MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

TRADE AND
SUPPLY CHAINS

Trade (Anti-dumping and Countervailing Duties) Act 1988

Dumping Investigation

Preserved Peaches from China

Step 2 Final Report

MBIE/AD/I/2025/002

NON-CONFIDENTIAL

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New Zealand Government

Contents

1. Summary

1.1 Purpose

1. This Step 2 Final Report is based on the *Public Interest Preliminary Findings Report* for the investigation into preserved peaches from China, conducted under section 10G of *the Trade (Anti-Dumping and Countervailing Duties) Act 1988* (the Act). These findings are intended to inform the Minister of Commerce and Consumer Affairs' final determination under section 10H of the Act on whether the anti-dumping duty determined at Step 1 is in the public interest.

2. Under section 10H(1) of the Act, the Minister must make a final determination within 90 days of the start of Step 2 of the investigation, and not less than 30 days after notifying parties of the preliminary findings. For this investigation, the final Step 2 determination must be made by 1 May 2026.

3. Interested parties were invited to make written submissions on the *Public Interest Preliminary Findings Report* by 13 April 2026. MBIE has considered these submissions in preparing this Step 2 Final Report.

1.2 Proceedings

4. On 2 December 2024 Heinz Wattie's Ltd (HWL), the only New Zealand producer of preserved peaches, applied to the Ministry of Business, Innovation and Employment (MBIE) seeking an investigation into allegedly dumped imports of preserved peaches from China.

5. This investigation was initiated on 15 July 2025, pursuant to section 10A(1) of the Act as MBIE was satisfied that the application contained sufficient evidence to justify the need to investigate.

6. On 31 January 2026, following Step 1 of the investigation, the Minister determined that,

    - Pursuant to section 10D(1) of the Act, that preserved peaches exported by J&G International are being dumped, and that this dumping is causing material injury to the New Zealand industry. Consequently, pursuant to section 10D(2) of the Act, the Minister determined a duty rate, and directed MBIE's chief executive to immediately start investigation step 2, in respect of these goods.

    - Pursuant to section 10D(1) of the Act, the Minister determined that preserved peaches exported by all other Chinese producers are not being dumped, and therefore are not causing material injury to the domestic industry. Consequently, pursuant to section 10D(3) of the Act, the Minister terminated the investigation in respect of these goods, under section 11 of the Act.

7. Investigation Step 2 commenced on 1 February 2026. During this step, MBIE investigates whether imposing the determined duty is in the public interest, as defined in section 10F(2) of the Act. In undertaking its Step 2 assessment, MBIE considered information received from HWL, New Zealand importers, Chinese exporters and the New Zealand Customs Service (Customs), as well as information from MBIE's own independent research.

2. Legal Requirements

2.1 Matters to be investigated

8. This investigation is being conducted in accordance with the Act. The World Trade Organization (WTO) Agreement on the Implementation of Article VI of GATT 1974 (the Anti-Dumping Agreement) and reports adopted by the WTO Dispute Settlement Body provide guidance where the Act is silent, or there are questions as to its interpretation.

9. Section 10F of the Act sets out the requirements for Step 2 of an investigation:

   (1) If the Minister directs the chief executive to start investigation step 2, the chief executive must investigate whether imposing an anti-dumping or a countervailing duty at the rate or amount determined under section 10D(2)(a) is in the public interest.

   (2) Imposing the duty is in the public interest unless the cost to downstream industries and consumers of imposing the duty is likely to materially outweigh the benefit to the domestic industry of imposing the duty.

   (3) In investigating whether imposing the duty is in the public interest, the matters the chief executive must investigate include the following:

   (a) the effect of the duty on the prices of the dumped or subsidised goods:

   (b) the effect of the duty on the prices of like goods produced in New Zealand:

   (c) the effect of the duty on the choice or availability of like goods:

   (d) the effect of the duty on product and service quality:

   (e) the effect of the duty on the financial performance of the domestic industry:

   (f) the effect of the duty on employment levels:

   (g) whether there is an alternative supply (domestically or internationally) of like goods available:

   (h) any factor that the chief executive considers essential to ensure the existence of competition in the market.

10. MBIE can also investigate other matters that it considers appropriate including those raised by other parties, and is not restricted to solely investigating the matters in section 10F(3) of the Act.

3. Investigation Procedures

3.1 Subject goods

11. The goods which are the subject of this investigation (subject goods) are:

Peaches in preserving liquid, in containers up to and including 5.0kg.

12. MBIE considers that the subject goods description includes preserved peaches in juice, as well as in various concentrations of sugar syrup and preserved peaches packaged in cans, plastic or glass jars and plastic cups or tubs.

13. The subject goods are classified under New Zealand Customs tariff item No. 2008.70.09 and statistical key 00L as below. This tariff classification is provided for convenience and Customs' purposes only, the written description being dispositive.

Fruit: peaches, including nectarines, prepared or preserved in ways not elsewhere classified in heading numbers 2007 and 2008, whether or not containing added sugar, other sweetening matter or spirit

14. Note this key also includes goods which are excluded from the investigation, namely goods such as preserved nectarines (including nectarine pulp or puree), preserved peaches suspended in jelly, mixes of fruit, dried peaches, and preserved peaches in containers exceeding 5.0 kg.

Figure 1: Tariff Classification

Tariff item	Stat Key	Unit	Description	Duty	Pref.
2008.70.09	00L	kg	Fruit, nuts and other edible parts of plants, otherwise, etc. – Peaches, including nectarines - - Other	5%	Free *See Below CA Free LDC 4

*Unless otherwise indicated AAN, AU, CN, CPT, HK, KR, LLDC, MY, Pac, PPP, SG, TH, TPA and TW rates in the Preferential Tariff are Free.

3.2 Like goods

15. Section 3(1) of the Act defines like goods, in relation to any goods, as:

(a) other goods that are like those goods in all respects, or

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

16. To determine whether the goods produced in New Zealand are like goods to the subject goods, MBIE normally considers physical characteristics, function and usage, pricing patterns, marketing and distribution, substitutability and commercial interchangeability, and any other relevant matters, with no one of these factors necessarily being determinative.

17. During Step 1 of this investigation, MBIE concluded that the preserved peaches produced by HWL were like goods to the subject goods. This was on the basis that HWL's products, while not alike in all respects, had characteristics closely resembling the subject goods. MBIE's findings are detailed in section 2.2.1 of the Step 1 Final Report for the present investigation.

3.3 Imports of preserved peaches

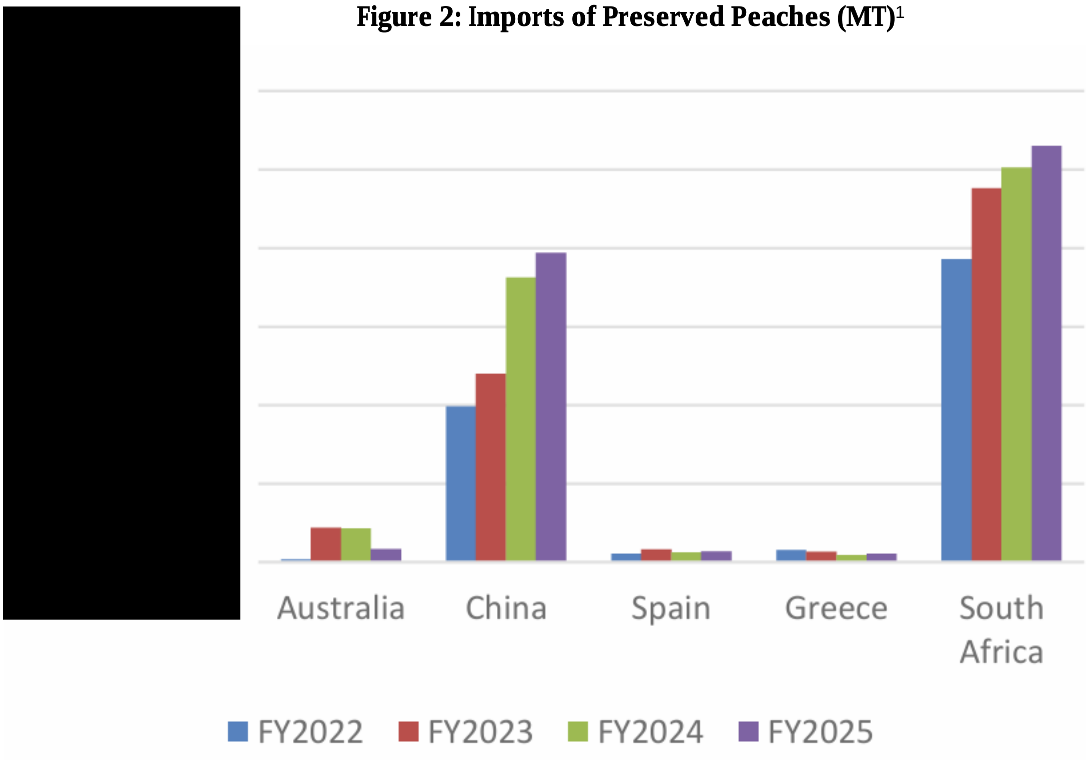
18. Figure 2 following shows import volumes of preserved peaches into New Zealand in the period 2022-2025 in June years, under the above tariff item and statistical key. Where possible, MBIE has excluded goods that are not subject to the investigation from the data. This included goods imported by KidsCan Charity for use as part of a school lunch program. In step 1 of this

investigation MBIE excluded those goods from the subject goods as they have a different function and distribution to comparable goods produced by the domestic industry. HWL has also indicated its comfort with this approach, noting that preserved peaches that KidsCan imports do not compete with its products. Figures and tables in this report exclude goods imported by KidsCan.

19. MBIE notes HWL imported subject goods from China in 2025. The figures presented below include HWL's imports.

20. Imports from China made up a large proportion of total imports of the subject goods in 2025.

Figure 2: Imports of Preserved Peaches (MT)[1]



Source: New Zealand Customs data

3.4 Notified and affected parties

21. In the context of the present investigation, MBIE has the following obligations in relation to notified and affected parties: Section 10G requires that:

(1) *The chief executive must, within 60 days after starting investigation step 2, give the* *<u>notified parties</u>* *written advice of the preliminary findings that are likely to form the basis for a determination to be made by the Minister under section 10H(1).*

(2) *The chief executive must give all persons that the chief executive considers would be* *<u>significantly affected</u>* *by imposing the duty a reasonable opportunity to present, in writing, all evidence relevant to the investigation and, on justification being shown, to present that evidence orally.*

3.5 Notified parties

22. Section 3(1) of the Act defines "notified parties" as:

[1] Note y-axis values are withheld to preserve confidentiality of information.

(a) *the Government or Governments of the country or countries of the export of goods to which the notice relates; and*

(b) *exporters and importers known by the chief executive to have an interest in those goods; and*

(c) *the applicant in relation to those goods; and*

(d) *where the Minister or the chief executive is taking action under section 18, the Government of the third country on behalf of whom the Minister or the chief executive is taking action*

3.5.1 Government of China

23. MBIE has continued to notify the Government of China (GOC) during Steps 1 and 2 of this investigation. MBIE has not received any submissions from GOC since the start of this investigation.

3.5.2 Exporters / foreign producers

24. Given the Step 1 determination, exports by J&G International are the sole exports that are the subject of investigation Step 2. J&G International provided a response to MBIE's Step 2 questionnaire.

25. MBIE has however continued to keep other exporters and foreign producers identified during investigation Step 1 appraised of the progress of investigation Step 2, and invited them to provide input as appropriate. During investigation Step 1, MBIE identified 28 Chinese manufacturers exporting the subject goods to New Zealand during the POR(D). Of these, two manufacturers – Qingdao Countree Food Co Ltd (Countree Food) and Qingdao Medallion Food Co Ltd and its manufacturing arm Weifang Medallion Food Co Ltd (Medallion) participated in investigation Step 1. One other manufacturer – J&G International was also a significant exporter, exporting 20% of total subject goods from China during the POI(D).

3.5.3 Importers

26. MBIE provided the following New Zealand importers with questionnaires – these parties were either identified as importers of the subject goods through Customs NZ import data for the period ending 30 June 2025 or had participated in previous proceedings.
- Barkers Fruit Processors
- Simply Food Solutions Ltd (previously participating as Bidfood Ltd)
- Davis Trading Co Ltd
- Foodstuffs Own Brand Ltd (Foodstuffs)
- Woolworths New Zealand Ltd (Woolworths)

27. Of these importers, Simply Food Solutions Ltd, Davis Trading Co Ltd, Foodstuffs and Woolworths provided information in Step 1 of the investigation and only Foodstuffs provided evidence to date during investigation Step 2.

3.5.4 Applicant (New Zealand industry)

28. Section 3A of the Act defines the term "industry" in relation to any goods, as:

(a) *the New Zealand producers of like goods; or*

(b) *such New Zealand producers of like goods whose collective output constitutes a major proportion of the New Zealand production of like goods.*

29. HWL is the sole manufacturer of preserved peaches in New Zealand and therefore constitutes the New Zealand industry for the purpose of this investigation. HWL produces sliced and halved preserved peaches, preserved in syrup, a 'lite' medium, or fruit juice, and in cans of three sizes

(400g/410g, 820g and 2.95kg/3kg) under the Wattie's and Oak brands. Distribution is at a wholesale level to supermarkets, to other retailers, and to the food service sector.

30. HWL noted that it has, in times of short supply, needed to import preserved peaches to protect its market share, shelf space, and consumer goodwill. It confirmed that it imported subject goods from China during the period of investigation for dumping (POI(D)).

31. In addition to the information provided during Step 1 of this investigation, HWL provided a response to the Step 2 Investigation Questionnaire.

3.6 Affected parties

32. The Act does not explicitly define "affected parties". In light of the public interest test outlined in section 10G(2), MBIE considers "affected parties" for the purposes of a Step 2 investigation to include consumers and downstream industries.

33. Section 10F(4) defines consumers for the purposes of investigation Step 2 as:

(a) New Zealand consumers of –
(i) the dumped or subsidised goods; or
(ii) like goods; or
(iii) the other goods referred to in paragraph (a) of the definition of downstream industries; and

(b) if the Minister considers it appropriate for the purposes of this section, any other relevant New Zealand consumers.

34. Section 10F(4) defines downstream industries for the purposes of investigation Step 2 as:

(a) Each immediate downstream New Zealand industry that uses the dumped or subsidised goods, or like goods, as an input in the production of other goods; and

(b) if the Minister considers it appropriate for the purposes of this section, any other relevant downstream New Zealand industry.

35. MBIE considers customers purchasing preserved peaches from the retail sector, and customers of the commercial food service sector to be consumers. MBIE considers manufacturers of food items containing preserved peaches to be downstream industries. MBIE understands that downstream industries of preserved peaches tend to purchase these goods in 2.95kg /A10 cans, which are not subject to this Step 2 investigation.

36. MBIE contacted several consumer groups/companies seeking a consumer perspective and to identify possible downstream industries. Entities included Consumer NZ, the New Zealand Food & Grocery Council, Retail NZ, Manufacturers' Network, Employers & Manufacturers Association, NZ Council of Trade Unions, NZ Chefs, Baking Industry Association, Hospitality New Zealand and Restaurants NZ. MBIE has not received information from these groups, or from other consumers/downstream industries. As a result, it has based its assessment of the duties' impact on these parties on the information it has available.

4. Step 1 Findings

4.1 Step 1 determinations

37. In accordance with section 10D of the Act, the Minister made the following Step 1 determinations:

- Pursuant to section 10D(1) the Act, that preserved peaches exported by J&G International are being dumped, and that this dumping is causing material injury to the New Zealand industry. Consequently, pursuant to section 10D(2) of the Act the Minister determined a duty rate, and directed the chief executive to immediately start investigation step 2, in respect of these goods.

- Pursuant to section 10D(1) of the Act, the Minister determined that preserved peaches exported by all other Chinese producers are not being dumped, and therefore are not causing material injury to the domestic industry. Consequently, pursuant to section 10D(3) of the Act, the Minister terminated the investigation in respect of these goods, under section 11 of the Act.

38. These determinations were made on the basis of the following findings during MBIE's Step 1 investigation:

- **Dumping:** MBIE established individual dumping margins for preserved peaches produced by the two participating Chinese manufacturers and for J&G International (being the one additional manufacturer which individually accounted for over 5% of total exports from China during the POI(D)). MBIE also established an aggregated dumping margin for all other manufacturers. Of these margins, only exports by J&G International were found to have been dumped.

- **Injury:** MBIE found, on the basis of the dumping margins and consideration of other relevant matters, that subject goods dumped by J&G International were causing material injury to the domestic industry. MBIE reviewed other causes of injury and was satisfied that the likelihood of injury arising from other causes has not been attributed to the dumped goods.

4.2 Determined duty

39. In accordance with section 10E(1) of the Act, the Minister determined the following anti-dumping – this rate forms the basis of the present Step 2 assessment:

Chinese Exporter	Goods	Ad Valorem Duty Rate
J&G International Co. Ltd.	Peaches in preserving liquid, in containers up to and including 3.0kg	17.78%

40. This duty will only apply if the Minister makes a final Step 2 determination that its imposition is in the public interest.

5. Public Interest Investigation

5.1 MBIE's approach

41. As required under section 10F(2) of the Act, MBIE has assessed whether the costs to downstream industries and consumers from imposing the duty materially outweighs the benefits to the domestic industry. In conducting this assessment, MBIE has investigated the factors set out in section 10F(3) of the Act, each of which is discussed below. The assessment draws on Customs NZ data, information provided by parties, and MBIE's own research.

42. For the purposes of this investigation, "duty" refers to the duty of 17.78% on imports of subject goods up to and including 3kg, produced by J&G International. MBIE's assessment considers the effect of this duty compared to the effect if no duty were in place.

5.2 Effect on the prices of the dumped goods

43. In accordance with section 10F(3)(a) MBIE is required to investigate the effect of the duty on the prices of the dumped goods. In assessing this, MBIE considered the extent to which importers and downstream industries are likely to pass on the duty through an increase in prices; and whether prices are responding to market factors. Section 5.4 presents MBIE's quantitative assessment of the price changes in the dumped goods which would result from imposition of the duty. It then considers the impact of these changes on consumers, downstream industries, and the domestic industry.

5.2.1 Pass-on rate

44. MBIE, in its Step1 Importer Questionnaires, asked importers to comment on the extent to which their prices would be likely to change if duties were to be imposed. Foodstuffs and Woolworths have indicated that duties would be directly passed on to the end customer in retail prices.

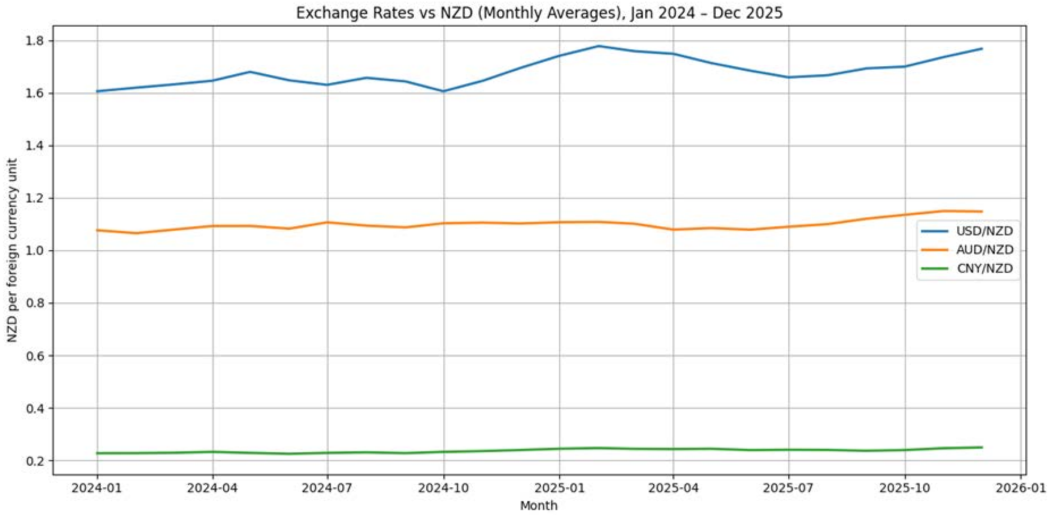
45. MBIE has not received information from downstream industries or consumers on the extent to which downstream industries may pass on duties to their consumers. However, HWL, in its Step 2 Questionnaire response, noted that any passed-on duty would make up only a very small share of the final product price, as preserved peaches are typically a minor input for downstream industries. In the absence of evidence to the contrary, MBIE accepts this position.

5.2.2 Price factors

46. In assessing the effect of the duty on the prices of the dumped goods, MBIE considered the extent to which any changes in the price of the dumped goods could reasonably be attributed to the imposition of the duty, relative to other market factors. Specifically, MBIE examined the following pricing influences in the market for the dumped goods:
- The responsiveness of prices to exchange rate fluctuations
- The likelihood and impact of inflationary surges
- The level of competition in the Chinese export market

Exchange rate effects

47. During Step 1, MBIE assessed the movement of the New Zealand Dollar (NZD) against the United States Dollar (USD), Australian Dollar (AUD) and Chinese Yuan (CNY). The evidence available showed stable trends across the AUD/NZD and CNY/NZD exchange rates 2024-2025 period. USD/NZD showed a slightly stronger and more persistent upward trend in favour of the USD over the same period. These exchange rate movements did not favour importers in New Zealand over the POI.



Sources: Monthly average rates - OFX (NZ) and Exchange Rate Average (Chinese Yuan Renminbi, Australian dollar/ New Zealand Dollar) - X-Rates

48. As the Chinese exporters operate under fixed-price contracts that are agreed 12 months in advance of the peach season, contract prices remain unchanged during the contract period, even if exchange rates shift. This means that while the agreed prices themselves do not adjust until the contract is renegotiated, the actual amount paid—when converted into NZD - may have varied slightly due to exchange rate movements. In light of this information, MBIE is of the view that that these exchange rate movements were not significant enough to influence the price of the dumped goods during the contract period.

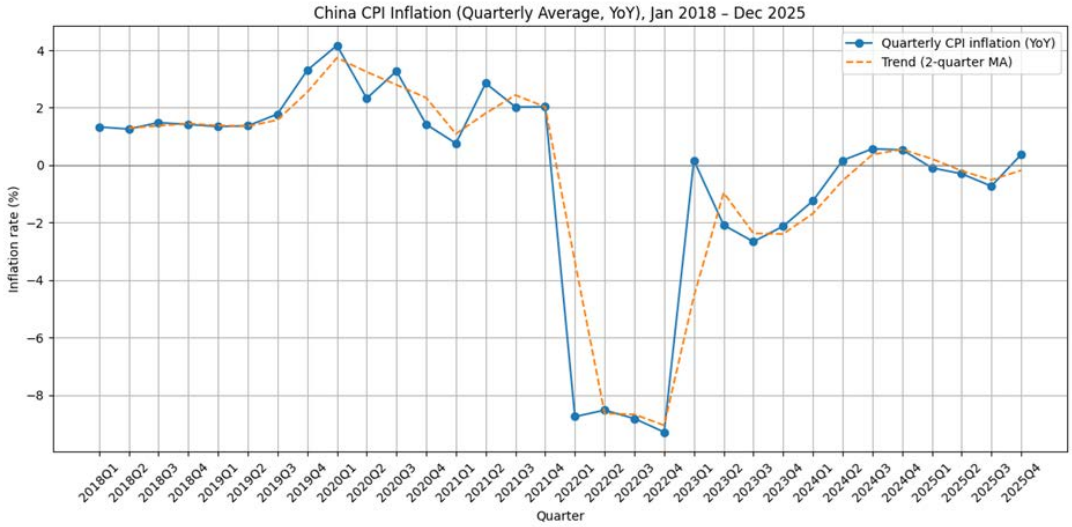
49. MBIE considers that price changes in the longer term, during contract renegotiations, could partly reflect exchange rate movements. However, MBIE does not expect exchange rate effects on their own to be a major driver of future price changes compared with the impact of imposing duties given the relatively stable trends observed.

50. In light of the above, MBIE is of the view that exchange rate fluctuations are unlikely to have a significant effect on the price of the dumped goods.

Inflationary effects

51. MBIE considers that the Chinese economy has had low and stable inflation rates averaging 0.2% over the POI(D), dropping from 4.5% in 2019 and showing deflation in 2021 to 2022. This means that, in recent years, producers in China have not experienced cost pressures such as the cost of inputs, energy and wages. In light of this MBIE considers that the price of dumped imports is unlikely to be driven by inflationary pressures in the cost of material used during production in the short term.

52. MBIE notes that in the medium to long term higher inflation rates in the Chinese economy may fluctuate further, make a larger impact of prices of dumped goods than the imposition of a duty. In the absence of specific evidence to this effect, MBIE has considered this possibility but not given it much weight in the context of the current public interest assessment.



Source: CPI index levels, National Bureau of Statistics of China (NBS)

Competition in the market

53. Based on the Step 1 questionnaire responses received, MBIE notes that there is competition amongst suppliers in the New Zealand market. It considers this to be a relevant factor in explaining price behaviour. MBIE notes that this competitive environment places downward pressure on prices for preserved peaches and suggests that any future price changes may reflect commercial dynamics rather than being solely attributable to the imposition of the anti-dumping duty.

54. In its questionnaire response, J&G International stated that imposing a duty will make its products lose competitiveness in the New Zealand market. It stated that its New Zealand customers will have to purchase at less competitive prices, and that its current importer relationship is based on its ability to meet the customer's target price.

55. In light of the above evidence, MBIE considers that competition in the market contributes significantly to downward price pressure on the dumped product. At the same time, the imposition of a duty will have a significant moderating effect on how much those prices can fall, particularly because such duties are fully passed on to buyers in the New Zealand market. Taken together, both factors influence the prices of dumped goods, and MBIE does not consider it possible to conclude that one effect will consistently outweigh the other.

5.2.3 Conclusion

56. In light of the above evidence, MBIE concludes that in the short-term, the prices of the dumped goods are unlikely to adjust materially in response to either market factors given the fixed-price contract structure and the limited effect of short-run exchange rate or inflationary movements. Over the medium to long term, any price changes are likely to reflect a mix of factors including competition, exchange rate movements as well as the duty itself. Based on the available evidence, MBIE does not consider it likely that any of these individual market factors would, on their own, exert a consistently greater influence on prices than the duty. MBIE is also of the view that inflationary pressures are unlikely to have an impact on the prices of dumped goods in the short term, but this can change in the long term.

5.3 Effect of on the prices of like goods produced in New Zealand

57. In accordance with sections 10F(3)(b) MBIE is required to investigate the effect of the duty on the prices of like goods produced in New Zealand. In assessing this, MBIE has considered:

- The degree of substitutability between the imported and domestically produced goods
- The extent to which the domestic industry is likely to change the price of the like goods in response to a change in the price of imported goods
- Whether domestic prices are responding to market factors.

58. Section 5.4 of this Report contains MBIE's quantitative assessment of changes in the price of New Zealand-made like goods following duty imposition. It then considers the impact of these changes on consumers, downstream industries, and the domestic industry.

5.3.1 Substitutability

59. MBIE finds a high degree of substitutability between imported and domestically produced preserved peaches. The products share similar manufacturing methods, functions, and end uses. Further, the New Zealand market does not differentiate by grade—all major brands are considered to meet expected quality standards. Information from both steps of the investigation indicates that demand is price-sensitive, with consumers prioritising the lowest available price over non-price factors. MBIE considers this substitutability sufficient to allow users to switch smoothly between imported and domestic products.

5.3.2 Risk of monopolisation and domestic price effects

60. MBIE has assessed the risk that duty imposition could lead to monopolisation of the domestic market by the domestic industry. If so, duty imposition could result in artificially high prices for domestic preserved peaches.

61. HWL is currently the sole New Zealand manufacturer of preserved peaches. If J&G International were the only competing supplier and exited the market due to duty imposition, HWL would become a monopoly supplier of the subject goods. However, other active exporters remain in the market. Their presence ensures HWL continues to face competition, even if J&G International were to exit the NZ market. Further, the duty is set at a level necessary to address material injury and is not intended to prevent J&G International from supplying goods at non-injurious prices.

62. HWL has noted that duty imposition would enable it to increase its (currently suppressed)[2] prices. Given the presence of competition in the market, MBIE is of the view that such increases are unlikely to be artificially high.

5.3.3 Conclusion

63. In light of the above findings, MBIE concludes that the imposition of the duty may enable HWL to increase the price of the like goods produced in New Zealand but that any price increases are likely to be moderated by competitive pressures

[2] Refer findings in Step 1 Final Report relating to price suppression

5.4 Economic assessment – Effect on prices of dumped goods and like goods produced in New Zealand

5.4.1 Methodology

64. MBIE has used the public interest partial equilibrium economic simulation (PIPES) framework to assess the following:
    - The effect of the imposition of the duty on prices and volumes of imports of preserved peaches from China.
    - The extent to which the domestic industry is likely to change the price of like goods produced in New Zealand in response to a change in the price of the imported goods.

65. The following assumptions are made, supported by the relevant analysis in section 5.2 and 5.3 above, to allow for the exercise.
    - Importers pass-on the entire duty to consumers.
    - Consumers view the imported and domestically produced goods as substitutable, and demand is highly elastic.
    - HWL will adjust the price of the domestic like good, as prices will no longer be depressed by injurious dumping.
    - The supply curves for the import and domestic market are upward-sloping (as supported by evidence in questionnaire responses).
    - Prices adjust to duty imposition to ensure markets clear at an equilibrium price and quantity.

    Such assumptions are standard across partial equilibrium modelling but, as they must be made, the simulation is only indicative of the market outcome:

66. MBIE has relied on data provided by the domestic industry, StatsNZ and Customs data, to carry out its economic simulation. The effect of the duty was calculated as the differences between:
    - The simulation's estimated outcomes for prices and quantities in the import and domestic markets **after** the imposition of the duty at equilibrium, and
    - The baseline equilibrium prices and quantities in both markets **prior** to duty imposition.

5.4.2 Findings

67. MBIE modelled the equilibrium state prior to the imposition of anti-dumping duties, and the shocked state[3] where the duty is imposed. It used consumer surplus and producer surplus to measure the change in welfare for producers and consumers in the import and domestic markets due the imposition of the anti-dumping duty.

68. The change in consumer wellbeing in the import market is represented by the change in their consumer surplus – the net benefit consumers gain from buying at prevailing prices. MBIE notes that this change is negative but minimal (at a value of -0.19). This means that the imposition of the duty will increase prices for consumers by the proportion of the duty. MBIE notes consumers view imported goods and domestic goods as highly substitutable. As such, any losses faced in the import market are likely compensated by purchases from the domestic market or other suitable sources.

69. The benefit to the domestic industry represents the change in its producer surplus – the net benefit producers gain from selling at the prevailing market price. MBIE notes that this change is positive and significantly larger than the consumer surplus discussed in paragraph 68 (at a value

[3] The shocked state of the model is the state reached once the duties have been passed on through the markets.

of [redacted] – over six times the decrease in consumer surplus). The increase in the price of dumped imports is likely to reduce demand for those goods and shift demand toward other sources. As a result, HWL's prices are expected to become more competitive.

70. This simulation aligns with MBIE's assessment of the other factors considered in sections 5.2 and 5.3 of this Report.

5.5 Final conclusion on price effects

71. In light of the above findings, MBIE concludes that the imposition of the duty is likely to increase the price of both the dumped goods and like goods produced in New Zealand. The costs of such a price increase to consumers and downstream industry is likely to be significantly outweighed by the benefits to the domestic industry.

5.6 Effect on the choice or availability of like goods

72. In accordance with sections 10F(3)(c) MBIE is required to investigate the effect of the duty on the choice or availability of like goods in the New Zealand market.

5.6.1 New Zealand market

73. The New Zealand market for preserved peaches includes domestic and imported products. HWL is the sole domestic producer and holds a significant share, while China, South Africa, Spain and Greece are import sources. As noted in the Step 1 Final Report, domestic production alone cannot meet total demand, making imports essential.

74. MBIE has found that preserved peach imports are highly price elastic, and there are multiple alternative sources of supply. HWL has stated that the duty would level the playing field without affecting the product availability.

75. Foodstuffs and J&G International Ltd highlighted that the proposed change may reduce competition, leading to decreased product choice and availability for consumers. MBIE notes that J&G is one of several importers supplying preserved peaches from China and other countries, and that its product range is broadly comparable to those offered by other importers.

76. Imposition of the duty is expected to discourage the purchase of dumped imports, leading to a modest reduction in volumes, with little impact on product range. However, as domestic supply is insufficient to meet the entirety of domestic demand, and there is relatively stable ongoing demand, importers are likely to continue sourcing globally. As a result, MBIE considers it unlikely that the duty would significantly affect product availability or consumer choice.

5.6.2 Conclusion

77. In light of the above evidence, MBIE concludes that the imposition of the duty may result in a slight reduction in the choice or availability of preserved peaches in New Zealand, but that there is unlikely to be a significant impact.

5.7 Effect on product and service quality

78. In accordance with sections 10F(3)(d), MBIE is required to investigate the effect of the duty on product and service quality. To assess this, MBIE has had regard to:
    - The presence of industry/international standards and quality levels achieved by market participants.
    - The potential for the imposition of the duty to affect the quality of goods available in the market.
    - Consumer preferences regarding quality.

5.7.1 Product quality

Quality levels achieved by market participants

79. Imported peaches in New Zealand are sourced from suppliers in several countries, primarily China and South Africa, but also Australia, Spain and Greece. The brands under which the goods subject to the Step 2 investigation are sold in New Zealand do not carry any specific quality distinction or any particular product grading. That is, the vast majority of imported products are sold under the same New Zealand private label brands.

80. HWL considers that the duty will not have a bearing on product quality, as there are other exporting countries and additional Chinese suppliers available. However, a key importer (Foodstuffs) notes a possible requirement to either increase prices or reduce quality which could cause a decrease in the quality of products available.

81. On balance, MBIE considers that the duty is unlikely to lead to any material change in product quality. Although some importers have noted potential commercial pressures, the availability of multiple alternative suppliers capable of meeting existing specifications suggests that overall product quality in the New Zealand market is likely to remain stable.

Consumer preferences

82. HWL states that the New Zealand market is not segmented by grade, and they are not aware of any brand marketing their products by grade in the New Zealand market. HWL has previously demonstrated across a number of grades that it is hard to distinguish between grades and country of origin and therefore from a consumer point of view, this is irrelevant.

83. A key importer reports that quality varies between suppliers and country of origin, in size, colour and taste but all products are required to meet the relevant brand standards. They report that the duty would mean consideration of the possible need to either increase prices or reduce the quality of the product to minimise the price impact for customers.

84. MBIE considers that, despite some variation in product characteristics across suppliers, all goods sold under New Zealand private-label brands must meet established specifications – this renders products inherently substitutable, particularly in a marker where demand is largely determined by price. Given the range of available suppliers and the absence of meaningful market segmentation by grade, MBIE considers it unlikely that consumers will face reduced product or service quality following the imposition of the duty.

5.7.2 Conclusion

85. In light of the evidence above, MBIE concludes that product and service quality will not be impacted by the continued imposition of the duty.

5.8 Effect on the financial performance of the domestic industry

86. In accordance with sections 10F(3)(e) of the Act, MBIE is required to investigate the effect of the duty on the financial performance of the domestic industry. In assessing this, MBIE has considered:
    - The current state of the domestic industry.
    - The effect of the imposition of the duty on the domestic industry.
    - Whether any other market effects could arise from the imposition of duties other than those intended by the imposition of duties.

5.8.1 Current state of the domestic industry

87. During investigation Step 1, MBIE concluded that the dumping of imports was causing material injury to HWL on the following basis:

Volume effects

88. There was a significant increase in the volume of dumped subject goods in absolute terms, with the dumped imports by J & G International increasing by 176% over the POI(I).

Price effects

89. MBIE observed price undercutting by dumped goods to a greater degree than undercutting by non-dumped goods. MBIE also identified price suppression, with HWL remaining unable to increase its prices to account for cost increases. MBIE was of the view that the dumped imports contributed significantly to this.

Output and sales revenue

90. MBIE concluded that there was an actual decline in sales volume (output) during the POI, noting that HWL is no longer processing all of its peach crop due to price suppression. Similarly, MBIE concluded that there was an actual decline in sales revenue during the POI, though this was less pronounced than the decline in output. MBIE was of the view that the dumped imports contributed significantly to this decline.

91. The imposition of the duty would help mitigate this by reducing the price undercutting that causes such constraints.

Market share

92. MBIE concluded that HWL experienced a decline in market share during the POI, despite an increase in the size of the New Zealand market, with a large proportion of its market share being absorbed by imports from China. MBIE was of the view that the dumped imports contributed significantly to this decline.

Profits

93. MBIE concluded that there had been a significant reduction in profit relating to HWL's preserved peach business during the POI. This included significant losses despite increases in average sales prices and recovery in production volumes following Cyclone Gabrielle (i.e. in 2024 and 2025). MBIE found that the dumped imports contributed significantly to this decline, which it considers likely attributable to the price suppression identified.

5.8.2 Effect of duty imposition

94. HWL indicated in their submission that anti-dumping measures should help address some of the injury, citing ongoing price suppression from dumped Chinese preserved peaches that prevent it from raising prices to offset cost increases, along with expected carryover inventories into 2026 due to lost market share.

95. MBIE's assessment of the duty's impact on HWL's financial performance is based on the assumption that the duty would offset price undercutting impacting the Oak brand which competes directly with preserved peaches from China. On this basis the duty rate was calculated based on price undercutting for the Oak brand. [redacted] MBIE concludes that dumped imports significantly undercut HWL's sales across both brands, and to a greater degree than non-dumped imports during the POI as shown in the Figure 4.2 of the Step 1 final report.

96. As noted in the Step 1 Final Report, there is evidence of price suppression, with HWL unable to raise its prices to reflect increases in costs. Given that 20% of total Chinese imports were found to be dumped, that the volume of these dumped goods grew significantly (by 176%) over the POI(I), and that dumped goods undercut HWL's prices to a greater extent than non dumped goods, MBIE considered that a significant portion of the observed price suppression can be attributed to the dumping of subject goods.

5.8.3 Other possible market effects

97. MBIE has not identified any other (significant) market effects that could arise from the imposition of the duties, other than those intended by the imposition of the duty.

5.8.4 Conclusion

98. In light of the above evidence, MBIE concludes that imposition of the duty would likely improve HWL's financial position by reducing the price suppression that has been driving the industry's poor performance.

5.9 Effect on employment levels

99. In accordance with sections 10F(3)(f) MBIE is required to investigate the effect of the duty on employment levels. In assessing this, MBIE has had regard to the extent to which the imposition of the duty would have impacts on employment levels in the domestic industry and downstream industries.

5.9.1 Employment effects on the domestic industry

100. HWL noted that that the imposition of the duty should increase employment back towards pre-dumping levels. HWL has also reported that the dumped peaches from China have had an adverse effect on employment and wages for Hawke's Bay and estimates the foregone cost in employment and wages was [redacted] to the Hawke's Bay community due to [redacted] of peach crop not being processed.

101. During Step 1 of this investigation, MBIE concluded that the dumped goods significantly contributed to HWL's decline in output. Consequently, MBIE concluded that the dumped goods also contributed to HWL's decline in employment and wages but notes that the effect is marginal.

102. In light of the above evidence, MBIE is of the view that the imposition of the duty is likely to alleviate the pressures that have resulted in reduced production, likely increasing HWL output in a more competitive market. This in turn could improve domestic industry employment.

5.9.2 Employment effects on downstream industries

103. MBIE has not received any evidence from downstream industries. HWL, however, has noted that duty imposition is unlikely to have an employment effect on downstream industries. This is on the basis that preserved peaches are a small input into production for downstream industries, and therefore any changes in the price of preserved peaches are unlikely to have a major price effect (to the extent of affecting demand, and therefore output and employment) for related products. In its Step 2 Questionnaire response, J & G International also held the view that effect of duties is largely a price impact to consumers.

104. MBIE also notes that preserved peaches are available from sources other than China should downstream industries wish to avoid carrying the cost (and therefore potential adverse employment effects) of the determined anti-dumping duty.

105. In light of the above factors, MBIE has no basis on which to conclude that there would be adverse impacts on employment levels in downstream industries if the duty were imposed.

5.9.3 Conclusion

106. In light of the above evidence, MBIE concludes that if the anti-dumping duty is applied, HWL will marginally benefit by being able to maintain current employment levels as far as possible in the current uncertain environment for canned peaches production in New Zealand. Conversely, MBIE is of the view that duty imposition is unlikely to have an adverse impact on employment levels in downstream industries.

5.10 Alternative supply (domestically or internationally) of like goods

107. In accordance with sections 10F(3)(g) MBIE is required to investigate whether there is an alternative supply (domestically or internationally) of like goods available. In making this assessment, MBIE considers whether:

- The domestic industry can meet domestic demand.
- The imported good is meeting excess demand the domestic industry cannot to supply.
- Competitive alternative supply sources able to meet extra demand are available.
- Any technical specifications required by the domestic market that may limit imports.
- There is a risk of supply monopolisation in New Zealand, and to what extent.
- There are non-price, non-supply factors to consider (contract terms, delivery speed etc.).

5.10.1 Domestic supply

108. The volume of canned peaches produced in New Zealand fluctuates each year depending on production of the domestic crop of fresh peaches. HWL's usual practice is to preserve the entirety of the domestic crop. However, it has deviated from this practice during the POI(I), choosing to discard a proportion of its peach crop on the basis that this was financially preferable to canning in the competitive environment.

109. HWL's strategy is to import peaches to meet any shortfalls in supply, noting the example of additional imports in 2023 due to the impact of Cyclone Gabrielle. Outside such events, HWL invests in the domestic peach growing industry which provides a supply of raw peaches. In December 2025 HWL cancelled contracts with several growers due to expected difficulties in selling the resulting stock. While this will reduce future input supply, MBIE understands that current raw peach stock levels remain sufficient to meet present demand for domestically produced product.

110. HWL notes that its peach imports, apart from country-of-origin declarations, are labelled the same as the New Zealand products and are sold at the same regular price. HWL states that the sale of these products in the New Zealand market protects market share, shelf space and consumer goodwill for New Zealand preserved peaches in a time of shortage and does not cause injury to HWL.

111. A key importer notes that "Given New Zealand produces only a small fraction of the global supply of peaches, overseas import will continue to ensure competitive pricing and offset domestic supply capacity risk."[4]

[4] Foodstuffs questionnaire (19)

5.10.2 Alternative supply

112. The global market for peaches provides several sources of alternative supply of like goods for New Zealand importers, from countries including Spain, Greece, South Africa, China and Australia. Anti-dumping duties currently apply to all but one supplier of preserved peaches from Spain and to one supplier of canned peaches from South Africa.

113. Anti-dumping duties do not apply to the majority of preserved peaches from China or to a producer in South Africa which provides alternative sources of significant supply, nor do such duties apply to Australia which has been a significant source of supply in the past.

114. These sources are competitive in price and quality, and are capable of accommodating any additional demand. HWL expects that if an anti-dumping duty is imposed, importers would still have the choice of sourcing canned peaches from several countries. HWL notes that the New Zealand market is an open market with easy access for new competitors with a compelling offer. This has been seen with dumped preserved peaches being imported from other countries and sold through New Zealand retailers, with consumers not identifying or differentiating between products.

5.10.3 Technical specifications

115. There are no product and conformance standards required by New Zealand that might restrict importation of the subject goods from other international sources.

5.10.4 Risk of monopolisation

116. MBIE notes that anti-dumping duties, including the duty, are intended to remove the material injury caused by dumping. Such duties are not intended to discourage importation of goods at non-injurious prices.

117. HWL is the sole producer of canned peaches in New Zealand. If New Zealand were not open to trade, HWL would be a monopoly supplier of the subject goods, giving it market power to raise prices above costs with no risk of losing its profits to a new market participant. This kind of monopolistic behaviour, if exercised, could drive prices up with no incentive to lower them.

118. However, New Zealand is a small open economy, and competition is introduced to the market through international trade. HWL states that it does not set monopolistic prices, as importers compete by sourcing like goods internationally. If anti-dumping duties were to discourage importation of preserved peaches, there could be a risk of monopolisation of the New Zealand market.

5.10.5 Conclusion

119. In light of the above evidence, MBIE is of the view that there are alternative sources, other than exports from J&G International, of supply for preserved peaches both domestically and internationally.

5.11 Other factors essential to ensure competition in the market

120. In accordance with sections 10F(3)(f), MBIE is required to investigate the effect of the duty on any factors the chief executive considers essential to ensure the existence of competition in the market.

121. In general, the extent to which other factors might be relevant is considered in relation to the purpose of the public interest investigation, being the weighing of the effects of imposing the duty on downstream industries and consumers on the one hand, and the benefits to the New Zealand industry on the other.

122. In assessing what might be relevant other factors, MBIE considers the purpose of the Act, which in this context is to apply anti-dumping duty in accordance with New Zealand's obligations as a party to the WTO Agreement in order to prevent material injury to an industry as a result of dumping. In MBIE's view, this means that the factors considered do not extend to broader considerations of economic policy, industry policy, international relations, or environmental or social policy concerns.

123. MBIE has considered this question and has not identified any other factors that may affect the presence of competition in the market.

6. Conclusions

124. As provided under section 10F(2) of the Act, the imposition of the duty is in the public interest unless the cost to downstream industries and consumers of imposing the duty is likely to materially outweigh the benefit to the domestic industry of imposing the duty.

125. MBIE has found that duty imposition is in the public interest on the basis that the consequent cost to downstream industries and consumers is not likely to materially outweigh the consequent benefit to the domestic industry.

126. In arriving at this conclusion, MBIE has investigated each of the factors set out in section 10F(3) of the Act and made the following findings:

- **Section 10F(3)(a) - Effect on the prices of dumped goods**

  Likely increase in prices: MBIE concludes that the prices of the dumped goods are likely to increase by the proportion of the duty, and that this increase will be passed on to consumers. The effect of this increase on consumers is likely to be negative (i.e. reduce consumer surplus) but minimal, on the basis that consumers view imported goods and domestic goods as highly substitutable and are able to switch to purchasing from multiple other alternative sources from the domestic industry or internationally.

- **Section 10F(3)(b) – Effect on the prices of like goods produced in New Zealand**

  Likely increase in prices: MBIE concludes that the prices of the like goods in New Zealand are also likely to increase, and that this benefit is positive (i.e. increase producer surplus) and significantly larger than the consumer surplus discussed under section 10F(3)(a) above. The large producer surplus stems from the fact that the increase in the price of dumped imports is likely to result in HWL's prices becoming more competitive and, is likely to allow HWL to raise its prices, rather than continuing to sell at suppressed levels.

- **Section 10F(3)(c) – Effect on choice and availability of like goods**

  No significant cost to affected parties: MBIE concludes that the imposition of the duty may result in a slight reduction in the choice or availability of preserved peaches in New Zealand, but that there is unlikely to be a significant impact. This is on the basis that duty imposition is likely to discourage the purchase of higher priced dumped imports, leading to a modest drop in volumes and a narrower product range. However, MBIE expects any consequent effects on product choice and availability to be limited. Domestic supply remains insufficient, demand is stable and price-sensitive, and importers have access to multiple alternative sources. These factors mean importers are likely to continue sourcing globally to meet demand.

- **Section 10F(3)(d) - Effect on product and service quality**

  Negligible cost to affected parties: MBIE concludes that duty imposition is unlikely to adversely impact product or service quality. Imported peaches are sourced from multiple countries and sold under common private-label standards, meaning alternative suppliers are available to maintain existing specifications. Given the lack of meaningful market segmentation by grade and the requirement that all products meet established brand standards, MBIE considers it unlikely that consumers will experience any reduction in quality following the imposition of the duty.

- **Section 10F(3)(e) – Effect on the financial performance of the domestic industry**

  Benefit to domestic industry: MBIE concludes that duty imposition would help to offset the adverse effects of the dumped imports on HWL's sales, market share and profits. This is on the basis that duty imposition is likely to offset some of the price suppression HWL is currently suffering, which has been a key driver of its poor financial performance.

- **Section 10F(3)(f) – Effect on employment levels**

  Net benefit to domestic industry: MBIE concludes that duty imposition is likely to slightly improve HWL's employment levels as they relate to its preserved peach business, and is unlikely to affect downstream industries' employment levels. This is on the basis that the duty is likely to offset some of the price suppression HWL faces, which has contributed to a reduction in output. Noting the connection between output and employment levels, any increase in output is likely to result in a consequent increase in employment levels. Conversely, MBIE concludes that, given the small role preserved peaches play as an input and the availability of alternative sources, there is no evidence to suggest that imposing the duty would adversely affect employment levels in downstream industries.

- **Section 10F(3)(g) – Alternative supply (domestic and international) of goods available**

  No effect on availability of alternative supply: MBIE concludes that the imposition of the duty is unlikely to restrict the availability of alternative supply of like goods in New Zealand. Domestic supply fluctuates but can be supplemented by imports, and current stock levels indicate no immediate constraints. Internationally, importers retain access to several competitive suppliers not subject to duties, providing ample alternative sources of preserved peaches. New Zealand has no technical standards that would limit such imports, and international competition continues to constrain any risk of domestic monopolisation. While annual contracting may create short-term timing constraints, these do not materially affect the availability of alternative supply.

- **Section 10F(3)(h) – Any other factor essential to ensure the existence of competition in the market**

  No additional factors identified: MBIE concludes that there are no additional essential factors affecting competition in the market.

Annex 1: Submissions received on the PIP Report

HWL submission	MBIE response
Treatment of non-cooperative exporters HWL submits that MBIE's proposed treatment of "all other non-cooperative exporters" — whereby no residual anti-dumping duty would apply — departs from established New Zealand practice in prior investigations and reviews. HWL states that in cases where dumping has been found, a residual ("all others") duty rate has historically been imposed to cover non-cooperating and unidentified exporters, citing the Spain 2011 investigation, the 2022 Sunset Review, and the Greece Sunset Review as precedents. HWL contends that under the current China Stage 2 interpretation, exporters who would previously have faced duties would instead face zero duty, which HWL characterises as inconsistent and without precedent. HWL further submits that this interpretation undermines the effectiveness of the trade remedy and incentivises non-cooperation. In HWL's view, importers are able to source dumped product from non-cooperative exporters without duty liability, with limited practical visibility of such substitution due to data constraints. HWL notes that MBIE has acknowledged in the PIP Report that suppliers may change sources, and that J&G International has similarly indicated such behaviour in its submission. HWL argues that removing the residual rate eliminates a key safeguard, disproportionately benefits importers, and frustrates the purpose of the legislation, such that the Act has no practical effect where exporters decline to cooperate.	MBIE notes that the duty outcomes in prior investigations and reviews (including Spain and Greece) were shaped by the specific product mix imported into New Zealand, the information available to the Ministry, and the extent of parties' cooperation in those cases. MBIE does not consider those outcomes directly transferable to the current investigation. Where exporters have not cooperated, MBIE conducted an aggregated dumping assessment of non-cooperating exporters, which is a standard and internationally accepted approach when exporter-specific data is unavailable. This approach reflects accepted practice relating to sampling and aggregation and seeks, as far as possible, to make a fair comparison based on the best information available, rather than assuming product homogeneity. In the present case, MBIE undertook a dumping assessment of the aggregated non-cooperating exporters and found that dumping was not established at Step 1. As a result, no anti-dumping duty was applied to that group. On that basis, MBIE considers that the approach adopted represents the best available methodology given the facts and information on the record in this investigation. MBIE also notes that there is no mechanism in the Act to reopen or revisit Step 1 dumping findings once this step has been concluded.
Application of narrowed scope of subject goods to J&G International HWL submits that applying only a subset of the subject goods definition to J&G International represents a departure from previous investigations and reviews, where subject goods definitions have been applied consistently across importers.	MBIE acknowledges that the inclusion of preserved peaches in containers up to 5kg in the subject goods definition for Step 1 was deliberately requested by HWL as a preventative measure to address potential circumvention, and that

HWL states that the inclusion of preserved peaches in containers "up to 5kg" was deliberately requested to prevent circumvention by dumping exporters shifting to larger can sizes. In HWL's view, narrowing the scope for J&G is inconsistent with that intent and creates a risk the definition was specifically designed to address. HWL further submits that J&G's non-cooperation during Stage 1 should not result in a narrower duty scope. HWL notes that it is possible J&G's supplier already manufactures containers larger than 3kg but under 5kg, but this cannot be confirmed due to J&G's non-cooperation. HWL argues that reducing the scope in these circumstances rewards non-cooperation, enables potential circumvention, and weakens the effectiveness of the subject goods definition.	this scope was accepted by MBIE at the commencement of the Step 1 investigation. However, MBIE notes that while the subject goods definition establishes the scope of the investigation, any dumping findings and resulting duties must still align with the Act's provisions governing the imposition of anti-dumping duties. These require that duties be imposed only on goods that are imported or intended to be imported and found to be dumped during the period of investigation for dumping (POI(D)). During Step 1, MBIE confirmed that J&G International did not import preserved peaches in containers over 3kg during the POI(D). As those goods were not imported, they could not be assessed for dumping and therefore could not be subject to an anti-dumping duty. The resulting outcome is that the scope of the duty applying to J&G International is narrower than the full subject goods definition used for the investigation. MBIE notes that the Act does not provide a mechanism to impose duties on the basis of hypothetical imports or on a precautionary basis. Should imports of preserved peaches in containers over 3kg occur in future and raise dumping concerns, these may be addressed through available remedial pathways under the Act, including new investigations where the statutory tests are met.