdrawn.

5.3.3.8 Any other factors that could have affected domestic prices

The Applicant stated that the demand for float glass for the general trade was directly linked to the building industry and closely follows trends in that sector. In the SACU there had been a relatively slow growth in this market over the past ten years or so with the sector generally performing below expectations. There was also some seasonal demand variation but this is dealt with in normal inventory management.

The Applicant further stated that consumption of glass for the general trade tended to follow economic cycles. As the world economy increasingly globalised and integrated, such cycles were becoming more synchronised globally.

The Applicant also stated that industry was, therefore, characterised by cyclical price movements, with consumption growing in times of prosperity and tending to fall in times of slack economic conditions. Output, however, could not easily be increased or decreased linearly, and it did happen that new installed capacity, based on expected growth, came on line in a down cycle. They stated that that was in fact the case at present, with the PRC, India and other countries that installed significant new capacity to meet expected demand, which did not materialise, or had not yet materialised, owing to the "Asian crisis" and other "crises" that have seen world economic growth fall to very low levels over the past 5-6 years, with no clear prospects of a major imminent sustained upswing. They stated that the current negative cycle must, then, be regarded as a particularly long one, which had resulted in very large overcapacity in the glass industry, and that producers are trying to dispose of excess product wherever they could find accessible markets. The "slack" and overcapacity in the general glass market, particularly in PRC and India, was expected to continue for some years into the future as current excess capacity in those countries (in excess of 20%) had first to be absorbed. Superimposed on the current global cyclical downturn, was the overcapacity of the global glass industry. Owing to the overcapacity, it was likely that the industry would take longer than usual to recover when world growth picked up, and would continue to induce countries with significant excess capacity to very aggressively seek markets to keep plants running at acceptable levels and to keep inventories at affordable levels.

5.3.3.9 The magnitude of the margin of dumping

In Chapter 4 of this submission, it was found that the subject product was imported at dumped prices into the SACU during the investigation period at the following margins:

Table 5.3.3.9

DUMPING MARGINS	CHINA				INDIA		
	3mm	4mm	5mm	6mm	3mm	4mm	6mm
Margin of dumping expressed as a percentage of the export price	177	136	121	134	99	91	87

5.3.3.10 Actual and potential negative effects on cash flow

The Applicant stated that the cash flow would be massively diminished should the anti-dumping duties be terminated. The Applicant further stated that the profit margins and volumes at the projected levels would be insufficient to generate the cash flow needed to service working capital needs and required returns on investment.

5.3.3.11 Inventories

PFG provided its inventory level for years prior subsequent to the imposition of the anti-dumping duties, and an estimate for the next year in the event of the expiry of the duties. These figures are listed in the table below:

Table 5.3.3.11

STOCKHOLDING	2000	2001	2002	2003	If the duty is withdrawn 2004
Volume (tonnes)	100	97	51	66	85

Table indexed due to confidentiality reasons with 2000 as the base year

PFG stated that if anti-dumping duties were terminated inventories would increase significantly until plant output can be rebalanced between the various glass types produced.

5.3.3.12 Employment

The following table shows PFG's employment level for the years subsequent to the imposition of the anti-dumping duties, and an estimate for the next year in the event of the expiry of the duties:

Table 5.3.3.12

Number of employees	2000	2001	2002	2003	If the duty is withdrawn 2004
Units of employment: production / float line	100	105	124	114	115

Table indexed due to confidentiality reasons with 2000 as the base year

PFG stated that owing to the integrated nature of glass production, production employment levels could not be reduced even if output was reduced in a plant of specific size.

5.3.3.13 Wages

The Applicant stated that in cases of highly injurious dumping and if anti-dumping duties were terminated wage and salary cuts would have to be considered.

5.3.3.14 Growth

The Applicant stated that the SACU market for clear float glass for the general trade had grown slowly but relatively steadily over the past ten years. The Applicant further stated that the rapid rise in disruptive imports from another source had displaced most normally priced imports and has suppressed prices and also eroded the profitability and market share of the its (PFG's) operation.

5.3.3.15 Ability to raise capital or investments

The Applicant stated that returns have remained below the levels needed to justify further investment owing to the ongoing disruption of the SACU market over the past decade.

5.4 CONCLUSION ON MATERIAL INJURY

The Commission found that a likelihood existed that the imports of the dumped goods would increase, with a corresponding undercutting of the ex-factory price of the local industry. The Commission also found that a likelihood existed that the sales, profits, output, return on investment, productivity, utilisation of production capacity and market share of the local industry would also decrease, and also that the applicant's growth and its ability to raise capital or investments would be impeded, if the anti-dumping duties are withdrawn.

After a proper analysis of material injury factors, the Commission concluded that, should the measures in place be withdrawn, there is a likelihood of a continuation or recurrence of injury.

6. DETERMINATION

6.1 Dumping

The following dumping margins were calculated:

DUMPING MARGINS	PRC				INDIA		
	3mm	4mm	5mm	6mm	3mm	4mm	6mm
Margin of dumping expressed as a percentage of the export price	177	136	121	134	99	91	87

6.2 Material injury

The Commission decided that should the current anti-dumping duties be withdrawn there existed a likelihood of a continuation or recurrence of injury and that the anti-dumping duties be maintained.

6.3 Causal link

The Commission does not consider causal link in sunset reviews as this was already decided in the initial investigation.

7. DETERMINATION

The Commission made a final determination that:

- the expiry of the duty is likely to lead to the continuation or recurrence of dumping and injury to the SACU industry.

The Commission, therefore, decided to recommend to the Minister of Trade and Industry that the following current anti-dumping duties, in the amounts listed below, be maintained:

Tariff subheading	Description (excluding optical glass)	Origin	Rate of anti-dumping duty
7004.90.90	Drawn glass and blown glass, in sheets, 2,5 to 6 mm manufactured by Gujarat Borosil Ltd	India	374c/m²
7004.90.90	Drawn glass and blown glass Excluding that manufactured by Gujarat Borosil Ltd	India	587c/m²
7004.90.90	Drawn glass and blown glass, in sheets, 2,5 to 6 mm	China	562c/m²

Tariff subheading	Description (excluding optical glass)	Origin	Rate of anti-dumping duty
7005.29.17	Float Glass and surface ground or polished glass, in sheets – 2,5 mm but not exceeding 3 mm.	India	720c/m²
7005.29.17	Manufactured by Dalian Float Glass Co, 2,5 mm - 3 mm	China	359c/m²
7005.29.17	Excluding that manufactured by Dalian Float Glass Co. 2,5 – 3 mm	China	802c/m²
7005.29.23	3 mm - 4 mm	India	886c/m²
7005.29.23	3 mm - 4 mm – Dalian Float Glass	China	401c/m²
7005.29.23	3 mm – 4 mm Other than Dalian Float Glass Co.	China	802c/m²
7005.29.28	4 mm - 5 mm Manufactured by Dalian Float Glass Co.	China	728c/m²
7005.29.28	4 mm – 5 mm Other than Dalian Float Glass Co.	China	802c/m²
7005.29.28	4 mm – 5 mm	India	**No duty**
7005.29.35	5 mm - 6 mm	India	1387c/m²
7005.29.35	5 mm - 6 mm Manufactured by Dalian Float Glass Co.	China	668c/m²
7005.29.35	5 mm – 6 mm Other than Dalian Float Glass Co.	China	802c/m²