

John O'Connor and Associates Pty Ltd

(ABN 39098650241)

PO Box 329

Coorparoo QLD 4151

Telephone: 07 33421921

Facsimile: 07 33421931

Mobile: 0411252451

Email: jmoconnor@optusnet.com.au

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Mr Tim King
Case Manager
Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

Email: investigations2@adcommission.gov.au

Public File

Dear Mr King

Investigation 565 – Submissions by Glencore Coal Assets Australia and Mount Isa Mines

I. Introduction

I refer to the submissions by Glencore Coal Assets Australia and Mount Isa Mines (“Glencore”) of 7 October 2020 and 5 February 2021.

II. Glencore 7 October 2020 submission

Glencore states in its recent submission that “None of the three members of the Australian industry that support the continuation of these measures have responded to Glencore’s submission in any meaningful manner.”¹

Respectfully, the Industry application seeking the continuation of the measures addressed the matters raised in the Glencore submission. Additionally, the Industry Supplementary Questionnaire responses from each of the applicant industry member companies reinforces the position concerning the particular market situation that applies in the Russian Federation (“Russia”) for ammonium nitrate. The Australian industry members have also commented further on the market situation in Russia in the 19 January 2021 submission, along with addressing the likelihood of a recurrence of dumping and material injury should the measures be allowed to expire.

The Australian industry members’ position is adequately documented on the public record.

III. Glencore 5 February 2021 submission

The Glencore 7 February 2021 submission provides comments in respect of the Australian Industry’s submission of 21 January 2021. Glencore seeks to cast doubt about the goods the subject of the European Commission (“EC”) Regulation. The goods covered by the EC anti-dumping measures relate to ammonium nitrate. The only reason that the ammonium nitrate content exceeding 80 per

¹ Glencore Coal Assets Australia and Mount Isa Mines submission, 7 October 2020 (EPR Document No. 005), P. 1.

cent is referenced is due to circumvention activity soon after the original measures were applied in 1995.

The issue of substitutability of high-density ammonium nitrate (“HDAN”) being used in the manufacture of emulsion explosives was addressed in Investigation 473. The Minister for Industry, Science and Technology considered the Commissioner’s recommendations and accepted that the measures extend to low density ammonium nitrate (“LDAN”) and HDAN. This position was also affirmed in the original investigation imposing measures on 24 May 2001 (Report No. 28) and subsequent continuation of measures investigations (Refer ACDN No. 2006/19 and Reports No. 168 and 312).

The Glencore referenced technical ammonium nitrate (i.e. porous prill ammonium nitrate) and the fertilizer grade ammonium nitrate (i.e. HDAN) are like goods for the purposes of the notices.

Glencore states that the EU Regulation 2020/2100 is not relevant to whether dumping is likely to occur. The EC was satisfied that the Russian AN export prices to third countries (i.e. approximately 70 per cent of Russian AN exports in the investigation period to Latin America) were at dumped prices².

The EC was therefore satisfied as to the likelihood of a recurrence of dumping should measures expire in Europe.

The Australian industry’s application for the continuation of measures referenced Russian AN exports to third countries in the period July 2019 to April 2020 and demonstrated that the export prices to third countries were similarly at dumped levels.

There can be no doubt that should the measures be allowed to expire, future exports of AN to Australia from Russia would be at dumped prices.

Glencore asserts that “*Australia is simply not a key market for Russian exports*”. Unfortunately, past import trends for Russian AN do not reflect this. The Industry application demonstrated that in 2018/18 and 2018/19 imports from Russia were 21,756 tonnes and 30,691 tonnes respectively, accounting for approximately 16 per cent and 15 per cent of total imports in each twelve-month period. Contrary to Glencore’s assertion the Australian market is a large, growing market that is attractive to Russian AN producers and exporters.

The applicant industry members highlight with the Anti-Dumping Commission the following relevant considerations:

- the same Russian LDAN producers that export to Australia also produce fertiliser grade AN;
- the Russian AN producers can swing from fertiliser AN production to PPAN as required by demand;
- as previously indicated in the Russian AN exporter briefing, the Russian AN industry is expanding;
- Russian AN producers export globally, with Australia not too distant when contrasted with other export destinations;
- Russian AN producers have demonstrated a willingness to export and supply the Australian market with significant volumes; and
- should the measures expire, the low prices for Russian AN would be offered at forthcoming contracts due to expire, thereby having a pervasive market impact.

² Refer EU Regulation 2020/2100 Paragraphs 78 to 81.

The applicant industry rejects Glencore's representations that in the circumstance where the measures were to expire there would be an absence of dumping and material injury. The available facts do not support this conclusion. Rather, where the measures are allowed to expire, the available evidence confirms – as reflected in Russian export prices for ammonium nitrate to third markets – that dumping and material injury would likely recur. The applicant industry members are of the firm view (as reflected in the recent EU Regulation 2020/2100) that should the measures be allowed to expire the Australian industry would be exposed to a recurrence of dumping and material injury that the anti-dumping measures are intended to prevent.

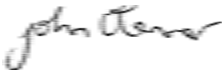
IV. Recommendation

The applicant industry therefore requests the Commissioner to reject Glencore's representations that argue Russian AN exports to Australia would not be at dumped and injurious prices should the measures be allowed to expire.

The applicant industry requests the Commissioner to recommend to the Minister that the measures on AN exported from the Russian Federation not be allowed to expire on 24 May 2021.

If you have any questions concerning this submission, please do not hesitate to contact me on (07) 3342 1921.

Yours sincerely



John O'Connor
Director

On behalf of the Australian AN industry³

³ Supporting members CSBP Limited, Orica Australia Pty Ltd and Queensland Nitrates Pty Ltd.