

GLENCORE

PUBLIC RECORD

8 April 2021

The Director
Investigations 2
Anti-Dumping Commission
GPO Box 2013
Canberra ACT 2601

By email: investigations2@adcommission.gov.au

Dear Director

Glencore response to Orica submissions to Continuation Inquiry 565 dated 30 March 2021 and 1 April 2021

We write to you with respect to the submissions provided to the Anti-Dumping Commission (the Commission) by Orica Australia Pty Ltd (Orica) dated 30 March 2021 and 1 April 2021.

Whilst Glencore does not have access to either the "Ammonium Nitrate: 2021 World Market Outlook and Forecast up to 2030" report published by Merchant Research & Consulting Ltd (the "Merchant Report") nor to the CRU Group's analysis (the "CRU Report") we would like to observe the following:

1. A 25th March deadline for responses to SEF 565 was clearly established yet, after that deadline, Orica has made 3 further submissions to the Commission and participated in a meeting with the Commission. Glencore's understanding is that the deadline exists to ensure due process can be followed and we have an increasing level of concern that, regardless of any merit or otherwise, there is a significant risk that due process cannot be given to the points that Orica is raising at this late stage in the continuation inquiry.
2. Most market research reports, which include both the Merchant Report and the CRU Report, contain multiple errors of some sort. Market research by its nature is in-exact and cannot fully replace first-hand experience of all supply and demand points in any given market (which no one party has). Without doubt, there will also be inaccuracies within the CRU data. Pointing out a problem with one report does not automatically make any alternative more valid. Without the relevant details of the reports being made available for scrutiny by all interested parties, we do not believe any independent conclusion can be reached as to the merits of one report versus another, nor to the arguments being put forth by Orica in relation to those reports at this late stage.
3. During the continuation inquiry, the Australian industry has already raised the concerns regarding that excess fertilizer grade AN production capacity in Russia (if it exists) could be converted to AN grades that might compete with the Australian industry's own production. It appears that the Commission has already addressed the concerns of the Australian industry in section 7.5.3 of SEF 565. Our understanding is that the conclusions reached by the Commission in that section remain valid, whether there is excess capacity or not.

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4. The use of the term HDAN to represent both fertiliser grade AN and AN grades used in emulsion manufacture continues to present a risk of incorrect conclusions being drawn and we urge the Commission to continue to take care to fully understand which type of AN is being referred to in any given circumstance. For clarity, we believe the different grades available (and relevant to this inquiry) are:
- fertiliser grade AN (“FGAN”) – dense ammonium nitrate with exterior anti-caking agent, predominantly used in fertiliser applications and rarely used in explosives manufacturing;
 - emulsion grade AN (“EGAN”) – dense ammonium nitrate without exterior anti-caking agent, predominantly dissolved and used in the production of emulsion explosives;
 - low density AN (“LDAN”) – predominantly used in its solid form to produce explosives.
 - ammonium nitrate solution (“ANS” or “ANSOL”) – predominantly used in the production of emulsion explosives.

We note that the term “Technical AN” has also been used by various parties during the inquiry and can be used to mean EGAN or LDAN separately but can also refer to them both at the same time.

We further note that the use of the term HDAN within the broader ammonium nitrate industry specifically refers to EGAN but has been used within this inquiry to also refer to FGAN and EGAN at the same time.

We advise that, where any doubt exists as to the type of ammonium nitrate being referred to, additional clarity should be sought.

Given the concerns raised regarding flexibility to produce different grades of AN in Russia together with the dominant sales of the Australian industry occurring in the form of LDAN, we believe it is extremely important that the correct terminology is used to avoid confusion and potentially reaching incorrect conclusions.

If further information is required, please feel free to contact me.

Yours sincerely



Darren Oliver

Glencore Coal Assets Australia Pty Ltd, on behalf of all Glencore’s Australian mining businesses