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MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Trade (Anti-dumping and Countervailing Duties) Act 1988

Initiation Report: Application for Countervailing Duties

Certain glass bottles from the People's Republic of China

August 2026

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New Zealand Government

1. Initiation Report

Date	14 August 2026
To	Sebastian Doelle, Manager Trade and Supply Chains, Communications, Infrastructure and Trade branch
Prepared by	Trade Remedies Team
Subject	Application for start of subsidy investigation under the *Trade (Anti-dumping and Countervailing Duties) Act 1988*

Recommendations

You have been delegated authority from the Chief Executive of the Ministry of Business, Innovation and Employment (MBIE) to start investigations under the Trade (Anti-dumping and Countervailing Duties) Act 1988 (the Act). Based on the statutory requirements for starting an investigation, MBIE's Trade Remedies team recommends that you:

- **Note** that on 13 June 2025, MBIE received an application from Visy Glass Operations (NZ) Ltd (Visy) for an investigation into alleged subsidisation of certain glass bottles from China.

  Noted

- **Note** that on 21 December 2025, MBIE accepted the application as properly documented, against section 10 of the Act.

  Noted

- **Note** that on 25 May 2026, following a request from MBIE, Visy submitted updated information to support its application.

  Noted

- **Agree** to start an investigation of subsidisation under section 10A(1) of the Act on the basis that there is:
  - sufficient evidence in Visy's application to justify investigating whether imports of certain glass bottles from China are being subsidised, and the alleged subsidisation has caused or is causing material injury to the New Zealand industry; and
  - support from the required proportion of New Zealand producers of like goods, per section 10A(1)(b) of the Act.

  Agree/~~Disagree~~

  - **Sign** the attached Gazette notice (**Annex 2**) communicating your decision under the Act.

  Agree / ~~Disagree~~

- **Note** that MBIE will publish the Gazette notice on your behalf notifying your determination.

  Noted

- **Note** that MBIE will advise interested parties, including the Government of the People's Republic of China per section 10A(2) of the Act, of the decision to start an investigation.

  Noted

[redacted]

[redacted] **Manager, Trade and Supply Chains**
Communications, Infrastructure and Trade branch

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2. Introduction

2.1 Summary

1. The purpose of this report is to seek your agreement to start an investigation into alleged subsidisation of certain glass bottles from the People's Republic of China (China).

2.2 Process

2. The table below illustrates the timeline to date:

Date	**Step**
Original application received	13 June 2025
MBIE accepts application as properly documented	19 December 2025
MBIE receives consultation points from the Ministry of Commerce (MOFCOM) of the Government of China (GOC)	29 January 2026
Updated application received	25 May 2026

2.3 Legal Requirements

Purpose of the Act

3. The purpose of the Trade (Anti-dumping and Countervailing Duties) Act 1988 (the Act) is to enable New Zealand to apply anti-dumping and countervailing duties in accordance with its obligations as a party to the WTO Agreement. Anti-dumping and countervailing duties are intended to prevent material injury or the threat of material injury to an industry, or the establishment of an industry being materially retarded, due to dumped or subsidised goods being imported into New Zealand (section 1A).

4. Given the purpose of the Act is to enable New Zealand to comply with its obligations as a party under the WTO Agreement, MBIE has had regard to the WTO Agreement, including the WTO Agreement on Subsidies and Countervailing Measures (the SCM Agreement) where appropriate, in interpreting the Act.

Criteria for starting an investigation

5. Section 10A of the Act provides that:

The chief executive must start an investigation if the chief executive is satisfied from the evidence in the application that—

(a) there is sufficient evidence to justify investigating whether—

(i) goods imported or intended to be imported into New Zealand are being dumped or subsidised; and

(ii) the alleged dumping or subsidisation—

(A) has caused, is causing, or threatens to cause material injury to the industry; or

(B) has caused or is causing the establishment of the industry to be materially retarded; and

(b) the collective output of those New Zealand producers who have, in writing, expressed support for the application constitutes—

(i) 25% or more of the total New Zealand production of like goods produced for domestic consumption (as assessed during the most recent representative period of not less than 6 months); and

(ii) more than 50% of the total production of like goods produced for domestic consumption (assessed as referred to in subparagraph (i)) by those New Zealand producers who have, in writing, expressed support for or opposition to the application.

2.4 Sufficient evidence

6. In considering the sufficiency of the evidence provided, MBIE has considered whether the evidence in Visy's application, in its totality, justifies investigating the matters in section 10A(1)(a)(i) and (ii). This assessment proceeds on the basis that the application includes as much of the required evidence as is reasonably available to the applicant.

Interpretation of the sufficiency test

7. In considering the sufficiency of evidence, MBIE takes guidance from the 1988 judicial review case of Kerry (New Zealand) Ltd v Taylor in which Gault J said that in order to initiate a dumping investigation, the authority must be satisfied "*that there is evidence beyond a mere assertion and of a nature and extent that indicate a likelihood of dumping and material injury, requiring investigation*."

8. The Court also found that "*the evidence should be scrutinised with due scepticism, bearing in mind the commercial context*," but emphasised that the assessment is one of sufficiency of evidence, not of dumping.[1] While this case was decided under prior legislation, MBIE considers this decision remains relevant to an application for countervailing duties under the Act.

9. The SCM Agreement provides further interpretive aid. Article 11 outlines how investigating authorities consider applications, including determining whether to initiate an investigation:

Article 11.2: An application… shall include sufficient evidence of the existence of (a) a subsidy and, if possible, its amount, (b) injury…, and (c) a causal link between the subsidized

[1] (1988) 3 TCRL 265 at page 17, accessed from www.nzlii.org/nz/cases/NZHC/1988/595.pdf

imports and the alleged injury. Simple assertion, unsubstantiated by relevant evidence, cannot be considered sufficient to meet the requirements of this paragraph.

Article 11.3: The authorities shall review the accuracy and adequacy of the evidence provided in the application to determine whether the evidence is sufficient to justify the initiation of an investigation.

Application to the evidence

10. To assess whether the application is supported by evidence rather than assertion, MBIE reviewed the key documents from the related US Commerce investigation on which the applicant relies (see Box 1 below).

11. In particular, MBIE examined the evidential basis for the findings on the alleged subsidy programmes. MBIE considered whether any findings were influenced by aspects of US domestic law that do not have direct equivalents under New Zealand's countervailing duty framework.

BOX 1: USDOC Case No. C-570-163: Certain Glass Wine Bottles from China

This investigation examined subsidies received by Shandong Changyu Glass Co., Ltd. According to Visy, Shandong Changyu is a major exporter of glass wine bottles from China to New Zealand and forms part of the broader Yantai Changyu group of companies. Visy relies on the findings of the case in its application.

In its Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, published on 26 August 2024, USDOC concluded that Chinese producers and exporters of certain glass wine bottles received countervailable subsidies during the period of investigation (1 January 2022 – 31 December 2022).[2]

USDOC determined that Shandong Changyu benefited from countervailable subsidies amounting to 21.31% *ad valorem*. The table below specifies the line items that USDOC found as countervailable subsidies.

USDOC Findings on Countervailable Subsidy Programme

	Subsidy Programmes	Ad Valorem Subsidy Rate[3]
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 or land-use rights for LTAR	1.88%
5	Provision of silica sand for LTAR	5.38%

[2] U.S. Department of Commerce, Certain Glass Wine Bottles from the People's Republic of China: Final Affirmative Countervailing Duty Determination and Final Affirmative Determination of Critical Circumstances, Federal Register, Vol. 89, No. 165, 26 August 2024, Case No. C-570-163

[3] The sum of all these rates accounted for 20.31 %

6	Provision of soda ash for LTAR	0.45%
7	Provision of limestone for LTAR	0.94%
8	High-quality development subsidy from Industry and Information Technology authorities	0.10%
Total	Countervailable Subsidy Rate	21.31%

Source: Visy Application page.16

2.5 Industry Support

12. MBIE must assess whether the application is made with a specified level of support from New Zealand producers of like goods to the subject goods (section 10A(1)(b).

13. Section 3(1) of the Act provides that 'like goods', in relation to any goods means –

    i. *other goods that are like those goods in all respects; or*

    ii. *in the absence of goods referred to in paragraph (a), goods which have characteristics closely resembling those goods.*

Application

14. Visy advises that there are no other producers of glass bottles in New Zealand. 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% of domestic production of like goods.

15. MBIE has reviewed this claim by running a short internet search for other glass producers in New Zealand. Having found no other producers, MBIE considers that there is sufficient industry support for Visy's application to meet the requirements in section 10A(1)(b).

2.6 Report Details

16. In this report, unless otherwise stated, dollar values are New Zealand dollars (NZD). Other currencies used are US dollars (USD) and Chinese Yuan (CNY). In tables, column totals may differ from the sum of individual figures because of rounding. The exchange rates used are the New Zealand Customs Service (Customs NZ) exchange rates, or the rate provided by the applicant, or whichever other rate MBIE considers most appropriate in the circumstances, as indicated in the text.

3. Goods Description

3.1 Subject Goods

17. The goods that are the subject of Visy's application are 750 ml glass bottles from China, described as:

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 coloured, 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.

18. The subject goods are classified under Tariff Item No. 7010.90.28 and Statistical Key 00A in the New Zealand Customs Tariff. The tariff classification is provided for convenience and Customs purposes only, the written description being dispositive.

3.2 Import Data

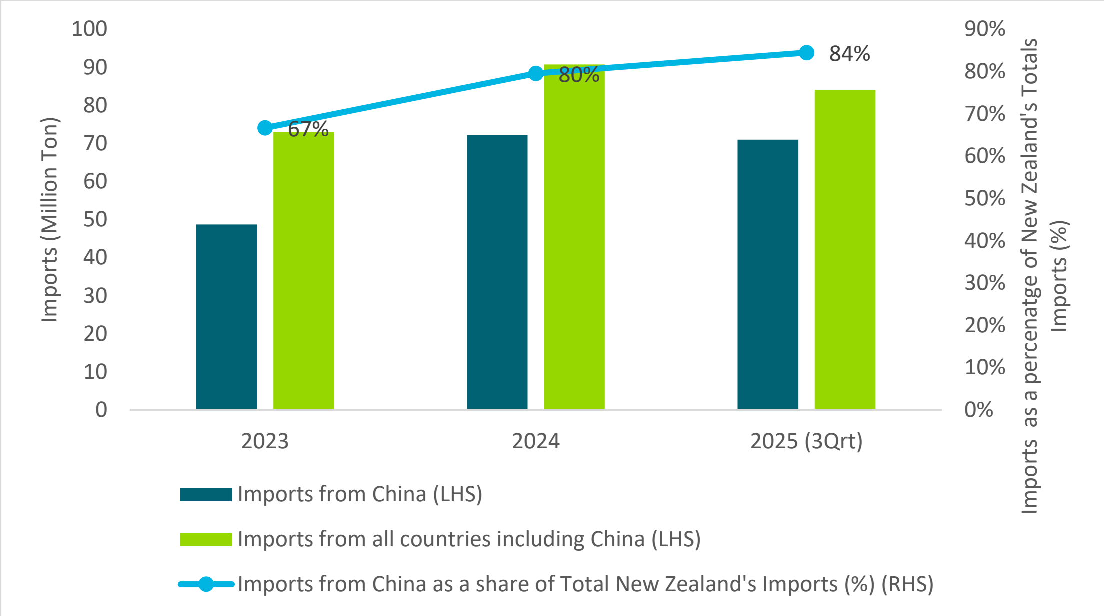
19. Import data is required to verify that subject imports are above negligible levels and to assess whether there was a sufficient volume of imports to support the allegations of injury and justify the initiation of an investigation.

Application

20. Visy provided import data in its application obtained from the Infoshare database of Statistics New Zealand (Stats NZ). That data covers all imports against the statistical key, including carboys, bottles, flasks, jars, pots, phials, ampoules and other containers of glass, between 500ml and 1 litre. Many of those goods are outside of the subject goods description above. Visy does not have the information required to identify subject goods within the public data.

21. Data from Visy's application (Figure 1) shows that China's share of imports increased significantly over the last three years from 2022-2025, accounting for 66.7% of import volume in FY23, 79.5% in FY24, and 84.5% in FY25, indicating a growing dominance of Chinese glass bottle imports in the New Zealand market.

Graph 1: Import Trend and Share of Chinese imports of NZ total imports of under tariff code HS 7010.90.28 and Statistical Key 00A



Source: Visy's Application Appendix EXCEL Table 5.3, 7.3

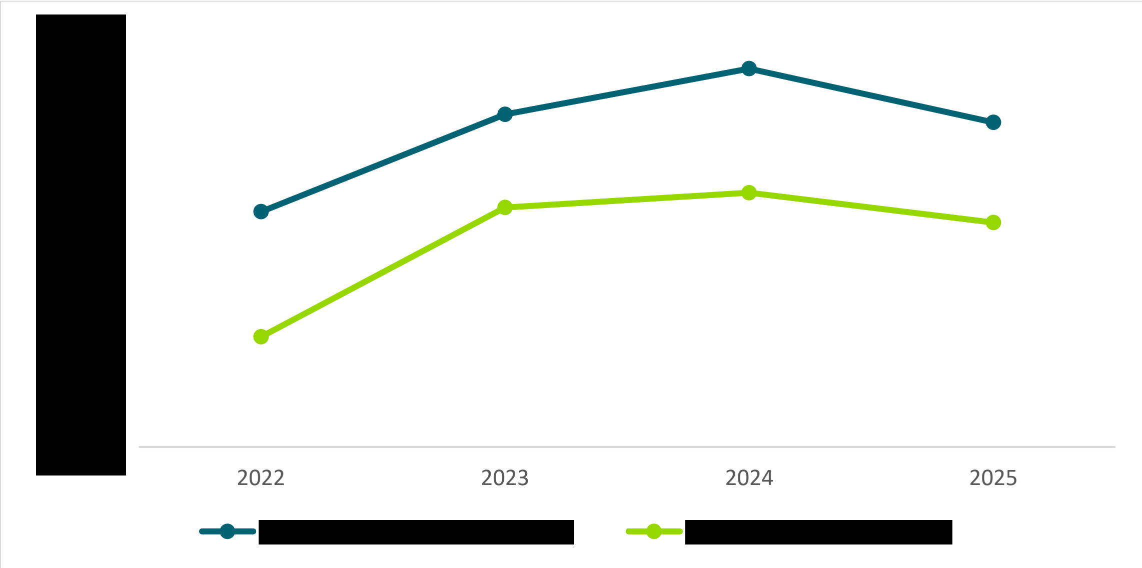
22. To determine whether Visy's import data provided sufficient evidence to justify initiating an investigation, MBIE assessed its adequacy and accuracy by comparing it with Customs import data and examined any significant differences in the reported import volumes of the subject goods.

23. Customs data includes a goods description field that can help identify subject goods. However, there are some limitations associated with using this field to quantify total imports of the subject goods. As the goods description is recorded as free text, there is considerable variation in the descriptions used, and many entries do not contain sufficient information to establish whether the goods are covered by the subject goods definition.

24. MBIE looked for key terms, such as "750", or "wine bottles" in determining whether individual import entries are subject to the application. This is a proportionate approach to support a recommendation on initiation, but further, detailed analysis of the import data will be necessary during any investigation, including support from evidence provided by interested parties.

25. MBIE used that refined data to observe that China is the largest exporter of glass wine bottles to the New Zealand market**,** accounting for the majority of imports within the subject goods category (see Graph 2 below).

Graph 2: Imports from China Volume (million)(Visy vs Customs data)



Source: NZ Customs for 750 ml and Visy' data for all imports from 500ml to 1000ml

4. Evidence of Subsidisation

4.1 Introduction

26. You are required to consider whether Visy's application contains sufficient evidence to justify investigating whether the subject goods are being subsidised (section 10A(1)(a)(i)).

27. The Act defines key terms that are relevant for determining if there is sufficient evidence to justify an investigation, including:

> ***subsidy*** *includes any financial or other commercial benefit that has accrued or will accrue, directly or indirectly, to persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export, or import of goods, as a result of any scheme, programme, practice, or thing done, provided, or implemented by a foreign Government; but does not include the amount of any duty or internal tax imposed on goods by the Government of the country of origin or country of export from which the goods, because of their exportation from the country of export or country of origin, have been exempted or have been or will be relieved by means of refund or drawback.*
>
> ***specific subsidy*** *means a subsidy that is specific to an enterprise or industry, or a group of enterprises or industries, within the jurisdiction of a foreign Government.*
>
> ***subsidised goods*** *means goods in respect of the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export, or import of which a specific subsidy has been or will be paid, granted, authorised, or otherwise provided, directly or indirectly, by a foreign Government.*

4.2 Evidence Provided by Visy

28. Visy relies on the findings of the USDOC in Case No. C-570-163: Certain Glass Wine Bottles from the People's Republic of China. As noted above, USDOC determined that Shandong Changyu benefited from countervailable subsidies amounting to 21.31% *ad valorem*.

29. At initiation, MBIE must be satisfied that the application contains sufficient evidence, to justify investigating whether:

> *(i) goods imported or intended to be imported into New Zealand are being dumped or subsidised; and*
>
> *(ii)the alleged dumping or subsidisation—*
>
> > *(A) has caused, is causing, or threatens to cause material injury to the industry; or*
> >
> > *(B) has caused or is causing the establishment of the industry to be materially retarded;*

30. It is not required to establish definitively that subsidisation exists.

31. MBIE considers domestic case law to be a relevant interpretive aid. The High Court in New Zealand, in a decision made under the Customs Act 1966, held that the evidence should be scrutinised with appropriate scepticism, having regard to the commercial context, while recognising that the initiation decision concerns the sufficiency of the evidence rather than

a final determination on the merits.[4] MBIE considers that these principles are equally applicable to applications for countervailing duties under the Act.

32. International jurisprudence provides further interpretive aid. The Panel Report in *US – Countervailing Duties on Certain Products from China (DS437)*, recognises that investigating authorities may rely on evidence such as research reports, company financial statements, and previous investigating authority determinations when deciding whether to initiate an investigation. Accordingly, the fact that certain evidence originates from a 2022 USDOC investigation does not, in itself, render that evidence unsuitable for initiation purposes.

33. MBIE considers that investigations and findings by counterpart authorities may provide supporting evidence of the alleged subsidisation where relevant. The weight given to that evidence depends on its quality, relevance, and level of detail.[5]

34. The fact that evidence originates from a single foreign jurisdiction does not necessarily prevent it from constituting sufficient evidence for initiation. The key consideration is the quality and relevance of the evidence, rather than the number of jurisdictions that have reached similar conclusions. In this case, the USDOC findings are supported by detailed descriptions of the alleged subsidy programmes, references to relevant Chinese legislation and government measures, exporter-specific benefit calculations, and explanations of the basis for the countervailability findings.

35. However, the use of adverse facts conclusions in the USDOC findings, which are not able to be taken under New Zealand law, means that some of the conclusions reached by the USDOC could not be reached on the basis of that specific evidence under New Zealand law. MBIE has taken this into consideration in determining the sufficiency of the evidence sourced from the USDOC findings.

US Department of Commerce investigation

Alleged subsidy programmes

36. The application alleges that Shandong Changyu is a major exporter of glass bottles to New Zealand, who is benefiting from subsidy programmes. Shandong Changyu was the only exporter examined in detail in the USDOC case. The USDOC case determined that Shandong Changyu benefited from nine subsidy programmes, considered below.

37. MBIE notes some key differences in the trade remedies rules between New Zealand and the US. In particular, MBIE understands that the US has a provision to make adverse inferences on the information available in situations where a foreign producer, exporter or government fails to cooperate to the best of its ability with information requests or

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[4] As referred to para 7, in *Kerry (New Zealand) Ltd v Taylor*, Gault J stated that an investigating authority must be satisfied that there is evidence beyond mere assertion and of a nature and extent indicating a likelihood of dumping and material injury requiring investigation.

[5] WTO case DS437 *United States – Countervailing duties on certain products from China*. The Panel noted that the United States had accepted applications which relied on "evidence such as research reports and the financial statements of Chinese companies … and on prior USDOC determinations" and concluded that the USDOC had not acted inconsistently with the US obligations under Article 11 of the SCM Agreement to initiate the challenged investigations without sufficient evidence of specificity.

responses to questionnaires. New Zealand has no such provision, and conclusions are recommended on cases on the balance of evidence available.

38. MBIE has highlighted instances where the USDOC has used adverse facts available in the sections below.

Policy loans to the wine bottle industry

39. The USDOC found that:

> the [Government of China], through the *Social Development and its Industrial Structure Adjustment Guidance Catalogue*, has specifically identified "lightweight glass bottle" production as an encouraged industry… Similarly, in the Daily Glass Industry Standard Conditions (2017), issued by the GOC Ministry of Industry and Technology, states that "government functional departments shall…build, renovate, and expand daily-use glass projects from … credit financing …"… Additionally, the 14th Five-Year Plan seeks to "guide enterprises to better explore traditional export markets, expand their presence in emerging markets and boost trade with neighbouring countries," to stabilize their international market share.

40. On those observations, USDOC determined that the Government of China had a policy in place to encourage the development and production of wine bottles through the use of policy lending. Furthermore, USDOC determined that Shandong Changyu received financing during the period of investigation, which USDOC determined constituted a benefit, as it determined that that financing was at lower interest rates than comparable commercial loans.

41. The USDOC determined that the countervailable subsidy at 0.83%, with no apparent use of adverse facts available provision.

42. MBIE considers that this provides evidence of a specific subsidy being conferred to the wine bottle industry in China, to support the case for justifying an investigation.

Provision of electricity for Less than Adequate Remuneration (LTAR)

43. In determining that exporters benefited from the provision of electricity for less than adequate remuneration, the USDOC used adverse facts available to determine that:

   i. The provision of electricity constituted a financial contribution

   ii. Such a provision would provide benefit

   iii. Such a provision was specific.

44. The USDOC's methodology was to [compare] the rates paid by the respondent to the benchmark rates, which … are the highest rates charged in China during the period closest in time to the investigation for which rates were available.

45. The USDOC outlined that that benchmark reflects an adverse inference, which it drew "as a result of the [Government of China's] failure to cooperate by not acting to the best of its ability to provide requested information about its provision of electricity in this investigation.

46. The USDOC determined a countervailable subsidy at 1.19%.

47. MBIE considers that this provides weak evidence of a specific subsidy being conferred to the wine bottle industry in China, given the heavy use of adverse facts.

Provision of land to wine bottle producers for LTAR

48. The USDOC found that Shandong Changyu received land-use rights from the Government of China and its local authorities. It determined that that provision of land use rights to wine bottle producers, for less than adequate remuneration constitutes a financial contribution and is specific.

49. The USDOC, having received submissions from the Government of China, including the *Land Administration Law of the People's Republic of China (2019 Revision)*, identified that "the State Council exercises the ownership of state-owned land on behalf of the State".

50. In relation to specificity, the Government of China submitted to the investigation that "any provision of land or land-use was not contingent upon the firm's status or activity." However, the USDOC found that Shandong Changyu is located within an Economic Development Zone. USDOC inferred that the provision of land-use rights within such a zone "may be contingent upon the industry of the company". It triangulated this by pointing out that the glass industry is encouraged by the Government of China.

51. To determine the benefit conferred, USDOC compared to industrial land cost benchmarks in Thailand. On that basis, it determined a countervailable subsidy of 1.88%.

52. There appears to be no direct use of adverse facts available, but MBIE notes that the evidentiary basis on which USDOC makes this determination appears to be thin. Therefore, MBIE considers that this provides some evidence of a specific subsidy being conferred to the wine bottle industry in China.

Provision of silica sand, soda ash, and limestone for LTAR

53. Silica sand, soda ash and limestone are all inputs to the production of glass. Across the three inputs, USDOC used adverse facts available to determine that:

   i. The provision of these inputs constituted a financial contribution providing a benefit

   ii. Such a provision was specific

   iii. Such provisions were provided by an "authority"

54. USDOC then used global benchmark prices to determine the countervailable rates, which were:

   i. 5.38% for silica sand

   ii. 0.45% for soda ash

   iii. 0.94% for limestone

55. Given the heavy use of adverse facts available to determine countervailable subsidy, MBIE considers that this provides weak evidence of a specific subsidy being conferred to the wine bottle industry in China, given the heavy use of adverse facts.

Export Buyer's Credit

56. The USDOC alleges that Chinese exporters of glass bottles benefit from their purchasers receiving favourable credit terms from the China Export-Import bank. It noted that that the Government of China failed to provide key information needed to understand and verify how the programme operates.

57. Shandong Changyu provided "non-use certificates", but USDOC found them to be insufficient, because the company declined to provide additional supporting information in a follow up questionnaire.

58. USDOC applied a rate based on adverse facts available of 10.54%. It determined this rate using the highest rate determined for a similar programme in a different investigation.

59. Given the use of adverse facts available to determine the subsidy as a whole, including its rate, MBIE considers that this finding does not provide evidence of a specific subsidy being conferred to the wine bottle industry in China.

Other subsidies

60. Shandong Changyu self-reported other subsidies beyond that initially in focus of the investigation. Those include:

    i. Subsidy for high quality development in Industry and Information Technology

    ii. Subsidy for international trade remedy.

61. USDOC appears to not have made detailed factual findings on how either programme operates but given that the Government of China did not provide sufficient information on the programmes, USDOC used adverse facts available to determine that they were countervailable subsidies (0.1% and 0.09% respectively).

62. MBIE considers that given the absence of evidence and analysis, this does not provide evidence of a specific subsidy being conferred to the wine bottle industry in China.

Summary

63. A summary of the analysis above is detailed in the table below

Table 1: Subsidy programme Analysis

Subsidy programmes found to be countervailable: participating exporter	**USDOC determined final ad valorem rate**	**Presence and extent to which US Department of Commerce used adverse facts available**	**MBIE consideration**
Policy loans to the wine bottle industry	0.83%	• No apparent use of adverse facts available	Evidence supports justifying an investigation
Export Buyer's Credit	10.54%	• Determination of financial benefit, and that participating exporter benefited. • USDOC used an adverse facts available rate of 10.54%, the highest rate determined for a	No evidence to support justifying an investigation.

		similar programme in Coated Paper from China, as the rate applicable to Shandong Changyu and the non-responsive companies.	
Provision of electricity for Less than Adequate Remuneration (LTAR)	1.19%	• GOC's provision of electricity constitutes a financial contribution • Establishing the benchmark for determining the existence and amount of benefit • Determination of specificity	Weak evidence to support justifying an investigation
Provision of land to wine bottle producers for LTAR	1.88%	• Determination of specificity	Some evidence to support justifying an investigation
Provision of silica sand for LTAR	5.38%	• Determination of specificity • Producer of silica sand is an "authority" • Market distortion requires alternative approaches to benchmarking	Weak evidence to support justifying an investigation
Provision of soda ash for LTAR	0.45%		
Provision of limestone for LTAR	0.94%		
Other subsidies: subsidy for high quality development in Industry and Information Technology	0.10%	• Financial benefit conferred • Determination of specificity	No evidence to support justifying an investigation
Other subsidies: subsidy for international trade remedy [note that Visy does not reference this subsidy finding in the body of its application]	0.09%	• Financial benefit conferred • Determination of specificity	No evidence to support justifying an investigation

Source: Visy Application, USDOC investigation

64. MBIE considers that the totality of the evidence in the US findings provides sufficient evidence to justify initiating an investigation. However, MBIE notes the use of adverse facts throughout the investigation, signalling evidentiary gaps in the analysis, may mean that on investigation there may be insufficient evidence to conclude that subsidisation is occurring.

United Kingdom Anti-Dumping Investigation into Glass Containers from China

65. In addition to the matters set out in Visy's updated subsidy investigation application, Visy drew MBIE's attention to the United Kingdom's (UK) investigation into imports of glass

containers from China (Case AD0087), initiated on 5 March 2026, as potentially relevant to the assessment of the application.

66. The product scope covers glass containers used for the conveyance or packing of goods, including bottles, jars and similar packaging products.[6]

67. While the UK proceeding is an anti-dumping investigation rather than a countervailing (subsidy) investigation, a number of claims and assertions contained in the UK application are similar to those relied upon by Visy in support of its subsidy allegations.

68. The UK application alleges (page 33-43) a range of non-market factors affecting Chinese normal values, including alleged state intervention and support affecting the prices of key glass-making inputs. Those allegations are:

    i. The Chinese Constitution makes the concept of a socialist market economy central. The UK applicant further argues that the system of planning in China results in resources being driven to sectors designated as strategic, or otherwise politically important by the government, rather than being allocated in line with market forces. It quotes previous UK and EU trade remedies decisions.

    ii. The container glass industry benefits from the Chinese government's intervention in the allocation of land. It then goes on to refer to the 2019 Land Administration Law as discussed above and refers to other trade remedies decisions taken in the UK and EU, which it argues confirms its positions. It concludes by suggesting that "there is no evidence readily available showing that the glass container manufacturing sector is exempt from the land use laws in China.

    iii. That the container glass industry benefits from the state providing electricity for less than adequate remuneration. It points to statements that the Government of China has made:

    > *"[T]he price relationships are not rationalised, and a market-based pricing mechanism has not yet been fully formed. Current electricity price management is still mainly based on government pricing, and price adjustments often lag behind cost changes, making it difficult to reflect electricity costs, market supply and demand, resource scarcity, and environmental protection expenditures in a timely and reasonable manner."*[7]

    The applicant further refers to other trade remedies cases, including the UK Trade Remedies Authority: *"[t]here is decisive publicly available information that confirms that energy prices in the PRC reflected non-commercial factors during the POI."*[8]

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[6] [Trade Remedies Authority | AD0087]()
[7] Opinions of the CPC Central Committee ZhongFa [2015] No.9. (https://chinaenergyportal.org/en/opinions-of-the-cpc-central-committee-and-the-state-council-on-further-deepening-the-reform-of-the-electric-power-system-zhongfa-2015-no-9/). (Attached as Appendix E8).
[8] Appendix E3 Optical fibre cables, final determination p. 62, recital 267.

iv. That the glass container industry benefits from the Chinese government's intervention in the natural gas sector – arguing that "the cost of natural gas in China does not reflect market-based value due to state ownership and control throughout the Chinese energy sector."

v. That the glass container industry benefits from state support in raw materials, including silica sand, soda ash and limestone. It points to the Mineral Resources Law of China, which outlined that the Mineral resources belong to the State. The application goes on to argue that this ownership allows the Government of China to control all production and pricing in China to achieve key strategic objectives.

vi. That the glass container industry benefits from the Chinese intervention in the labour market. It points to previous UK trade remedies findings that the labour market in China reflects non-commercial factors, in particular:

> "*the impact of the hukou system is external to the hiring practices of any given company. Having a two-tier system of citizenship where certain workers can only reside in the wealthier urban areas on a temporary basis, conditional on them working, creates a pool of cheap labour, since the only alternative to accepting such wages would be a return to the deprived rural areas*" [9]

The application outlines that it was unable to find any evidence that this situation had changed since previous determinations.

vii. That the glass container industry benefits from the Chinese government's intervention in the financial system. The applicant argues that the Chinese container glass producers have access to financing granted by institutions that implement public policy objectives and do not act independently of the Chinese State. It draws on previous UK trade remedies findings that suggest that there was evidence that the certain loan interest rates reflect non-commercial factors.

69. MBIE considers that the evidence provided in the UK application, which Visy refers to, shows that there is likely to be state intervention in various industries in China. Further, it supports an argument that some of that state intervention may be conferring benefits to the glass production industry. The evidence does not, however, demonstrate the specificity required to countervail a subsidy programme.

70. MBIE considers that this information weakly supports the case that there is sufficient evidence of subsidisation to justify an investigation, and notes that in any investigation, specificity will be a critical research component – per the definition of subsidised goods in the Act.

4.3 Consultations with the Government of China

71. Section 10A(2) provides that:

The chief executive must, before starting an investigation, —

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[9] Appendix E3 Optical fibre cables, final determination, p. 67, recital 288.

(a) inform the Government or Governments of the country or countries of export of the goods that are subject to the proposed investigation; and

(b) in the case of an application for an investigation into the alleged subsidisation of goods, give the Government or those Governments a reasonable opportunity for consultations with the aim of clarifying the situation and arriving at a mutually agreed solution.

72. Article 13.1 of the SCM Agreement states:

As soon as possible after an application under Article 11 is accepted, and in any event before the initiation of any investigation, Members the products of which may be subject to such investigation shall be invited for consultations with the aim of clarifying the situation as to the matters referred to in paragraph 2 of Article 11 and arriving at a mutually agreed solution.

73. On 19 December 2025, MBIE informed the Government of China (GOC) that it had accepted a properly documented application for countervailing duties on certain glass bottles and invited it to enter into consultations under section 10A(2) of the Act.

74. MBIE met once with Ministry of Commerce (MOFCOM) of GOC and received a written submission on 29 January 2026 as shown below in Box 2.

BOX 2: GOC Submission after Consultation

- GOC states that Chinese glass wine bottles are a valuable supplement to the New Zealand market and that trade remedy measures should not be used unless genuinely justified under WTO rules.
- GOC opposes the initiation of the investigation, arguing that the application does not contain the "sufficient evidence" required under the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement).
- GOC contends that the petition is largely based on findings from a U.S. countervailing duty investigation, which it argues are outdated, case-specific, and not directly applicable to New Zealand's investigation.
- GOC submitted their objection arguing that the subsidy allegations against Chinese glass wine bottle producers are inadequately supported under the SCM Agreement, and it therefore requests that MBIE reject the application and not initiate a countervailing duty investigation.

GOC disputes the existence or countervailability of the main subsidy programmes:

- Export Buyer's Credit: GOC claims the U.S. authorities improperly relied on "Adverse Facts Available" (AFA) rather than evidence.
- Provision of Electricity for Less Than Adequate Remuneration (LTAR): GOC argues that electricity pricing in China has become market-based following reforms introduced in 2021. The electricity supply is not specific to any industry and therefore should not be considered as a subsidy.
- Provision of Raw Materials for LTAR: GOC rejects findings that suppliers are government authorities or that subsidies were provided through raw material inputs.

- Provision of Land for LTAR: GOC states there is no subsidy programme providing land-use rights to the glass bottle industry at below-market rates and argues land-use rights are allocated through transparent market-based processes and are not specific subsidies.

75. MBIE acknowledges the GOC's submission that the USDOC investigation was conducted in 2022 and therefore may not reflect current circumstances. MBIE has taken this submission into account. However, MBIE notes that Visy's application relies on evidence relating to specific subsidy programmes, including findings and information from the USDOC investigation supported by other information on the record. While the GOC questioned the merit of the USDOC investigation, it did not provide programme-specific information or evidence demonstrating that the subsidy programmes identified by Visy had materially changed, ceased to exist, or were otherwise inapplicable to the current investigation. Accordingly, MBIE has given greater weight to the evidence relating to the specific subsidy programmes identified in the application.

Conclusion on subsidisation

76. MBIE considers that across the USDOC findings and application to the UK TRA, there is sufficient evidence to justify an investigation. MBIE notes that there is material limitations in the evidence provided, which will be a focus area for any investigation, this includes determining specificity of individual subsidy programmes.

4.4 Minimum subsidisation thresholds

77. Section 10A of the Act sets the process for when the chief executive must start an investigation into whether goods imported into New Zealand or intended to be imported into New Zealand are being subsidised (refer to Annex 1).

78. Section 11 of the Act outlines conditions under which the Minister shall terminate an investigation. Those conditions include where "there is insufficient evidence of dumping or subsidisation to justify proceeding with the investigation". Section 11(2)(b) further clarifies "For the purpose of subsection (1)(a), evidence of dumping or subsidisation shall be insufficient where … in the case of subsidisation, the amount of the subsidy is less than 1% of the value of the goods at the time of import."

79. The Agreement, at Article 27.10 provides further interpretive guidance, and outlines that in the case of investigations relating to products from a developing country Member, the *de minimis* level (meaning the level at which an investigation should be terminated) is 2% of its export price, calculated on a per unit basis. China is a developing country in this context. While this is not relevant in terms of the application of section 11(1)(a) and 11(2)(c) of the Act which provide a 1% threshold, MBIE has considered this under section 11(1)(c) of the Act which provides a basis for terminating an investigation where in the case of subsidisation, the imposition of a countervailing duty in respect of those goods would be inconsistent with New Zealand's obligations as a party to the WTO Agreement.

80. Visy argued an average countervailable subsidy rate of 21.31% based on USDOC investigation in the application. MBIE critically analysed those programmes and the applicability to this initiation. MBIE considers it is likely that the threshold has been met –

particularly across the allegations of policy loans (0.83%) and provision of land for less than adequate remuneration (1.88%), totalling 2.71%.

5. Evidence of Material Injury Caused by Subsidisation

5.1 Legal Requirements

81. MBIE is required to consider whether Visy's application contains sufficient evidence to justify investigating whether subsidisation of the subject goods has caused or is causing material injury to the New Zealand industry (section 10A(1)(a)(ii)(A) of the Act – refer to Annex 1).

82. In assessing whether there is sufficient evidence to justify investigating whether or not the alleged subsidisation has caused material injury to the industry, MBIE looks to s8 of the Act which sets out the matters MBIE must consider when determining whether or not any material injury to an industry has been caused. This then informs, without limitation, the types of matters which MBIE would look to see evidenced as at the initiation of the investigation. Visy's application alleges that the New Zealand glass bottle industry is currently experiencing material injury because of subsidised imports from China. MBIE's assessment therefore focuses on whether there is sufficient evidence of current injury covering the period from calendar year 2022 to 2025. This is the period for which Visy has provided its injury information and alleges that the subsidisation of imports has occurred.

83. In assessing the application, MBIE has considered whether the evidence demonstrates actual adverse effects on the relevant injury indicators during that period.

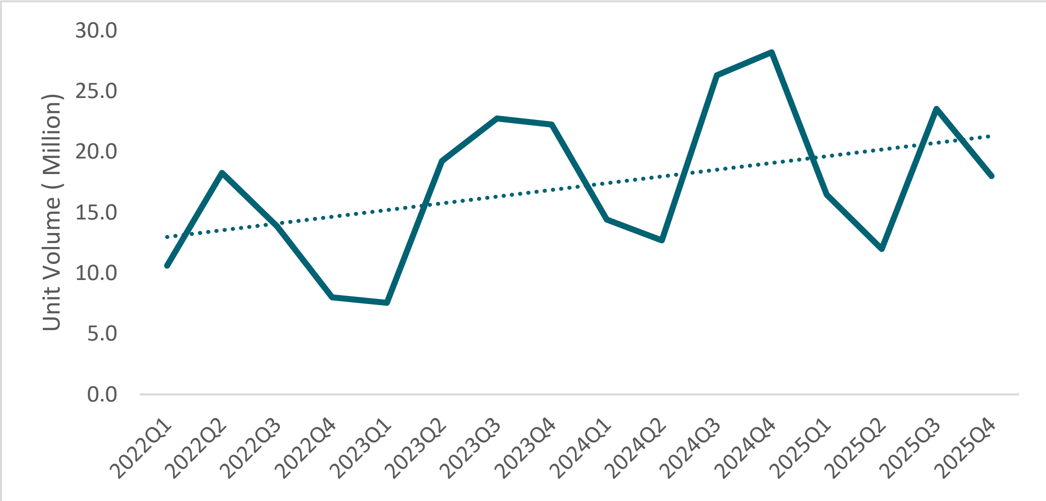
5.2 Evidence Provided – Import Volume Effects

Application

84. In its application Visy states that there has been a significant increase in imports of the subject goods from China, particularly in 2024 and 2025, and that this increase has caused material injury to Visy.

85. Visy draws on import data from Infoshare (Statistics NZ) to support its position, showing import volumes from China and all other countries as shown in Figure 3. The products under tariff code HS 7010.90.28 and Statistical Key 00A include glass; carboys, bottles, flasks, jars, pots, phials and other containers of glass, (not ampoules or preserving jars), used for the conveyance or packing of goods, of a capacity 500ml or more but not exceeding 1000 ml.

Graph 3: Quarterly Import trends Volume (750ml only) (million)

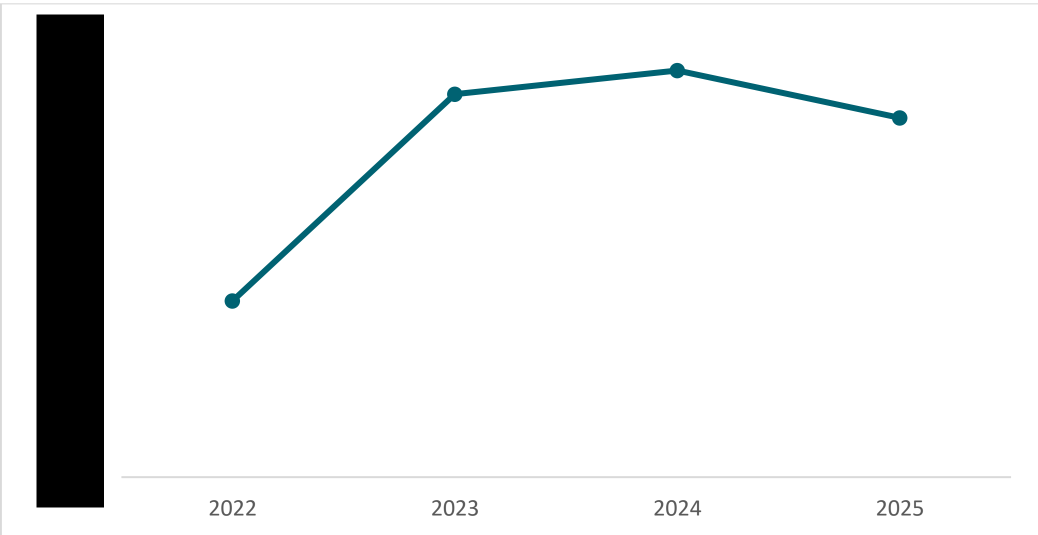


Source: Visy's Application Data compiled from Stats NZ

MBIE's assessment of import volumes

86. MBIE has worked through the Customs data as outlined in section 3 above, to attempt to quickly refine the trade volumes down to subject goods only, and noting the limitations outlined above.

Graph 4: Imports from China only 750ml bottle (volume: million)



Source: New Zealand Customs

87. The evidence indicates that imports from China fluctuated during the 2022–2025 period but showed an overall upward trend. The data also shows that China is the dominant source of New Zealand's imports of glass wine bottles, accounting for approximately 84% of total import volumes.

5.3 Price Effects

Price undercutting

88. Price undercutting refers to a situation where prices of an allegedly subsidised product are sold on the New Zealand market at lower prices than like goods produced by the New Zealand industry.

89. Prices are compared at the point that the imported goods first compete with the goods made in New Zealand, generally at the ex-wharf level. Price undercutting is not in itself a determinant of the existence or extent of injury.

90. The extent to which price undercutting by allegedly subsidised imports must occur before it should be considered significant is assessed on a case-by-case basis taking into account the degree of undercutting and the volume of imports where price undercutting has occurred relative to total allegedly subsidised imports, as well as the timing and frequency of price undercutting.

Application

91. To calculate the level of price undercutting, Visy has compared the import price of the subject goods (using Infoshare data) with the price of like goods produced in New Zealand. Visy undertook this comparison at an ex-warehouse (for like goods) to ex-wharf (for imports) level (Table 7 of the application). The ex-wharf import price was calculated as the average per kg ex-wharf import value, including overseas insurance and freight, sourced from Infoshare data for imports from China.

92. Visy claims that it suffered severe price undercutting in 2024 [redacted] and 2025 [redacted] due to subsidised imports of wine glass bottles from China. The evidence provided by Visy indicates that price undercutting is occurring in 2024 and 2025 (Visy's application Table 7).

MBIE's assessment of price undercutting

93. To assess the adequacy and accuracy of Visy's evidence, MBIE compared the price undercutting levels calculated by Visy using Infoshare data with price undercutting levels calculated using Customs New Zealand import data for the subject goods.

94. To do this, MBIE compared prices at the ex-warehouse level for the like goods (domestically produced goods) and at the ex-wharf level for the subject goods (imported goods). MBIE calculated the ex-warehouse price using Visy's net sales value. MBIE calculated the ex-wharf import price using Customs New Zealand import data. The price undercutting levels calculated using Customs data were slightly lower than those calculated by Visy using Infoshare data but remained of a similar magnitude.

Price depression

95. Price depression is a situation where domestic producers are forced to lower their selling prices over time.

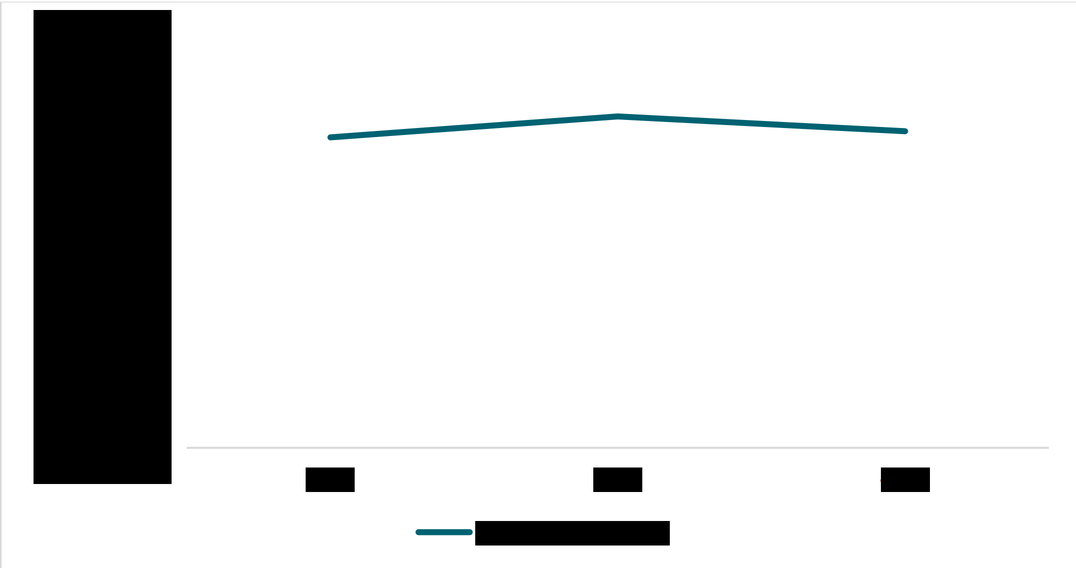
Application

96. Visy claims that subsidised imports of wine glass bottles from China caused price depression in 2024 and 2025, as summarised in Table 8 of its application. The estimated average ex-factory selling price, net of discounts and rebates, declined from [redacted] per 1,000 units in 2024 to [redacted] per 1,000 units in 2025. Visy estimates the extent of price depression to be [redacted] in both years.

MBIE's assessment of price depression

97. MBIE's analysis of the evidence confirms that there was price depression from 2024 and 2025. The average net sales values provided by Visy show that there has been a slight increase in the average price per 1000 units in 2024 but a decrease in both 2023 and 2025.

Graph 5: Price Trend Over the last Three Years



Source: Visy Application EXCEL 7.3

Price suppression

98. Price suppression occurs when New Zealand producers are unable to increase prices to recover increased costs. The measure of price suppression can take into account the extent to which cost increases which otherwise would be reflected in prices, have not taken place. Price increases may be in response to increases in costs, or changes in supply or demand of a product. Cost increases that are not able to be recovered by price increases will be reflected in an increased ratio of costs to sales revenue.

Application

99. Visy's submissions claim it has suffered price suppression in 2024 and 2025 due to subsidised imports of wine glass bottles from China as summarised in its application Table 9. The table indicates that price suppression worsened significantly in 2025 compared with 2024. The average selling price fell from [redacted] per 1,000 units in 2024 to [redacted] in 2025 [redacted]

100. At the same time, total costs increased from [redacted] per 1,000 units ([redacted]), mainly due to higher production costs. Although total costs remained around [redacted]

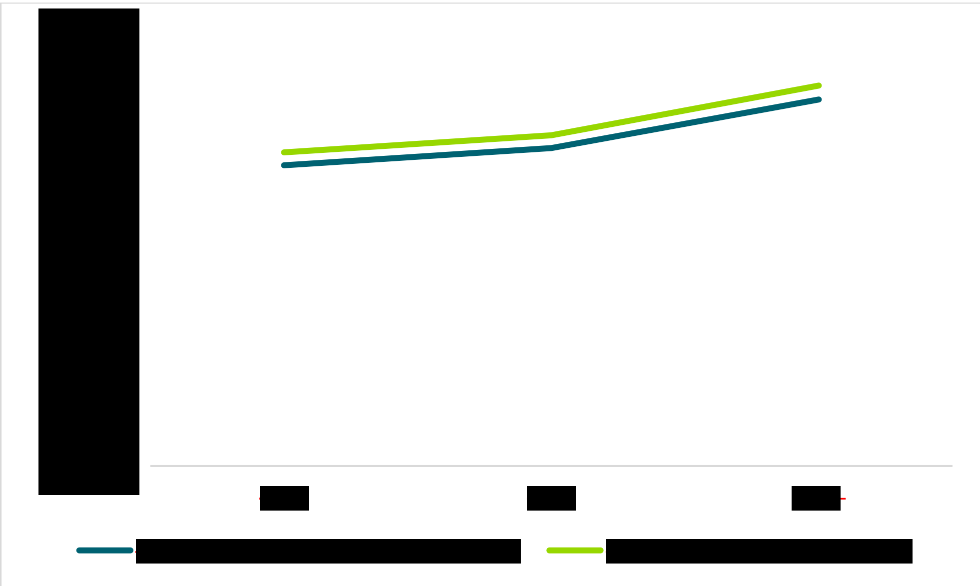
of selling price in both years, the declining selling prices limited the firm's ability to recover rising costs.

101. The estimated value of price suppression increased sharply from [redacted] in 2024 to [redacted] in 2025, suggesting a much greater revenue impact. Consequently, the extent of price suppression deteriorated from [redacted] in 2024 to [redacted] 2025.

MBIE's assessment of price suppression

102. The information provided by Visy shows that costs increased as a percentage of sales value over the entire three years period. The data show that the company faced greater downward pressure on prices in 2025. Selling prices fell while production costs rose, resulting in a larger suppression of prices and a more significant adverse impact on margins.

Graph 6: Costs as % of sales value



Source: Visy Application EXCEL 7.3

5.4 Economic Impact of Subsidisation

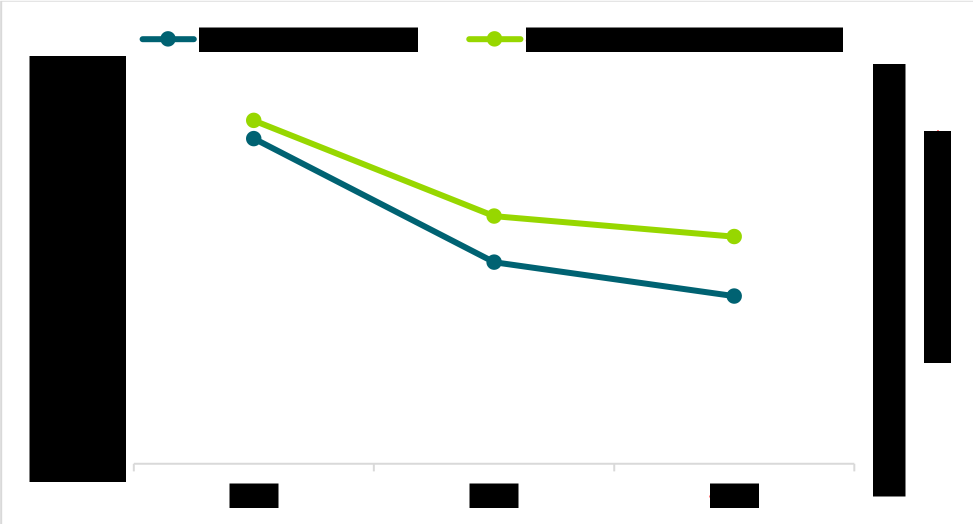
103. In its application, Visy states that the alleged subsidised imports of the subject goods have resulted in:

- an actual decline in sales volume and revenue;
- an actual decline in market share;
- increased costs per unit
- an actual decline in profits

Actual decline in sales volume and revenue

104. Visy's application notes that sales volume fell sharply from [redacted] units in 2023 to [redacted] units in 2024, before partially recovering to [redacted] units in 2025. However, sales remained well below the 2023 level. Sales revenue declined from [redacted]n 2023 to [redacted] in 2025, reflecting both lower sales volumes and weaker prices.

Graph 7: Visy's Profit Trend[10]



Source: Visy Application EXCEL 7.3

105. Visy demonstrates that it has incurred a significant decrease in sales volume and revenue in 2024 and 2025.

Output

106. Visy's production volumes show a consistent decline over the last three years (Visy's Application page 25 (Table 11). In financial year terms, production decreased, representing year-on-year declines of [redacted] in 2024 and [redacted] in 2025. Calendar year data show a similar trend, declines of [redacted] 2024 and [redacted] 2025. Overall, the data indicate a sustained contraction in production.

Actual decline in profit

107. Visy Application Table 10 shows that profitability deteriorated over the period despite a recovery in sales volume in 2025. Gross profit declined from [redacted] million in 2023 to [redacted] in 2025, while gross profit per 1,000 units fell from [redacted] Similarly, EBIT decreased from [redacted] in 2023 to [redacted] in 2025, and EBIT per 1,000 units declined from [redacted]. The reduction in profit and EBIT was driven by rising production costs, which increased from [redacted] per 1,000 units in 2023 to [redacted] in 2025, while sales revenue per 1,000 units remained relatively stable. This indicates margin compression and weakening financial performance over the period.

Sales decline

108. Visy submits that it experienced significant lost sales due to competition from lower-priced imports from Shandong Changyu. In 2024, Visy asserts that it lost a major supply contract with [redacted], previously accounting for [redacted] glass packaging requirements, primarily because Shandong Changyu offered substantially lower prices. Visy

[10] The revenue amount calculated by Visy with full pass through of Customer Price Adjustment Formula (PAF).

estimates lost sales of approximately [redacted] between 2023 and 2025. Although some sales volumes were recovered in 2025 after Visy reduced prices to match import competition, this occurred at significantly lower margins, with prices falling below Visy's production costs and reducing profitability.

109. Visy also reports sales losses and price suppression across several key customers due to competition from lower-priced imports. For [redacted][11], Visy states that volumes were shifted to importers in 2024 as customers sought cheaper glass, contributing to a decline in Visy's market share from [redacted] Visy further reports price suppression and depression across several customers, including [redacted] (estimated injury [redacted]. In these cases, Visy states that it was either unable to pass through cost increases, was required to reduce prices to retain business, or ultimately lost business to importers. According to Visy, these impacts resulted in reduced sales volumes, lower prices, and diminished profitability over the 2023–2025 period.

Market Share

110. Visy asserts that its market share in the New Zealand glass wine bottle market declined significantly over the period, falling from [redacted] in 2023 to [redacted] in 2024 and [redacted] in 2025. While the overall market contracted, Visy's sales volumes decreased more sharply than total market demand in 2024 and 2025 (Visy application page 29).

Productivity

111. Visy reports a decline in productivity and capacity utilisation due to reduced demand for glass wine bottles. In 2025, the company curtailed operations at two Auckland furnaces, resulting in an estimated [redacted] reduction in production. As glass furnaces must operate continuously and cannot be fully shut down, most operating costs continued to be incurred during the curtailment periods despite lower output. According to Visy, this led to approximately [redacted] under-utilisation of furnace capacity and increased fixed costs per unit, adversely affecting operational efficiency and profitability.

112. Visy states that capacity utilisation at its Auckland plant declined from [redacted] in 2024 to a forecast [redacted] 2025, well below the industry norm of around [redacted] indicating under-utilisation of production capacity and higher fixed costs per unit.

5.5 Other factors and indices regarding the economic impact

Cash Flow

113. Visy reported lower sales volumes in Table 10, indicating a reduction in cash flow. According to Visy, the decline in cash flow has constrained the company's ability to undertake capital investment and support future business development.

[11] [redacted]

Inventories

114. Visy reports that inventories have increased as a result of lower sales volumes. According to Visy, the accumulation of unsold goods has required additional storage capacity, leading to higher inventory holding and storage costs for the business.

Employment

115. Visy reports that workforce impacts have occurred as a result of production curtailments, including employees being required to take leave and reduced work opportunities for casual employees. For example, a recent furnace curtailment resulted in [redacted] employees taking leave. Visy further states that any additional loss of production volume could require the reduction of its Auckland furnace operations from three furnaces to two, potentially resulting in the direct loss of at least [redacted] as well as additional employment impacts in supporting industries.

Wages

116. Visy reports that employee benefits were drawn down during production curtailments, with employees required to take accrued leave and casual employees experiencing reduced working hours and earnings. Visy also states that the hiring of non-essential roles has been halted or significantly reduced due to the decline in profitability and the challenging market environment.

Growth

117. Visy indicates that it is not considering any expansion of its plant or related infrastructure while current market conditions remain unfavourable. According to Visy, this constraint on growth may also adversely affect supporting New Zealand businesses that provide materials, transport, labour, and other services to its operations.

Ability to Raise Capital

118. Visy states that current market conditions and the resulting weakened business outlook have adversely affected its ability to raise additional capital. According to Visy, the depressed forward outlook does not support further capital raising or investment in the business.

Other Factors Affecting Domestic Prices

119. Visy highlights that subsidised imports from China are the primary factor placing downward pressure on domestic prices, despite continued increases in input and operating costs (Visy's Application page 32). While Visy did not provide additional evidence regarding increases in input and operating costs, the application states that its production costs increased by [redacted] between 2023 and 2025 (Application Appendix Excel 8.2).

5.6 Conclusions on Evidence of Material Injury

120. In considering the requirements of section 10A(1)(a)(ii) of the Act, MBIE has reviewed the evidence of whether alleged subsidisation of imports of the subject goods from China are causing material injury to the New Zealand industry and concludes that:

- There is evidence that imports of the subject goods from China have increased in absolute terms.
- With regard to price effects, there is evidence of price undercutting, price suppression, and price depression attributable to the alleged subsidised goods
- In relation to the economic impact of the subsidised goods, there is evidence indicating that Visy has experienced declines in sales volumes, sales revenue, market share, production, capacity utilisation, productivity, profitability, and cash flow, and that these adverse trends may be attributable to the alleged subsidisation of the subject goods from China.
- The application from Visy did not provide information showing that any injury to the New Zealand industry caused by factors other than the alleged subsidisation has been attributed to the alleged subsidised imports of the subject goods from China.
- While it is likely there are other factors causing injury to the domestic industry, MBIE is satisfied that there is evidence that at least some of the injury that Visy has experienced is caused by the allegedly subsidised goods from China.

121. Having made the above conclusions and considering the requirements in section 10A(1)(a)(ii)(A) of the Act, officials are satisfied that Visy's application contains sufficient evidence that the alleged subsidisation has caused material injury to the industry.

6. Evidence of Other Factors Causing Injury

122. Section 10A(1)(a)(ii)(A) and (B) of the Act require that sufficient evidence be provided that material injury is *caused* by the allegedly subsidised goods in order for an investigation to be initiated. As part of assessing the adequacy of the evidence of this, MBIE considered the likelihood that other factors are causing injury to the domestic industry.

123. In undertaking this exercise, MBIE took interpretive aid from section 8(2)(e), which outlines other factors that the Chief Executive must consider when determining whether material injury to an industry has been or is being caused by factors other than the subsidisation of the subject goods.

124. In its application, Visy's discussion of the causal link focussed on the price effects of the allegedly subsidised imports of glass wine bottles from China. Visy noted that some price fall could be attributed to world price changes, but that Visy was forced to respond to the significant price undercutting of Chinese goods, which caused adverse Visy economic performance.

6.1 Impact from other imports

125. Section 8 of the Act requires the Chief Executive when considering whether or not material injury has been or is being caused by the subsidisation of the subject goods to consider whether factors other than the allegedly subsidised imports may be affecting the state of the domestic industry. These include imports from other sources, changes in demand or consumption patterns, restrictive trade practices, technological developments, and the export performance and productivity of New Zealand producers.

126. The following table (Table 2) sets out the levels of imports from the main supplying countries and other sources for all of the subject goods. The information indicates that imports from sources other than China were primarily from Australia, with much smaller volumes from sources other than China and Australia as shown in the below Table.

Table 2: Import from different countries

	2023		2024		2025 YTD (3 Qtrs to Mar-25)	
	Quantity (1000)	Value	Quantity (1000)	Value	Quantity (1000)	Value
Australia	18468.5	6259077	14420.6	4064978	6702.4	2514684
China	48691.4	24171428	72154.4	27253545	71017.1	24290164
France	897.4	1638183	958	1331222	748	1126843
Italy	2575.2	926669	415.7	719413	218.1	449803
Taiwan	77	27032	0.1	394	5	5725
Turkiye	102.4	48726	2116.4	733489	4659.8	1349383
United Arab Emirates	1083.6	601857	262.9	375243	457.3	450316
All Other Countries*	1143.9	874451	396.6	409323	270.2	176149
TOTAL	73039.4	34547423	90724.7	34887607	84077.9	30363067
China % of Total	67%		80%		84%	

Source: Visy Application page 11 and EXCEL Appendix 5.3 and 7.3

6.2 Other factors specified at section 8(2)(e)

127. Other factors at section 8(2)(e) include contraction in demand or changes in the patterns of consumption; restrictive trade practices of, and competition between, overseas and New Zealand producers; developments in technology, and the export performance and productivity of the New Zealand producers

128. Visy advises that it has not exported in the last three years and has not provided any further comment on the other points.

129. MBIE is not aware of any other evidence to suggest that injury would be experienced from any of these other factors.

6.3 Conclusions on Causal Link

130. MBIE is satisfied that there is sufficient evidence, for the purpose of initiation, of a causal link between the allegedly subsidised imports of glass wine bottles from China. However, these matters will require further examination during the investigation

131. With regard to the other causes of injury identified in the Act, MBIE notes that any investigation will need to have regard to the extent to which imports from other sources and movements in export sales volumes and values might be affecting the state of the domestic industry. An investigation would also need to examine other factors, including the global glass wine bottle market, to determine whether they are relevant.

7. Conclusion

7.1 Sufficiency of Evidence – section 10A(1)(a)

132. MBIE's overall conclusion is that, on the basis of the information provided in the application there is sufficient evidence to meet the requirements of section 10A(1)(a) of the Act on the basis that:

a. the totality of the evidence in the USDOC determination provides sufficient evidence that subject goods are subsidised to justify an investigation. However, MBIE notes the use of adverse facts throughout the investigation, signalling evidentiary gaps in the analysis, may mean that on investigation there may be insufficient evidence to conclude that subsidisation is occurring to the standard required by New Zealand law.

b. There is sufficient evidence of material injury to the domestic industry being caused by the alleged subsidisation of subject goods, on the basis that:

i. **Import volumes:** There is sufficient evidence of an increase in imports of the subject goods.

ii. **Price effects:** There is sufficient evidence of price undercutting and price suppression attributable to the alleged subsidised imports.

iii. **Economic factors**: There is sufficient evidence that Visy has experienced declines in sales volume, sales revenue, market share, and profitability, which can be attributed to the alleged subsidised imports.

iv. **Factors other than subsidisation causing injury:** There is no evidence that injury to the New Zealand industry caused by factors other than the alleged subsidisation has been attributed to factors other than the alleged subsidised imports.

7.2 Support from New Zealand Producers – section 10A(1)(b)

133. MBIE accepts that Visy, as the only New Zealand producer of glass wine bottles, represents the New Zealand industry for the purposes of this application, and that the application has the requisite level of industry support.

Appendix 1: Legal Requirements

Purpose of the Act

8. The purpose of the Trade (Anti-dumping and Countervailing Duties) Act 1988 (the Act) is to *enable New Zealand to apply anti-dumping and countervailing duties in accordance with its obligations as a party to the WTO Agreement. Anti-dumping and countervailing duties are intended to prevent material injury or the threat of material injury to an industry, or the establishment of an industry being materially retarded, due to dumped or subsidised goods being imported into New Zealand* (section 1A).

9. Given the purpose of the Act is to enable New Zealand to comply with its obligations as a party under the WTO Agreement, MBIE has considered the WTO Agreement, including the WTO Agreement on Subsidies and Countervailing Measures (the SCM Agreement), in interpreting the Act.

Criteria for starting an investigation

10. Section 10A of the Act provides that:

The chief executive must start an investigation if the chief executive is satisfied from the evidence in the application that—

(a) there is sufficient evidence to justify investigating whether—

(i) goods imported or intended to be imported into New Zealand are being dumped or subsidised; and

(ii) the alleged dumping or subsidisation—

(A) has caused, is causing, or threatens to cause material injury to the industry; or

(B) has caused or is causing the establishment of the industry to be materially retarded; and

(b) the collective output of those New Zealand producers who have, in writing, expressed support for the application constitutes—

(i) 25% or more of the total New Zealand production of like goods produced for domestic consumption (as assessed during the most recent representative period of not less than 6 months); and

(ii) more than 50% of the total production of like goods produced for domestic consumption (assessed as referred to in subparagraph (i)) by those New Zealand producers who have, in writing, expressed support for or opposition to the application.

Material Injury

11. MBIE is required to consider whether Visy's application contains sufficient evidence to justify investigating whether subsidisation of the subject goods has caused or is causing material injury to the New Zealand industry (section 10A(1)(a)(ii)(A) of the Act).

12. Section 8 of the Act defines 'material injury'. Section 8(1) sets out the test for material injury, stating:

    In determining for the purposes of this Act whether or not any material injury to an industry has been or is being caused or is threatened or whether or not the establishment of an industry has been or is being materially retarded by means of the dumping or subsidisation of goods imported or intended to be imported into New Zealand from another country, the chief executive shall examine—

    (a) the volume of imports of the dumped or subsidised goods; and

    (b) the effect of the dumped or subsidised goods on prices in New Zealand for like goods; and

    (c) the consequent impact of the dumped or subsidised goods on the relevant New Zealand industry.

13. Section 8(2) states:

    Without limiting the generality of subsection (1), and without limiting the matters that the chief executive may consider, the chief executive shall have regard to the following matters:

    (a) the extent to which there has been or is likely to be a significant increase in the volume of imports of dumped or subsidised goods either in absolute terms or in relation to production or consumption in New Zealand:

    (b) the extent to which the prices of the dumped or subsidised goods represent significant price undercutting in relation to prices in New Zealand (at the relevant level of trade) for like goods of New Zealand producers:

    (c) the extent to which the effect of the dumped or subsidised goods is or is likely significantly to depress prices for like goods of New Zealand producers or significantly to prevent price increases for those goods that otherwise would have been likely to have occurred:

    (d) the economic impact of the dumped or subsidised goods on the industry, including—

    (i) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilisation of production capacity; and

    (ii) factors affecting domestic prices; and

    (iii) the magnitude of the margin of dumping; and

    (iv) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investments:

    (e) factors other than the dumped or subsidised goods that have injured, or are injuring, the industry, including—

    (i) the volume and prices of goods that are not sold at dumped prices or that are not subsidised; and

    (ii) contraction in demand or changes in the patterns of consumption; and

(iii) restrictive trade practices of, and competition between, overseas and New Zealand producers; and

(iv) developments in technology; and

(v) the export performance and productivity of the New Zealand producers:

(f) the nature and extent of importations of dumped or subsidised goods by New Zealand producers of like goods, including the value, quantity, frequency, and purpose of any such importations.

Appendix 2: Gazette

Notice of Initiation: Investigation into the Alleged Subsidisation of Certain Glass Bottles from People's Republic of China

Pursuant to section 10B(2) of the Trade (Anti-dumping and Countervailing Duties) Act 1988 ("Act"), and acting under delegated authority from the Chief Executive of the Ministry of Business, Innovation and Employment (MBIE), I give notice that I have started investigation step 1 into the alleged subsidisation of the goods described in the Schedule to this notice ("subject goods").

Investigation step 1 was started, in accordance with the requirements of section 10A of the Act, following consideration of a properly documented application made by Visy Glass Operations (NZ) Limited, the New Zealand industry producing glass wine bottles, which provided sufficient evidence justifying the need for an investigation and had the requisite industry support.

Investigation step 1 started on 14 August 2026.

Schedule

Subject goods to investigation

Country of Origin

The People's Republic of China

Description of Goods

Certain glass bottles

The subject goods are currently classified under the New Zealand Working Document Tariff Item No. 7010.90.28 and Statistical Key 00A described below.

The goods 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 coloured, 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.

The tariff classification is provided for convenience and Customs purposes only, the written description being dispositive.

Dated at Wellington this 14th day of August 2026.

[redacted] Manager, Trade & Supply Chains

Ministry of Business, Innovation and Employment

Invitation for Submissions

Interested parties are invited to make submissions in relation to the investigation by emailing traderemedies@mbie.govt.nz. The Initiation Report, which contains details of consideration of the application for the initiation of the investigation, is available on MBIE's website at www.mbie.govt.nz/business-and-employment/business/trade-and-tariffs/trade-remedies/trade-remedy-investigations/ or by email request to MBIE Trade Remedies.