

FINANCIAL REVIEW

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HD **Orica call to end import duty**
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The \$8 **billion** explosives and chemicals giant Orica is pushing for authorities to scrap anti-dumping measures that place import duties of as much as 33.8 per cent on sodium bicarbonate that it buys from **Chinese** producers.

Orica has made an official request to the Anti-Dumping Commission for the dumping duties, which generally range from between 10 per cent and 20 per cent for **Chinese** producers, to be abolished, following the demise of the last remaining Australian manufacturer of sodium bicarbonate.

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The federal government's Anti-Dumping Commission has begun a review into the matter and aims to make a decision by December 24 this year. The anti-dumping measures imposed by the government are due to expire on November 3, 2015.

Under the current regime in Australia, imports from a range of **Chinese** producers are subject to a dumping duty which raises the cost to buyers of the product, such as Orica.

Documents from the Anti-Dumping Commission show that the highest duty being paid is 33.8 per cent by VanderArk International Ltd.

But most of the dumping duties are understood to range between 10 per cent and 20 per cent.

Orica made a formal application to the Anti-Dumping Commission after the closure of the last remaining sodium bicarbonate manufacturing factory in Australia in June.

The plant, which had operated since 1935 in the Adelaide industrial suburb of Osborne, was closed by the administrators of the failed ASX-listed Penrice Soda on June 24. McGrath Nicol couldn't find a buyer for the plant and closed it, meaning all sodium bicarbonate is imported into Australia.

Penrice Soda, which went into administration in early April, was among those that in the past made applications to federal authorities which resulted in dumping duties being placed on **Chinese** producers.

One of the largest **Chinese** exporters to Australia, Inner Mongolia Ikhchem Industrial Co, had an 18 per cent anti-dumping duty imposed on it by the federal government in 2010.

At the time, Penrice Soda chief executive officer Guy Roberts said without the measures, Penrice would be forced to compete in its home market "against unfairly priced **Chinese** imports".

Dale Seymour, a commissioner with the Anti-Dumping Commission, is overseeing the review of anti-dumping measures for **Chinese** producers and is calling for submissions by August 31.

It comes as Orica continues a review into its chemicals division, which has annual revenues of about \$1.2 **billion**.

Orica chief executive Ian Smith appointed Goldman Sachs in January to **lead** the review, which is investigating whether the **company** should embark on a trade **sale** or a demerger of the chemicals division.

CO icial : Orica Ltd

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