

## PUBLIC FILE

**Exporter Verification Visit – Yara AB****I. Introduction**

Yara AB (“Yara”) markets itself as the fertiliser industry’s only global player with production facilities in Europe, North & South America, South Africa and Australia and a leading manufacturer of mineral fertilisers.. The company operates production plants including for ammonia, urea and ammonium nitrate (AN).

**II. Exporter Questionnaire Response**

In its EQR Yara states that it is the world’s “*largest independent manufacturer and supplier of technical nitrates* (“TN”). Yara further states that it supplies the civil explosives industry, including what it refers to as TN.

**(a) *Domestic Sales***

Yara confirms that it produces and sells solid porous prilled ammonium nitrate (ANPP) on the domestic market in Sweden. It also sells ammonium nitrate solution (ANS) domestically in Sweden, which is the preferred form domestically. Yara confirms it sells the ANPP to “blasting service providers and end-users” and does not sell through any distributors or agents in Sweden.

At D-5 of Yara’s EQR, reference is made to approval afforded to Yara for an “inward processing” license which it claims “*exempts it from paying import duty on imports of ammonia that is processed into ammonium nitrate in Sweden and then exported out of Sweden*”. It is further stated that “this duty, which is borne on domestic sales but not on Australian sales”. The Commission must be satisfied that the exemption operates as per the license agreement. How does Yara track that imported duty-free ammonia is used solely for export production (specifically for the exported goods).

**(b) *Export sales***

Yara exports low density porous ammonium nitrate to Australia. Yara confirms that the goods exported to Australia are the same as the ANPP that it sells domestically.

**(c) *Fair comparison***

Yara has identified inland transportation costs in Sweden from its plant at Koping to its loading port (including handling at port) that are included in the FOB price.

For packaged goods, there is the cost associated with bagging ANPP.

No commissions, paid on either domestic or export sales; no warranties, guarantees and other after sales services in either domestic or export market apply.

**III. Production costs**

Orica has prepared an estimate of Yara’s production costs for its Koping site in Sweden (refer Confidential Attachment 1).

Orica draws to the attention of the Commission the announcement of December 2014 by Yara to expand TAN capacity at Koping (a US\$ 220 Million investment). The expanded plant would be capable of producing 450 kt of TAN, and also involved the construction of a new nitric acid plant.