

**Executive Summary of Acron’s Application for a Partial Interim Review  
of the EU Anti-Dumping Measures Against Russian Imports of Ammonium Nitrate**

In December 2016, PJSC Acron and PJSC Dorogobuzh and their affiliated companies (collectively “Acron”), a Russian producer of solid fertilizer-grade ammonium nitrate, submitted an application for a partial interim review of the anti-dumping measures applicable to imports into the European Union of ammonium nitrate originating in Russia. An executive summary of this application is provided below for public information, including a description of the product concerned, a summary of the case, and the names of known parties to the investigation.

**The Product Concerned**

The product concerned is ammonium nitrate (NH<sub>4</sub>NO<sub>3</sub>) in the form of granules of white color or slightly colored without mechanical admixtures. It is used in agriculture as mineral fertilizer for all soil types and for all agricultural species, as both a fertilizer before planting and an additional nutrient for crops in early spring. It is also used to produce dry blends. In terms of its production process, ammonium nitrate in granules without any mechanical admixtures contains nitrogen in ammonium and nitrate forms. Ammonium nitrate is produced from ammonia, nitric acid and ammonium nitrate solutions, obtained in the process of production of compound fertilizers in the process of conversion of calcium nitrate into calcium carbonate. A magnesium and/or calcium-based conditioning agent may be used in the process. It is treated with conditioning agents based on alkylamines in mineral oil. If approved by the customer, ammonium nitrate may also be treated with a surface anti-clodding agent (Lilamin, Flotigam, etc.).

**Summary of the Case**

In June 1994, the Commission initiated an anti-dumping investigation into imports of ammonium nitrate from Russia. Acron was one of the companies identified in the petition among Russian producers of the product concerned. Definitive anti-dumping measures were imposed in August 1995<sup>1</sup> based on the non-market economy methodology using the United States as the analogue country. Following subsequent expiry and partial interim reviews of these measures, a definitive anti-dumping duty was maintained on imports of the product concerned from Russia in April 2002.<sup>2</sup>

This definitive anti-dumping duty was again maintained in July 2008.<sup>3</sup> In that review, Acron’s anti-dumping duty was calculated using a cost adjustment based on the price of gas in markets other than Russia, which led to findings of dumping higher than the country-wide injury margin. At the same time, the Commission accepted a price undertaking offered by Acron.<sup>4</sup> Following the most recent expiry review of the measures, the definitive anti-dumping duty was maintained once more in September 2014,<sup>5</sup> still subject to Acron’s undertaking. However, the Commission subsequently decided to withdraw Acron’s undertaking in March 2016.<sup>6</sup>

---

<sup>1</sup> OJ L 198, 23.8.1995, p. 1.

<sup>2</sup> OJ L 102, 18.4.2002, p. 1.

<sup>3</sup> OJ L 185, 12.7.2008, p. 1.

<sup>4</sup> OJ L 185, 12.7.2008, p. 43.

<sup>5</sup> OJ L 280, 24.9.2014, p. 19.

<sup>6</sup> OJ L 75, 22.3.2016, p. 10.

Given a number of important changes in the intervening years, both within Acron and with respect to external factors, enumerated below, Acron now respectfully requests that the Commission initiate a partial interim review based on the following factors:

- the withdrawal of Acron's undertaking on 23 March 2016 and subsequent substantial changes in the structure of sales by Acron to the EU;
- the passage of significant time since the imposition of the original measures based on the non-market economy methodology using the United States as the analogue country, and the last calculation of Acron's anti-dumping duty using a cost adjustment based on the price of gas in other markets (i.e., Russian gas when sold for export to the EU at the German/Czech border), which led to findings of dumping higher than the country-wide injury margin;
- changes in Acron's cost of production of ammonium nitrate, as well as in its corporate and sales structures on the domestic market;
- the alignment of the prices charged by Gazprom for natural gas sold for export to the EU and to industrial consumers in Russia;
- the substantial decline in the value of the Rouble relative to the Euro following the entry into force of EU economic sanctions against Russia in March 2014; and
- Russia's 2012 WTO accession and subsequent changes to the rules applicable to Russian exporting producers in anti-dumping investigations by WTO Members.

#### **Names of Known Parties**

The following are known to Acron to be parties to the investigation:<sup>7</sup>

- PJSC Acron, Russia, involved in the production and sale of ammonium nitrate
- PJSC Dorogobuzh, Russia, involved in the production and sale of ammonium nitrate
- Agronova Europe AG, Switzerland, Acron's affiliated trading company,
- Fourteen affiliated resellers of ammonium nitrate in Russia:<sup>8</sup>
  - Agronova-Bryansk CJSC
  - Agronova-Volga CJSC
  - Baltayagronova CJSC
  - Agronova-Saratov CJSC
  - Agronova-Kuban CJSC
  - Agronova-Belgorod OJSC
  - Agronova-Krasnodar OJSC
  - Griaziagronova CJSC
  - Eletzagronova CJSC
  - Agronova-Livny CJSC
  - Agronova-Lipetsk JSC
  - Agronova-Oryol CJSC
  - Zadonskagronova OJSC
  - Agronova-Rostov CJSC

---

<sup>7</sup> Acron owns a minority, non-controlling share in Azoty Group, but the two companies are not considered to be affiliated under either EU or Russian law. Azoty Group is not a party to the investigation.

<sup>8</sup> Based on sales during the period starting 1 October 2015 through 30 September 2016.