

EXECUTIVE SUMMARY

ORIGINAL COMPLAINT

Product Concerned: Urea Ammonium Nitrate Solutions (UAN)

Producer / exporters concerned: Russia, Trinidad & Tobago and USA

Applicant: Fertilizers Europe on behalf of 55% of the EU Urea Ammonium Nitrate solutions industry production using calendar year 2017 as the base reference.

This original complaint is based on high rates of dumping; real material injury especially evident from losses suffered; the great likelihood that injurious dumping will continue due to new capacity developments changing trade trends and in the case of Russia the artificial pricing of natural gas to the Russian industry.

Hereunder our the key features of the complaint.

1. **Regular high rates of dumping:** Over the calendar year, the four exporter countries were found to be dumping into the EU at the following rates:
 - a. **Russia:** 45% or Euro 60/mt using standard methodology;
 - b. **Russia:** 50% or Euro 68/mt considering a profit of 10% and 83% or Euro 112/mt considering a profit of 29% using "adjustment methodology" under Article 2,3 and Article 2,5;
 - c. **Trinidad:** 46% or Euro 65/mt considering a profit of 10% and 78% or Euro 111/mt considering a profit of 29% using "actual constructed value";
 - d. **USA:** 43% or Euro 54/mt using "standard methodology";

2. **there is real deep seated injurious dumping arising from the domestic scene or trading nature of the exporter/producers: -**
 - a. **For Trinidad,** the absence of home market and the high capital / operating costs of the single major-mega plant;
 - b. **For Russia** a limited home market in Russia and "structural injurious dumping" arising from the persistent prevalence artificially low domestic gas costs and the Russia's gas dual pricing to Europe;
 - c. **For USA,** very major capacity expansions in the USA which are resulting in surplus product being used to conduct dumping campaigns.

3. Real material injury to the EU industry whereby the EU industry suffer regular lost profitability and even losses by quarter 3, 2017. See EU industry ROS – Return of Sales profit results below

By q4 2017 the EU industry suffered losses of minus 6% due to the injurious dumping

2016 Q1	14.6%	100%
2016 Q2	19.2%	132%
2016 Q3	-17.0%	-116%
2016 Q4	-18.1%	-124%
2017 Q1	10.2%	70%
2017 Q2	9.5%	65%
2017 Q3	-1.1%	-8%
2017 Q4	-6.1%	-41%
2013	7.8%	100%
2014	8.5%	109%
2015	13.4%	172%
2016	0.6%	7%
2017	3.8%	49%

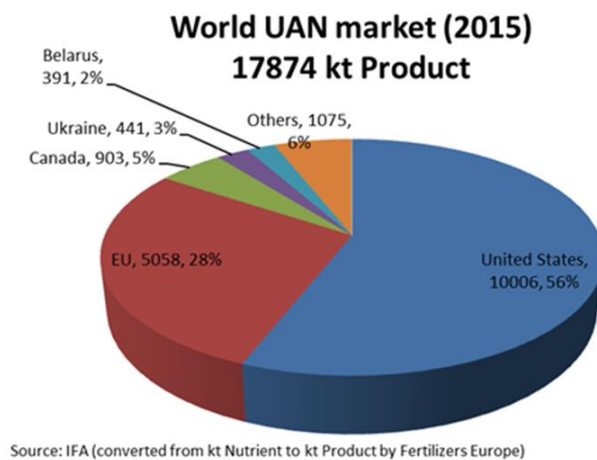
4. Real material injury whereby Exporter /producers' record increased import surges and increased market shares %

The surge of imports is especially notable from the USA which has become the No 1 importer into the EU with a 12% market share by year 2017. Russian market share too has grown to 10%; Trinidad records a stable like 7 to 9%.

Market share (as % of consumption)	2013	2014	2015	2016	2017
Exporter producers alleged to be dumping					
Russia	4%	4%	7%	11%	10%
Trinidad&Tobago	7%	8%	9%	9%	8%
USA	2%	4%	4%	11%	12%
Total of exporter producers alleged to be dumping	12%	16%	20%	31%	30%
Other exporters					
Belarus	5%	3%	4%	1%	2%
Egypt	9%	7%	4%	4%	1%
Serbia	0%	0%	0%	1%	0%
Others	0%	0%	0%	0%	0%
Total of other exporters	13%	10%	8%	5%	4%
Total imports					
Total	25%	26%	28%	36%	34%

5. **The likelihood of further material injury as all 4 exporter /producers increasingly direct their export capabilities to the EU:**

1. With the USA exploiting its local massive shale gas reserves to increase **USA UAN capacity from 12.5 KT in year 2013 to 14.6 KT by year 2017**, the traditional import flows from Russia and Trinidad into the USA are reducing or will be reduced.
2. The obvious alternative market is the open and attractive EU market – the second largest in the world. The USA is the first largest in the world but the USA local capacity can now meet all its local consumption needs.



6. **Structural gas distortions in Russia:** Furthermore, **the prevalence of distorted artificially low state fixed** gas prices in Russia explains Russia’s structural propensity to dump. This is especially true in the case of Russia which pursues a deliberate gas dual pricing policy whereby gas is sold on a artificially low state fixed basis in Russia to local UAN industry (US\$2.5 MMBTU approx. in year 2017) while selling at very high export gas prices to the EU (over US\$7.00MMBTU).

Thus the EU nitrogen fertilizer industry is injured in several ways. First, by the dumping of UAN fertilizer. Second, by Russia / Gazprom’s sale of high oligopolistic gas prices to Europe under a Russian government run export pipeline monopoly. Thirdly, by Gazprom’s sale of non market based gas contracts to Belarus on an inter-governmental foreign policy basis.

Faced with increasing EU raw material gas prices and still static or falling UAN prices, the current situation remains especially injurious for the EU industry which therefore requests expeditious and immediate corrective action. Moreover, with regard to the unfair structural distortions on natural gas pricing in Russia promoting dumping, the Complainant on behalf of the thereby injured Union industry requests the lesser duty rule be removed with regard to Russia. This is consistent with the amendment Article 7(2a.) made to the Basic Anti dumping regulation in June 2018.

A. EUROPEAN UNION PRODUCERS ON WHOSE BEHALF THE APPLICANT IS ACTING	
AB ACHEMA	
AZOMURES	
FERTIBERIA S.A.	
GRUPA AZOTY S.A.	
LOVOCHEMIE a.s.	
NITROGENMUVEK Rt.	
C. NAMES & ADDRESSES OF OTHER EUROPEAN UNION PRODUCERS	
DUSLO a.s.	
AGROPOLYCHIM	
INTERAGRO SA	
OCI NITROGEN	
SKW STICKSTOFFWERKE PIESTERITZ GMBH	
YARA S.A.	
YARA GmbH & Co. KG	
YARA FRANCE	
YARA ITALIA SpA	
Yara Benelux B.V	
D. NAMES AND ADDRESSES OF OTHER EUROPEAN UNION PRODUCERS-NON INTEGRATED"	
SASAZOLOR	FRANCE
SICA FRANCIADÉ AGRIFLUIDE	FRANCE
S.O.C.O.A. (Société Centre Ouest Agrifluide)	FRANCE
SOBELAGRO	FRANCE
SICAM	FRANCE
SICA LAIGNES AGRIFLUIDES	FRANCE
S.C.E.L.	FRANCE
SIDEV	FRANCE
Billericay Farm Services LTD	GREAT-BRITAIN
Omex Agriculture LTD	GREAT-BRITAIN
Yara UK Limited Harvest House	GREAT-BRITAIN
4. EXPORTERS/PRODUCERS IN THE COUNTRY OF ORIGIN	
Closed JSC Mineral Chemical Company Eurochem	RUSSIA
Joint Stock Company ACRON - Acron is the holding company of two plants: Novgorod and Dorogobuzh.	RUSSIA
Joint Stock Company Dorogobuzh	RUSSIA
JSC NOVOMOSKOVSK AZOT (NAK Azot)	RUSSIA
JSC NEVINNOMYSSKY AZOT	RUSSIA
JSC "KUIBYSHEVAZOT" (Independent)	RUSSIA
Methanol Holdings (Trinidad) Limited (Headquarters)	TRINIDAD & TOBAGO
CF Industries Headquarters	USA
Koch Industries	USA
OCI Iowa Fertilizer Company (IFco)	USA
Nutrien USA	USA

5. IMPORTERS INTO THE UNION	
INTERNATIONAL ORE ET FERTILIZER BELGIUM	BELGIUM
TESSENDERLO CHEMIE SA	BELGIUM
Tessenderlo Chemie NV/SA	BELGIUM
Agrium Europe	BELGIUM
INTERORE BELGIUM S.A.	BELGIUM
AMEROPA FRANCE S.A.	FRANCE
AMEROPA A.G.	FRANCE
CHAMPAGNE FERTILISANTS S.A.	FRANCE
EVERTRADE	FRANCE
FERTILORE S.A.	FRANCE
FRANCEFERT S.A.	FRANCE
HELM ENGRAIS FRANCE	FRANCE
LITFERT (SC Achema Distribution subsidiary)	FRANCE
PANGEE	FRANCE
Trammo	FRANCE
SCPA (Societe Commerciale des Potasses et de l'azote)	FRANCE
UNCAA (Union National des Cooperatives Agricoles d'Approvisionnement)	FRANCE
UNIFERT FRANCE S.A.	FRANCE
UNION EST AGRO	FRANCE
WITTRACO France	FRANCE
HELM ENGRAIS FRANCE	FRANCE
LITFERT (SC Achema Distribution subsidiary)	FRANCE
UNION INVIVO SCA	FRANCE
KOCH FERTILIZER PRODUCTS SAS	FRANCE
EUROCHEM AGRO FRANCE	FRANCE
OCI AGRO FRANCE	FRANCE
AGRAVIS Raiffeisen AG	GERMANY
Agrium Deutschland GmbH	GERMANY
Ameropa Düngemittel GmbH	GERMANY
BayWa AG Zentrale	GERMANY
Beiselen GmbH	GERMANY
BAYFERT	GERMANY
DEUTCHE CARGILL GmbH	GERMANY
EuroChem Agro GmbH	GERMANY
HELM Düngemittel GmbH	GERMANY
MG CHEMIEHANDEL GmbH	GERMANY
RELLMAN Agrarbedarf GmbH	GERMANY
Witt Handel GmbH	GERMANY
WITTRACO	GERMANY
CARGILL BV Fertiliser Division	THE NETHERLANDS
CARGILL	THE NETHERLANDS
TRANSAMMONIA	THE NETHERLANDS
OCI Nitrogen BV	THE NETHERLANDS
CARGILL ESPANA	SPAIN
TRANSAMMONIA AG	SPAIN
AMEROPA A.G.	SWITZERLAND
Trammo AG	SWITZERLAND
Keytrade AG	SWITZERLAND

6. MAJOR USER ORGANIZATIONS IN THE MAJOR EU UAN MARKETS	
COPA COGECA	
FNSEA – Fédération Nationale des Syndicats d’Exploitants Agricoles	
NFU – National Farmers’ Union	
MAGOSZ budapesti központja	
Krajowy Związek Rolników, Kólek i Organizacji Rolniczych KZRKIOR	
7. NATIONAL FERTILIZER ASSOCIATIONS	
AIC - Agricultural Industries Confederation	
ANFFE - Asociación Nacional de Fabricantes de Fertilizantes	
BELFERTIL	
ASSOFERTILIZZANTI	
INDUSTRIEVERBAND AGRAR	
PIPC - Polish Chamber of Chemical Industry	
Association of Chemical Industry of the Czech Republic	
UNIFA - Union des Industries de la Fertilisation	
Union des Industries de la Fertilisation	
Vereniging van Kunstmest Producenten	