

REPORT NO. 393

**SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON
UNFRAMED GLASS MIRRORS ORIGINATING IN OR
IMPORTED FROM INDONESIA: FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents
its **Report No. 393 : SUNSET REVIEW OF THE ANTI-DUMPING DUTIES ON
UNFRAMED GLASS MIRRORS ORIGINATING IN OR IMPORTED FROM
INDONESIA: FINAL DETERMINATION**



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PRETORIA
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1. APPLICATION AND PROCEDURE

- 1.1. This investigation has been 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 only manufacturer of the subject product in the SACU.
- 1.3. On 26 June 2009, the International Trade Administration Commission of South Africa (the Commission) notified the interested parties through Notice No. 902 of 2009 in *Government Gazette* No. 32333, that unless a substantiated request is made indicating that the expiry of the anti-dumping duty against imports of unframed mirrors originating in or imported from Indonesia would likely lead to the continuation or recurrence of dumping and injury, the anti-dumping duty on unframed mirrors originating in or imported from Indonesia would expire on 24 October 2011.
- 1.4. A response to the review questionnaire was received from the Applicant on 30 March 2011.
- 1.5. Notice of initiation of the investigation was published in the *Government Gazette* on 23 September 2011. Due date for submission of responses was 2 November 2011. No responses were received from any importers or exporters of the subject product.
- 1.6. After considering all the information available, the Commission issued essential facts letters that it was considering making a final determination that the expiry of the anti-dumping duties on unframed glass mirrors originating in or imported from Indonesia would lead to the recurrence of dumping and to the recurrence of

material injury. No responses were received from interested parties to the Commission's essential facts letter.

2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

2.1 SUBJECT PRODUCTS

2.1.1 Description

The subject product is unframed mirrors of a 2mm to 6mm thickness.

2.1.2 Raw materials

The main raw materials/inputs used to manufacture mirrors are: silvering quality float glass, cleaning agent, tin chloride, palladium chloride, silver nitrate, silver reducer, passivator, base coat paint and top coat paint.

2.1.3 Technical characteristics

The final (subject) product, unframed glass mirrors, have a reflective surface when viewed from the front and have a painted surface on the reverse (back) side. The product is supplied in a variety of standard stock sizes and thicknesses.

2.1.4 Tariff classification

The subject product is classifiable as follows:

Tariff subheading	Description	Unit of measurement	Rate of Duty				Rebate Provision
			General	EU	EFTA	SADC	
7009	Glass Mirrors, whether or not framed, Including Rear-View Mirrors:						
7009.91	= Unframed	kg	15%	1.95%	7.50%	free	none

2.1.5 Application/end use

To be sold by general trade mirror merchants or used in architectural, domestic and furniture applications.

2.1.6 Other applicable duties or rebates

The following anti-dumping duties are applicable to the subject product, unframed glass mirrors, classifiable under tariff sub-heading 7009.91, originating in or imported from Indonesia:

Tariff heading	Description	Originating in or imported from	Date imposed	Rate of duty
7009.91	Unframed glass mirrors, of a thickness of 2mm or more but not exceeding 6mm (excluding that manufactured by PT Matahari Silverindo Jaya)	Indonesia	Final duty: 25 October 2006	6.61%

2.1.7 Production process

The production process used in producing mirrors is cleaning of the glass by washing the top surface; spraying on the tin chloride; spraying on the palladium chloride; spraying on the silver nitrate and silver reducer in solution form; application of the passivator chemicals; drying of the glass; application of the base coat paint; drying of that coat; application of top coat paint; and baking of the final layer.

2.1.8 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. CONTINUATION OR RECURRENCE OF DUMPING

4.1 METHODOLOGY IN THIS INVESTIGATION FOR INDONESIA

4.1.1 Normal Value

Calculation of normal value

In determining the normal value for Indonesia, and as no responses were received from exporters in Indonesia, the Commission made a final determination to use the best information available, being that provided by the Applicant. Domestic prices were obtained from a price quotation in Indonesia.

4.1.2 Adjustments to the normal value

The Applicant made adjustments to the normal value in order to determine the net ex-factory domestic price for Indonesia. It was requested to submit substantiation for the adjustments made. As no substantiation was received, the Commission decided not to take the adjustments into account in calculating the domestic price. The normal value without adjustments was used in this regard.

4.1.3 Export Price

Calculation of the export price

In calculating the export price for Indonesia, the Commission made a final determination to use the best available information, being that provided by the Applicant. The export price was calculated based on import statistics obtained from SARS.

4.1.4 Adjustments to the export price

The Applicant made adjustments to the export price in order to determine the net ex-factory export price. It was requested to submit substantiation for the adjustments made. As no substantiation was received, the Commission decided not to take the adjustments into account in calculating the export price. The export price without adjustments was used.

4.2 Margin of dumping

The dumping margin for Indonesia is as follows:

Country	Margin of dumping
Indonesia	147.6%

4.3 SUMMARY - DUMPING

The Commission made a final determination that the expiry of the duties would likely lead to the continuation or recurrence of dumping of the subject product originating in or imported from Indonesia.

5. RECURRENCE OF MATERIAL INJURY

5.1 DOMESTIC INDUSTRY – MAJOR PROPORTION

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

5.2 IMPORT VOLUMES AND THE EFFECT ON PRICES

Import volumes

Volumes (TONS)	2008	2009	2010	2011 Budget	Estimate if duty expires
Imports: Indonesia	0.975	175	173	0	950
Other countries	1 270	1 889	2 543	2 253	1 903
Total imports	1 270.975	2 064	2 716	2 253	2 853
Alleged dumped imports as % of total imports:					
-Indonesia	0.1%	8.4%	6.4%	0%	11.5%
Other countries	99.9%	91.6%	93.6%	100%	88.5%

Effect on prices

Rands	2008	2009	2010	2011 Budget	Estimate if duty expires
Price undercutting			100	118	15.80
Price depression	100	114	119	121	107
Cost as a % of selling price	100	89	81	84	97

Table indexed due to confidentiality using 2008 as base year

5.3 CONSEQUENT IMPACT OF DUMPED IMPORTS ON THE SACU INDUSTRY

	2008	2009	2010	2011 Budget	Estimate if duty expires
Alleged dumped imports as % of total imports: -Indonesia Other countries	0.1% 99.9%	8.4% 91.6%	6.4% 95.6%	0.% 100%	11.5% 88.5%
Sales volumes	100	114	89	74	67
% share held by Applicant	100	92	84	84	76
Price undercutting			100	119	18
Price depression	100	114	120	121	107
Cost as a % of selling price	100	89	81	84	91
Gross profit margin	100	143	171	161	109
Output (kg)	100	95	121	100	90
Productivity	100	108	108	89	80
RONA	100	151	188	133	51
Capacity utilisation	100	101	67	114	113
Inventories (kg)	100	70	133	87	91
Employment	100	88	113	113	113
Wages (Rand)	100	91	101	136	136
Applicant growth	100	106	106	88	88
Ability to raise capital		N/A			
Margin of dumping: Indonesia					147.6%

This table was indexed due to confidentiality using 2008 as the base year

5.4 DISCUSSION ON RECURRENCE OF MATERIAL INJURY

After considering all the information available, the Commission made a final determination that the expiry of the anti-dumping duties would likely lead to the recurrence of material injury.

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 would likely lead to the continuation or recurrence of dumping of the subject product originating in or imported from Indonesia.

6.2 Recurrence of material injury

The Commission made a final determination that the expiry of the anti-dumping duties would likely lead to the recurrence of material injury of the subject product originating in or imported from Indonesia.

7. RECOMMENDATION

The Commission considered that although imports still took place during the period of investigation, they were in very small quantities and that the Applicant's selling price has been increasing from 2008 to 2010 with a further increase for 2011. The Commission therefore decided not to recommend an increase in the rate of duty as the current level is sufficient to eliminate the material injury.

The Commission decided to recommend to the Minister of Trade and Industry that the anti-dumping duty on unframed glass mirrors originating in or imported from Indonesia be maintained as follows:

Tariff heading	Description	Originating in or imported from	Rate of duty
7009.91	Unframed glass mirrors, of a thickness of 2mm or more but not exceeding 6mm (excluding that manufactured by PT Matahari Silverindo Jaya)	Indonesia	6.61%