



Importer Verification Report

Verification & Case Details

Initiation Date	14 December 2020	ADN:	2020/146
Case Number	569		
The goods under consideration	Grinding Balls		
Case type	Continuation		
Importer	CITIC Pacific Mining Management Pty Ltd		
Verification from	5 May 2021	to	5 May 2021
Inquiry Period	1 October 2019	to	30 September 2020

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

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PREFACE

This report details the findings, analysis, evidence relied upon and reasoning on key verification outcomes of data submitted to the Anti-Dumping Commission (Commission) by the verification team for publication on the public record in relation to Continuation Inquiry No. 569.

As outlined in Anti-Dumping Notice (ADN) No. 2021/146, the inquiry is in relation to whether the continuation of Anti-Dumping measures in respect of certain grinding balls (the goods) exported to Australian from the People's Republic of China (China) is justified.

CITIC Pacific Mining Management Pty Ltd (CPM) was identified as an importer of the goods from China during the inquiry period. CPM is the importer and the end user of the goods.

This verification focused on the goods and like goods, as well as injury and causation aspect of the current inquiry. This report provides interested parties with information regarding the key aspect of the verification.

Verification teams are authorised to conduct verifications under section 269SMG and 269SMR of the *Customs Act 1901* (the Act).¹

¹ References to any section in this report relate to provisions of the Act, unless specifically stated otherwise.

1 COMPANY BACKGROUND

1.1 Corporate structure and ownership

CPM is a wholly-owned subsidiary of CITIC Limited. CITIC Limited is listed on the Hong Kong Stock Exchange.

CPM stated that it was established to manage the construction and operation of the Sino Iron Project, an integrated mining, processing and port operation entity to provide high quality iron ore material.

1.2 Related parties

The verification team did not find CPM to have any related party suppliers of the goods during the inquiry period.

2 THE GOODS

2.1 The goods

The goods under consideration are defined in [ADN 2021/146](#) as follows:

Ferrous grinding balls, whether or not containing alloys, cast or forged, with diameters in the range 22 mm to 170 mm (inclusive).

The goods covered include all ferrous grinding balls, typically used for the comminution of metalliferous ores, meeting the above description of the goods, regardless of the particular grade or alloy content.

Goods that are excluded include stainless steel balls, precision balls that have been machined and/or polished, and ball bearings.

The goods are generally, but not exclusively, classified to the following tariff subheadings of Schedule 3 to the *Customs Tariff Act 1995*:

Tariff Subheading	Statistical Code	Description
7325.91.00	26	Grinding balls and similar articles for mills
7326.11.00	29	Grinding balls and similar articles for mills
7326.90.90	60 ²	Other

Table 1. Tariff Classifications

2.2 Model control codes (MCCs)

CPM did not make any proposals for changes to the proposed MCC structure.

Item	Category	Sub-category	Identifier	Key Category
1	Production method	Cast	C	Yes
		Forged	F	
2	Diameter	Diameter in mm	### ³	Yes
3	Product Code	Chromium %	### ⁴	No

Table 2 MCC Categorisation

² The Australian Bureau of Statistics changed the statistical code from 59 to 60 on 1 January 2017. For further information see Department of Immigration and Border Protection Notice 2016/43 (<https://www.homeaffairs.gov.au/Customsnotices/Documents/2016-43.pdf>).

³ Use a separate identifier for each diameter, e.g. 25mm, 30mm 35mm etc. The Commission may group certain categories of diameter in formulating a final MCC.

⁴ The 'product code' category, if applicable, refers to the company's internal identifier for the model, grade or type of the goods, differentiated by the chemical composition of the grinding ball.

2.3 The goods imported and sold in Australia

The verification team were satisfied that CPM imported goods with the following MCCs during the inquiry period:

F-25
C-25-15%

2.4 Like goods

CPM provided product specifications of the goods and acknowledged that the Australian Industry produced like goods to the goods that it imported during the inquiry period.

3 Injury and Causation Claims

Grinding balls are a key consumption for the operation of CPM's mining process. CPM undertook trials of grinding media from various suppliers in 2010 to 2017, and chose products that are best suited for their mining production requirements based on those results.

CPM claims that although direct purchase price is an important factor, other factors such as security of supply, quality, good service, research and development input, and especially product performance are all important in determining source of supply. CPM explained that it now has a technical agreement as one of the key schedules of a supply contract. A supplier must sign this agreement and warrant that it can meet the technical criteria stipulated in the agreement.

CPM advised that the objective is to identify the most suitable specification of grinding media in terms of quality, performance, wear rate, deformation rate, price and payment terms that achieve the best cost benefit to meet its operational needs. CPM claims that there is an increasing trend to use high chrome grinding media due to better performance and a better wear rate.

CPM stated that in the past, Molycop was invited to provide a tender for supplying grinding media. CPM evaluated Molycop's products and determined that those products were not suitable for CPM's magnetite ore. CPM claimed that Molycop had no experience on supplying grinding balls for magnetite milling sites. CPM reported that other major providers of grinding media in Australia, excluding Chinese providers, are Magotteaux, Molycop and Vega Industries Limited.

4 ATTACHMENTS

Confidential Attachment 1	Verification Work Program
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