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The Director, Operations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2600

By email: investigations2@adcommission.gov.au

6 March 2019

Dear Director

Anti-Dumping Notice #2018/166 – Ammonium Nitrate – Statement of essential facts (473)

This letter is provided in response to the statement of essential facts issued on 25 February 2019 in connection with the investigation by the Anti-Dumping Commission (ADC) into alleged dumping of ammonium nitrate (the product) by China, Sweden and Thailand into the Australian market raised by the CSBP Limited, Orica Australia Pty Ltd and Queensland Nitrates Pty Ltd (the applicants). The period of the investigation is from 1 April 2017 to 31 March 2018.

Alcoa is a globally integrated bauxite mining, alumina refining and aluminium smelting business which employs approximately 3,800 people in Western Australia and 490 in Victoria. As a business with significant operations in Australia, we actively seek to support Australian businesses. However, Alcoa's operational strategy requires procurement of standardised products of a sufficient volume to meet the needs of our global operations, and the ability to deliver to our required specifications, quality and lead times.

Alcoa operates in a competitive market and to succeed we need to ensure we run a high quality, sustainable and competitive business otherwise we are threatening our Australian business, and more than a thousand related goods and service providers and contractors. In Australia, Alcoa currently has ammonium nitrate purchasing arrangements with Victorian-based Orica, one of the applicants in this matter. Supply of explosives (derived from imported ammonium nitrate) is one of our major categories for third-party input costs into our operations in Australia.

Alcoa is concerned with the proposed recommendation to the Minister that a dumping duty notice be published in respect to this matter and that measures be imposed. The effect of the recommended anti-dumping measures on the product will be to lower import competition from international sources into Australia and strengthen the domestic market share of the Australian businesses, including Orica and the other applicants, particularly in contract renegotiation.

As an end-user of products derived from ammonium nitrate, the proposed measures will impact on Alcoa's ability to negotiate on a level playing field to source an internationally competitive contractual supply of the product.

We take an interest in the ADC's comments regarding the commencement of production at the Yara Pilbara Nitrate's Burrup plant which notes a potential increase in the Australian market for the product during the relevant period rather than the decrease asserted by the applicants. In this context, we also note the ADC's finding in the Preliminary Affirmative Declaration that the applicants had not established a loss in sales volumes or lower capacity utilisation and so had not experienced "material injury" in the context of market share.

Alcoa strongly requests that further consideration of this matter, and in the context of advice provided to the Minister for Industry, Science and Technology, requests that the ADC considers the impact of the proposed measures in reducing market competition when there are a limited number of Australian suppliers who maintain a significant share of a highly profitable domestic market.

Yours sincerely

A handwritten signature in black ink, appearing to be 'A. Jones', written over a faint, light-colored signature line.

Adrian Jones
Director, Procurement Operations (Bauxite)