

## **Report No. 736**

**INVESTIGATION INTO THE ALLEGED CIRCUMVENTION OF THE ANTI-DUMPING DUTY ON LAMINATED SAFETY GLASS CLASSIFIABLE UNDER TARIFF SUBHEADING 7007.29 MANUFACTURED IN AND/OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA VIA THE FEDERATION OF MALAYSIA: FINAL DETERMINATION**

The International Trade Administration Commission of South Africa herewith presents its **Report No. 736: INVESTIGATION INTO THE ALLEGED CIRCUMVENTION OF THE ANTI-DUMPING DUTY ON LAMINATED SAFETY GLASS CLASSIFIABLE UNDER TARIFF SUBHEADING 7007.29 MANUFACTURED IN AND/OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA VIA THE FEDERATION OF MALAYSIA: FINAL DETERMINATION**



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**AYABONGA CAWE**  
**CHIEF COMMISSIONER**

**PRETORIA**  
12 / 06 / 2025

## 1. APPLICATION AND PROCEDURE

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### 1.1 LEGAL FRAMEWORK

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

### 1.2 Regulation 60 of the ADR states as follows:

60.1 “Other than circumvention contemplated in subsections 2(a) (*which refers to improper declaration*) and (d) (*which refers to absorption of the anti-dumping duty*), circumvention shall be deemed to take place if one or more of the following conditions are met:

- (a) a change in the pattern of trade between third countries and South Africa or the common customs area of SACU;
  - (i) which results from a practice, process or work;
  - (ii) for which there is no or insufficient cause or economic justification other than the imposition of the anti-dumping duty;
- (b) remedial effects of the anti-dumping measure are being undermined in terms of volumes or prices of the products under investigation; and
- (c) dumping can be found in relation to normal values previously established for the like or similar products.

ADR 60.2 provides a list of types of circumvention that should be treated separately, and country hopping is one of the types of circumvention.

ADR 60.8 states that “*Country hopping shall be deemed to take place if imports, following the imposition of anti-dumping duties or provisional payment or the initiation of an anti-dumping investigation switch to a supplier related to the supplier against which an anti-dumping investigation has been or is being conducted and that is based in another country or customs territory*”.

### **1.3 APPLICANT**

The Application was lodged by PFG Building Glass (Pty) Ltd (“the Applicant”), being a major producer of the product under investigation in the Southern Africa Customs Union (“SACU”).

### **1.4 ALLEGATIONS BY THE APPLICANT**

On 12 April 2024, the Applicant submitted an application to the Commission to investigate the alleged circumvention through country hopping from the People’s Republic of China (“China”) to the Federation of Malaysia (“Malaysia”) of laminated safety glass. The Applicant alleged that subsequent to the imposition of the definitive anti-dumping duty on imports of laminated safety glass originating in or imported from China, Chinese exporters have shifted sourcing of the subject product from China to some of their related companies in Malaysia. Hence the allegation of country hopping.

### **1.5 COMPLIANCE WITH PROVISION 62.2 OF THE ADR**

Provision 62.2 of the Anti- Dumping Regulations states that *“provided an anti-circumvention complain is lodged with the Commission prior to or within one year of publication of the Commission’s final determination, the SACU industry shall not be required to update its injury information.”*

The Anti-Dumping duty on Laminated safety glass originating or imported from the People’s Republic of China was imposed on 14 April 2023. In accordance with ADR 62.2 the last date for submission for an anti-circumvention application in which injury information need not be updated was 13 April 2024.

The Applicant brought its application on 12 April 2024.

The Commission made a final determination that the Application was brought and complies with provision 62.2 of the Anti-Dumping Regulations.

### **1.6 ACCEPTANCE OF APPLICATION**

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

## 1.7 INVESTIGATION PROCESS

The Commission initiated the country hopping investigation, pursuant to Notice No. 2583 of 202024, which was published in *Government Gazette* No. 50840 on 21 June 2024.

On initiation of the investigation, all known interested parties were informed and requested to respond to the questionnaires and the non-confidential version of the application.

The Commission did not receive any responses from manufacturers, exporters and importers of the subject product. The Commission thus considered the best information available to it, being the information submitted by the Applicant.

Taking the information available into account, the Commission found that circumvention in a form of country hopping is taking place; dumping of the subject products originating in or imported from Malaysia is taking place and based on the information considered in the original investigation, that the SACU industry is experiencing material injury and a threat of material injury.

The Commission therefore considered making a final determination to recommend to the Minister of Trade, Industry and Competition (“the Minister”) that an anti-dumping duty of 443% be imposed on laminated safety glass originating in or imported from Malaysia.

Essential facts letters were sent to all known parties, informing them of “essential facts” which were being considered by the Commission, and inviting interested parties to comment. No comments on the Commission’s essential facts letter were received from manufactures, exporters and importers of the subject product. Comments to the essential facts letter were received from the Applicant and the Botswana Trade Commission. Both these parties cited their support for the decision the Commission was considering in its essential facts letter. These comments are contained in the Commission’s public file for this investigation and are available for perusal.

After considering all the information and comments on the “essential facts letter” the Commission made a final determination that circumvention in a form of country hopping is taking place; dumping of the subject product originating in or imported from Malaysia is taking place; and based on the information considered in the original investigation, that the SACU industry is experiencing material injury and a threat of material injury.

The Commission therefore decided to recommend to the Minister that an anti-dumping duty at a rate of 443% be imposed on laminated safety glass originating in or imported from Malaysia.

## **1.8 INVESTIGATION PERIOD**

This investigation period for dumping is from 1 December 2023 to 29 February 2024.

## **1.9 RELATEDNESS**

The Xinyi Glass Group, the Kibing Group and the JingJing Group are some of the world’s largest producers and sellers of the subject product. The Kibing group is one of the largest construction enterprises in China. The group’s production bases are located in many countries, including Malaysia. Xinyi Glass Holdings is headquartered in Hong Kong, China, and is one of the world's leading integrated glass manufacturers. It has a sales network covering over 140 countries and regions around the world, including Xinyi Energy Smart (M) Sdn Bhd in Malaysia. The Jingjing Group is also one of the key enterprises of building materials in China. It possesses 9 subsidiaries, including Jinjing Technology Malaysia Sdn Bhd in Malaysia. Its enterprise entity distribution centres are located in various part of the world, including Malaysia.

The research conducted by the Commission revealed that Chinese manufacturers that form part of the Xinyi group are related parties with Xinyi Energy Smart (M) Sdn Bhd in Malaysia, Chinese manufacturers that form part of the Kibbing group are related parties with CS Eco Glass (M) Sdn Bhd in Malaysia and Chinese manufacturers that form part of the Jingjing group are related parties with Jinjing Technology Malaysia Sdn Bhd in Malaysia.

## 2. PRODUCTS, TARIFF CLASSIFICATION AND DUTIES

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### 2.1 IMPORTED PRODUCTS

#### 2.1.1 Description

The subject product of this application is laminated safety glass ("subject product").

#### 2.1.2 Country of origin/export

The subject product originates in and is imported from Malaysia.

#### 2.1.3 Possible tariff loopholes

In the original investigation, the Applicant indicated it was not aware of any tariff loopholes.

#### 2.1.4 Tariff classification

The subject product is currently classifiable as follows:

Table 2.1.4

Tariff heading	Tariff subheading	Description	Statistical unit	Rate of duty					
				General	EU <sup>1</sup>	EFTA <sup>2</sup>	SADC <sup>3</sup>	MERCUSOR <sup>4</sup>	AfCFTA <sup>5</sup>
7007.2		Laminated safety glass							
	7007.29	other	m <sup>2</sup>	15%	Free	free	Free	15%	9%

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European Union

European Free Trade Association

Southern Africa Development Community

Southern Common Market (Argentina, Brazil, Paraguay and Uruguay)

African Continental Free Trade Area

## Duties in place

The following anti-dumping duty is currently applicable:

Tariff heading	Description	Imported from or originating in	Rate of anti-dumping duty
7007.29	Laminated safety glass	China	232.78%

### 2.2 SACU PRODUCT

The SACU product is described laminated safety glass classifiable under tariff subheading 7007.29.

### 2.3 LIKE PRODUCT ANALYSIS

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

**Table 2.3 like product determination**

	Imported product	SACU product
Raw materials	Laminated safety glass.	Laminated safety glass.
Production process	Laminated safety glass is produced by combining two or more glass sheets bonded with one or more layers of lamination film interlayers and subject to heat pressure in order to ensure perfect adhesion between the constituent elements.	Laminated safety glass is produced by combining two or more glass sheets bonded with one or more layers of lamination film interlayers and subject to heat pressure in order to ensure perfect adhesion between the constituent elements.
Physical appearance	Clear glass of various thicknesses is produced by the float process. The technical characteristics and appearance of the subject product are clear float glass of the same or different lengths and thickness laminated together.	Clear glass of various thicknesses is produced by the float process. The technical characteristics and appearance of the subject product are clear float glass of the same or different lengths and thickness laminated together.
Tariff classification	7007.29	7007.29
Application or end use	The subject product is applied in residential and commercial building applications as well as the automotive industry. It is used by fabricators/manufacturers, distributors, and replacement glazers.	The subject product is applied in residential and commercial building applications as well as the automotive industry. It is used by fabricators/manufacturers, distributors, and replacement glazers.
Substitutability	The SACU-like product and the imported like product are identical and completely substitutable.	The SACU like product and the imported like product are identical and completely substitutable.

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

### **3. SACU INDUSTRY**

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#### **3.1 INDUSTRY STANDING**

The application was submitted by PFG Building Glass (Pty) Ltd (the Applicant), a major producer of the subject product in the SACU market. The Applicant represents between 50 and 60 percent of the SACU industry by production.

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

## 4. CIRCUMVENTION

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### 4.1 COUNTRY HOPPING

ADR 60.2(e) identifies country hopping as one of seven types of circumvention and ADR 60.8 defines country hopping as taking place “if imports, following the imposition of anti-dumping duties or provisional payments or the initiation of an anti-dumping investigation switch to a supplier related to the supplier against which an anti-dumping investigation has been or is being conducted and that is based in another country or customs territory.”

#### **Analysis of imports pre and post the imposition of the final duty in April 2023**

The following tables show the import statistics of the subject product from Malaysia and China for the period pre and post the imposition of the definitive anti-dumping duty in April 2023:

Imports 7007.29

m <sup>2</sup>	Mar23	April23	May23	June23	July23	Aug23	Sep23	Oct23	Nov23	Dec23	Jan24	Feb24
Malaysia	0	0	0	0	0	0	0	0	0	27 019	7027	7027
China	98265	13954	3616	67	16	73	4622	53	7306	2783	62	18
Other countries	1727	241	2648	631	30151	5535	3050	3350	107305	9876	5212	5423
<b>Total</b>	<b>99 992</b>	<b>14 195</b>	<b>6 264</b>	<b>698</b>	<b>30 167</b>	<b>5 608</b>	<b>7 672</b>	<b>3 403</b>	<b>114 611</b>	<b>39 678</b>	<b>12 301</b>	<b>12 468</b>

#### ***The Commission's consideration***

*The Commission noted that with regards to a change in trade pattern, the above table shows that imports from China were likely to have been replaced by imports from Malaysia after the imposition of the final duty on laminated safety glass classifiable under tariff subheading 7007.29 after April 2023. Prior to the imposition of this duty up until November 2023 there were no imports from Malaysia, and Chinese imports accounted for almost 100% of imports. This is indicative of a case of country hopping.*

*The Commission further considered that although there was no participation by exporters, importers and producers of the subject product, import data suggests that Chinese manufacturers could be exporting the subject product through their related companies in Malaysia as a result of the imposition of the above-mentioned definitive duty against China.*

*The Commission considered the table below containing imports for the four-month period beyond the POI. It is possible that the circumvention alleged by the Applicant continued for the 4-month period beyond the POI.*

<b>Volume</b>	<b>March 2024</b>	<b>April 2024</b>	<b>May 2024</b>	<b>June 2024</b>
Malaysia	10 540,8	24 595,2	24 595,2	15 811,2
Pakistan	1 639,68	16 555,38	0	6 554,4
Other Countries (Including China)	65,28	1 086,83	13 188,03	558,4
<b>Total</b>	<b>12 245,76</b>	<b>42 237,41</b>	<b>37 783,23</b>	<b>22 924,13</b>
% Malaysia	86,08	58,23	65,09	68,97
% Pakistan	13,39	39,20	0	28,59
% other countries	0,53	2,57	34,90	2,44
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The Commission made a final determination that the circumvention in the form of country hopping is taking place.

## 5. DUMPING

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### 5.1 METHODOLOGY IN THIS INVESTIGATION FOR MALAYSIA

ADR 62.3 states that: *“Provided an anti-circumvention complaint is lodged with the Commission prior to or within one year of the year of the publication of the Commission final finding, and in relation to any circumvention alleged in section 60.2(b), (c), (d) (e) or (g), the Commission may use the normal values previously established to determine the margin of dumping until such time as the exporter or foreign producer has submitted proper information. Provisional payments may be imposed on the basis of the margin of dumping so determined.”*

*Furthermore, ADR 62.4 states that: “In the event that the relevant interested parties have not submitted appropriate information before the deadline contemplated in section 42, the Commission may make a preliminary or final determination on the basis of the facts available.”*

Based on the above, the Commission made a final determination to use the normal values previously established in the original investigation, as the Application was submitted within one year of the year of the publication of the Commission’s final finding.

#### 5.1.1 Normal value

As no responses were received from known exporters and producers of the subject product, the Commission made a final determination to use the best normal value available to it. That being the normal value established in the original investigation for purposes of its final determination.

#### Export price

The Commission made a final determination to use the best export price available to it, that being the average Free on Board (“FOB”) import price for

laminated safety glass as obtained from SARS import statistics for the dumping period 1 December 2023 to 29 February 2024.

**Margin of dumping**

The dumping margin for the subject product originating in or imported from Malaysia, based on the best available information, was determined to be 443%.

**SUMMARY - DUMPING**

The Commission made a final determination that the dumping of the subject product originating in or imported from Malaysia is taking place.

## 6. MATERIAL INJURY

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In the original investigation it was determined that the SACU industry experienced material injury and a threat of material injury.

The Commission's ADR 62.2 states as follows: "*provided an anti-circumvention complaint lodged with the Commission prior or within one year of the publication of the Commission's final determination, the SACU industry shall not be required to update its injury information*".

Based on the above, the Commission decided that, based on the information considered in the original investigation that the SACU industry is experiencing material injury and a threat of material injury with regard to the subject products.

## **7. SUMMARY OF FINDINGS**

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### **7.1 CIRCUMVENTION – COUNTRY HOPPING**

The Commission made a final determination that the circumvention in the form of country hopping is taking place.

### **7.2 DUMPING**

The Commission made a final determination that, the dumping of the subject product originating in or imported from Malaysia is taking place. The dumping margin calculated for laminated safety glass is **443%**.

### **7.3 MATERIAL INJURY**

The Commission made a final determination that, based on the information considered in the original investigation, the SACU industry is experiencing material injury and a threat of material injury with regard to the subject product.

## 8. FINAL DETERMINATION

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

- Circumvention in the form of country hopping is taking place;
- Dumping of the subject products originating in or imported from Malaysia is taking place; and
- Based on the information in the original investigation, the SACU industry is experiencing material injury and a threat of material injury with regard to the subject products.

The Commission decided to recommend to the Minister that the following anti-dumping duty be imposed on laminated safety glass classifiable under tariff subheading 7007.29 originating in or imported from Malaysia:

Tariff heading	Tariff subheading	Description	Statistical unit	Final Duty
<b>70.07</b>		<b>Safety glass, consisting of toughened (tempered) or laminated glass:</b>		
7007.2	7007.29	Laminated safety glass	m <sup>2</sup>	443%

The Commission also recommended that the anti-dumping duty on laminated safety glass be listed in the “rebate item” column in Schedule 2 to the Customs and Excise Act and therefore may not be imported under rebate of customs duty without payment of the anti-dumping duty without a recommendation from the Commission.