



**INVESTIGATION 473**

**ALLEGED DUMPING OF AMMONIUM NITRATE  
EXPORTED TO AUSTRALIA FROM  
THE PEOPLE'S REPUBLIC OF CHINA, SWEDEN  
AND THE KINGDOM OF THAILAND**

**VISIT REPORT - EXPORTER**

**YARA AB**

**THIS REPORT AND THE VIEWS OR RECOMMENDATIONS CONTAINED THEREIN  
WILL BE REVIEWED BY THE CASE MANAGEMENT TEAM AND MAY NOT REFLECT  
THE FINAL POSITION OF THE ANTI-DUMPING COMMISSION**

**September 2018**

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## **1 BACKGROUND**

On 25 June 2018, the Commissioner of the Anti-Dumping Commission gave public notice in Anti-Dumping Notice (ADN) No. 2018/103 of his decision to initiate an investigation into the alleged dumping of ammonium nitrate (the goods, or AN) exported to Australia from the People's Republic of China, Sweden and the Kingdom of Thailand. The background relating to the initiation of this investigation is contained in Consideration Report No. 473.<sup>1</sup>

The application for anti-dumping measures, and a search of the Australian Border Force (ABF) import database, indicated that Yara AB (Yara) exported the goods to Australia from Sweden during the period 1 April 2017 to 31 March 2018 (the investigation period).

Following initiation of the investigation, the Anti-Dumping Commission (the Commission) notified Yara of the investigation and sought its cooperation through the completion of an exporter questionnaire.

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<sup>1</sup> Document number 2 on the [public record](#).

## 2 THE GOODS AND LIKE GOODS

### 2.1 The goods exported to Australia

Yara exported porous prilled ammonium nitrate (PPAN) with bulk densities of 70 kg/m<sup>3</sup> and 80 kg/m<sup>3</sup> to Australia during the investigation period. The goods are also described in the industry as low density ammonium nitrate. Its purpose is to absorb fuel oil and other liquids for explosives applications. The goods were exported in bulk bags with a range of different maximum weights. The goods exported to Australia were defined as ‘tropical’ grade. All exports of AN to Australia are considered to meet the goods description outlined in ADN 2018/103.<sup>2</sup>

### 2.2 Like goods sold on the domestic market

Yara sold PPAN with a bulk density of 80 kg/m<sup>3</sup> to domestic customers in Sweden during the investigation period. Similar to the goods exported to Australia, these products are also described in the industry as low density ammonium nitrate. PPAN were sold domestically in bulk bags with a range of different maximum weights.

Unlike the goods exported to Australia, domestically sold PPAN was not tropical grade.

Due to the difference in grades, Yara claims that it would not be appropriate to compare the price of the non-tropical grade sold domestically with the exported tropical grade under subsection 269TAC(1) of the *Customs Act 1901*, as there was no price basis to adjust the price for the differences between the domestic and export model under Section 269TAC(8).<sup>3</sup> Rather, Yara stated that the verification team should construct normal values under TAC(2)(c) for the tropical grade PPAN as this would be a more accurate method of comparison.

In analysing Yara’s claim, the verification team first considered whether non-tropical grade PPAN are like goods to the tropical grade PPAN exported to Australia. Then, in section 2.3, the verification team assessed whether a specification adjustment would be required in establishing a normal value under subsection 269TAC(1).

#### Like goods assessment

Subsection 269T defines like goods as goods that are identical in all respects to the goods under consideration, or, although not alike in all respects to the goods under consideration have characteristics closely resembling those goods under consideration.

The verification team considers that non-tropical grade PPAN sold domestically, although not identical, has characteristics closely resembling tropical grade PPAN exported to Australia.

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<sup>2</sup> Document number 3 on the [public record](#).

<sup>3</sup> References to any section or subsection in this report relate to provisions of the *Customs Act 1901*, unless specifically stated otherwise.

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In assessing whether non-tropical PPAN has characteristics closely resembling tropical PPAN exported to Australia, the verification team had regard to the following factors:<sup>4</sup>

- Physical likeness;
- Commercial likeness;
- Functional likeness; and
- Production likeness.

### *Physical likeness*

Yara provided specification sheets for the tropical grade PPAN exported to Australia and for the non-tropical grade sold domestically. The specification sheets detail a range of characteristics, including appearance, colour, ammonium nitrate (NH<sub>4</sub>NO<sub>3</sub>) concentration<sup>5</sup>, nitrogen, acidity/alkalinity (pH), free moisture, organic content, oil absorption and particular size distribution.

The verification team found that tropical and non-tropical PPAN share near identical physical characteristics. Given this finding, the verification team considers that non-tropical PPAN has physical characteristics that closely resemble tropical grade PPAN.

### *Commercial likeness*

The verification team considers that tropical and non-tropical grade PPAN compete in the same market sector and are substitutable products, particularly given their functional likeness (refer below).

Yara sold PPAN to Australia and on the domestic market. However, there were no instances where the non-tropical grade which was exported to Australia, and no instances where the tropical grade was sold domestically, so the verification team could not compare prices of tropical and non-tropical grade PPAN in either of the markets relevant to this investigation. The verification team had regard to third country export prices by Yara sourced from a detailed listing provided by Yara. In doing so, the verification team ensured to control for the variables of country, customer, quantities, timing and delivery terms. The verification team notes that the levels of trade for customers in third countries included both traders and blasting service providers.

With respect to the relevant third country customers to which Yara sold both tropical and non-tropical grade PPAN, the verification team found that there was no significant or consistent difference in price between those grades.

Given the above considerations, the verification team considers that tropical and non-tropical grade PPAN are commercially alike.

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<sup>4</sup> These factors are outlined in Chapter 2 of the *Dumping and Subsidy Manual*.

<sup>5</sup> Note that the chemical composition of PPAN is ammonium nitrate plus a small amount of other chemicals.

*Functional likeness*

Yara advised that both grades of PPAN are used for the same purposes, that is, either used to create bulk explosives or mixed with other chemicals to form emulsion, for the purposes of industrial explosives, primarily at mine sites.

As such, the verification team considers that tropical and non-tropical grade PPAN are functionally alike.

*Production likeness*

Yara described the production process for tropical and non-tropical grades of PPAN as similar. The cost of producing tropical and non-tropical grades has been verified by the verification team.

As such, the verification team considers that the production processes of the tropical and non-tropical grades of PPAN are similar.

*Like goods finding*

Given the above considerations on physical, commercial, functional and production likeness, the verification team finds that non-tropical grade PPAN sold on the domestic market are like goods to the tropical grade PPAN exported to Australia.

## **2.3 Model matching**

Yara exported tropical grade PPAN with multiple bulk densities to Australia during the investigation. On the domestic market, Yara sold non-tropical grade PPAN with one bulk density during the investigation period.

Based on the verification team's analysis in section 2.2 above, the verification team considers that the characteristic of tropical and non-tropical grade should not be a model matching characteristic. As such, the verification team considers that Yara sold one model of like goods on the domestic market, being PPAN, that can be compared to PPAN exported to Australia.

The verification team has therefore model matched domestically sold PPAN to exported PPAN for the purpose of comparing normal values to export prices under subsection 269TAC(1).

## **2.4 Like goods – preliminary assessment**

The verification team considers that PPAN produced by Yara for domestic sales have characteristics closely resembling those of the goods exported to Australia and are therefore like goods in accordance with subsection 269T(1).

### 3 VERIFICATION OF EXPORT SALES TO AUSTRALIA

#### 3.1 Verification of Australian sales to audited financial statements

The verification team verified the completeness and relevance of Yara's Australian sales listing by reconciling it to audited financial statements in accordance with ADN. No 2016/30.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

#### 3.2 Verification of Australian sales to source documents

The verification team verified the accuracy of Yara's Australian sales listing by reconciling it to source documents in accordance with ADN No. 2016/30.

The verification team identified two issues and is satisfied that once amended the Australian sales listing was accurate. These issues are discussed below.

Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

##### 3.2.1 Packaging costs

Yara advised that packaging costs in the Australian sales listing were based on high-level estimates from the commercial division. Yara exported the goods to Australia in bulk bags with a range of different maximum weights.

The verification team queried whether per mt unit costs differ between the bulk bag sizes. Yara advised that there is no difference in unit cost. During the visit, Yara provided revised packaging costs that were verified to Yara's accounting system, and the verification team found that Yara's advice was accurate.

##### 3.2.2 Inland transport

In the original Australian sales listing, the verification team was unable to reconcile the inland transport costs to freight invoices provided. Yara advised that these costs had been populated based on standard costing from its accounting system, and therefore the costs would not necessarily match the actual amounts on the freight invoices.

Yara provided revised inland transport costs that were based on actual amounts incurred from the freight invoices. The verification team was able to reconcile the revised costs to the freight invoices, and did not identify any issues.

### **3.3 The exporter**

For all Australian sales during the investigation period, the verification team considers Yara to be the exporter of the goods.<sup>6</sup> Yara manufactured the goods in response to orders received by an unrelated Australian customer. In accordance with Yara's existing sales agreement, Yara negotiated pricing and technical aspects directly with the Australian customer.

Yara provided to the verification team its supply agreement which covered all exports of the goods to Australia during the investigation period. Yara expressed the view that the sales were made due to unforeseen circumstances in Australia that necessitated the supply from Sweden.

### **3.4 The importer**

In relation to the goods exported to Australia by Yara from Sweden, the verification team considers that the Australian customer that purchased the goods directly from Yara was the beneficial owner of the goods at the time of importation, and therefore was the importer of the goods.

### **3.5 Related party customers**

Based on Yara's response to the exporter questionnaire, verified sales data and audited financial statements, the verification team did not identify any information that might suggest that the Australian customer was related to Yara.

### **3.6 Arms length**

In respect of PPAN manufactured by Yara and sold to the Australian customer during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.<sup>7</sup>

The verification team therefore considers that sales between Yara and its importer of PPAN during the investigation period were arms length transactions.

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<sup>6</sup> The Commission generally identifies the exporter as a principal in the transaction, located in the country of export from where the goods were shipped, that gave up responsibility by knowingly placing the goods in the hands of a carrier, courier, forwarding company, or its own vehicle for delivery to Australia; or a principal in the transaction, located in the country of export, that owns, or previously owned, the goods but need not be the owner at the time the goods were shipped.

<sup>7</sup> Section 269TAA refers.



### **3.7 Export price – preliminary assessment**

The verification team is satisfied that the Australian sales listing is complete, relevant and accurate. In relation to Australian sales, the verification team considers that:

- the goods have been exported to Australia otherwise than by the importer, and have been purchased by the importer from the exporter; and
- the purchase of the goods by the importers were arms length transactions.

The verification team recommends, therefore, that the Minister determine export prices under subsection 269TAB(1)(a), being the price paid or payable for the goods by the importer, less (as appropriate) transport and other costs arising after exportation.

The verification team's export price calculations are at **Confidential Appendix 1**.

## 4 COST TO MAKE AND SELL

### 4.1 Verification of costs to audited financial statements

At the visit, Yara provided a revised version of the cost to make and sell (CTMS) spreadsheet, which it explained reflects actual costs of production sourced from the production division.

Yara advised that owing to the absence of key personnel of the production team at the time of compiling the exporter questionnaire response, the initial CTMS required further refinement following its lodgement.

The verification team verified the completeness and relevance of Yara's revised CTMS spreadsheet by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

The verification team identified issues pertaining to Yara's disaggregation of depreciation expenses, calculation of selling, general and administration (SG&A) expenses and the calculation of Australian CTMS, including the determination of the ammonia import recovery which is detailed in the subsequent section of this visit report.

The verification team did not identify any other issues in respect of Yara's revised CTMS data. Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

#### 4.1.1 Depreciation

In its revised CTMS spreadsheet, Yara had separately itemised depreciation expenses. However, upon further examination of source documents, the verification team found that depreciation was assimilated in other cost items. The verification team subtracted the separately itemised depreciation expense from Yara's calculation of CTMS such that these costs were not duplicated.

#### 4.1.2 Selling, general and administrative expenses

Yara had apportioned relevant SG&A expenses to domestic and Australian CTM by applying a single unit value for the investigation period across both markets, calculated with reference to the total volume of products sold by the business unit which manufactures the goods under consideration.

The verification team is satisfied that Yara has included all relevant costs in its calculation and that there is no distinction between the types of SG&A expenses incurred for Australian and domestic sales. However, the verification team recognises that SG&A expenses are typically allocated based on the value of sales, and as such have substituted the amounts determined by Yara adopting the following methodology:

- calculation of the proportion of the total sales value for all products sold by the business unit that manufactures the GUC that is attributable to domestic and Australian markets;
- application of the proportion determined above to allocate SG&A expenses to domestic and Australia sales;

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- determining a unit SG&A for domestic and Australian sales for the business unit that manufactures the GUC with reference to the total volume of products sold in the domestic and Australian market; and
- application of the unit SG&A to domestic and Australian sales quantities of the GUC.

### **4.1.3 Ammonia import recovery fee in Australian CTMS**

Yara purchased ammonia from a number of countries in the investigation period. Yara is liable for customs duty on ammonia that it purchases from certain countries of origin, while ammonia sourced from other countries does not attract this customs duty.

The verification team considers it appropriate to apply the proportion of ammonia imported from the countries that attract duty to the 'Ammonia import recovery fee' in respect of the Australian CTMS. The verification team considers that this revision yields a fair approximation of the amount of duty which is not payable by Yara on ammonia imported for PPAN exported to Australia.

Please refer to section 6.6 of this visit report for further details in respect of the duty drawback.

### **4.1.4 Calculation error in Australian CTMS**

The verification team observed that Yara had not incorporated the ammonia import recovery fee and the production costs for tropical grade PPAN in its calculation of Australian CTMS.

The verification team amended Yara's revised CTMS spreadsheet such that the Australian CTMS took into account the ammonia import recovery fee and the production costs for tropical grade PPAN.

## **4.2 Verification of costs to source documents**

The verification team verified the accuracy of Yara's revised CTMS spreadsheet by reconciling it to source documents in accordance with ADN No. 2016/30.

The verification team did not identify any issues during this process. Details of the verification process are contained in the verification work program, and relevant attachments, at **Confidential Attachment 1**.

## **4.3 Related party purchases**

Yara was related to a supplier of raw materials, which Yara consumed to produce PPAN during the investigation period. The verification team assessed whether these purchases by Yara from its related supplier were arms length transactions.

In verifying purchases from this related supplier to source documents, the verification team received pricing documents that showed how prices were formulated between Yara and the related entity. Yara was also able to provide information that demonstrated the related entity's profit margin achieved on its sales to Yara.

Based on the information provided, the verification team is satisfied that Yara's purchases from the related supplier were arms length transactions and reasonably reflect

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competitive market costs under subsection 43(2)(b)(ii) of the *Customs (International Obligations) Regulation 2015*.

The verification team did not identify any other related suppliers of inputs for the production of PPAN.

### **4.4 Cost to make and sell – summary**

Having verified Yara's revised CTMS spreadsheet to audited financial statements and to source documents, the verification team is satisfied that the CTMS spreadsheet is complete, relevant and accurate.

The revised CTMS spreadsheet is at **Confidential Appendix 2**.

## 5 VERIFICATION OF DOMESTIC SALES

### 5.1 Verification of domestic sales to audited financial statements

The verification team verified the completeness and relevance of Yara's domestic sales listing by reconciling it to audited financial statements in accordance with ADN No. 2016/30.

The verification team did not identify any issues during this process. Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

### 5.2 Verification of domestic sales to source documents

The verification team verified the accuracy of Yara's domestic sales listing by reconciling it to source documents in accordance with ADN No. 2016/30.

The verification team identified three issues, which are discussed below. The verification team is satisfied that once it made the necessary amendments, the domestic sales listing is accurate.

Details of this verification process are contained in the verification work program, and its relevant attachments, at **Confidential Attachment 1**.

#### 5.2.1 Sample sales

In discussing Yara's domestic sales during the investigation period, Yara advised that one of its customers purchased very small quantities of PPAN as samples for explosives testing, and that these sales were not made via a sales agreement. The verification team identified that the quantity of these sales were insignificant in the domestic sales listing. The verification team also observed that the price difference relative to other comparable sales was significant, which is likely explained by the nature of the sale.

Given that these transactions were sample sales, the verification team considers it appropriate to remove them from the domestic sales listing on the basis that they were not in the ordinary course of trade for Yara's business.

#### 5.2.2 Credit note

The verification team verified a transaction in the domestic sales listing that related to a credit note provided by Yara to one of its customers. However, the verification team identified that for the transaction, the credit value was not reflected as the net invoice value and a quantity amount was incorrectly stated. As such, the verification team amended the domestic sales listing to reflect the credit note value and to remove the quantity amount as no return of the product was made.

The verification team made the same amendments discussed above in relation to all other instances of credit notes and rebates, which were uncommon.

### **5.2.3 Packaging costs**

Yara advised that packaging costs in the domestic sales listing were based on high level estimates from the commercial division. These products were sold domestically in bulk bags with a range of different maximum weights.

The verification team queried whether per mt unit costs differ between the bulk bag sizes. Yara advised that there is no difference in unit cost. During the visit, Yara provided revised packaging costs that were verified to Yara's accounting system, and the verification team found that Yara's advice was accurate.

### **5.3 Related party customers**

Based on Yara's response to the exporter questionnaire, sales data and audited financial statements, the verification team did not identify any information that might suggest any domestic customers of PPAN were related to Yara.

### **5.4 Arms length**

In respect of domestic sales of PPAN made by Yara to its unrelated customers during the investigation period, the verification team found no evidence that:

- there was any consideration payable for, or in respect of, the goods other than its price; or
- the price was influenced by a commercial or other relationship between the buyer, or an associate of the buyer, and the seller, or an associate of the seller; or
- the buyer, or an associate of the buyer, was directly or indirectly reimbursed, compensated or otherwise received a benefit for, or in respect of, the whole or any part of the price.<sup>8</sup>

The verification team therefore considers that all domestic sales made by Yara during the investigation period were arms length transactions.

### **5.5 Ordinary course of trade**

Section 269TAA provides that if like goods are sold in the country of export at a price less than the cost of such goods, and are unrecoverable within a reasonable period, then they are taken not to have been sold in the ordinary course of trade (OCOT).

The verification team compared the revenue (i.e. net sales value) for each domestic sale of PPAN to the corresponding monthly domestic CTMS to test whether those sales were profitable.

Where the volume of unprofitable sales exceeded 20 per cent for the single model (i.e. PPAN), the verification team tested the recoverability of the unprofitable sales by comparing the revenue for each transaction to the corresponding weighted average CTMS over the investigation period. Any sale found to be unrecoverable would be considered not to be in the OCOT.

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<sup>8</sup> Section 269TAA of the Act refers.

## **5.6 Suitability of domestic sales**

Subsection 269TAC(2)(a)(i) provides that the normal value of goods exported to Australia cannot be ascertained under subsection 269TAC(1) where there is an absence, or low volume, of sales of like goods in the market of the country of export.

The Commission considers that low volume is less than 5 per cent of the total volume of the goods under consideration that were exported to Australia. The verification team found there was a sufficient volume of domestic sales of like goods made in the OCOT relative to the volume of Australian exports during the investigation period.

## **5.7 Domestic sales – summary**

The verification team is satisfied that the domestic sales listing is complete, relevant and accurate, and can be used for assessing normal value under subsection 269TAC(1).

The domestic sales listing is at **Confidential Appendix 3**.

## 6 ADJUSTMENTS

To ensure the normal value is comparable to the export price of goods exported to Australia at FOB terms, the verification team has considered the following adjustments in accordance with subsection 269TAC(8). The verification team notes that deductions to the export price at CFR terms was required to produce an FOB export price.

### 6.1 Level of trade

Yara claimed that a level of trade adjustment was required to ensure that the price of domestic sales could be fairly compared to exports to Australia. On the domestic market, Yara advised that it sold to both blasting service providers and an end user, while exports to Australia were made solely to blasting service providers.

Yara claimed that on the domestic market, prices to the end user were significantly and consistently higher than prices to blasting service providers. The verified domestic sales prices support this claim.

Yara advised that the customer operated as an in-house blasting service provider for a related party client owning a mine site in Sweden. The customer purchased PPAN from Yara, and consumed this raw material in the production and application of explosives at the mine site.

Based on the verification team's understanding of the end user's activities, and the significant and consistent price differences between the end user and the blasting service provider customers, the verification team considers an adjustment for level of trade is warranted.

### 6.2 Packaging

The verification team found that the bulk bag sizes between domestic and Australian sales are highly similar.

As discussed under sections 3.2.1 and 5.2.3, the verification team found that there is a uniform unit cost (per mt) for the different bulk bag sizes.

As such, the verification team considers that an adjustment for Australian and domestic packaging is not required.

### 6.3 Inland transport

Yara incurred inland transport costs for both its Australian and domestic sales of PPAN.

Yara provided freight invoices and extracts from its accounting system to support inland transport costs associated with Australian and domestic sales.

The verification team has made a downwards adjustment to the normal value for domestic inland transport costs, and an upwards adjustment to the normal value for Australian export inland transport costs.



## **6.4 Export handling and port charges**

Yara provided invoices and extracts from its accounting system to support handling and port charges associated with Australian sales.

The verification team has made an upwards adjustment to the normal value for Australian export handling and port charges.

## **6.5 Credit terms**

The verification team verified the credit terms in the Australian and domestic sales listing to proof of payment documentation provided by Yara.

While the verification team observed minor differences in credit terms between Yara's Australian and domestic sales, Yara advised that interest rates in Sweden were negative and therefore a credit term adjustment would not be warranted. Based on information available from Sweden's central bank, the verification team confirmed that interest rates have been -0.5 per cent since 1 July 2016.

Given negative interest rates in Sweden, the verification team considers that there is no disincentive or opportunity cost for Yara to extend credit to any customer, like there would be if interest rates were greater than zero. As such, the verification team considers that a credit terms adjustment is unwarranted.

## **6.6 Duty drawback**

As explained at section 4.1.3 of this report, Yara purchased ammonia from a number of countries in the investigation period. Yara is liable for customs duty on ammonia that it purchases from certain countries of origin, while ammonia sourced from other countries does not attract this customs duty.

Where Yara is liable for customs duty on ammonia purchases of certain countries of origin, it has been granted approval by Swedish Customs to claim a full duty drawback should that ammonia be consumed in the production of exported PPAN. Therefore, Yara is only liable for duty on PPAN that is sold on the domestic market and not liable for duty on PPAN that is exported to Australia.

Subsection 269TAC(8)(c) allows for adjustments to be made in cases where the normal value is the price paid or payable for like goods, and that price and the export price of the goods is modified in different ways by taxes.

In verifying Yara's costs of production, the verification team is satisfied that all of Yara's ammonia consumed in producing PPAN had been imported.

The verification team was able to verify that a reasonable link exists between the duties imposed on imported ammonia and the duties refunded in relation to exported finished goods.

However, the verification team was not satisfied that all of the ammonia Yara imported attracted import duty based on the country of origin information from Yara's detailed listing of ammonia purchases. The verification team considers it reasonable to assume that the quantity proportion of ammonia imported from countries that attract import duty

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reflects the quantity proportion of import duty paid on ammonia consumed in producing the domestically sold PPAN.

As such, in calculating the amount of import duty, the verification team took Yara's calculated monthly unit import duty cost (per mt) for ammonia and reduced it to the quantity proportion that represented imports from countries that attract import duty.

The verification team has made a downwards adjustment to the normal value for import duty costs.

### 6.7 Adjustments – conclusion

The verification team is satisfied that there is sufficient and reliable information to justify the following adjustments, in accordance with subsection 269TAC(8), and considers this adjustment is necessary to ensure a fair comparison of normal values and export prices at FOB terms:

<b>Adjustment Type</b>	<b>Deduction/addition</b>
Domestic level of trade	<b>Adjust</b> for the difference in level of trade
Domestic duty drawback	<b>Deduct</b> the cost of import duty
Domestic inland transport	<b>Deduct</b> the cost of domestic inland transport
Export inland transport	<b>Add</b> the cost of Australian export inland transport
Export handling and port charges	<b>Add</b> the cost of Australian export handling and port charges

The verification team's adjustment calculations are included in the normal value calculation at **Confidential Appendix 4**.

## 7 NORMAL VALUE

The verification team is satisfied that there were sufficient volumes of domestic sales of PPAN that was sold in arms length transactions and at prices that were in the OCOT. The verification team is therefore satisfied that the prices paid in respect of those domestic sales of PPAN are suitable for assessing normal value under subsection 269TAC(1).

The normal value under these provisions has been adjusted for certain factors in accordance with subsection 269TAC(8) to allow for fair comparison of normal values with export prices, as outlined in chapter 6 above.

The verification team's normal value calculations are at **Confidential Appendix 4**.

## **8 PRELIMINARY DUMPING MARGIN**

The dumping margin has been assessed by comparing weighted average Australian export prices to the corresponding quarterly weighted average normal values for the investigation period, in accordance with subsection 269TACB(2)(a).

The preliminary dumping margin in respect of PPAN exported to Australia by Yara from Sweden for the investigation period is **51.1 per cent**.

Details of the preliminary dumping margin calculation are at **Confidential Appendix 5**.

**9 APPENDICES AND ATTACHMENTS**

<b>Confidential Appendix 1</b>	Australian export price
<b>Confidential Appendix 2</b>	CTMS spreadsheet
<b>Confidential Appendix 3</b>	OCOT
<b>Confidential Appendix 4</b>	Normal value
<b>Confidential Appendix 5</b>	Dumping margin
<b>Confidential Attachment 1</b>	Verification work program