



Public File

Application for the publication of
dumping and/or
countervailing duty notices
Ammonium Nitrate
exported from
Chile, Lithuania and
the Socialist Republic of Vietnam

APPLICATION UNDER SECTION 269TB OF THE *CUSTOMS ACT 1901* FOR THE PUBLICATION OF DUMPING AND/OR COUNTERVAILING DUTY NOTICES

DECLARATION

I request, in accordance with section 269TB of the *Customs Act 1901* (the Act), that the Minister publish in respect of goods the subject of this application:

- a dumping duty notice, or
- a countervailing duty notice, or
- a dumping and a countervailing duty notice.

This application is made on behalf of the Australian industry producing like goods to the imported goods the subject of this application. The application is supported by Australian producers whose collective output comprises:

- 25% or more of the total Australian production of the like goods; and
- more than 50% of the total production of like goods by those Australian producers that have expressed either support for, or opposition to, this application.

I believe that the information contained in this application:

- provides reasonable grounds for the publication of the notice(s) requested; and
- is complete and correct.

Please note that giving false or misleading information is a serious offence.

Signature: 

Name: John O'Connor

Position: Director

Company: John O'Connor and Associates Pty Ltd

ABN: 39 098 650 241

Date: 4 April 2022

IMPORTANT INFORMATION

Signature requirements

Where the application is made:

By a company - the application must be signed by a director, servant or agent acting with the authority of the body corporate.

By a joint venture - a director, employee, agent of each joint venturer must sign the application. Where a joint venturer is not a company, the principal of that joint venturer must sign the application form.

On behalf of a trust - a trustee of the trust must sign the application.

By a sole trader - the sole trader must sign the application.

In any other case - contact the Commission's Client support section for advice.

Assistance with the application

The Anti-Dumping Commission has published guidelines to assist applicants with the completion of this application. Please refer to the following guidelines for additional information on completing this application:

- *Instructions and Guidelines for applicants on the application for the publication of dumping and/or countervailing duty notices*
- *Instructions and Guidelines for applicants on the examination of a formally lodged application*

The Commission's client support section can provide information about dumping and countervailing procedures and the information required by the application form. Contact the team on:

Phone: 13 28 46

Email: clientsupport@adcommission.gov.au

Information is available from the Commission's website at www.adcommission.gov.au.

Small and medium enterprises (i.e., those with less than 200 full-time staff, which are independently operated and which are not a related body corporate for the purposes of the *Corporations Act 2001*), may obtain assistance, at no charge, from the International Trade Remedies Advisory (ITRA) Service. For more information on the ITRA Service, visit www.business.gov.au or telephone the ITRA Service Hotline on +61 2 6213 7267.

Important information

To initiate an investigation into dumping and/or subsidisation, the Commission must comply with Australia's international obligations and statutory standards. This form provides an applicant industry with a framework to present its case and will be used by the Commission to establish whether there appear to be reasonable grounds for the publication of a dumping duty or countervailing duty notice and initiate an investigation. To assist consideration of the application it is therefore important that:

- all relevant questions are answered; and

- information that is reasonably available be supplied.

The Commission does not require conclusive evidence to initiate an investigation, but any claims made should be reasonably based. An application will be improved by including supporting evidence and where the sources of evidence are identified. Simple assertion is inadequate to substantiate an application.

To facilitate compilation and analysis, the application form is structured in 3 parts:

1. **Part A** seeks information about the Australian industry. This data is used to evaluate industry trends and assess claims of material injury due to dumping/subsidisation. Where an Australian industry comprises more than one company, each should separately prepare a response to Part A to protect commercial confidentiality.
2. **Part B** relates to evidence of dumping.
3. **Part C** is for supplementary information that may not be appropriate to all applications. However some questions in Part C may be essential for an application, for example, if action is sought against subsidisation.

All questions in Parts A and B must be answered, even if the answer is 'Not applicable' or 'None'. Where appropriate, applicants should provide a short explanation about why the requested data is not applicable. This will avoid the need for follow up questions by the Commission.

The application form does not specifically address all the information required when making a claim that the establishment of an Australian industry producing like goods has been or may be materially hindered. If you are considering making such a claim, please contact the Commission to discuss information requirements.

The application form requests data over several periods (P^1, P^2, \dots, P^n) to evaluate industry trends and to correlate injury with dumped or subsidised imports. The labels $P^1 \dots P^n$ are used for convenience in this application form. Lodged applications should identify the period relevant to the data. This form does not specify a minimum period for data provision. However, sufficient data must be provided to substantiate the claims made. If yearly data is provided, this would typically comprise a period of at least four years (for example the current financial year in addition to three prior years). Where information is supplied for a shorter period, applicants may consider the use of quarterly data. Data must also be sufficiently recent to demonstrate that the claims made are current.

When an investigation is initiated, the Commission will verify the claims made in the application. A verification visit to the Australian industry usually takes several days.

Applicants should be prepared to substantiate all Australian industry financial and commercial information submitted in the application. Any worksheets used in preparing the application should therefore be retained to facilitate verification.

During verification, the Commission will examine company records and obtain copies of documents relating to the manufacture and sale of the goods.

Appendices	Some questions require attachments to be provided. The attachment numbering sequence should refer to the question answered. For example, question A2.2 requests a copy of an organisation chart. To facilitate reference, the chart should be labelled <u>Attachment A2.2</u> . If a second organisation chart is provided in response to the same question, it should be labelled <u>Attachment A2.2.2</u> (the first would be labelled <u>Attachment A2.2.1</u>).
Provision of data	Industry financial data must, wherever possible, be submitted in an electronic format. <ul style="list-style-type: none">• The data should be submitted on a media format compatible with Microsoft Windows.• Microsoft Excel, or an Excel compatible format, is required.• If the data cannot be presented electronically please contact the Commission’s client support section for advice.
Lodgement of the application	This application, together with the supporting evidence, must be lodged in the manner approved by the Commissioner under subsection 269SMS(2) of the Act. The Commissioner has approved lodgement of this application by either: <ul style="list-style-type: none">• preferably, email, using the email address clientsupport@adcommission.gov.au, or• post to: The Commissioner of the Anti-Dumping Commission GPO Box 2013 Canberra ACT 2601, or• facsimile, using the number (03) 8539 2499.
Public Record	During an investigation all interested parties are given the opportunity to defend their interests by making a submission. The Commission maintains a public record of these submissions. The public record is available on the Commission’s website at www.adcommission.gov.au . At the time of making the application both a confidential version (for official use only) and non-confidential version (public record) of the application <u>must</u> be submitted. Please ensure each page of the application is clearly marked “FOR OFFICIAL USE ONLY” or “PUBLIC RECORD”. The non-confidential application should enable a reasonable understanding of the substance of the information submitted in confidence, clearly showing the reasons for seeking the publication of a dumping duty or countervailing duty notice, or, if those reasons cannot be summarised, a statement of reasons why a summary is not possible.

PART A

INJURY

TO AN AUSTRALIAN INDUSTRY

IMPORTANT

All questions in Part A should be answered even if the answer is 'Not applicable' or 'None'. If an Australian industry comprises more than one company/entity, each should separately complete Part A.

A-1 Identity and communication

This application for anti-dumping measures on ammonium nitrate ("AN") exported from Chile, Lithuania and the Socialist Republic of Vietnam ("Vietnam") is made on behalf of the Australian industry manufacturing AN (hereafter referred to as "the goods, or "like goods").

The relevant contacts within the applicant companies are as follows:

(i) Orica Australia Pty Ltd

Contact Name: *Details redacted*
Company and position:
Address:
Telephone:
Facsimile:
E-mail address:
ABN: 99 004 117 828

(ii) CSBP Limited

Contact Name: *Details redacted*
Company and position:
Address:
Telephone:
Facsimile:
E-mail address:
ABN: 81 008 668 371

(iii) Queensland Nitrates Pty Limited

Contact Name: *Details redacted*
Company and position:
Address:
Telephone:
Facsimile:
E-mail address:
ABN: 92 081 555 455

If you have appointed a representative to assist with your application, provide the following details and complete Appendix A8 (Representation).

Name: John O'Connor
Business name: John O'Connor and Associates Pty Ltd
Address: P.O. Box 329, Coorparoo, QLD 4151
Telephone: +61 7 3342 1921
Facsimile:
E-mail address: jmoconnor@optusnet.com.au
ABN: 39 098 650 241

A-2 Company information

1. **State the legal name of your business and its type (e.g. company, partnership, sole trader, joint venture). Please provide details of any other business names you use to manufacture/produce/sell the goods that are the subject of your application.**

This application is made by the Australian industry manufacturing ammonium nitrate (“AN”) comprising:

- CSBP Limited (“CSBP”);
- Orica Australia Pty Ltd (“Orica”); and
- Queensland Nitrates Pty Limited (“QNP”).

Dyno Nobel Asia Pacific Pty Ltd (“DNAP”) and Yara Pilbara Nitrates Pty Ltd (“Yara Nitrates”) are also local manufacturers of AN. The Yara Nitrates facility is a joint venture between Yara AB of Sweden and Orica. In 2021 it is estimated that DNAP and Yara Nitrates manufactured approximately [xxxxxx tonnes] and [xxxxxx] tonnes of ammonium nitrate per annum. The estimates are based upon publicly available information attributed to the producers.

The applicant companies (CSBP, Orica and QNP) account for approximately xx per cent¹ of total Australian industry production.

2. **Provide your company’s internal organisation chart. Describe the functions performed by each group within the organisation.**

Refer to the organisation chart for each of the applicants as follows:

- CSBP Limited (CSBP Confidential Attachment A-2.2);
- Orica (Orica Confidential Attachment A-2.2); and
- QNP (QNP Confidential Attachment A-2.2).

3. **List the major shareholders of your company. Provide the shareholding percentages for joint owners and/or major shareholders.**

CSBP is a 100 per cent owned subsidiary of the publicly listed Wesfarmers Limited. Orica is a 100 per cent owned subsidiary of the publicly listed Orica Limited. QNP is a 50:50 joint venture between CSBP and DNAP (both subsidiary companies of publicly listed companies).

4. **If your company is a subsidiary of another company list the major shareholders of that company.**

Refer to response to A-2.3 above.

5. **If your parent company is a subsidiary of another company, list the major shareholders of that company.**

Refer to response to A-2.3 above. The top 20 shareholders for Wesfarmers are included at P. 178 of the Wesfarmers 2021 Annual Report. The top 20 shareholders for Orica are identified at P. 178 of the Orica Limited 2021 Annual Report.

6. **Provide an outline diagram showing major associated or affiliated companies and your company’s place within that structure (include the ABNs of each company).**

Please refer to:

¹ Based upon average of production for three companies over period 2018 to 2021 (refer Industry Confidential Appendix A2).

- CSBP Limited - Refer to P.2 and P.161 of Wesfarmers 2021 Annual Report;
- Orica Australia – refer to P. 162-164 of Orica Limited 2021 Annual Report at Non-Confidential Attachment A-2.9(ii) identifying affiliated companies and confirming Orica Australia Pty Ltd is 100 per cent owned subsidiary company of Orica Limited; and
- QNP is a 50:50 joint venture between CSBP Limited and DNAP.

7. Are any management fees/corporate allocations charged to your company by your parent or related company?

In respect of [company] and [company] there are no corporate allocations by the parent companies to the subsidiary company. For [company], corporate allocations for selling and administration costs that relate to regional businesses (i.e. Australian mining business) only apply.

8. Identify and provide details of any relationship you have with an exporter to Australia or Australian importer of the goods.

The applicant companies do not have a relationship (commercial or otherwise) with an exporter to Australia or an Australian importer of the goods the subject of this application. One of the applicant companies has imported the goods from Chile, however, that company is not related to the Chilean exporter.

9. Provide a copy of all annual reports applicable to the data supplied in appendix A3 (Sales Turnover). Any relevant brochures or pamphlets on your business activities should also be supplied.

Please refer to:

- CSBP Non-Confidential Attachment A-2.9;
- Orica Non-Confidential Attachment A-2.9; and
- QNP Confidential Attachment A-2.9.

10. Provide details of any relevant industry association.

CSBP Limited is a member of the following industry associations:

- Chemistry Australia;
- Western Australia Chamber of Commerce and Industry;
- Australian Explosives Industry Safety Group (AEISG).

Orica Australia is a member of the following industry Associations;

- Chemistry Australia;
- Australian Explosives Industry Safety Group (AEISG);
- Minerals Council of Australia;
- Australian Industry Group (AiGroup);
- Business Council of Australia.

QNP is not a member of any industry association.

A-3 The imported and locally produced goods

1. Fully describe the imported product(s) the subject of your application:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.

The good the subject of this application imported from Chile, Lithuania and Vietnam is:

Ammonium nitrate, prilled, granular, or in other solid form, with or without additives or coatings, in packages exceeding 10kg.

In Report No. 28 (May 2001) the then Australian Customs and Border Protection Service (“ACBPS”) determined that:

Low density, high density ammonium nitrate and ammonium nitrate solution are subsets of the product group ammonium nitrate....all types of ammonium nitrate, irrespective of whether in solid or solution state, prilled or granular form, low density or high density, are like goods.

The ACBPS also concluded that “although Australian produced LDAN, HDAN and ammonium nitrate solution (ANSol) were not identical to the goods, they possessed physical characteristics closely resembling them. It was also found that:

- Australian produced LDAN was substitutable with imported LDAN;
- Australian produced HDAN and ANsol could be substitutable with imported HDAN;
- in certain circumstances, high and low density ammonium nitrate could be substituted for each other; and
- emulsion explosives made from both ANsol and HDAN compete with each other.”

The applicants submit that the like goods findings in Report No.28 and re-affirmed in Reports No. 104 and 105, Reports No. 168 and 169, Report No. 312, Report No. 473 and Report No. 565 continue to be applicable as at the date of this application.

2. List the tariff classification(s) and statistical code(s) of the imported goods.

Ammonium nitrate, whether or not in aqueous solution, is classified within subheading 3102.30.00 statistical code 05 in Schedule 3 to the *Customs Tariff Act 1995*.

The general rate of duty is zero.

3. Fully describe your product(s) that are ‘like’ to the imported product:

- Include physical, technical or other properties.
- Where the application covers a range of products, list this information for each make and model in the range.
- Supply technical documentation where appropriate.
- Indicate which of your product types or models are comparable to each of the imported product types or models. If appropriate, the comparison can be done in a table.

The products manufactured by the Australian industry includes low density ammonium nitrate (LDAN), high density ammonium nitrate (HDAN), and ANsol that are considered to be like goods to imported LDAN and HDAN from Chile, Lithuania and Vietnam.

Refer Orica Confidential Attachment A-3.3 for product specification sheets for locally manufactured types of AN.

4. Describe the ways in which the essential characteristics of the imported goods are like to the goods produced by the Australian industry.

The Applicants' consider that the imported ammonium nitrate from Chile, Lithuania and Vietnam possesses similar characteristics to the ammonium nitrate manufactured in Australia. The Applicants' consider that the essential characteristics of the imported goods and the locally manufactured goods are alike as per the following factors:

- Physical likeness – the goods produced by Chilean, Lithuanian and Vietnamese exporters are similar in physical appearance and specification;
- Commercial likeness – the imported goods compete directly with the locally produced goods and are interchangeable in end-use applications. The selling prices for the imported ammonium nitrate and the locally produced ammonium nitrate are similar, although the selling prices for imported ammonium nitrate at levels below prevailing industry selling prices;
- Functional likeness – the imported goods and the locally produced goods perform the same function and are used in the same end-use applications (and are interchangeable);
- Production likeness – the imported and locally produced ammonium nitrate are manufactured via similar production processes.

5. What is the Australian and New Zealand Standard Industrial Classification Code (ANZSIC) applicable to your product.

The ANZSIC applicable to the subject goods is Sub-Division 18, Class 1892 Explosive Manufacturing.

6. Provide a summary and a diagram of your production process.

Ammonium nitrate (or "AN") is produced by neutralising nitric acid with ammonia (NH₃). Ammonia is produced from natural gas, which typically accounts for approximately 50 per cent of the production cost of ammonium nitrate. Natural gas is reacted with steam, and air to produce hydrogen, nitrogen and carbon dioxide. The carbon dioxide is removed and the hydrogen is reacted with nitrogen to produce ammonia.

Nitric acid is produced through the reaction of ammonia with oxygen in the presence of a catalyst. The reaction produces nitric oxides, which are dissolved in water to produce nitric acid. The reaction of ammonia with nitric acid produces an ammonium nitrate solution (ANsol). This may be sold in the solution state or solidified by prilling or granulation.

In order to manufacture prills, the solution is sprayed into the top of a prilling tower, a rising air stream cools and solidifies the falling droplets into spherical balls or prills.

The density of the finished product is governed by the concentration of the solution. Low density AN prills are produced using a solution with a higher moisture content. The solidified prills also have a high moisture content and go through a lengthy drying process. High density prills are manufactured using a solution with a lower moisture content.

To produce a low-density product, additives are introduced prior to prilling which changes the structure of the prills during the prilling process to make it form a hollow, honeycomb type structure. It is the additives that increase the internal crystalline strength of the low-density

product. Coating agents are applied to stop the product clumping together, and to improve handling and storage properties.

Granules are made either by a rotating drum granulation process or fluid bed granulation process. Regardless of the production process, all granules are high density.

The nature of the internal and external additives used can impact the application suitable for the ammonium nitrate type. For example, some additives are not compatible with manufacturing processes for ammonium nitrate emulsions used in explosives, whilst other additive types are. It is possible to manufacture a lower density form of ammonium nitrate which is compatible with both explosives use directly as a dopant (e.g. in ANFO) or as a raw material for emulsion or fertiliser manufacture. In that way the ammonium nitrate is considered universal in its application.

Refer to Orica Australia Confidential Attachment A-3.6 for detailed schematics of a fully integrated production process diagram and an ammonia to ammonium nitrate process diagram (for externally purchased ammonia inputs).

7. If your product is manufactured from both Australian and imported inputs:

- describe the use of the imported inputs; and
- identify that at least one substantial process of manufacture occurs in Australia (for example by reference to the value added, complexity of process, or investment in capital).

Ammonium nitrate is manufactured predominantly from locally manufactured raw materials (most notably, natural gas). The natural gas is used in the manufacture of ammonia. The ammonia is then reacted with oxygen and a catalyst (the catalyst is imported).

The manufacture of chemicals at each stage in the ammonium nitrate manufacturing process are considered substantial processes of manufacture (i.e. the production of ammonia, nitric acid and ammonium nitrate) involving substantial value-adding processes that involve capital-intensive production facilities.

Ammonium nitrate is therefore considered a substantially transformed good manufactured via a value-add process that involves locally sourced raw materials (i.e. natural gas).

8. If your product is a processed agricultural good, you may need to complete Part C-3 (close processed agricultural goods).

The goods that are the subject of this application are not close processed agricultural goods.

9. Supply a list of the names and contact details of all other Australian producers of the product.

The remaining two producers of ammonium nitrate in Australia are as follows:

- Dyno Nobel Asia Pacific Pty Ltd
282 Paringa Road
Gibson Island QLD 4172
Tel: (07) 3026 3900
- Yara Pilbara Nitrates Pty Ltd
Village Road
Burrup W.A. 6714
Tel: (08) 9183 4100

10. If different models can be established for the goods subject to the application:

- **What are the differences in physical characteristics that give rise to distinguishable and material differences in price?**

The imported ammonium nitrate is in prill or granular form, whereas the like goods produced by the Australian industry are produced in prill and solution form.

- **Provide supporting documentation or analysis supporting the differences in physical characteristics that affects price comparability. Unit costs may also be used to demonstrate differences in physical characteristics where it affects price comparability.**

Refer to Confidential Attachment A-3.3 for product specification information on the locally produced like goods as supplied by one of the applicant companies.

- **In providing the list of physical differences, identify the characteristics in order of significance.**

In the original investigation on ammonium nitrate exported from Russia, the Australian Customs and Border Protection Service (ACBPS) determined:

Low-density, high-density ammonium nitrate and ammonium nitrate solution are subsets of the product group of ammonium nitrate...all types of ammonium nitrate, irrespective of whether in solid or solution state, prilled or granular form, low density or high density, are like goods.

Thus, ammonium nitrate is available in low or high density, in prilled, granular or solution form.

It was determined that certain densities, or forms of ammonium nitrate are technically more suited to the manufacture of different explosives but that the essential characteristics of different ammonium nitrate products are not changed by the variations in density, state of form. Of greater importance is the nature of the additives used regarding compatibility with downstream processes rather than product density.

- **Identify key characteristics where the physical differences are significantly different and it is not meaningful to compare models with different physical characteristics.**

Not applicable.

- **Identify the physical characteristics that can be reported in relation to sales and cost data respectively. This should be reflected in the sales data provided in appendices A4 and A6.**

Ammonium nitrate sold in solution or prill form is available from applicant companies.

- **Complete the table below having regard to the information provided above. The Commission will consider this information in establishing a model control code structure for the investigation.**

The following Table A-3.10 details the Model Control Codes for ammonium nitrate.

Table A-3.10 – Model Control Codes

Category	Sub-category	Sales Data	Cost Data
Density	H – High	Mandatory	Mandatory
	L – Low	Mandatory	Mandatory
Form	P – Prilled	Mandatory	Mandatory
	G – Granular	Mandatory	Mandatory
	O – Other solid form	Mandatory	Mandatory

A-4 The Australian market

1. Describe the end uses of both your product and the imported goods.

The Australian market for AN is supplied predominantly from local production and imports. Ammonium nitrate is primarily used as a raw material in the manufacture of explosives predominantly used by the mining, quarrying and construction industries.

Ammonium nitrate is also used as a fertiliser in agricultural applications, although the market for this application in Australia is relatively small. This is due to the handling protocols required for the transport of ammonium nitrate relative to other nitrogenous products such as urea and urea ammonium nitrate.

The local manufacture of ammonium nitrate in Australia is conducted by the following companies:

- Orica Australia;
- CSBP Limited;
- QNP;
- IncitecPivot Limited i.e. Dyno Nobel Asia Pacific Pty Ltd); and
- Yara Pilbara Nitrates.

Yara Pilbara Nitrates is the most recent entrant in the local ammonium nitrate market. Yara Pilbara Nitrates commenced production in 2019.

2. Describe the Australian market for the Australian and imported product and the conditions of competition within the overall market. Your description could include information about:

- **sources of product demand;**
- **marketing and distribution arrangements;**
- **typical customers/users/consumers of the product;**
- **the presence of market segmentation, such as geographic or product segmentation;**
- **causes of demand variability, such as seasonal fluctuations, factors contributing to overall market growth or decline, government regulation, and developments in technology affecting either demand or production;**
- **the way in which the imported and Australian product compete; and**
- **any other factors influencing the market.**

Demand for ammonium nitrate in Australia is driven by mining companies seeking to extract beneficial ores (i.e. iron and coal) from the earth. Ammonium nitrate production facilities are located close to the main mining areas of the Hunter Valley, in NSW, the Bowen Basin in Queensland, the Kalgoorlie region of Western Australia and, more recently, the Pilbara region in Western Australia.

Ammonium nitrate is supplied to mines (whether to mining principals or via mining services contractors) through long-term and spot contracts.

The Applicant companies hold some supply contracts with customers, with the remaining ammonium nitrate sold on a spot supply basis. Most contracts operate for a five to three-year period; other contracts for shorter periods. The contracts (some arranged following a tender process) will normally specify a base price, with adjustment clauses (typically for movements in raw material gas or ammonia prices), and certain other conditions of sale.

In some instances, long term contracts underpin the business case for the production and maintaining of ammonium nitrate production facilities. However, as has previously been identified by the Commission², the contracts do not guarantee exclusive supply for the Australian manufacturer. The tender process and the opportunity for dual supply by mine operators, exposes the Australian industry

² Trade Measures Report No. 312.

to import competition from the Russian Federation, China, Sweden, Thailand, Chile, Lithuania, the Ukraine and Vietnam. Customers therefore may source a portion of their ammonium nitrate requirements from suppliers located offshore.

In Report No. 312, the Commission confirmed that the Australian industry almost exclusively manufactures low density ammonium nitrate (LDAN) and ammonium nitrate solution (ANsol). The production of high density ammonium nitrate (HDAN) is somewhat incidental to the production of LDAN. It should be noted that Orica Australia has recently converted its Yarwun production facility to produce a low density porous prilled product suitable for ammonium nitrate emulsion manufacture for which previously either ammonium nitrate solution or imported HDAN were used.

3. Identify if there are any commercially significant market substitutes for the Australian and imported product.

There are no commercially significant market substitutes for the subject goods.

4. Complete appendix A1 (Australian production). This data is used to support your declaration at the beginning of this application.

Confidential Appendix A1 for the 12-month period to 31 December 2021 has been prepared on behalf of the applicant companies.

5. Complete appendix A2 (Australian market).

Confidential Appendix A2 – Australian market for ammonium nitrate has been prepared for the ammonium nitrate market.

6. Use the data from appendix A2 (Australian market) to complete this table:

Confidential Appendix A2 – Australian Market for AN has been completed by the Applicants.

The Applicants have relied upon published import data from the Australian Bureau of Statistics (“ABS”) for import data. Australian industry members’ sales data has been obtained from the applicant company’s respective Confidential Appendix A6.1 and where appropriate, import volumes.

*Indexed table of sales quantities**

Period	(a) Your Sales	(b) Other Aust ⁿ Sales	(c) Total Aust ⁿ Sales (a+b)	(d) Dumped Imports	(e) Other Imports	(f) Total Imports (d+e)	Total Market (c+f)
2018	100	100	100	100	100	100	100
2019	105.7	100	104.8	106.7	51.6	65.0	101.2
2020	101.6	100	101.4	164.7	12.6	49.5	96.7
2021	99.9	177.1	112.3	85.9	10.2	28.5	104.8

Notes:

1. Data from Confidential Appendix A2 – Australian Market;
2. Years ending 31 December.
3. Other Australian Industry sales data is based upon estimates for DNAP and Yara Nitrates.

The Australian market for ammonium nitrate is supplied from local production by CSBP Limited, Dyno Nobel Asia Pacific Pty Ltd (“DNAP”), Orica Australia Pty Ltd, Queensland Nitrates Pty Limited and Yara Nitrates Pty Ltd, and from imports. Over the most recent two-year period major source countries of imports includes Chile, Indonesia, Lithuania, the Ukraine and Vietnam.

Imports of ammonium nitrate increased in 2020 from Chile, Lithuania and Vietnam following the imposition of anti-dumping measures following Investigation No. 473 (countries of export included China, Sweden and Thailand). In 2021, imports from the Ukraine have re-emerged as a source of supply.

The import of large volume shipments at low prices in a price transparent market impacts all suppliers into the Australian market.

A-5 Applicant’s sales

1. Complete appendix A3 (sales turnover).

The Applicants have completed aggregated Confidential Appendix A3 – Sales turnover. Please refer to individual applicant company Confidential Appendix A3 schedules.

2. Use the data from appendix A3 (sales turnover) to complete these tables.

The Applicants have not completed quantities for “All Products” as the quantities for like goods and all other products sold (including manufactured) by the Applicant companies are not comparable on a quantity basis.

*Indexed table of Applicant’s sales quantities**

Quantity	2018	2019	2020	2021
All Products				
Aust. Market	100	-	-	-
Export Market	100	-	-	-
Total	100	-	-	-
Like Goods				
Aust. Market	100	118.6	122.2	119.8
Export Market	100	123.8	639	19.9
Total	100	110.1	115.1	107.7

*Index of data. For years ending December.

*Indexed table of Applicant’s sales values**

Revenues	2018	2019	2020	2021
All Products				
Aust. Market	100	199.2	192.9	218.2
Export Market	100	85.9	63.8	20.4
Total	100	110.1	115.5	112.9
Like Goods				
Aust. Market	100	82.6	81.4	85.7
Export Market	100	83.0	44.4	27.9
Total	100	105.6	107.7	101.1

*Index of data. Pⁿ For years ending December.

The applicants' aggregate sales quantities and revenues for the subject goods have improved across the injury period due to the expansion of local production facilities.

3. Complete appendix A5 (sales of other production) if you have made any:

- **internal transfers; or**
- **domestic sales of like goods that you have not produced, for example if you have imported the product or on-sold purchases from another Australian manufacturer.**

[Company] and [Company] have some transfers of the goods that are used in the manufacture of ammonium nitrate. Please refer to [Company] Confidential Appendix A5 and [Company] Confidential Appendix A5.

4. Complete appendix A4 (domestic sales).

The Applicant companies have completed Confidential Appendix A4 for all domestic sales by invoice in the period 1 January 2021 to 31 December 2021. Please refer to the Applicant companies' completed Confidential Appendix A4 detailing all domestic sales of AN product by category in 2021.

5. If any of the customers listed at appendix A4 (domestic sales) are associated with your business, provide details of the association. Describe the price effect of the association.

The Applicants' are not related to any of the customers detailed in their respective Confidential Appendix A4 listings.

6. Attach a copy of distributor or agency agreements/contracts.

The Applicant companies do not have distributor or agency agreements for sales of the goods the subject of this application.

7. Provide copies of any price lists.

As most sales by the Applicant companies are under long-term contract, the companies do not utilise list prices for these goods.

8. If any price reductions (for example commissions, discounts, rebates, allowances and credit notes) have been made on your Australian sales of like goods provide a description and explain the terms and conditions that must be met by the customer to qualify.

[Company & commercially sensitive details about discounts, and rebates].

[Company and commercially sensitive details about discounts and rebates].

[Company] operates some rebates and discounts as required and are reflected in the selling prices in [Company] Confidential Appendix A4.

- If you have issued credit notes (directly or indirectly) provide details if the credited amount has not been reported appendix A4 (domestic sales) as a discount or rebate.

All credit amounts are shown in “Rebates”.

9. **Select two domestic sales in each quarter of the data supplied in appendix A4 (domestic sales). Provide a complete set of commercial documentation for these sales. Include, for example, purchase order, order acceptance, commercial invoice, discounts or rebates applicable, credit/debit notes, long or short term contract of sale, inland freight contract, and bank documentation showing proof of payment.**

The Applicants has selected two domestic sales from each quarter in 2021 and included a complete set of commercial documents for each sale at Confidential Attachment A-5.9 (for each Applicant company).

10. **Provide a list of model control codes from appendix A4.**

The following details the Model Control Codes for the goods the subject of this application. These same MCCs were used in Investigation No. 565.

Category	Sub-category	Sales data	Cost data
Density	High (“H”)	Mandatory	Mandatory
	Low (“L”)	Mandatory	Mandatory
Form	Prilled (“P”)	Mandatory	Mandatory
	Granular (“G”)	Mandatory	Optional
	Other solid form (“O”)	Mandatory	Optional

In Investigation No. 565, the Anti-Dumping Commission permitted cost data by form to be provided optionally. The Australian industry applicants consider that prilling of ammonium nitrate is a ‘tracked’ expense and this information is readily available from manufacturers that provided prilled ammonium nitrate.

A-6 General accounting/administration information.

Please refer to the completed Section A-6 for each applicant company (i.e. CSBP Confidential Attachment A-6, Orica Confidential Attachment A-6 and QNP Confidential Attachment A-6).

A-7 Cost information

1. Complete appendices A6.1 and A6.2 (cost to make and sell) for domestic and export sales.

Each of the applicant companies has completed Confidential Appendices A6.1 (domestic sales) and Appendix A6.2 (export sales) for the goods the subject of this application.

The Applicants have prepared cost to make and sell (CTMS) data in Industry Confidential Appendix A6.1 on the basis of the cost to produce a tonne of ammonium nitrate. The costs for ammonium nitrate solution and prill are considered to be similar and have historically been presented in a single form (i.e. for recent Investigations 473 and 565). The Applicants have continued the methodology as per previous applications.

A consolidated Industry Confidential Appendix A6.1 has been completed. Please refer to Industry Confidential Appendix A6.1.

2. Provide a list of model control codes from appendix A6.1 and A6.2.

The Applicant companies have provided cost data in Confidential Appendix A6.1 and Confidential Appendix A6.2 on a cost of ammonium nitrate per tonne basis (irrespective of form of product).

A-8 Injury

The principal indicators of injury are price, volume and profit effects – although not all of these must be evident. For this application, profit refers to amounts earned. Profitability is the ratio of profit to sales revenue. Where the application includes a claim of threat of material injury you must also complete question C.2.

1. Estimate the date when the material injury from dumped and/or subsidised imports commenced.

The injury from the dumped ammonium nitrate (“AN”) exports to Australia from Chile, Lithuania and Vietnam commenced in 2018 following the Industry’s application for measures in respect of China, Sweden and Thailand (i.e. Investigation No. 473). Exports to Australia from Chile, Lithuania and Vietnam continued in 2019 and 2020 and were price-setters in 2021.

Material injury from the alleged exports at dumped prices commenced in 2018 and has incrementally increased in the subsequent years 2019, 2020 and 2021.

2. Using the data from appendix A6 (cost to make and sell), complete the following tables for each model control code of your production. Pⁿ is the most recent period.

The aggregated Industry indices is the following Section A-8.2 are for solution and solid (prill) form ammonium nitrate. The CTMS for solution and solid ammonium nitrate are the same (and have been considered as such in previous investigations³).

Index of production variations (model control code)

Period	2018	2019	2020	2021
Index	100	101.5	99.3	100.0

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 8 of Industry Appendix A6.1.

The Applicant industry’s production volumes have increased in 2021 – this can be attributed to increased utilisation of previously mothballed production and incremental expansion of certain production plants to meet increased domestic demand.

Index of cost variations (model control code)

Period	2018	2019	2020	2021
Index	100	104.8	110.3	118.2

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 47 of Industry Appendix A6.1.

The Australian industry has incurred increases in production costs year-on-year from 2018 driven principally by higher raw material ammonia input costs.

³ Including in recent investigations 312, 473 and 565.

Index of price variations (model control code)

Period	2018	2019	2020	2021
Index	100	96.6	97.0	105.1

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 54 of Industry Appendix A6.1.

The Applicant industry has not been able to raise selling prices or recover increases in costs – particularly in 2019 and 2020.

Index of profit variations (model control code)

Period	2018	2019	2020	2021
Index	100	75.7	62.6	72.4

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 58 of Industry Appendix A6.1.

The Applicant Industry has experienced a diminution in profit during 2019 and 2020, continuing in 2021, that it attributes to the dumping that has occurred from the exports sourced from Chile, Lithuania and Vietnam.

Index of profitability variations (model control code)

Period	2018	2019	2020	2021
Index	100	78.4	64.6	68.9

Notes:

1. Period is 1 January to 31 December.
2. Data is from Line 60 of Industry Appendix A6.1.

The Applicant Industry's profitability has reflected the deterioration in unit profit over the period to 2021.

3. Complete appendix A7 (other injury factors).

Where applicable to injury claims, prepare an indexed table for other injury factor(s) in the format above.

The Applicant companies have each completed a Confidential Appendix A7 schedule. As each applicant company has unique ammonium nitrate manufacturing facilities with three of the four applicant companies part of larger companies (and not dedicated solely to the manufacture of ammonium nitrate), the aggregation of the respective Appendix A7 data of each company does not provide a clear insight into trends in “other economic indicators” that extend beyond price and volume injury for the subject goods.

The applicant companies consider it appropriate to provide commentary on trends for key economic indicators in their respective Appendix A7 data.

(i) CSBP Limited

CSBP Limited (“CSBP”) can demonstrate a deterioration in revenues for ammonium nitrate from levels in 2018/19 and 2019/20. Additionally, CSBP’s return on investment in ammonium nitrate production deteriorated in 2020/21 from the levels achieved in 2017/18 and 2018/19.

(ii) Orica Australia Pty Ltd

Orica Australia Pty Ltd.’s (“Orica”) Appendix A7 confirms deteriorations in each of the following indicators in 2020 and 2021:

- capital investment;
- revenues;
- returns on investment; and
- employment numbers.

(iii) Queensland Nitrates Pty Ltd

Queensland Nitrates Pty Ltd (“QNP”) Appendix A7 data confirms declines in 2020/21 (and the first six months of 2021/22) in each of the following indicators:

- capital investment;
- less than adequate return on investment for reinvestment purposes.

A-9 Link between injury and dumped or subsidised imports

To establish grounds to initiate an investigation there must be evidence of a causal relationship between the injury and the alleged dumping or subsidisation. This section provides for an applicant to analyse the data provided in the application to establish this link. It is not necessary that injury be shown for each economic indicator.

The Applicant Industry highlights with the Anti-Dumping Commission (“the Commission”) that it operates in a market where long-term contracts are prevalent. The nature of long-term contracts was confirmed in Investigation No. 473 (“Invest 473”) where the Commission examined the impact of the dumped imports on an 18-month period (i.e. from 1 April 2017 to 31 March 2018), and the following six months to 30 September 2018. The Applicants submit that a two-year investigation period is warranted – being from 1 January 2020 to 31 December 2021 - is therefore considered appropriate for the purposes of examining the impact of the dumped imports from Chile, Lithuania and Vietnam in the current circumstances.

1. Identify from the data at appendix A2 (Australian market) the influence of the volume of dumped and/or subsidised imports on your quarterly sales volume and market share.

Following the commencement of Invest 473 in late June 2018, and the imposition of provisional measures on 14 October 2018⁴, exports from China, Sweden and Thailand declined sharply and by calendar year 2020 had ceased. With the decline in exports from China, Sweden and Thailand in 2018 and 2019, new sources of supply emerged including initially from Chile and Lithuania, with Vietnam also supplying volumes.

The displacement of the previously dumped exports from China, Sweden and Thailand with exports from Chile, Lithuania and Vietnam essentially contributed to dumped imports maintaining a share of the Australian market that is sufficient to suppress prices (and hence profit and profitability). The Australian industry’s market share increased in 2020 and 2021 as the Pilbara ammonium nitrates facility commenced operation. Although there was an increased availability of locally sourced ammonium nitrate, imports of large bulk shipments have continued – particularly on the east coast of Australia in 2020 and 2021. The following Table A-9.1 demonstrates the shift away from imports from China, Sweden and Thailand (Invest 473) to imports from Chile, Lithuania, Ukraine and Vietnam – most evident from 2019 to 2021.

Table A-9.1 – Changes in Import Volumes 2016 to 2021 – China, Sweden & Thailand to Chile, Lithuania, Ukraine & Vietnam

Source	2016	2017	2018	2019	2020	2021
China	28476	19940	86222	35134	9090	260
Sweden	1076	22823	33509	0	0	0
Thailand	6120	12257	2291	0	0	0
Sub-Total	35672	55020	122022	35134	9090	260
Chile	22	110	23100	24198	18017	7524
Lithuania	0	426	29260	24759	39265	20810
Vietnam	40	0	0	6700	38673	16168
Sub-Total	62	536	52360	55657	95955	44502
Ukraine	6120	0	0	0	3600	9583
Other	94360	56226	48749	63598	43666	15097
Total	136214	111782	223131	154389	152311	69442

Source: ABS import data at Confidential Attachment B-1.5.

Table A-9.1 confirms the shift in import supply away from China, Sweden and Thailand prior to Invest 473 commencing in June 2018 (and the imposition of provisional measures in October 2018) to the commencement of imports from Chile, Lithuania and Vietnam in 2018, increasing further between 2019 and 2021.

2. Use the data at appendix A2 (Australian market) to show the influence of the price of dumped and/or subsidised imports on your quarterly prices, profits and profitability provided at appendix A6.1 (costs to make and sell). If appropriate, refer to any price undercutting and price depression evident in the market.

As indicated, the exports from Chile and Lithuania emerged following the commencement of Invest 473 in June 2018. As export volumes from the nominated countries to Australia increased gradually in 2019 and then rapidly again in 2020 (by 49 per cent) the price impact on contracts due to expire and those to be re-negotiated was pervasive as transparency of import source and comparison with pricing from countries the subject of measures (i.e. Russian Federation, China, Sweden and Thailand) confirmed that the new sources of supply were cheaper and advantageous (for explosives suppliers and end-use customers).

The impact of the increased export volumes from Chile, Lithuania and Vietnam was significant as recovery (due to measures being imposed on exports from China, Sweden and Thailand) that was expected did not eventuate as industry selling prices plateaued (despite costs increasing by approximately 10 per cent).

The ammonium nitrate industry is a high capital cost industry with substantial investment (with an estimated total capital investment exceeding \$xx Billion) that requires continued capital investment to maintain production efficient assets. As the margin between prices and costs is eroded, reinvestment opportunities decline as the Australian industry members seek to compete with the growing import volumes from the new sources of supply – Chile, Lithuania and Vietnam. In 2020, the industry's profit declined 13 per cent on 2019, and was down by 37 per cent on the 2018 year – a year that continued to be impacted by the dumping from China, Sweden and Thailand (Invest 473). In 2021, the industry profit recovered, however remained almost 28 per cent below 2018 levels.

The decline in profit and profitability of the industry in 2019 and further again in 2020 confirms that the injurious impact of dumping is not limited to the month in which the goods arrive in Australia. Rather, the emergence of new sources of supply at prices that were comparable to the export prices of source countries in Invest 473 has continued into 2019 and 2020 in the full knowledge that the exporters in Chile, Lithuania and Vietnam do not attract anti-dumping measures.

As noted in Invest 473 by the Commission, it is the pervasive manner in which the availability of dumped imports are used by competitors and customers to realise low-priced outcomes at the time of contract negotiation which are then locked in for the contract term of three to five years, effectively locking in low margins. Some contract renewal negotiations are lengthy – with 12-18 month timeframes not unusual – extending the impact of the dumped import prices into longer time frames than just the length of the contract. Australian industry is faced with the prospect of losing supply of the contract if it does not meet (or respond) to the low price positions from the dumped imports (resulting in loss of volume, or reduced prices, share and reduced profit).

The following examples provided by each of the applicants highlight the price undercutting that has occurred from the imports from Chile, Lithuania and Vietnam. It should be noted that it is increasingly difficult to obtain details of price undercutting and injury from the dumped imports as

⁴ Refer ADN 2018/166 – Preliminary Affirmative Determination and imposition of securities on ammonium nitrate exported from China, Sweden and Thailand

parties seek to keep sourcing arrangements private.

(i) [Industry member]

[Company] has observed that the vast majority of the dumped imports from Chile, Lithuania and Vietnam have been imported into east coast ports at Gladstone, Queensland and Newcastle, New South Wales. The imports have primarily been sourced by explosives manufacturers that traditionally import HDAN for conversion into ANSol and emulsion. The imported ammonium nitrate is at dumped prices which makes it attractive to the importers to source externally to Australia.

Although the recent imports have been essentially into [import port location], the availability of imported ammonium nitrate continues to influence the contract negotiations of all industry players – including [company and location]. Import prices are transparent and it requires little skill to cost dumped imported ammonium nitrate versus ammonium nitrate sourced locally. [Company] therefore is influenced by prevailing import prices – particularly the pricing for large bulk shipments on the [import location] from the nominated exporting countries.

Due to the long-term nature of contracts in the industry (typically one to three years) [company] continues to be injured by the availability of dumped imports from countries including Chile, Lithuania and Sweden. [Company] experienced ongoing injury as a consequence of contracts negotiation prior to, and throughout, the investigation period in Invest 473, and continued to suffer injury in 2019 as a result of those earlier contracts. The availability of the dumped imports from the nominated countries heavily influences the contracts that [company] will enter into during 2022. A contract to be negotiated in [date] will reflect import pricing available during the period March 2021 to February 2022 and will take full account of the dominant import supply sources prevailing across that time – i.e. imports from Chile, Lithuania and Vietnam.

(ii) [Industry member]

Example 1

[Redacted - Commercially sensitive details of contracts] with volumes ranging from short-term to long-term agreements.

In late [timing and volume] tonnes per annum [redacted - type of AN, location further details on timing and volumes].

[Redacted – details of contract timing and response from customer as to competitiveness of offer].

[Redacted – further offer of local AN and reasons why offer for local supply rejected, including source of imports].

[Redacted – details for additional offers supply that were also rejected].

It is evident from [Company] discussions with [customer] that it has a preferred import source for ammonium nitrate being from [source country for imports] supply, which continually undercuts market expectation of fair pricing.

Example 2 [Customer]

[Company] is the raw material ammonium nitrate supply [redacted - details of supply to customer base]. [Redacted - commercially sensitive details of current supply to customer, supplier and period of supply].

[Redacted – commercially sensitive information on size of volume].

[Redacted – commercially sensitive details as to reduction in pricing offered to customer].

[Redacted – details of local supplier and notification unsuccessful].

[Redacted – details of further contractual discussions and import supply, detailing date of contract].

[Redacted – commercially sensitive details of injury to Australian industry supplier and source of imports to be supplied to customer].

Refer to [Company] Confidential Attachment A-9.3.2 for supporting information of the above summary.

Example 3 [Customer]

[Customer] Contract

[Redacted – Australian industry supplier] is contracted to supply [Redacted – commercially sensitive details of customer, location, timing of contract and contracted volumes].

[Redacted – commercially sensitive details concerning sourcing options for customer].

[Redacted – commercially sensitive details of volumes and sources of AN].

[Redacted – commercially sensitive assessment of alternate supply by customer].

:

[Redacted – commercially sensitive details concerning contractual details, import source alternatives, basis for price differentiation between sources of supply].

[Redacted – commercially sensitive explicit details as to basis for pricing differentials between sources of supply].

[Redacted – commercially sensitive information quantifying injury impact at customer for imports from particular source country].

[Additional customer contract]

[Redacted – commercially sensitive details concerning contractual parties, location, period of contract, offer price by Australian supplier, details of information confirming intent of customer for alternate supply].

Example 4 [Customer]

[Redacted – commercially sensitive contract negotiation information identifying customer, details of contract, volumes for contract supply, basis for pricing, impact of Australian industry member, and quantification of injury sustained].

(iii) *[Redacted - Australian industry supplier]*

[Redacted – commercially sensitive information concerning supply to customer, volumes, frequency, sources of competitive imports and pricing response from Australian industry member].

- 3. Compare the data at appendix A2 (Australian market) to identify the influence of dumped and/or subsidised imports on your quarterly costs to make and sell at appendix A6.1 (for example refer to changes in unit fixed costs or the ability to raise prices in response to material cost increases).**

The impact of importers of the previously sourced ammonium nitrate from China, Sweden and Thailand to the new sources countries of Chile, Lithuania and Vietnam, has limited the Australian Industry's ability to recover increasing costs incurred in the production of ammonium nitrate.

The large break-bulk shipments of ammonium nitrate from Lithuania first emerged in June 2018, followed by further large shipments from Lithuania and Chile in the second half of 2018. The bulk shipments replaced previous shipments from China, Sweden and Thailand and extended the price suppression experienced by the industry throughout 2018/19. As evidenced in Industry Confidential Appendix A6.1, the Australian industry's selling prices declined further in 2019 (from 2018 levels) and remained suppressed in 2020 as the shipments from Chile and Lithuania, with the addition of volumes from Vietnam influenced selling prices in contract negotiations. The cost to produce and sell ammonium nitrate also increased in 2019 and further again in 2020 and was 10 per cent above 2018 levels in 2020. A further 8 per cent increase was evident in the CTMS in 2021. The impact on the Australian industry's profit and profitability was substantial – profit

declined 25 per cent in 2019, and a further 13 per cent in 2020. The Australian industry was responding in contract negotiations to the availability of the dumped prices from Chile, Lithuania and Vietnam, which extended the material injury experienced in Invest 473 into the 2019 – 2021 years.

The emergence of exports from the nominated countries has highlighted the ease at which importers are incentivised to seek out new sources of supply of ammonium nitrate at dumped prices from countries not the subject of measures. The ready availability of large break-bulk shipments of ammonium nitrate – from Chile, Lithuania and Vietnam – from producers that have available capacity to supply, influence new and ongoing contractual negotiations and have an impact for the duration of the contract (often between 12 months and three years duration).

It is worth reiterating (as was noted in Investigation 473 by the Commission) the pervasive way in which the availability of dumped imports are used by competitors and customers to realise low priced outcomes at the time of contract negotiation which are then locked in for the contract term of three to five years, effectively locking in low margins. Australian industry is faced with needing to meet these low-price positions from dumped imports or lose volume, share and profit. Similarly, this also inhibits the ability of local industry to recover cost increases from the market. Whilst actual imports cause this effect, so does the threat of potential further dumped imports from the nominated sources of supply.

- 4. The quantity and prices of dumped and/or subsidised imported goods may affect various economic factors relevant to an Australian industry. These include, amongst other things, the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry. Describe, as appropriate, the effect of dumped and/or subsidised imports on these factors and where applicable use references to the data you have provided at appendix A7 (other economic factors). If factors other than those listed at appendix A7 (other economic factors) are relevant, include discussion of those in response to this question.**

The impact of the dumping from exports of ammonium nitrate from Chile, Lithuania and Vietnam has not been limited to the decline in the economic indicators of price suppression and industry profit and profitability.

The Australian Industry can demonstrate declines in other injury indicators, including:

- revenue;
- return on investment;
- ability to attract reinvestment; and
- employment numbers.

The declines in revenues (more readily identifiable in unit revenue) occurred in 2019 and 2020, despite the increase in domestic sales volumes over the same period. It is apparent that unit selling prices had declined in response to the new sources of exports at dumped prices – extending the injury sustained in the investigation period in Invest 473 and the subsequent six months thereafter.

- 5. Describe how the injury factors caused by dumping and/or subsidisation and suffered by the Australian industry are considered to be 'material'.**

The impact of the dumped exports from Chile, Lithuania and Vietnam has extended the injury experienced in 2017/18 (and the following twelve month period) into calendar 2019, 2020 and 2021. The Commission (subsequent confirmed by the ADRP) confirmed that the injury suffered by the Australian industry in 2017/18 was material in nature and sufficient to warrant the imposition of anti-dumping measures. The measures were imposed by the Minister in July 2019.

The injury experienced by the Australian industry subsequent to Invest 473 is considered to be greater – and therefore material – as profit in 2020 and 2021 has declined by approximately 28 per cent from the levels verified by the Commission for the 2017/18 investigation period in Invest 473. In 2021 profit and profitability remain at depressed levels as bulk shipments from Lithuania and Vietnam continued to supply the east coast market in Australia preventing local producers from increasing prices to recover higher costs encountered for raw material inputs (e.g. gas and ammonia)

The Applicant Industry submits that the level of injury sustained in 2020 and 2021 is material when contrasted with the 2017/18 year when industry volumes were lower and assets employed was similarly lower (than in 2020 and 2021).

6. Discuss factors other than dumped and/or subsidised imports that may have caused or may threaten to cause injury to the industry. This may be relevant to the application in that an industry weakened by other events may be more susceptible to injury from dumping and subsidisation.

The often-discussed decline in demand for coal and iron ore in the Australian mining industry has not transpired in 2020 and 2021 as demand for ammonium nitrate continues to grow.

The impact of price increases in global gas prices impacts all suppliers and gas customers, with cost increases difficult to pass on where unfairly-priced finished goods (i.e. ammonium nitrate) are in regular supply. Increases in global gas cost have also seen increases in ammonia- the other key raw material cost in ammonium nitrate production. Given the sharp increases in European gas costs in particular, it is clear that imports from Lithuania have been clearly at dumped and injurious prices to the Australian industry.

The Australian market for ammonium nitrate continues to be supplied from local production and a regular supply of imports. The imports at dumped prices impact the local industry's ability to invest long-term in this capital-intensive industry if operating margins continue to be eroded.

7. This question is not mandatory, but may support your application. Where trends are evident in your estimate of the volume and prices of dumped and/or subsidised imports, forecast their impact on your industry's economic condition. Use the data at [appendix A2 \(Australian market\)](#), [appendix A6 \(cost to make and sell\)](#), and [appendix A7 \(other economic factors\)](#) to support your analysis.

Invest 473 confirmed the impact on Australian industry profit and profitability that imports that comprise only a small percentage of the Australian market can have on the whole Australian industry. Specifically, the imports from China, Sweden and Thailand accounted for approx. 3.5-4.0 per cent of the total Australian market (although accounting for 60 per cent of the total import volume) during the 2017/18 investigation period.

In 2020, the imports from Chile, Lithuania and Vietnam accounted for a similar share of the Australian market as the dumped and injurious imports in Invest 473 (at approx. 3.5 per cent). However, the share of the total import volume held by the subject countries in 2020 is greater than 60 per cent. In 2021 the aggregate import volumes have declined – due to the supply of ammonium nitrate by the new producer – Yara Pilbara Nitrates – and the short-term reduced access to shipping availability. Despite this, the import volumes from Chile, Lithuania and Vietnam account for more than 60 per cent of total import volume in 2021.

The Applicant Industry submits that consistent with Invest 473 it is prudent to examine a two-year investigation period for ammonium nitrate as the industry comprises approximately 90-95 per cent long-term contracts that are negotiated on the basis of recent import trends – with the subject countries having well established supply in the two-year period from 1 January 2020.

The Applicant Industry can demonstrate that there was an immediate and consequential effect of importers switching away from exporters the subject of Invest 473 (i.e. China, Sweden and Thailand) in 2018 to the new countries the subject of this application – Chile, Lithuania and Vietnam –that have continued in 2020 and 2021. The new sources of supply were influential in the continued suppression of prices in new contract negotiations – due to the transparent nature of pricing of imports from the new source countries.

This application demonstrates that the exports from Chile, Lithuania and Sweden have been exported to Australia at levels of dumping that are significant – dumping margins ranging from 15 to 27 per cent in 2020/21. The exports from the nominated countries emerged in the second half of 2018 and continued the injury experienced by the Australian industry (injury that was considered material in 2017/18 as confirmed in Report 473), with this injury deteriorating further in subsequent periods 2019 and 2020, and remaining at suppressed levels in 2021.

The Australian industry producing ammonium nitrate has experienced injury from the dumped exports from Chile, Lithuania and Vietnam through:

- price suppression;
- reduced unit revenue;
- reduced profit and profitability; and
- reduced return on investment.

The manufacture of ammonium nitrate is a capital-intensive process, with continued high capital injections required for the stable and efficient production of a high quality mining industry input. The local manufacturing participants have undertaken significant risks associated with the local investments and are acutely susceptible to marginally priced imports at dumped prices. This application demonstrates the injurious impact that dumped exports from Chile, Lithuania and Vietnam have had on the industry's profit and profitability – namely, the further deterioration of the industry financial position following Invest 473.

The Applicants request the Commissioner to commence a formal investigation into the export of ammonium nitrate from Chile, Lithuania and Vietnam at dumped prices that have caused, and threaten to cause, material injury to the Australian industry manufacturing like goods. The Applicants further request that the Commissioner use his powers to publish a Preliminary Affirmative Finding that the exports of ammonium nitrate from Chile, Lithuania and Vietnam at dumped prices will continue to cause material injury and that provisional measures are considered necessary to prevent further material injury to the local industry. The imposition of provisional measures are required as early as practicable following Day 60 of the investigation (consistent with the WTO Anti-Dumping Agreement requirements).

PART B

DUMPING

IMPORTANT

All questions in Part B should be answered even if the answer is 'Not applicable' or 'None' (unless the application is for countervailing duty only: refer Part C). If an Australian industry comprises more than one company/entity, Part B need only be completed once.

B-1 Source of exports

1. Identify the country(ies) of export of the dumped goods.

The countries of export the subject of this application are Chile, Lithuania and the Socialist Republic of Vietnam ("Vietnam").

2. Identify whether each country is also the country of origin of the imported goods. If not, provide details.

The Applicant Industry understands that the country of export is also the country of origin for the goods (i.e. where the goods were manufactured).

3. If the source of the exports is a non-market economy, or an 'economy in transition' refer to Part C.4 and Part C.5 of the application.

The subject countries – Chile, Lithuania and Vietnam - are not considered non-market economy or economy in transition countries for the purposes of Australia's Anti-Dumping provisions.

4. Where possible, provide the names, addresses and contact details of:

- **producers of the goods exported to Australia;**
- **exporters to Australia; and**
- **importers in Australia.**

The following company is understood to be the exporter of the goods from Chile:

- Enaex Chile S.A.
El Trovador 4253
Santiago Las Condes, Region Metropolitana, Chile
Tel: +56 2 2837 7600

The Eneax Prillex plant was expanded to 850,000 tonnes capacity in 2011.

The following company is understood to be the exporter of the from Lithuania:

- AB Achema
Jonlaukio k. Ruklos sen.
LT-55296 Jonavos r.
Lithuania
Tel: + 370 669 57199
Email: info@achema.com

The following company is understood to be the exporter of the goods from Vietnam:

- VINACOMIN-Chemical Industry Holding Corporation Limited (MICCO)
Thai Binh, Vietnam
Head Office
Phan Dinh Giot Street
Phuong Liet Ward
Thanh Xuan District
Hanoi City
Tel: +84 4 3864 2778
Email: contact@micco.com.vn

The following companies are understood to be importers of the goods:

- Downer Blasting Services, since acquired by Enaex Australia
Triniti Business Campus
39 Delhi Road
North Ryde NSW 2113
Tel: +61 2 9468 9700
Fax: +61 2 9813 8915
- AECI Australia Pty Ltd trading as AEL Mining Services
320 Adelaide Street
Brisbane Queensland 4000
Tel: +61 7 3221 0168
Fax:: +61 7 3220 0491

5. If the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 3% of all imports of the product into Australia refer to Part C.6 of the application.

In Invest 473, the Commission noted that tender contracts were often for periods exceeding twelve months (i.e. up to three and five years). The Applicant Industry notes that in Investigation No. 507 where contracts are similarly long-term in nature, the Commission considered an investigation period of three years duration as appropriate for the purposes of assessing dumping. The Applicant Industry submits that the similar nature of both the duration and the impact of the tender process in the ammonium nitrates industry warrants an investigation period of longer than a narrow twelve-month timeframe.

For the purposes of this application, the Applicant Industry submits that a two-year investigation period is considered more representative for the purposes of assessing dumping.

The following Table B-1.5 confirms that imports from Chile, Lithuania and Vietnam each exceeded 3 per cent of total import volumes in 2020 and 2021. Please refer to Industry Confidential Appendix A2 which details imports from each country and confirms import volumes from the nominated countries exceed the three per cent negligible levels.

Refer to Confidential Attachment B-1.5 for ABS import data.

Table B-1.5 – Import volumes of ammonium nitrate in to Australia 2019 – 2021 (kilograms)

Country	2019 (tonnes)	2020 (tonnes)	2021 (tonnes)	Per cent of total Import volume in 2020 & 2021
Chile	24,197	18,017	7,524	11.3 %
Lithuania	24,759	39,265	21,111	26.7 %
Vietnam	6,701	38,673	16,168	24.2 %
Ukraine	0	3,600	9,834	5.9 %
Other	98,552	52,755	19,211	31.8 %
Total	154,209	152,311	73,858	100.0%

Source: ABS data.

Although the export volumes from Chile, Lithuania and Vietnam have declined in 2021 this is considered to be due to tight shipping requirements evident in 2021. It should be noted, however,

that over the recommended investigation period of 2020 and 2021, imports from Chile, Lithuania and Vietnam account for more than 60 per cent of total import volumes of ammonium nitrate into Australia.

6. In the case of an application for countervailing measures against exports from a developing country, if the import volume from each nominated country at Appendix A.2 (Australian Market) does not exceed 4% of all imports of the product into Australia refer to Part C.6 of the application.

This application does not extend to an application for countervailing measures against any one of the three nominated countries.

B-2 Export price

Possible sources of information on export price include export price lists; estimates from the Australian Bureau of Statistics; a deductive export price calculation from the Australian selling price of the imported goods; export sales quotations or invoices; foreign government export trade clearances.

1. Indicate the FOB export price(s) of the imported goods. Where there are different model control codes or levels of trade involved, an export price should be supplied for each.

The Applicants have obtained Australian Bureau of Statistics (“ABS”) import data for ammonium nitrate imported under subheading 3102.30.00 statistical code 05. All imported ammonium nitrate is in solid form.

The FOB export values for ammonium nitrate as published in the ABS data for subheading 3102.30.00 statistical code 05, for each exporting country nominated in this application, on a quarterly basis, are as follows:

Table B-2.1.1 – Chile Quarterly A\$FOB Values

Period	Qty	Value (A\$FOB)	Unit A\$FOB/MT
Jan-Mar 2020			
Apr-Jun 2020	10032	4273504	425.99
Jul-Sep 2020	4975.87	2078751	417.77
Oct-Dec 2020	3009.6	2751665	914.30
Jan-Mar 2021	7,524.1	2907720	386.45
Apr-Jun 2021	0	0	
Jul-Sep 2021	0	0	
Oct-Dec 2021	0	0	

Source: ABS import data.,

Table B-2.1.2 – Lithuania Quarterly A\$FOB Values

Period	Qty	Value (A\$FOB)	Unit ASFOB
Jan-Mar 2020	1793.88	8524662	474.28
Apr-Jun 2020	2255.64	843208	373.82
Jul-Sep 2020	10575.32	3290555	311.15
Oct-Dec 2020	8460.26	2919837	
Jan-Mar 2021	1328.18	522452	393.36
Apr-Jun 2021	9152.04	3355341	366.62
Jul-Sep 2021	2579.98	1295007	501.94
Oct-Dec 2021	8050.84	4237027	526.28

Source: ABS import data.

Table B-2.1.4 – Vietnam Quarterly A\$FOB Values

Period	Qty	Value (A\$FOB)	Unit ASFOB
Jan-Mar 2020	6480	2784031	429.63
Apr-Jun 2020	13076.2	6566571	502.18
Jul-Sep 2020	6496.2	2868742	441.60
Oct-Dec 2020	12620.54	5396869	427.63
Jan-Mar 2021	9688.35	3887099	401.21
Apr-Jun 2021	6480	2862412	441.73
Jul-Sep 2021	0	0	
Oct-Dec 2021	0	0	

Source: ABS import data.

2. Specify the terms and conditions of the sale, where known.

The FOB export prices are considered to be point of export, in each of the exporting countries. The FOB price includes export inland freight.

3. If you consider published export prices are inadequate, or do not appropriately reflect actual prices, please calculate a deductive export price for the goods. Appendix B1 (Deductive Export Price) can be used to assist your estimation.

The Applicants consider that the ABS data from which the A\$FOB unit prices for ammonium nitrate have been derived are reliable for the purposes of comparison with prevailing normal values in the respective country of export.

4. It is important that the application be supported by evidence to show how export price(s) have been calculated or estimated. The evidence should identify the source(s) of data.

The Applicants have included ABS import data at Confidential Attachment B-1.5.

B-3 Selling price (normal value) in the exporter's domestic market

Possible sources of information about domestic selling prices in the country of export include: price lists for domestic sales (with information on discounts); actual quotations or invoices relating to domestic sales; published material providing information on the domestic selling prices; or market research undertaken on behalf of the applicant.

1. State the selling price for each model control code of like goods sold by the exporter, or other sellers, on the domestic market of the country of export.

I. Chile

Selling prices for ammonium nitrate in Chile are not published in newsletters or industry publications and are considered commercially sensitive between the supplier and customer.

[Source] has been able to obtain domestic selling prices for ammonium nitrate sold locally on the Chilean domestic market. The selling prices are understood to have been to [customer description].

The following domestic selling prices are understood to have occurred in 2020 and 2021.

Table B-3.1 – Chilean domestic ammonium nitrate prices ex plant

Month	Selling Prices US\$/MT	Rate of Exchange	A\$/MT
Jan 20	xxxxx	0.69	xxxxx
Feb 20	xxxxx	0.6716	xxxxx
Mar 20	xxxxx	0.6299	xxxxx
Apr 20	xxxxx	0.6409	xxxxx
May 20	xxxxx	0.6434	xxxxx
Jun 20	xxxxx	0.684	xxxxx
Jul 20	xxxxx	0.6939	xxxxx
Aug 20	xxxxx	0.7146	xxxxx
Sep 20	xxxxx	0.7281	xxxxx
Oct 20	xxxxx	0.7163	xxxxx
Nov 20	xxxxx	0.7228	xxxxx
Dec 20	xxxxx	0.7536	xxxxx
Jan 21	xxxxx	0.7741	xxxxx
Feb 21	xxxxx	0.7747	xxxxx
Mar 21	xxxxx	0.7785	xxxxx
Apr 21	xxxxx	0.765	xxxxx
May 21	xxxxx	0.7727	xxxxx
June 21	xxxxx	0.775	xxxxx

Source: Confidential Attachment B-3.1

The selling prices in Table 3.1 do not include bagging costs. Typical bagging costs are approx. US\$xx per tonne.

Supporting documentation for the selling prices in Table B-3.1 are included at Confidential Attachment B-3.1 (a) – (c). It should be noted that the [commercially sensitive details concerning pricing] than in Table 3.1 to allow for interest costs.

II. Lithuania

Selling prices for ammonium nitrate in Lithuania are not published in newsletters or industry publications and are considered commercially sensitive between the supplier and customer.

The Applicants do not have access to domestic selling price information for ammonium nitrate sold by the local producer Achema in Lithuania. The Applicant's therefore are unable to determine normal values for ammonium nitrate sold in Lithuania in accordance with subsection 269TAC(1).

The Applicants have therefore constructed selling prices for ammonium nitrate in Lithuania based upon the best available information and knowledge of cost economics for ammonia and ammonium nitrate in Eastern Europe. Please refer to Section B-4 below for constructed normal values for exporters of ammonium nitrate in Lithuania.

III. Vietnam

The ammonium nitrate production facility in Vietnam – Vinacomin - is a wholly owned subsidiary of the Vietnamese Government through its Commission for the Management of State Capital Enterprises ("CMSC"). The plant has an annual capacity of 200,000 tonnes and has been operating recently at around 60 per cent production rates.

The Australian Industry has been able to obtain selling prices for porous prill ammonium nitrate ("PPAN") during 2020. Raw material ammonia prices have increased in 2021 therefore the selling price identified is considered conservative for 2021 pricing.

Please refer to Confidential Attachment B-3.1.2 for selling price information for PPAN sold domestically in Vietnam.

2. Specify the terms and conditions of the sale, where known.

Please refer to Part B-4.1.

3. Provide supporting documentary evidence.

Please refer to Part B-4.1.

4. List the names and contact details of other known sellers of like goods in the domestic market of the exporting country.

There is only one manufacturer of ammonium nitrate in Chile, Lithuania and Vietnam as identified at Part B-1.2 above.

B-4 Estimate of normal value using another method

This section is not mandatory. It need only be completed where there is no reliable information available about selling prices in the exporter's domestic market. Other methods of calculating a normal value include:

- the cost to make the exported goods plus the selling and administration costs (as if they were sold in the exporter's domestic market) plus an amount for profit (if applicable);
- OR
- the selling price of like goods from the country of export to a third country.

1. Indicate the normal value of the like goods in the country of export using another method (if applicable, use appendix B2 Constructed Normal Value).

I. Lithuania

The Applicants do not have access to domestic selling prices for ammonium nitrate sold in Lithuania. Normal values for ammonium nitrate therefore cannot be established under subsection 269TAC(1).

The Applicants have access to independent information concerning production costs for the domestic ammonium nitrate producer in Lithuania. The independent information has permitted the Applicants to "construct" a domestic selling price for ammonium nitrate produced locally and sold on the domestic market.

The Applicants understand that the Achema ammonium nitrate plant has an annual production of 450,000 tonnes. Achema also produces urea, urea-ammonium nitrate ("UAN") and calcium ammonium nitrate. The company also manufactures urea formaldehyde resin.

The Applicants have determined constructed normal values for the period October 2020 to September 2021, that includes a rising ammonia cost throughout this period. The cost of production for ammonium nitrate is therefore likely to be significantly higher at the end of the period than at the end of the period.

Detailed input costs for the Lithuania constructed selling price are included at Confidential Attachment B-4.1.1 – Lithuania normal value. The following Table B-4.1.1 confirms the constructed selling price for ammonium nitrate sold in Lithuania in 2020/21.

Cost element	Units	Value	Comment
Gas cost	USD/mmBTU		
Conversion			
Gas Cost			
Other costs	USD/te		
Ammonia cost into plant	USD/te		
Conversion	Te NH3/te AN		
Ammonia Cost in AN	USD/Te		
Other variable costs	USD/te		
AN variable cost	USD/te		
Other costs incl labour	USD/te		
AN cash cost	USD/te		
Depreciation	USD/te		
Selling & admin costs	USD/te		
Bagging	USD/te		
Total CTMS	USD/te		
Profit @ 15 per cent	USD/te		
Selling price	USD/te		
	A\$/te (@ 0.7513)	508.91	A\$ ex-factory selling price

Refer to Confidential Attachment B-4.1.1 for detailed costings for the manufacture of ammonium nitrate in Lithuania and supporting source information. The Applicants have provided a quarterly breakdown of Lithuanian costs due to the high volatility with gas prices evident in 2020/21.

2. Provide supporting documentary evidence.

Refer to Confidential Attachment B-4.1.1 for *prima facie* normal value information for ammonium nitrate sold in Lithuania in 2020/21.

B-5 Adjustments

A fair comparison must be made between the export price and the normal value. Adjustments should be made for differences in the terms and circumstances of the sales such as the level of trade, physical characteristics, taxes or other factors that affect price comparability.

1. Provide details of any known differences between the export price and the normal value. Include supporting information, including the basis of estimates.

Normal values for each of the exporting countries – Chile, Lithuania and Vietnam – have been established at the ex-factory level. Export prices (sourced from ABS import data) are at the FOB point, country of export. The FOB export price therefore includes costs associated with port storage, and port and handling charges in the export port, along with inland freight from the production facility to the export port.

The Applicant Industry has therefore identified adjustments required to normal values as follows:

- storage costs at port (approx. US\$xx per metric tonne);
- port and handling expenses (approx.. US\$xx per metric tonne); and
- inland freight from production facility to port (approx.. US\$xxxx0 in Lithuania).

The Applicants understand that the ammonium nitrate manufacturing facility in Vietnam is located at the port. No inland freight adjustment is therefore required for the Vietnam normal value. The adjustments for port and handling expenses are required (as well as for Chile). The Applicants do not have information concerning inland freight costs from manufacturing facility to port in Chile.

2. State the amount of adjustment required for each and apply the adjustments to the domestic prices to calculate normal values. Include supporting information, including the basis of estimates.

The Applicants have identified estimates of the required adjustments to normal values at B-5.1.

B-6 Dumping margin**1. Subtract the export price from the normal value for each model control code of the goods (after adjusting for any differences affecting price comparability).**

The Applicants have calculated weighted-average quarterly dumping margins and proposed investigation period dumping margins for ammonium nitrate exported from Chile, Lithuania and Vietnam across the period January 2020 to December 2021. Due to the nature of the long-term contracts that prevail in the ammonium nitrate industry, an investigation of greater than twelve months is required.

Table 6.1 identifies dumping margin calculations for the subject goods exported to Australia during 2020 and 2021.

Table B-6.1 – Weighted average dumping margins – Chile, Lithuania and Vietnam A\$/MT

Period	Chile	Lithuania	Vietnam
Jan-Mar 2020		6.13	133.24
Apr-Jun 2020	150.97	55.21	60.70
Jul-Sep 2020	154.86	80.49	121.27
Oct-Dec 2020	-410.10	52.38	135.25
Jan-Mar 2021	112.48	82.25	161.66
Apr-Jun 2021		112.81	121.15
Jul-Sep 2021		32.11	
Oct-Dec 2021		266.78	
Av. 2020/21	74.28	81.18	118.58

Notes:

1. Dumping margin calculations at Confidential Attachment B-6.1.
2. Oct-Dec 2021 data does not include imports for December 2021 as not available at time of application.
3. Where no value is disclosed, there were no imports for the quarter.

The weighted average dumping margins during 2020 and 2021 for exports of ammonium nitrate from Chile, Lithuania and Vietnam are each in excess of negligible levels. The Applicant Industry submits that the prima facie evidence supports a position that the exports to Australia have been made at dumped prices during 2020 and 2021.

2. Show dumping margins as a percentage of the export price.

The following Table B-6.2 summarizes the calculated dumping margins as a per cent of export price for ammonium nitrate exported to Australia from Chile, Lithuania and Vietnam during 2020 and 2021.

Table B-6.2 – Weighted average dumping margins as a percent of export price – Chile, Lithuania and Vietnam

Period	Chile	Lithuania	Vietnam
Jan-Mar 2020		1.29%	13.01%
Apr-Jun 2020	35.44%	14.77%	12.09%
Jul-Sep 2020	37.07%	25.87%	27.46%
Oct-Dec 2020	-44.85%	15.18%	31.63%
Jan-Mar 2021	29.10%	20.91%	40.29%
Apr-Jun 2021		30.77%	27.43%
Jul-Sep 2021		6.40%	
Oct-Dec 2021		50.69%	
Av. 2020/21	15.79%	19.61%	26.69%

Notes:

1. Dumping margin calculations at Confidential Attachment B-6.1.
2. Where no value is disclosed, there were no imports for the quarter.

The weighted average dumping margins during 2020 and 2021 for exports of ammonium nitrate from Chile, Lithuania and Vietnam are each in excess of the 2 per cent negligible levels.

PART C

SUPPLEMENTARY SECTION

IMPORTANT

Replies to questions in Part C are not mandatory in all instances, but may be mandatory for certain applications.

C-1 Subsidy

This section must be completed where countervailing duties are sought to offset foreign government assistance through subsidies to exporters or producers.

If the application is for countervailing duty alone, the domestic price information required by Part B of the application need not be supplied.

Responses to questions A-9 will need to identify the link between subsidisation and injury.

1. **Identify the subsidy paid in the country of export or origin. Provide supporting evidence including details of:**
 - (i) **the nature and title of the subsidy;**
 - (ii) **the government agency responsible for administering the subsidy;**
 - (iii) **the recipients of the subsidy; and**
 - (iv) **the amount of the subsidy.**

This application for anti-dumping measures on ammonium nitrate exported from Chile, Lithuania and Vietnam does not include an application for countervailing measures.

C-2. Threat of material injury

1. **Identify the change(s) in circumstances that would make material injury foreseeable and imminent unless dumping or countervailing measures were imposed, for example by having regard to:**
 - (i) **the rate of increase of dumped/subsidised imports;**
 - (ii) **changes to the available capacity of the exporter(s);**
 - (iii) **the prices of imports that will have a significant depressing or suppressing effect on domestic prices and lead to further imports;**
 - (iv) **inventories of the product to be investigated;**
 - (v) **for applications claiming subsidisation, the nature of the subsidies in question and the trade effects likely to arise therefrom; or**
 - (vi) **any other relevant factor(s).**

The Applicant Industry is concerned that if anti-dumping measures are not applied to dumped exports from the nominated countries, the Australian importers of the subject goods, will continue to source bulk shipments at dumped and injurious prices that have a long-term impact on contract price outcomes.

It may be recalled that Investigation No. 473 – involving exports of ammonium nitrate to Australia from China, Sweden and Thailand – culminated in the imposition of anti-dumping measures on all exporters from the three countries. However, during the conduct of Investigation No. 473, importers sourced ammonium nitrate from new suppliers not the subject of measures (namely some exporters in the subject countries). The ability of Australian importers to negotiate the supply of break-bulk shipments of ammonium nitrate (exceeding more than 1,000 tonnes in a shipment) impacts the contract negotiations that are current, and pending, around the time of importation. The transparent nature of import pricing enables parties to be fully informed of pricing and availability from source countries not the subject of measures. It is common for interested parties to reference import prices in contract negotiations⁵. Once contract has been finalised and settled for a period (typically 12 months to 3 years duration) the local manufacturer is 'locked in' at the injurious price. Hence dumped prices at any point in time can have an impact across subsequent periods of up to five years duration.

In respect of exports from the nominated countries, the Applicants highlight:

⁵ Recent Investigation No. 565 confirmed that approximately 5 per cent of sales on the Australian market are "spot" sales.

- (a) the exporters in each nominated country possess the ability to readily export large break-bulk shipments (as demonstrated by past volumes from each of the four countries);
- (b) it is understood that the producers in each exporting country do possess sufficient available production capacity to readily increase export volumes to Australia (which is only limited by the ability of explosives manufacturers in Australia to convert imported ammonium nitrate into solution and/or emulsion or fertiliser forms);
- (c) it is evidenced in this application that the import prices from the three exporting countries have a price impact – the Australian industry has been unable to pass on higher input costs to end-users;
- (d) the Australian importers have import distribution channels in place to secure imports in a timely manner for further processing into solution and/or emulsion forms;
- (e) it is unlikely that numerous importations in a short timeframe will occur as significant storage issues arise with solid ammonium nitrate being stored for lengthy periods (i.e. caking and solidification); and
- (f) ongoing, break-bulk shipments in a timely manner is the preferred strategy of interested parties seeking to purchase at dumped and injurious prices in preference to supply from the Australian industry.

Bulk shipments of ammonium nitrate from Chile, Lithuania and Vietnam landed into Gladstone, Queensland and Newcastle, NSW ports with a high level of regularity in 2020, continuing into mid-2021. These shipments have continued the price suppression evident in Investigation No. 473 into 2020 and 2021 demonstrating the injurious effect of the availability of the dumped imports from Chile, Lithuania and Vietnam.

The availability of dumped exports of ammonium nitrate from Chile, Lithuania and Vietnam present and foreseeable and imminent threat of ongoing injury through depressed and suppressed selling prices that undercut the Australian industry's selling prices. The availability of the goods from the nominated countries continues to impact tender negotiations (and spot price negotiations) due to the availability of the product at dumped prices that are not the subject of the measures.

The Australian industry therefore views the continued export of ammonium nitrate from Chile, Lithuania and Vietnam to Australia at dumped and injurious prices as presenting a foreseeable and imminent ongoing threat of material injury unless dumping measures are imposed.

2. If appropriate, include an analysis of trends (or a projection of trends) and market conditions illustrating that material injury is both foreseeable and imminent.

Anti-dumping measures were applied in May 2019 to exports of ammonium nitrate from China, Sweden and Thailand following Investigation No. 473. Imports from the three countries declined and were replaced by imports from Chile, Lithuania and Vietnam. The three new sources of supply increased exports to Australia peaking in 2020 and have continued (particularly bulk shipments) in the first half of 2021.

This application demonstrates that the exports to Australia from Chile, Lithuania and Vietnam have been at dumped prices in 2020 and 2021.

The exporters of ammonium nitrate in Chile, Lithuania and Vietnam will continue to supply the Australian market while they have a price advantage versus exporters the subject of measures. As the exports from Chile, Lithuania and Vietnam continue, Australian industry prices remain at suppressed levels.

The Applicants understand that the exporters in Chile, Lithuania and Vietnam have sufficient, freely available excess capacity to supply increased volumes into the Australian market. As certainty associated with shipping freight times improves, increased exports of ammonium nitrate from Chile, Lithuania and Vietnam will emerge resulting in further material injury to the Australian industry that is both foreseeable and imminent.

C-3. Close processed agricultural goods

Where it is established that the like (processed) goods are closely related to the locally produced (unprocessed) raw agricultural goods, then – for the purposes of injury assessment – the producers of the raw agricultural goods form part of the Australian industry. This section is to be completed only where processed agricultural goods are the subject of the application. **Applicants are advised to contact the Commission’s client support section before completing this section.**

1. Fully describe the locally produced raw agricultural goods.

Ammonium nitrate is not a close processed agricultural good. This question is not applicable.

2. Provide details showing that the raw agricultural goods are devoted substantially or completely to the processed agricultural goods.

Not applicable.

3. Provide details showing that the processed agricultural goods are derived substantially or completely from the raw agricultural goods.

Not applicable.

4. Provide information to establish either:

- a close relationship between the price of the raw agricultural goods and the processed agricultural goods; or
- that the cost of the raw agricultural goods is a significant part of the production cost of the processed agricultural goods.

Not applicable.

C-4. Exports from a non-market economy

Complete this section only if exports from a non-market economy are covered by the application. The domestic price information required by Part B of the application need not be supplied if this question is answered.

Normal values for non-market economies may be established by reference to selling prices or to costs to make and sell the goods in a comparable market economy country.

1. Provide evidence the country of export is a non-market economy. A non-market economy exists where the government has a monopoly, or a substantial monopoly, of trade in the country of export and determines (or substantially influences) the domestic price of like goods in that country.

Chile, Lithuania and Vietnam are not considered “non-market economies” for the purposes of Australia’s Anti-Dumping provisions.

This question does not apply to this application.

2. Nominate a comparable market economy to establish selling prices.

This question does not apply to this application.

3. Explain the basis for selection of the comparable market economy country.

This question does not apply to this application.

4. Indicate the selling price (or the cost to make and sell) for each model control code of the goods sold in the comparable market economy country. Provide supporting evidence.

This question does not apply to this application.

C-5 Exports from an ‘economy in transition’

An ‘economy in transition’ exists where the government of the country of export had a monopoly, or substantial monopoly, on the trade of that country (such as per question C-4) and that situation no longer applies.

Complete this section only if exports from an ‘economy in transition’ are covered by the application. **Applicants are advised to contact the Commission’s client support section before completing this section**

1. Provide information establishing that the country of export is an ‘economy in transition’.

Chile, Lithuania and Vietnam are not considered “economy in transition” countries for the purposes of Australia’s Anti-Dumping provisions. This question is not applicable.

2. A price control situation exists where the price of the goods is controlled or substantially controlled by a government in the country of export. Provide evidence that a price control situation exists in the country of export in respect of like goods.

This question does not apply to this application.

3. Provide information (reasonably available to you) that raw material inputs used in manufacturing/producing the exported goods are supplied by an enterprise wholly owned by a government, at any level, of the country of export.

This question does not apply to this application.

4. Estimate a ‘normal value’ for the goods in the country of export for comparison with export price. Provide evidence to support your estimate.

This question does not apply to this application.

C-6 Aggregation of Volumes of dumped goods

Only answer this question if required by question B-1.5 of the application and action is sought against countries that individually account for less than 3% of total imports from all countries (or 4% in the case of subsidised goods from developing countries). To be included in an investigation, they must

collectively account for more than 7% of the total (or 9% in the case of subsidised goods from developing countries).

	Quantity	%	Value	%
All imports into Australia		100%		100%
Country A*				
Country B*				
etc*				
Total				

* Only include countries that account for less than 3% of all imports (or 4% in the case of subsidised goods from developing countries). Use the data at [Appendix A.2](#) (Australian Market) to complete the table.

The goods the subject of this application exported from Chile, Lithuania and Vietnam do not account for less than 3 per cent of the total import volume of goods imported into Australia during 2020-2021.

APPENDICES

Appendix A1	Australian Production
Appendix A2	Australian Market
Appendix A3	Sales Turnover
Appendix A4	Domestic Sales
Appendix A5	Sales of Other Production
Appendix A6.1	Cost to Make and Sell (& profit) Domestic Sales
Appendix A6.2	Cost to Make and Sell (& profit) Export Sales
Appendix A7	Other Injury Factors
Appendix A8	Authority to Deal With Representative
Appendix B1	Deductive Export Price
Appendix B2	Constructed Normal Value