MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

TRADE AND INTERNATIONAL

Subsidy Investigation Application

Re: Trade (Anti-dumping and Countervailing Duties) Act 1988

New Zealand Government

Contents

1. The Applicant and Executive Summary

An application must be made by or on behalf of the New Zealand producers of like goods. Like goods are defined as goods that are like those imported in all respects or in their absence the goods have characteristics that closely resemble those goods.

Please give details for each of the New Zealand producers by or on whose behalf this application is made.

1.1 Name - **Visy Glass Operations (NZ) Ltd (Visy)**

1.2 Address – **752 Great South Road, Auckland, 1061, New Zealand**

1.3 Telephone - +64 9 976 7100

1.4 Email - [redacted] *[Internal Visy contact details]*

1.5 Contact Name / Title *[Internal Visy contact details]*

[redacted]

Any queries concerning this application should be directed to Ross Becroft. For the purpose of this application Visy is being represented by Ross Becroft of Gross & Becroft Lawyers Pty Ltd with the following details:

Telephone: +613 9866 5666

Email: ross@grossbecroft.com.au

1.6 Company Ownership - **Please see Corporate Chart below.**

[redacted]

[Visy Corporate Structure]

1.7 Period of company’s accounting year

1 July to 30 June.

1.8 Briefly list all goods like those imported that are produced in New Zealand and sold on the New Zealand market.

This application concerns 750ml glass wine bottles produced by Visy New Zealand.

Visy New Zealand produces **Glass Bottles of the following varieties:**

- **Wine**
- **Spirits**
- **Beer**
- **Ready to Drink (RTD) Alcohol Beverages**
- **Non-Alcoholic Beverage (NAB)**

FY2024 and FY25 units sold by Visy New Zealand are set out below: -

[redacted]

[Visy sales by product category]

[redacted]

1.9 EXECUTIVE SUMMARY

This Subsidy Investigation Application concerns 750ml glass wine bottles exported from China into New Zealand.

Visy New Zealand is the sole producer of 750ml wine glass bottles in New Zealand.

Visy New Zealand has suffered (and continues to suffer) material injury as a result of exports of 750ml glass wine bottles exported from China into New Zealand.

The subject goods exported from China are benefitting from various specific and countervailable subsidy programs identified in section 6 of this application. Visy

New Zealand relies upon the findings of the United States Department of Commerce in a 2024 countervailing duties investigation involving the same goods.

The material injury being suffered by Visy New Zealand includes:

- **Negative Price effects comprising of price undercutting, price depression and price suppression;**
- **Volume effects in the form of reduced production and sales;**
- **Reduced revenues;**
- **Reduced market share;**
- **A decline in profits and return on investment;**
- **A decline in utilization of production capacity; and**
- **Adverse effects on cash flow, inventories, employment and growth.**

Visy New Zealand therefore seek that the New Zealand Ministry urgently commence an investigation into the unlawful subsidization of 750ml glass wine bottles exported from China to New Zealand and that countervailing duties be imposed in order to remedy the material injury suffered (and which continues to be suffered) by the New Zealand industry producing like goods.

2. Other New Zealand Producers

Please provide details of other known New Zealand producers

Visy is the sole producer of like goods and is unaware of any other local producers. Visy's production volume in New Zealand accounts for 100 percent of domestic production of like goods.

3. Summary of New Zealand Producers

This page establishes whether there is sufficient support for the application from NZ producers of like goods.

Visy accounts for 100 percent of New Zealand domestic production of like goods (refer response to question 2 above). Hence the domestic production percentages for ascertaining support for this application have not been provided.

4. The Goods

4.1. Please describe the allegedly subsidised goods:-

750 ml Glass Wine Bottles exported from China within the scope of the below goods description.

*The Goods covered by this application are certain narrow neck glass bottles with a nominal capacity of 730 millilitres to 770 millilitres; a nominal total height between 262 millimetres and 330 millimetres, a nominal base diameter between 71 millimetres and 98 millimetres, and a mouth with an outer diameter of between 24 millimetres and 37 millimetres, **frequently referred to as a "wine bottle"**.*

In scope goods may include but are not limited to the following shapes: Bordeaux (also known as ''Claret''), Burgundy, Champagne, Sparkling, Port, Provence, or Alsace (also known as ''Germanic''). In scope glass bottles generally have an approximately round base and have shapes including but not limited to straight-sided, a tapered slope from shoulder (i.e., the sloping part of the bottle between the neck and the body) to base, or a long neck with sloping shoulders to a wider base.

The scope includes glass bottles, whether or not clear, whether or not colored, with or without a punt (i.e., an indentation on the underside of the bottle), and with or without design or functional enhancements (including, but not limited to, embossing, labelling, or etching). In scope merchandise is made of non-''free blown'' glass, i.e., in scope merchandise is produced with the use of a mould and is distinguished by mould seams, joint marks, or parting lines.

In scope merchandise is unfilled and may be imported with or without a closure, including a cork, BVS (screw cap), crown cap, or wire cage and cork closure.

4.2. Please provide the tariff classification for the allegedly subsidised goods:

New Zealand tariff classification 7010.90.28 statistical code 00A.

4.3 Please describe the like goods produced by New Zealand producers

See product description of major wine glass bottle model below extracted from Visy's website https://www.visy.com/products/glass

750ml Burgundy 417g Bvs 31555 (NZ)

Carbonated

No | Yes

Available | Unavailable

Style/Shape
Bottle

Colour
Antique Green
Flint
Arctic Blue
French Green

Warespec Number
31,555

Finish
30x60 BVS

Size

Capacity (ml)	750.00
Brimful capacity (ml)	762.00
Height (mm)	297.00
Diameter (mm)	80.10
Weight (g)	417.00

See schematic diagrams of major Visy glass wine bottle models below:

[redacted]

4.4 Please explain how the goods produced by the New Zealand industry are like the allegedly subsidised goods including method of manufacture, physical characteristics, end use, marketing and distribution channels.

Visy's 750ml glass wine bottles produced in New Zealand are like the subsidised goods in the following major aspects: -

Manufacture: The subsidised goods use a very similar manufacturing process blowing from a molten gob of glass into a bottle, using 'Blow and Blow' technology.

Physical Characteristics: the subsidised import and local Visy bottles are made using the same raw materials, their bottle size and colour range are identical or extremely similar, fillers use them interchangeably, and typical end consumers would be unable to differentiate the local Visy product from the subsidised import.

End Use: same use of empty bottles for wine filling, storing, and presenting to end consumers for opening and consuming of wine; and

Marketing and Distribution channels: these channels are the same for Visy's goods and the subsidised goods. Visy New Zealand Glass wine bottles and the subsidized goods exported from China are competing for the same New Zealand customers, being New Zealand wine producers and wine filling companies.

5. Allegedly Subsidised Imports

5.1. Name the countries of origin or export of the allegedly subsidised goods.

People's Republic of China ('China').

Note: *Disregard countries which the goods pass through in transit. For example, if the goods are made in Country A and pass through Country B without further processing, the country of export is Country A.*

5.2. State other countries known to be exporting the goods to New Zealand

Australia, Turkey, United Arab Emirates, France, Italy, Sri Lanka, Taiwan.

5.3 Calculate the volume of imports to establish possible negligibility:

The below table sets out import data for Calendar Years (CY) 22-25 and demonstrates that exports of the subsidised goods from China account for between 78 and 87 percent of total import volumes in that period.

		CY22	CY23	CY24	CY25
China, People's Republic of	Quantity (K)	50,769	71,824	81,660	70,038
	CIF $	33,031,803	34,850,094	34,346,141	29,113,404
	Value for Duty $	23,005,800	27,414,408	28,589,435	24,761,996
All countries	Quantity (K)	64,499	92,574	103,948	80,090
	CIF $	42,636,647	48,307,346	45,291,706	35,700,230
	Value for Duty $	30,024,925	36,535,603	37,768,399	30,795,147
China % of Total	Quantity (K)	79%	78%	79%	87%
	CIF $	77%	72%	76%	82%
	Value for Duty $	77%	75%	76%	80%

Source: *Statistics New Zealand – tariff classification 7010.90.28 statistical Code 00A.*

NOTE: *Information on import volumes by tariff item is normally available from Statistics New Zealand.*

5.4 Provide the names and addresses of the overseas producers and/or exporters supplying the allegedly subsidised goods.

Shandong Changyu – subsidy

The below companies are related parties. Visy NZ understands that Shandong Changyu is an exporter of wine glass bottles and is part of the Yantai Changyu group of companies. Please see website: www.changyuglass.com

Company Name: Shandong Changyu Glass Co., Ltd
Address:NO.15, Zhejiang Road, Fushan Economic Development Zone, Yantai, Shandong , China

Company Name: Yantai Changyu Glass CO.,Ltd
Address: NO.15, Zhejiang Road, Fushan Economic Development Zone, Yantai, Shandong , China

Company Name: Qixia Changyu Glass CO.,Ltd
Address:NO.15, Zhejiang Road, Fushan Economic Development Zone, Yantai, Shandong , China

The other major exporters to New Zealand (for which the Applicant is NOT claiming a countervailable subsidy) are:

Orora
Plant: 48 Argent Road, Kingsford South Australia
H/O: 109 Burwood Road, Hawthorn, Victoria 3122

Visy Glass Operations Australia Pty Ltd
625 Port Road, West Croydon, South Australia 5008

Saver Glass France
111, rue de la Vallée
CS 95010
76071 Le Havre Cedex
+33 (0)2 35 55 28 28

5.5 Give the names and addresses of any known importers of the allegedly subsidised goods and describe the nature of their business, e.g. wholesaler, retailer.

Importer & Distributor (for Shandong/Yantai): -

Chandler Resources Limited
Unit 7, 43 Omega Street
Rosedale
Auckland 0632

Importer & Filler: -
[redacted]

5.6 Indicate when the allegedly subsidised goods began causing injury.

The subsidised goods began causing material injury from the start of the 2024 financial year (1 July 2023).

6. Subsidies

Introduction

Subsidies are specific financial contributions, or price or income support schemes, which are provided by governments, either directly or through other organisations, and result in a benefit to the recipient. Governments include local and regional governments and bodies representing groupings of countries such as the European Commission. Examples of financial contributions are grants, soft loans, loan guarantees, and certain equity infusions, tax credits, and goods and services provided by governments.

In order for **countervailing duties** to be imposed, a subsidy must also be a **specific subsidy.**

There are some limited exceptions where subsidies are non-countervailable, as set out in the WTO Agreements. These include subsidies affecting agricultural products subject to trade liberalisation commitments. More information on these exceptions and whether they might apply to the goods you are concerned about, can be obtained from the Trade Remedies team.

The Act requires that before initiating an investigation into subsidies, the Ministry must notify the government of the exporting country and provide reasonable opportunity for consultations with the aim of clarifying the situation and arriving at a mutually agreed solution.

Information is required on the existence, amount and nature of each subsidy. This information permits the Ministry and the foreign government to identify each subsidy programme concerned, and to gauge the extent to which each provides a benefit to the exported product. This can be important, because an investigation cannot be initiated if the amount of subsidies total less than one percent of the value of the goods, or less than two percent for goods from developing countries, or less than three percent for goods from least developed countries.

Information Required on Subsidy Programmes

To the extent possible, please provide the following information for each subsidy programme you have identified.

- Name the subsidy programmes which are believed to apply to the allegedly subsidised goods, and the legislation or regulation under which the scheme operates. Identify the government agency responsible for the administration of the programmes, and provide copies of laws, regulations or other evidence of the programmes. Where the laws, regulations or other evidence is not in English, please provide an English translation of those parts referring specifically to the subsidy programmes.
- Describe the nature and operation of the programmes, including the product coverage and the form of assistance provided, e.g. export subsidy, government grants, loan guarantees, tax credits.
- Explain why you consider the subsidies to be specific and countervailable.
- Identify the benefits provided under the programmes. Where the claimed benefit arises from preferential treatment, e.g. through lower interest charges, you should also provide information on the normal treatment, such as the commercial interest rates that would otherwise be payable.
- For each of the overseas producers and exporters identified in paragraph 5.4 above, please explain why you consider they are eligible to receive assistance under each subsidy programme, e.g. the programme is limited to a particular region of a country where the overseas producer is located.
- Where possible identify any companies providing goods or services to the overseas producers and exporters listed in paragraph 5.4 which are also receiving assistance under any of the subsidy programmes you have named. Explain why companies are eligible to receive assistance under these programmes
- Estimate the amount of subsidy under each programme, calculated as a percentage of the value for duty of the goods when imported into New Zealand (full calculations should be shown).

Possible Sources of information on Subsidy Programmes

Shown below are resources from which it may be possible to obtain information about subsidy programmes for use in compiling an application.

Subsidy Programmes Notified to the WTO

All WTO member countries are required to notify each year any specific subsidies granted or maintained within their territories, although such notification does not prejudge its legal status under the WTO Agreements. These notifications are available through the WTO's "Search Documents Online" facility at:

http://www.wto.org/english/tratop_e/scm_e/scm_e.htm

United States Import Administration

The United States Department of Commerce maintains a subsidy enforcement library, which includes details of subsidy programmes that it has investigated and annual reports to Congress on subsidies enforcement, and can be found at:

https://esel.trade.gov/

European Commission

The European Commission maintains a data base that includes a list of products currently subject to countervailing duties, on-going subsidy investigations and details of other countries subsidy programmes and whether those programmes are considered countervailable, and can be found at:

http://ec.europa.eu/trade/policy/accessing-markets/trade-defence/actions-against-imports-into-the-eu/anti-subsidy

INFORMATION ON THE SUBSIDY PROGRAMMES IDENTIFIED

Visy relies on the recent United States countervailing duties case concerning glass wine bottles conducted by the United States Department of Commerce. Case Number C-570-163: Certain Glass Wine Bottles from the People's Republic of China.

Pursuant to the *Final Affirmative Countervailing Determination and Final Affirmative Determination of Critical Circumstances*, on 26 August 2024, the United States Department of Commerce determined that countervailable subsidies are being provided to producers and exporters of certain glass wine bottles (wine bottles from China) during the period of investigation of 1 January 2022 to 31 December 2022. See attached United States Federal Register Notice dated 26 Auguust 2024.

The United States Department of Commerce determined a countervailable subsidy

for Shandong Changyu (which was an individually examined exporter) of 21.31 percent.

Shandong Changyu is the major exporter of glass wine bottles from China to New Zealand. This company is part of the Yantai Changyu group of companies.

The analysis of China's subsidy program applicable to the goods is found in section VII of the Issues and Decision Memorandum for the Final Affirmative Determination dated 19 August 2024, which is attached.

The findings with regards to specific subsidy programs are set out in the table below:

Programs Determined to be countervailable	Final ad valorem subsidy rate
1. Policy loan to the wine bottle industry	0.83%
2. Export Buyer's Credit	10.54%
3. Provision of electricity for Less than Adequate Remuneration (LTAR)	1.19%
4. Provision of land to wine bottle producers for LTAR	5.38%
5. Provision of silica sand for LTAR	5.38%
6. Provision of soda ash for LTAR	0.45%
7. Provision of limestone for LTAR	0.94%
8. Other subsidies: subsidy for high quality development in Industry and Information Technology	0.1%
TOTAL COUNTERVAILABLE SUBSIDY RATE	21.31%

The calculation of the above categories of subsidy rates are found in the attached Preliminary Determination Calculations for Shandong Changyu dated 28 May 2024.

At section I C of the Preliminary Determination Calculations for Shandong Changyu, the United States Department of Commerce found that Shandong Changyu was part of the Yantai Changyu group of companies and, under the cross-ownership and attribution rules, there was a finding to attribute the subsidy benefit to Shandong Changyu's sales.

Further, the detailed analysis of the various programs examined by the United States Department of Commerce in the recent Glass Wine Bottles case is found in the attached Decision Memorandum for the Preliminary Affirmative Determination dated 28 May 2024.

In respect of the major programs examined, the United States Department of Commerce applied a number of accepted methodologies, which included (in summary form):

- **In respect of relevant glass raw materials comprising limestone, soda ash and silica, it used cost benchmarking to determine unit prices to compare with purchasing costs of Chinese producers to ascertain a subsidy rate for these raw materials;**
- **In respect of electricity costs, it used electricity benchmark rates to determine the amount of benefit conferred under the government provision of electricity for less than adequate remuneration;**
- **In respect of the provision of land or land-use rights, it benchmarked land prices against equivalent land for plots in industrial estates, parks and zones in specified Asian countries.**

The case file of the United States case: Case Number C-570-163: Certain Glass Wine Bottles from the People's Republic of China referred to above contains all of the relevant particulars for subsidy programs that Chinese exporters have had the benefit of, including:

- **Names of the subsidy programs;**
- **Legislation and regulations under which the schemes operate;**
- **Responsible government agencies;**
- **The nature of each program;**
- **Details of how each program is specific and countervailable;**
- **The benefits that each program provides to Shandong Changyu and that the benefits were received by Shandong Changyu;**
- **The amount of the subsidy received by Shandong Changyu.**

The case file is accessible via searching the case number C-570-163 via the International Trade Administration website at https://access.trade.gov/login.aspx

The individual subsidy programs are described in the petitioner's application attachment 'Volume III Narrative' (document bar code 4483906-03) available at the International Trade Administration website.

7. Material Injury

7.1. Introduction

In order to investigate claims of material injury, the Ministry must have evidence showing:

- The volume of imports of allegedly subsidised goods.
- The effect of the allegedly subsidised goods on prices
- The economic impact of the volume of imports and the price effects on the New Zealand industry

It is important for applications to show a **causal link** between the alleged subsidisation and the alleged material injury. For example, is a decrease in local production and sales causally linked to increased imports of allegedly subsidised goods?

Threat of Material Injury

You may believe that although your industry is not currently suffering material injury there will be material injury if the subsidisation is not countered. Your application may then be based on a threat of material injury.

When the Ministry investigates whether there is threat of material injury it takes into account the requirement in Article 15 of the WTO Agreement on Subsidies and Countervailing Measures that a determination of threat of material injury must be based on facts and not merely on allegation, conjecture or remote possibility and must be clearly foreseen and imminent. These guidelines also require that investigation authorities consider:

- The trade effects likely to arise from the nature of the subsidies
- The likelihood of substantially increased subsidised imports
- The exporter's capacity to increase subsidised imports
- Whether the prices of subsidised imports are having a significant effect on prices in New Zealand such that there would likely be an increase in demand for further imports
- Inventories of the product being investigated

None of the above factors alone will necessarily give decisive guidance on whether there is a threat of material injury, but taken together, along with any other relevant information, must lead to the conclusion that further subsidised exports are imminent and that, unless protective action is taken, material injury would occur.

If your application relates to a threat of material injury it should have enough information to permit the Ministry to assess the claims in terms of these guidelines.

This application is not based upon a threat of material injury but actual

injury being suffered by Visy caused by exports from China of the subsidized goods.

Provisional Countervailing Duties

Provisional countervailing duties can be applied at any time from 60 days after an investigation is initiated provided there is reasonable cause to believe that the goods are subsidised and causing or threatening to cause material injury, and provided such action is necessary to prevent material injury being caused during the remainder of the investigation. If you think this situation applies to your industry, then you should request that provisional duties be imposed.

Visy requests that provisional duties be imposed on the basis that such action is necessary to prevent material injury being caused during the remainder of the investigation.

7.2. Import volumes into New Zealand

The Ministry is required to assess the extent to which there has been or is likely to be a significant increase in the volume of imports of the allegedly subsidised goods either in absolute terms or in relation to the volume manufactured by New Zealand producers or the total New Zealand domestic market.

Please provide the volume (and if available the NZ dollar value) of imports of the allegedly subsidised goods for the period over which you consider your industry has been injured by the allegedly subsidised goods, and for at least one year prior to the onset of injury.

Please provide this data for each country named in the application and for imports from all other countries. As a minimum this information should be provided for the most recent three years available and if possible by month or by quarter.

Table 6: Imports of allegedly subsidised goods

	CY23			CY24			CY25		
	Quantity (K)	CIF	VFD	Quantity (K)	CIF	VFD	Quantity (K)	CIF	VFD
Australia	15,969	9,293,945	5,384,073	15,084	6,063,398	4,797,401	6,790	3,093,716	2,768,154
China, People's Republic of	71,824	34,850,094	27,414,408	81,660	34,346,141	28,589,435	70,037	29,113,404	24,761,996
France	659	1,186,757	1,150,846	1,100	1,597,966	1,584,984	652	1,114,244	1,084,094
Italy	2,045	974,642	831,454	348	741,134	655,959	176	467,002	413,669
Taiwan	0	89	86	5	6,981	5,857	8	6,266	5,304
Turkiye	751	381,535	294,162	5,103	1,856,079	1,484,019	1,045	445,104	370,774
United Arab Emirates	404	533,689	533,689	329	337,188	336,670	837	778,479	768,244
All Other Countries	92	1,086,595	926,885	32	342,819	314,074	54	682,015	622,912
TOTAL	92,574	48,307,346	36,535,603	103,948	45,291,706	37,768,399	80,090	35,700,230	30,795,147
China % of Total	78%			79%			87%		

Source: Statistics New Zealand – see Table 7.2.

For further data, including the above figures for CY22, see tab '5.3, 7.2 Import Volumes in Confidential Attachment 1 to this Application.

Please comment on the trends in import volumes of the allegedly subsidised goods relative to New Zealand production and the total New Zealand market.

Import volumes from China have increased significantly as a percentage of total imports since CY23 and now represent approximately 87 percent of total import volumes. However, at the same time the total value for duty amount for Chinese imports has declined, which evidences the fact that Chinese wine bottles are being imported into New Zealand at progressively lower unit prices.

For the same period from CY23 to CY24 Visy's sales volumes of like goods [redacted]

See table below:

Visy sales volume trend]

Calendar Year	ALL WINE Vol (K)	ALL WINE Vol (T)	Visy Like Goods Vol (K)	% of total sales
CY23	[redacted]			
CY24				
CY25				

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8. Price Effects

Price effects refer to the effects of the allegedly subsidised goods on the selling prices of like goods manufactured by the NZ industry and sold on the NZ domestic market. The Ministry is required to consider the extent of price undercutting, price depression and price suppression.

Visy has experienced (and continues to experience) negative price effects, including price undercutting, price depression and price suppression for glass wine bottles it produces and sells in New Zealand. These price effects are a result of the imports of the subsidized goods exported from China to New Zealand.

Price Undercutting

Price undercutting occurs when the allegedly subsidised goods are sold on the New Zealand market at the relevant level of trade at lower prices than the like goods manufactured by the New Zealand industry.

The relevant level of trade at which prices should be compared is the point at which the allegedly subsidised goods first compete with like goods produced in New Zealand. The relevant level of trade for domestically produced like goods is normally ex-factory and for the allegedly subsidised goods is normally either ex-wharf in New Zealand or ex-importer's store.

Outline the extent to which the allegedly subsidised goods are undercutting the prices of domestically produced like goods. To the extent possible information on price undercutting should be provided for each model or product type and for each exporter named in the application.

The table below may assist you in providing this information.

Visy New Zealand has suffered severe price undercutting in CY24 [redacted]%) and CY25 ([redacted]%) due subsidized imports of wine glass bottles from China. See Table 7 below and the Visy Glass Subsidy Investigation supporting tables, tab 8 'Price and Volume Effects Tables.

Table 7: Extent of price undercutting

Period	CY2024	CY2025
NZ producer's price per unit (state level of trade eg ex-factory, ex-warehouse)	[redacted]	[redacted]
Price of subsidised goods per unit	[redacted]	[redacted]

	[redacted]	[redacted]
Price undercutting as % of NZ producer's price	[redacted]	[redacted]

Price Depression

Price depression occurs when the NZ industry's domestic selling prices are reduced because of the allegedly subsidised goods.

Outline the extent to which the allegedly subsidised goods are causing price depression. Supporting evidence, preferably in the form of average ex-factory selling prices per unit (net of discounts and rebates), should be provided. The table below may assist you in providing this information.

Visy New Zealand has suffered price depression in CY24 and CY25 due to subsidized imports of wine glass bottles from China as summarized in table 8 below. See also Visy Glass Subsidy Investigation supporting tables, tab 8 'Price and Volume Effects Tables'.

Table 8: Extent of price depression

Period	**CY2024**	**CY2025**
Type/Model	Price Reduction & Margin Impact	Price Reduction & Margin Impact
Average selling prices per 1000 units net of discounts and rebates (state basis of sale eg ex-factory/FIS)	[redacted]	[redacted]
Extent of Price depression (%)	[redacted]	[redacted]

If information on average selling prices is not available, please provide other supporting evidence, e.g. price lists, invoices and explain how this information shows depression of prices.

Price Suppression

Price suppression occurs when price increases that would otherwise have taken place do not occur because of the allegedly subsidised goods. This could mean that, for example, cost increases are not fully recovered.

Outline the extent to which the allegedly subsidised goods have caused price suppression. Supporting evidence, preferably in the form of financial data showing average costs per unit relative to average selling prices per unit, should be provided. The table below may assist you in providing this information.

Visy New Zealand has suffered price suppression in CY24 and CY25 due to subsidized imports of wine glass bottles from China as summarized in table 9 below. See also Visy Glass Subsidy Investigation supporting tables, tab 8 'Price and Volume Effects Tables.'

Table 9: Extent of price suppression

Period	**CY2024**	**CY2025**
Type/Model	Discount to Normal Price Adjustment Formula (PAF) & Margin Impact	Discount to Normal PAF & Margin Impact
Average selling prices per 1000 units net of discounts and rebates	[redacted]	[redacted]
Cost of production per 1000 units	[redacted]	[redacted]
Selling and administration costs per 1000 units	[redacted]	[redacted]
Total costs per 1000 units	[redacted]	[redacted]
Total costs as % of average selling price	[redacted]	[redacted]
Extent of Price Suppression (%)	[redacted]	[redacted]

If information on average selling prices and costs is not available, please provide other supporting evidence, e.g. details of increases in production costs and selling and administration costs and any information on your pricing policies and history

9. Economic Impact

The information provided in this section of the application should cover a period sufficient to show the economic impact of the allegedly subsidised goods and should include at least one year's data prior to the claimed onset of injury. As a minimum, the information should cover at least the most recent 3 years for which data is available. To the extent possible the information should relate only to the industry's production and sale of like goods in New Zealand.

If there is more than one New Zealand producer the information requested in this section should be provided both separately for each producer and, to the extent possible, in amalgamated form for all producers. If amalgamated information covers different accounting years, please identify the different accounting years for each producer.

9.1 Injury Summary

Complete the following injury summary for domestic sales of the like goods, if possible by month or by quarter.

Table 10: Injury Summary

Period	**CY2023**	**CY2024**	**CY2025**
Sales volume (units '1000)	[redacted]	[redacted]	[redacted]
Sales revenue	[redacted]	[redacted]	[redacted]
Cost of production	[redacted]	[redacted]	[redacted]
Gross profit	[redacted]	[redacted]	[redacted]
Selling and admin. expenses	[redacted]	[redacted]	[redacted]
Earning before interest and tax (EBIT)	[redacted]	[redacted]	[redacted]
Per 1000 Units			
Sales revenue	[redacted]	[redacted]	[redacted]
Cost of production	[redacted]	[redacted]	[redacted]
Gross profit	[redacted]	[redacted]	[redacted]
Selling and admin. Expenses	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
Variable costs (specify)	[redacted]	[redacted]	[redacted]
Fixed Costs (specify)	[redacted]	[redacted]	[redacted]

The summary of economic injury in table 10 above discloses that Visy New Zealand has suffered (and continues to suffer) significant injury in the form of reduced sales volumes, reduced sales revenue, increased costs per unit and reduced gross profits.

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9.2 Output

Provide details of any decline in the industry's output of like goods for the New Zealand market.

Visy's production of like goods has been [redacted] See production output figures in the table below for FY23-FY25 and CY2023-2025

Financial Year	Visy Like Goods Vol (K) Production	YOY % change
FY23	[redacted]	
FY24	[redacted]	[redacted]
FY25	[redacted]	[redacted]
Calendar Year	Visy like Goods Production Vol (K)	YOY Change %
CY23	[redacted]	
CY24	[redacted]	[redacted]
CY25	[redacted]	[redacted]

9.3 Sales

Provide any details available to you of any decline in the industry's domestic sales volume and revenue of like goods that are additional to the data shown in the injury summary at paragraph 9.1.

Explain any lost sales due to direct competition from the allegedly subsidised goods.

Give copies of any correspondence or cancelled orders from the industry's customers showing they are buying the allegedly subsidised goods.

Provide a schedule of dollar value, and quantity of **export sales** over the most recent three years available, if possible by month or by quarter.

A major cause of the [redacted]

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[Summary of injurious effects on customer sales]

Please see summaries of injurious effects by major customers set out below. See also Price and Volume Effects by Customer, in Visy Glass Subsidy Investigation supporting tables, tab 8 'Price and Volume Effects Tables' which sets out aggregate sales information and sales information by major customers.

[redacted]

[redacted]

[redacted]

9.4 Market Share

Provide evidence of the size of the New Zealand market, preferably by volume, but otherwise by value.

Compare the market share of the domestic industry with the share held by imports of the allegedly subsidised goods and imports from other sources.

NZ Wine Market	FY23	FY24	FY25
Export	[redacted]	[redacted]	[redacted]
Domestic	[redacted]	[redacted]	[redacted]
Imports of bulk	[redacted]	[redacted]	[redacted]
TOTAL (Litres)	[redacted]	[redacted]	[redacted]
TOTAL (Units M)	[redacted]	[redacted]	[redacted]
TOTAL (Tonnes)	[redacted]	[redacted]	[redacted]
MARKET SHARE – GLASS WINE BOTTLES (TONNES)			
Visy	[redacted]	[redacted]	[redacted]
Import	[redacted]	[redacted]	[redacted]
total	[redacted]	[redacted]	[redacted]
Market Share	[redacted]	[redacted]	[redacted]

The above table discloses that Visy New Zealand's market share has [redacted]

[Trend in Visy market share]

9.5 Profits

Explain how the gross profit and EBIT earned on domestic sales of like goods shown in the injury summary at paragraph 9.1 have been affected by the allegedly subsidised goods.

Profit and EBIT is reduced in two ways:

[redacted]

9.6 Productivity

Show how productivity has been affected, on a monthly or quarterly basis if possible. Remember to state the basis used for measuring productivity (e.g. production per worker).

Glass furnaces are designed for [redacted] *[Summary of plant productivity decline]*

[redacted] *[Summary of effect on employment]*

9.7 Return on Investments

Show return on shareholders' funds or return on assets or a similarly appropriate measure of return on investment and explain how it has been affected by the allegedly subsidised goods.

Provide details of how any allocation of shareholders' funds or assets has been made to like goods.

Visy can provide its FY2022-2024 profit and loss statements, which demonstrate a reduced return on investment for its New Zealand glass operations.

9.8 Use of Production Capacity

Provide the industry's production capacity, if possible on a monthly or quarterly basis, for the like goods. Explain the basis for your assessment of production capacity, e.g. machine capacity, number of shifts. State the units of measurement, e.g. tonnes, square metres.

What has been the industry's capacity utilisation rate for the periods for which capacity data has been provided? Explain how it has been affected by the allegedly subsidised goods.

[redacted] *[Details of plant capacity utilisation]*

9.9 Other Adverse Effects

Please give evidence to support claims of injurious effects (actual or potential) in any of the following areas:

9.9.1 cash flow

[redacted]

[Summary of effect on cash flow]

9.9.2 inventories

[redacted]

[Summary of effect on inventories]

9.9.3 employment

[redacted]

[Summary of effect on employment]

9.9.4 Wages

[redacted]

[Summary of negative effects on wages]

9.9.5 Growth

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[redacted] *[Summary of negative effects on growth*

9.9.6 ability to raise capital.

[redacted] *[Summary on negative effects on capital raising]*

9.9.7 investments

See 9.9.6 above

9.9.8 comment on other factors affecting domestic prices

Subsidized Chinese imports is the only material factor lowering domestic prices in an environment where input and operating costs continue to rise

10. Other Causes of Injury

Please comment on factors other than the allegedly subsidised goods that have injured, or are injuring the industry. These factors could include:

- The volume and prices of like goods that are sold at subsidised prices
- Reduction in demand or changes in the pattern of consumption
- Restrictive trade practices of, and competition between, overseas and New Zealand producers
- Developments in technology
- The export performance of the New Zealand producers

There are no other major factors causing material injury to Visy.

10.1 Imports By The Industry

If the industry has imported the allegedly subsidised goods in the past three years please provide:

- Full description of the goods;
- Details of each shipment (including dates of importation, supplier, country of origin, values for duty, CIF values, and volume); and
- An explanation why the industry has imported the subject goods.

Visy has not in the last 3 years imported wine bottles into NZ from China

11. Declaration

Trade (Anti-dumping and Countervailing Duties) Act 1988

***Note:** The application should be attached to the following declaration:*

We apply on behalf of **Visy Glass Operations (NZ) Ltd** for the initiation of an investigation into the subsidisation of **Certain Glass Wine Bottles**

From **the People's Republic of China**

In support of this application I attach evidence of:

i. Subsidisation;

ii. Material injury to the industry; and

iii. A causal link between the alleged subsidisation and the alleged material injury;

and such information as is reasonable available to me in relation to the matters referred to in section 10(3) of the Trade (Anti-dumping and Countervailing Duties) Act 1988

The application is made by the New Zealand Industry producing like goods to those subject to the application, and is supported by producers of like goods whose collective output constitutes:

a. Twenty five percent or more of the total New Zealand production of like goods produced for domestic consumption (during the most recent representative period, being not less than six months) and:

b. More than fifty percent of the total production of like goods produced for domestic consumption by those New Zealand producers who have, in writing, expressed support for or opposition to the application.

Signed:
Name: *Ross Becroft per Gross & Becroft*
Date: May 2026

12. Checklist

Use this list to check that you have met the requirements of the Act.

The Trade (Anti-dumping and Countervailing Duties) Act 1988 requires that a properly documented application include the following information where it is reasonable available:

- ☐ The names of the New Zealand producers making the application.
- ☐ The names of all known New Zealand producers of like goods.
- ☐ A description of the volume and value of the domestic production of the like goods both by the producers making the application and all other known New Zealand producers.
- ☐ A complete description of the allegedly subsidised goods.
- ☐ The names of the countries of origin or export of the allegedly subsidised goods.
- ☐ The names of the known exporters or overseas producers of the allegedly subsidised goods.
- ☐ The names of persons known to be importing the allegedly subsidised goods.
- ☐ The existence, amount and nature of the alleged subsidy.
- ☐ The import volumes into New Zealand of the allegedly subsidised goods.
- ☐ The effects that the imports of the allegedly subsidised goods have had, or will have, on prices of the like good in New Zealand.
- ☐ The consequent impact of those imports on the industry.
- ☐ Relevant factors affecting the industry that may have a bearing on the information required under the last two items above.

13. Reminder

Please make sure you compile your application using the numbering system used in this workbook

1. Have you covered everything in the checklist?
2. Have you attached evidence in support of your claims and calculations?
3. Have you prepared a non-confidential summary or version of your application, for viewing by any interested party if an investigation is initiated?
4. Retain a copy of this application as it will be useful if further questions arise during the assessment of the application document and any subsidy investigation.

Please send the application for an investigation to:

The Manager
Trade and International
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington, 6140
OR
Trade and International
Ministry of Business, Innovation and Employment
15 Stout Street
Wellington

Email: TradeRemedies@mbie.govt.nz

14. Glossary

Arm's length

A transaction is at arm's length if the price is not affected by any relationship between the buyer and seller, or if there is no compensation or reimbursement other than price

Causal Link

The demonstration of a relationship between the imports of the allegedly subsidised goods and the material injury suffered by the New Zealand industry

Countervailing Duty

A duty imposed to remedy injury caused by subsidies

Country of Export/Country of Origin

The country the goods are exported from is the country of export. The country of origin may be different if there is no process of manufacture or packing carried out in the country of export.

EBIT – Earnings before Interest and Taxation

Earnings refers to the operation surplus arising from normal operations, and excludes extraordinary items and distributions to and contributions from owners.

Gross Profit

The surplus resulting from the deduction of the cost of manufacture from sales over a given period. The cost of manufacture includes manufacturing overheads, but excludes selling, administration and financial expenses.

Like Goods

In relation to any goods, means other goods that are like those goods in all respects; or in the absence of such goods, goods which have characteristics closely resembling those goods.

Net Profit

For the purposes of this workbook, net profit has the same meaning as EBIT.

Price Depression

When selling prices in New Zealand are reduced because of the allegedly subsidised goods.

Price Suppression

When price increases that would otherwise have taken place do not occur because of the subsidised goods. This could mean that, for example, cost increases are not fully recovered.

Price Undercutting

When prices of the allegedly subsidised product are sold on the New Zealand market at the relevant level of trade at lower prices than the like goods produced by the New Zealand industry.

Specific Subsidy

A subsidy limited to an enterprise or industry or group of enterprises or industries. A subsidy can be limited to certain enterprises or industries by being available only in particular regions of a country. All export related subsides, and subsidies related to the use of domestic over imported goods, are specific. Subsidies can also be specific if they are provided in practice to only certain enterprises or industries, even through the law may not explicitly limit their application in such a manner.

WTO

World Trade Organization