

Non-Confidential

The Anti-Dumping Commission
55 Collins Street
Melbourne VIC 3000

14 May 2018

clientsupport@adcommission.gov.au

Dear Sir/Madam

Application for Ministerial Exemption under section 8(7) of the *Customs Tariff (Anti-Dumping) Act 1975*

Applicant: Nitro Sibir Australia

Exempted Product: High Density Ammonium Nitrate exported from the Russian Federation for use by the Australian Mining Industry

1. We act for Nitro Sibir Australia (**NSA**), an Australian manufacturer and supplier of explosives products and services to the Australian mining industry. Please find a letter of appointment **attached** to this application.
2. The applicant's street and postal address is as follows:

Nitro Sibir Australia
Unit 218, 396 Scarborough Beach Road
Osborne Park, Western Australia, 6017
3. The details of the applicant's contact person are as follows:

Karl Bohmke, Commercial Manager
Telephone: +61 488 600 551 or +61 8 9022 3821
Email: karlb@nitrosibir.com.au

NSA's interest as an affected party

4. NSA supplies explosives products to the Australian mining industry, including High Density Ammonium Nitrate (**HDAN**). HDAN is used in the manufacture of Bulk Ammonium Nitrate Emulsion, which is used in the mining industry. There is no local producer of HDAN, which means that NSA must source HDAN from outside of Australia. HDAN imported to Australia from the Russian Federation is currently the subject of dumping duties, with the effect that the landed cost of this product exceeds the normal imported cost.

Other parties likely to have an interest in this exemption application

5. To the best of NSA's knowledge, the following Australian explosives manufacturers may have an interest in this exemption application:
 - (a) AECI Australia Pty Ltd t/as AEL Mining Services Brisbane, Australia

Address: 320 Adelaide Street, Brisbane QLD 4000

Telephone: +61 7 322 101 68

Fax: +61 7 322 004 91

(b) DBS Downer Blasting Services

Address: Level 8, SW1, 104 Melbourne Street, South Brisbane QLD 4101

Postal address: PO Box 8123, Woolloongabba QLD 4102

Telephone: +61 7 3026 6666 or +61 7 3026 6013 or + 61 7 3026 6666

Email: dbs@downergroup.com

(c) Summit Fertilizer

Address: 29 Ocean Street, Kwinana Beach WA 6167

Telephone: (08) 9439 8999 or 1800 198 224 (Sales)

Fax: (08) 9439 8990

Email: sales@summitfertz.com.au

Ground on which the exemption is being sought

6. This exemption is being sought under subsection 8(7)(a) of the *Customs Tariff (Anti-Dumping) Act 1975* (Cth) - that is, on the basis that like or directly competitive goods are not offered for sale in Australia to all purchasers on equal terms under like conditions having regard to the custom and usage of trade.

Australian producers

7. NSA is not aware of any Australian producers of HDAN. That the Australian industry does not sell HDAN on the domestic market was confirmed in Anti-Dumping Commission Report No. 312 (REP 312).

Current anti-dumping measures

8. HDAN is currently subject to interim dumping duties pursuant to Anti-Dumping Notice No. 2016/34 (Certain ammonium nitrate, Exported from the Russian Federation, either directly or via Estonia) dated 4 May 2016. This Anti-Dumping Notice was issued following the Continuation Inquiry into Anti-Dumping Measures (see REP 312 dated 4 April 2016).
9. The goods the subject of Notice 2016/34 and REP 312 are:
- "ammonium nitrate, prilled, granular or in other solid form, with or without additives or coatings, in packages exceeding 10 kg."*
10. Ammonium nitrate, whether or not in aqueous solution, is classified within sub-heading 3102.30.00, statistical code 05.
11. The country specified is The Russian Federation, either directly or via Estonia.

Reasons for seeking an exemption

12. The goods in respect of which the exemption is sought are:
"High Density Ammonium Nitrate (HDAN), in prilled or granular form, with or without additives, in packages exceeding 10 kg."
13. HDAN is also referred to as Prilled Ammonium Nitrate (**PAN**).
14. This exemption is sought on the basis that like or directly competitive goods are not offered for sale in Australia.
15. Ammonium nitrate is a product group consisting of a number of subsets. It consists of:
 - (a) low density and high density ammonium nitrate (**LDAN** and **HDAN**, respectively) and ammonium nitrate solution (**ANsol**);
 - (b) prilled, granular or in other solid form; and
 - (c) with or without additives or coatings.
16. Certain densities, state or forms of ammonium nitrate are technically more suited to different purposes, including to the manufacture of different explosives. HDAN is used for the purpose of manufacturing emulsion explosives. NSA uses HDAN for this purpose at its BlackBear plant in Kalgoorlie.
17. There is no local producer of HDAN: see REP 312 at p 12. Local ammonium nitrate producers (such as Orica Australia Pty Ltd and CSBP Limited) produce only LDAN and ANsol.
18. LDAN and ANsol are **not suitable** for use by NSA in the manufacture of emulsion explosives: LDAN because of its coating additives; and ANsol because of logistical constraints (in particular, the need to transport and store it at high temperatures).
19. Accordingly, NSA must source HDAN from outside of Australia. This includes importing HDAN from Russian producers. The dumping duties imposed on ammonium nitrate imported to Australia from the Russian Federation (which do not relevantly distinguish between LDAN and HDAN) mean that NSA is subject to a landed cost which exceeds the normal import cost.
20. As set out at above, NSA is not aware of any Australian producer of HDAN, and submits that there is no directly substitutable product available on the domestic market for the purposes of its manufacture of emulsion explosives. Accordingly, NSA is unable to attempt to purchase a suitable product from Australian producers.

NSA is happy to provide further information to the Commission, or to facilitate a site visit.

We reserve the right to supplement this exemption application.

Anti-Dumping Commission

14 May 2018

Yours sincerely

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