

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT HĪKINA WHAKATUTUKI

TRADE AND INTERNATIONAL

Trade (Anti-dumping and Countervailing Duties) Act 1988

# **Full Review**

# **Preserved Peaches from Spain**

# **Stage 2 Full Review Framework**

February 2022

MBIE/AD/R/2021/002

New Zealand Government

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# 1. Introduction

### 1.1 Purpose

- 1. The Ministry of Business, Innovation and Employment (MBIE) is conducting a full review of anti-dumping duty on preserved peaches from Spain under the Trade (Anti-dumping and Countervailing Duties) Act 1988 (the Act). This framework outlines MBIE's approach for carrying out stage 2 of the review.
- 2. The purpose of this stage 2 Investigation Framework (Framework) is to provide information about:
  - the background to the investigation (Section 1);
  - the context for the stage 2 investigation (Section 2); and
  - how to lodge a submission (Section 3).
- 3. A Stage 2 Questionnaire is provided as a separate document which asks for information to assist MBIE in undertaking the investigation and provides the basis for a submission.
- 4. Stage 1 of the review has been completed, and the Minister of Commerce and Consumer Affairs (the Minister) made an affirmative determination in respect of Spanish imports from all suppliers other than Alcurnia Alimentacion SL (Alcurnia). Consequently, the Minister has determined the rates of anti-dumping duty and directed MBIE to immediately start a full review stage 2.
- 5. The Minister made a negative determination in respect of imports supplied by Alcurnia and Alcurnia was excluded from the imposition of the duty.
- 6. A full review stage 2 under the Act requires MBIE to investigate whether the continued imposition of the duty at the rates determined is in the public interest. Continuing to impose 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.

## 1.2 Proceedings

- 7. On 8 June 2021, the chief executive of MBIE received a properly documented application from HWL, the New Zealand industry, for a review of the anti-dumping duty applicable to imports of preserved peaches from Spain.
- 8. On 3 August 2021, the chief executive initiated a full review of the continued need for the imposition of the anti-dumping duty, pursuant to section 17D of the Act, on the basis of positive evidence submitted by HWL justifying the need for the review.
- 9. In accordance with section 17C of the Act, the purpose of a full review is to investigate, in relation to an anti-dumping duty, whether continued imposition of the duty is necessary to offset dumping; and material injury would be likely to continue or recur if the duty expired or were otherwise removed or varied.

- 10. On 18 January 2022, MBIE released a Stage 1 Essential Facts and Conclusions (EFC) Report to interested parties. The Stage 1 EFC Report was provided under section 17F(2) of the Act in order to provide notified parties with written advice of the essential facts and conclusions that would likely form the basis for a determination to be made by the Minister under section 17G of the Act. Interested parties were given 10 working days to comment on the Stage 1 EFC Report. Comments were received from the Spanish Government, the European Commission and HWL.
- 11. On 14 February 2022, the chief executive reported the findings of full review stage 1 to the Minister, in accordance with section 17F(5) of the Act.
- 12. On 21 February 2022, the Minister determined that:
  - there is a likelihood of a recurrence of dumping of the subject goods imported from Spain by suppliers other than Alcurnia if the current anti-dumping duty expires or is otherwise removed or varied
  - material injury to the domestic industry would be likely to recur if the duty on the subject goods expired or were otherwise removed or varied
  - the continued imposition of anti-dumping duty on the subject goods for Spanish producers other than Alcurnia is necessary to offset dumping and prevent material injury to the New Zealand industry
  - rates of anti-dumping duty as set out in section 2.5 below.
- 13. On 21 February 2022, the chief executive gave notice in accordance with section 17E of the Act that a full review stage 2 would be started on 22 February 2022.

# 2. Full review stage 1

## 2.1 Subject Goods

14. The imported goods that are the subject of the review (the subject goods) are described as:

Peaches in preserving liquid, in containers up to and including 4.0kg.

- 15. This description includes peaches in cans of various sizes and glass jars, with contents that include whole peaches, peach halves, regular and irregular sliced peaches and peaches in media containing any type or amount of sugar, naturally from the peaches in water or as fruit juice, or sugar syrup, in any concentration.
- 16. The goods subject to review exclude some goods imported under the same tariff item as preserved peaches, namely goods such as preserved nectarines, nectarine pulp or puree, preserved peaches suspended in jelly, and preserved peaches in containers exceeding 4.0 kg. Freeze-dried fruit, pastes and purees are also excluded.
- 17. The subject goods are classified in the Working Tariff of New Zealand under tariff item and statistical key 2008.70.09.00L. Imports of the subject goods from Spain are currently subject to the Normal rate of Customs duty of 5 per cent.
- During the year ending June 2021, the period of review for current dumping POR(D), the subject goods entered under the Customs tariff item and statistical key set out below.
   The tariff description is broader than the description of the subject goods. The tariff classification is provided for convenience and Customs purposes only, the written description being dispositive.

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

Figure 1: Tariff Classification

\*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.

## 2.2 Imports of subject goods

19. MBIE has analysed import data from Customs and has calculated the import volumes of subject goods over the period between 1 July 2018 to 30 June 2021. The analysis shows that, in the presence of anti-dumping duty, imports of the subject goods have been at minimal levels in both absolute terms and relative to production and consumption in New Zealand.

20. Imports from Spain also made up a very small percentage of total imports of the subject goods in the year ending June 2021, the POR(D). However, the provisions of Article 5.8 of the WTO Agreement on Implementation of Article VI of the GATT 1994 commonly referred to as the Anti-Dumping Agreement (the AD Agreement) relating to the termination of an investigation where imports are negligible (less than 3 per cent of total imports) do not apply to sunset reviews.

## 2.3 Like goods and New Zealand industry

- 21. Section 3A of the Act provides that for the purposes of the Act, the term **industry**, in relation to any goods, means:
  - 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.
- 22. MBIE is satisfied in terms of section 3A of the Act that HWL is the only New Zealand producer of like goods and that HWL therefore constitutes the New Zealand industry for the purpose of this review.
- 23. 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.
- 24. 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 any other relevant considerations, with no one of these factors being necessarily determinative.
- 25. Taking all of these considerations into account, MBIE considers that HWL produces like goods to the goods imported from Spain, in that while the goods produced by HWL may not be identical in all respects to all of the goods included in the subject goods description, they are goods that have characteristics closely resembling the subject goods.

## 2.4 Interested parties

26. Interested parties are those parties who have an interest in the investigation and may provide information to defend their interests. Interested parties include "notified parties" under the Act, which are defined as the Government of the country of export; exporters and importers known to have an interest in the goods; and the applicant in relation to the goods. Section 3E of the Act sets out the provisions relating to the giving of notice and written advice to notified parties.

#### **New Zealand industry**

27. The application for review was submitted by HWL, which is a limited liability company and subsidiary of H.J. Heinz Company (New Zealand) Limited, and ultimately held by The Kraft Heinz Company, an entity incorporated in the United States.

#### **Foreign Producers**

- 28. MBIE sent requests for information to past suppliers of Spanish peaches and associations representing Spanish producers but received no responses.
- 29. MBIE received comments on the EFC report from the Government of Spain (GOS), European Commission (EC) and HWL.

#### Intermediaries

- 30. MBIE identified three intermediaries previously involved in the sale of the subject goods from Spain to New Zealand but they did not provide information requested by MBIE.
- 31. MBIE did not receive any comments on the EFC report from the intermediaries.

#### Importers

- 32. Two importers were identified from Customs data for the year ending June 2021 and, along with several past importers, were invited to respond to questionnaires. None of the importers who were sent questionnaires completed and returned those questionnaires, but MBIE received responses to some questions from most of the importers.
- 33. MBIE did not receive any comments on the EFC report from the importers.

#### **Foreign Governments**

34. The Spanish Government and European Commission provided a submission in response to MBIE's Initiation Memorandum and the EFC report.

## 2.5 Findings

#### Dumping

- 35. During stage 1 of the full review MBIE established the dumping margins for current and likely imports of preserved peaches from Spain. The notional margins for likely imports were 24.2% for preserved peaches in containers not exceeding 1 kg, and 7.6% for preserved peaches in containers exceeding 1 kg. Imports from Alcurnia, the only current supplier, were not dumped.
- 36. MBIE has concluded, on the basis of the dumping margins and consideration of other relevant matters, that there is a likelihood of the recurrence of dumping of the subject goods imported from Spain, but imports from the Spanish producer Alcurnia are unlikely to be dumped.

#### Injury

37. In relation to the likelihood of a recurrence of material injury should anti-dumping duty expire, MBIE concludes that:

- Previous behaviour, and the competitive pricing of preserved peaches from Spain, indicates that in the absence of anti-dumping duty, imports of preserved peaches from Spain will likely increase in volumes.
- A recurrence of dumping of subject goods from Spain is likely to result in continued price undercutting, with consequent price suppression.
- Consequent upon the likely price effects and if duty is not continued:
  - there is likely to be a reduction in sales revenue but not sales volume
  - there is unlikely to be a significant effect on HWL's market share, at least in the foreseeable future, depending on whether or not HWL decides to defend its market share
  - EBIT and return on investment are likely to decline if the company looks to match the lower priced, dumped imports from Spain
  - output and utilisation of production capacity are unlikely to be useful indicators of the likelihood of injury attributable to dumped goods in the foreseeable future, particularly due to the quantity of raw peaches available and the company's purchasing requirements with growers
  - productivity, inventories, employment and wages are not particularly useful factors in this case when assessing injury caused by dumped imports.
- The magnitude of the margin of dumping will likely contribute to the injurious effects of the dumped goods.
- Potential negative effects on cash flow and growth will likely arise from the impact on sales revenue, return on investments and profits.
- It is difficult to reach any meaningful conclusion on capital requirements and investment that is specific to canned peaches.
- 38. MBIE has reviewed other causes of injury and is satisfied that the likelihood of injury arising from other causes has not been attributed to the dumped goods.
- 39. On the basis of the above considerations, MBIE concludes that if the anti-dumping duty expires, dumped imports of preserved peaches from Spain by suppliers other than Alcurnia are likely to resume and result in the recurrence of material injury to the domestic industry.

#### Rate or amount of anti-dumping duty

40. The Minister determined the following *ad valorem* rates of duty (see table below) which will form the basis for this full review stage 2.

#### Figure 2 Determined rates of duty

Producers / Exporters	Goods	Duty
All suppliers other than excluded suppliers	Subject goods Not exceeding 1kg	7.2%
All suppliers other than excluded suppliers	Subject goods exceeding 1kg	7.1%
EXCLUDED suppliers	Alcurnia Alimentacion SL	

# 3. Framework for a Stage 2 Investigation

### 3.1 Legal Requirements

#### Full review stage 2

41. Section 17H of the Act provides:

- (1) If the Minister directs the chief executive to start full review stage 2, the chief executive must investigate whether continuing to impose an anti-dumping or a countervailing duty at the rate or amount determined under section 17G(2)(a) is in the public interest.
- (2) Continuing to impose 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 continuing to impose the duty is in the public interest, the matters the chief executive must investigate include those referred to in section 10F(3).
- •••

#### Investigation

- 42. As provided for in section 17H(3) of the Act, the matters that the chief executive must investigate in a full review stage 2 include those set out in section 10F(3).
- 43. The matters set out in section 10F(3) are:
  - (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; and

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

- 44. Taking into account the factors above and in accordance with the legal requirements, for stage 2 of this review MBIE must investigate whether imposing the duty at the rates determined by the Minister in stage 1 is in the public interest.
- 45. MBIE can also investigate other matters that it considers necessary, or that are raised by other parties, and is not restricted to solely investigating the matters in section 10F(3) of the Act when determining whether, in its view, the imposition of a duty is in the public interest

#### **Consumers and Downstream Industries**

46. Section 17H(4) of the Act defines consumers and downstream industries:

consumers means—

(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 . . . .

#### downstream industries means-

(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.

### 3.2 Investigation Procedures

47. Sections 17I and 17J of the Act set out procedures that are to be followed in a full review stage 2:

#### 171 Full review stage 2: procedure

- (1) The chief executive must, within 60 days after starting full review stage 2, give the notified parties written advice of the preliminary findings that are likely to form the basis for a determination to be made by the Minister under section 17J(1).
- (2) The chief executive must give all persons that the chief executive considers would be significantly affected by continuing to impose the duty a reasonable opportunity to present, in writing, all evidence relevant to full review stage 2 and, on justification being shown, to present that evidence orally.
- (3) Subsection (1) does not require the chief executive to provide information that would not be available to an interested party under section 3F.
- (4) The chief executive must report the findings of full review stage 2 to the Minister.

#### 17J Full review stage 2: determination

- (1) Within 90 days after the start of full review stage 2 (but not less than 30 days after the written advice is given by the chief executive under section 17I(1)), the Minister must determine whether continuing to impose the anti-dumping or countervailing duty is in the public interest (see section 17H(2)).
- (2) The Minister must give notice of a determination under subsection (1) as soon as practicable after the determination is made.

#### **Affected Parties**

- 48. MBIE considers that "all persons that the chief executive considers would be significantly affected by continuing to impose the duty" for the purposes of the current review include:
  - Notified parties to stage 1 of the review as described in Section 2 of this Framework, namely the Government of Spain, HWL, exporters and importers known to have an

interest in the subject goods (this includes Spanish producers as exporters and exporters and importers from previous reviews);

- Consumers and consumer organisations as defined in section 17H(4) of the Act;
- Downstream industries as defined in section 17H(4) of the Act; and
- New Zealand distributors and retailers of preserved peaches and peaches products.
- 49. MBIE welcomes submissions from any other persons or entities who would be significantly affected by continuing to impose the duty, although it notes that its analysis of any submissions is bounded by the matters as set out in section 17H of the Act.

#### **Treatment of Information**

#### Protection of information

50. Confidential information is defined in section 3F(5) of the Act:

In this section, confidential information means information about which the submitter of the information has shown a good reason for the chief executive to believe 1 or more of the following:

(a) that making the information available would give a significant competitive advantage to a competitor of the submitter of confidential information:
(b) that making the information available would have a significantly adverse effect on—

(i) the submitter of confidential information; or

*(ii) the person from whom the information was acquired by the submitter of the information; or* 

(iii) any person to whom the information relates:

(c) that the information should be treated as confidential for reasons other than the reasons described in paragraphs (a) and (b).

- 51. If a party requests that information be treated as confidential, or if a party considers that information it provides should be withheld by the chief executive if it were requested under the Official Information Act 1982, MBIE asks that party to provide a non-confidential version, or a non-confidential summary of the information. If the information is not susceptible to summarisation, the party should provide an explanation of the reasons why not, and provide justification for the information being treated as confidential and/or identify the grounds under the Official Information Act 1982 that might apply justifying withholding the information. Section 3F of the Act allows the chief executive to disregard any information for which a satisfactory non-confidential version (or summary or satisfactory statement of why such a summary cannot be given) is not provided.<sup>1</sup>
- 52. Section 3F(1) of the Act provides that an interested party may ask the chief executive to provide it with copies of information relevant to trade remedy proceedings, but this provision does not apply to confidential information, or information that the Chief

<sup>&</sup>lt;sup>1</sup> The AD Agreement adds the proviso, "unless it can be determined to their satisfaction from appropriate sources that the information is correct," and adds the footnote, "Members agree that requests for confidentiality should not be arbitrarily rejected."

Executive would likely withhold if it was requested under the Official Information Act 1982.

53. MBIE has made available all non-confidential information via the public file for this review. Any interested party is able to request both a list of the documents on this file and copies of the documents on it.

#### Assessment of information

- 54. MBIE's approach to the assessment of information is founded on the relevant provisions of the Act and the AD Agreement, assisted by New Zealand case law and the interpretation of the AD Agreement provided in WTO dispute settlement proceedings where appropriate.
- 55. In a review, MBIE seeks and obtains information directly relevant to that proceeding where possible, and satisfies itself as to the accuracy of the information provided. Such primary information includes questionnaire responses from interested parties; laws, regulations and other official documents; relevant WTO documents, such as notifications; Customs and statistical data; and other relevant data such as exchange rates, interest rates and prices. MBIE can use verification visits and the review of evidence available to substantiate the information provided by interested parties and to assess its reliability.

#### Reports

- 56. MBIE will release two reports during stage 2 of this review:
  - A Public Interest Preliminary Findings Report (PIP Report); and
  - A Stage 2 Final Report.
- 57. The PIP Report will present the preliminary findings that are likely to form the basis for the Minister's final determination under section 17(J) on whether continuing to impose the anti-dumping duty at the determined rates is in the public interest. MBIE will provide the PIP Report to interested parties within 60 days after the start of the stage 2 review, and will allow them an opportunity to comment on its preliminary findings.
- 58. The Stage 2 Final Report will take account of interested parties' comments, and will provide the basis for advising the Minister whether continuing to impose the antidumping duty at the determined rates is in the public interest.

## 3.3 Factors for Investigation

59. The framework proposed for this public interest investigation is based on an assessment of the matters set out in section 17H(2) of the Act (whether 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) and includes the investigation of the matters set out in section 10F(3).

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

60.

An assessment of consideration (a) may, to the extent appropriate, provide a discussion of any of the following matters:

- If duty has previously been imposed on the imported subject goods, an analysis of the extent to which the duty changed prices of the subject goods
- If duty has previously been imposed on imported goods like the subject goods, but from a different origin, an analysis of the extent to which the duty changed prices of the like goods
- The extent to which importers will likely pass on price increases from the duty to consumers and downstream industries
- The extent to which downstream industries are likely to pass on price increases to their consumers
- Whether prices are responding to normal price factors (such as input costs and currency fluctuations), or whether the market is partially monopolised, and pricing is therefore not adjusting
- Any other matter considered to be relevant to 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

61. An assessment of consideration (b) may, to the extent appropriate, provide a discussion of any of the following matters:

- If duty has been previously imposed on the imported subject goods, an analysis of the extent to which the prices of like goods produced in New Zealand changed as a result of the duty
- If duty has been previously imposed on imported goods like the subject goods, but from a different origin, an analysis of the extent to which prices of like goods produced in New Zealand changed as a result of the duty
- The extent to which the domestic industry is likely to change the price of like goods in response to a change in the price of imported goods
- Whether domestic prices are responding to normal price factors (such as input costs and currency fluctuations), or whether the market is partially monopolised, and pricing is therefore not adjusting accordingly
- The extent to which the dumped or subsidised goods and the like goods produced in New Zealand are perfect substitutes
- Any other matter considered to be relevant to 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

62.

An assessment of consideration (c) may, to the extent appropriate, provide a discussion of any of the following matters:

- The extent to which the non-imposition of duty is likely to result in a reduction in the availability of, or withdrawal of, like goods from the New Zealand market
- The extent to which the non-imposition of duty is likely to result in the domestic industry reducing or ceasing its production of like goods for the New Zealand market
- Likely market shares of imported and domestically produced goods before and after the imposition of duty
- The extent to which like goods are likely to be able to be supplied from sources other than New Zealand
- Any other matter considered to be relevant to the effect of the duty on choice or availability of like goods.

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

- 63. An assessment of consideration (d) may, to the extent appropriate, provide a discussion of any of the following matters:
  - Industry standards or international standards in place for the product or service
  - The extent to which market participants are producing or providing a product consistently meeting the quality required by the market
  - Whether market participants are consciously producing or providing products or services above the quality required by the market
  - The extent to which the quality of goods or services in the market could be lowered upon the imposition of duty, or without duty in place
  - Consumer preferences in relation to quality
  - Any other matter considered to be relevant to the effect of the duty on product and service quality.

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

- 64. An assessment of consideration (e) may, to the extent appropriate, provide a discussion of any of the following matters:
  - The extent to which the imposition of duty would affect the financial performance of domestic producers
  - The extent to which the non-imposition of duty could be likely to result in the exit from the market of domestic producers
  - Whether the domestic industry has made any significant capital expansion investments recently that may help financial performance in the future
  - Whether any other market effects could arise from the imposition of duty, such as financial market effects, other than those intended by the imposition of duty

• Any other matter considered to be relevant to the effect of the duty on the financial performance of the domestic industry.

### (f) The effect of the duty on employment levels

65.

An assessment of consideration (f) may, to the extent appropriate, provide a discussion of any of the following matters:

- The extent to which the imposition or non-imposition of duty would likely affect levels of employment in the domestic industry and in downstream industries
- The extent to which labour is likely to be reallocated should there be any loss of employment
- Any other matter considered to be relevant to the effect of the duty on employment levels.

# (g) Whether there is an alternative supply (domestically or internationally) of like goods available

- 66. An assessment of consideration (g) may, to the extent appropriate, provide a discussion of any of the following matters:
  - The extent to which the domestic industry is able to meet domestic demand
  - The extent to which the imported good is covering excess demand that the domestic industry is unable to supply
  - Whether there are alternative sources of supply, competitive in price and quality, capable of accommodating additional demand
  - Whether there are any technical specifications demanded by the domestic market that might restrict import possibilities
  - The extent to which there is a risk of monopolisation of the supply of goods to New Zealand
  - Whether there are non-price, non-supply factors to consider, such as contract terms, speed of delivery, etc
  - Any other matter considered to be relevant to whether there is an alternative supply (domestically or internationally) of goods available.

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

- 67. An assessment of consideration (h) may, to the extent appropriate, provide a discussion of any of the following matters:
  - The extent to which the current market conditions reflect a "typical market" for the good. This will consider whether the market is prone to large fluctuations in price, demand, or supply.
  - The extent to which duty could lead consumers to purchase substitute goods, thus shrinking the market for the subject goods

- The extent to which there are any complementary goods whose markets might be affected by a price increase in the affected goods
- The extent to which there is a risk of monopolisation of the supply of goods in the New Zealand market
- The extent to which it is in the interest of competition to maintain domestic production of this good
- An assessment of the accessibility of the market to new entrants
- Any existing protection of the domestic industry
- Any other matter considered to be relevant to ensuring the existence of competition in the market.

#### **Quantitative Assessment**

- 68. In relation to factors (a), (b) and (e), the examination may be supported, to the extent practicable, by economic analysis using the Public Interest Partial Equilibrium Simulation Framework (PIPES framework).<sup>2</sup>
- 69. The PIPES framework has been designed by MBIE to analyse the potential economic impacts of the imposition, or continuation, of duty.
- 70. The PIPES framework is based on a two-stage analysis. The first stage consists of a prediction of market outcomes: when a duty is imposed, what is the likely effect on the markets being analysed? Once this has been estimated the analysis shifts to an assessment of the market outcome: how does the change in market outcomes affect parties?
- 71. If the sum of the impact on downstream industries and consumers materially outweighs the benefit to the domestic industry, this will be a partial indicator that imposing duties will not be in the public interest. This will then be considered in the context of the other mandatory considerations in section 10F(3) for the final determination under the Act.
- 72. MBIE may not use the PIPES model to assess the effect of the continued imposition of an anti-dumping duty on preserved peaches from Spain, if the data provide by parties is not sufficient to undertake a quantitative assessment.

<sup>&</sup>lt;sup>2</sup> Further information on the Public Interest Partial Equilibrium Simulation Framework (PIPES framework) is available at: <u>https://www.mbie.govt.nz/have-your-say/consultation-on-the-public-interest-test-for-dumping-and-subsidy-investigations/</u>

# 4. Lodging Submissions

73. MBIE welcomes submissions as part of the public interest investigation. Should you wish to make one, the **attached questionnaire** is designed to assist you. Below are some instructions on providing a submission.

#### **Documentation to provide**

74. Where information is provided, please also provide evidence in support of your response e.g. copies of invoices to support prices. Copies of original documents are satisfactory for questionnaire responses, but original source material for all documents submitted or relied upon in preparing your submission should be available in the event that MBIE may need to follow up in order to confirm or clarify the information.

#### Currency

75. Where information is provided related to pricing, please show all amounts in the currency originally denominated. Where any currency conversions are made, please indicate the exchange rate used and its source.

#### **Confidential information**

- 76. MBIE is required to ensure that all interested parties have a reasonable opportunity to access all non-confidential information used by MBIE in the review. Non-confidential information used in the review is contained on MBIE's Public File for this review, which is available for perusal or copying by any interested party to the review or member of the public.
- 77. Should you provide any information which is by nature commercially confidential (for example, because its disclosure would be of significant advantage to a competitor, or its disclosure would have a significantly adverse effect on the person supplying the information) or which is provided on a confidential basis, it will **upon good cause being shown** be treated as confidential by MBIE.
- 78. For any information that you request be treated as confidential please:
  - **Provide a non-confidential version** (or a non-confidential summary of the information, or if you claim that the information is not susceptible to such a summary, a statement of the reasons why a summary is not possible).
  - A non-confidential version should reproduce the original but have information considered to be confidential either omitted or summarised.
  - Provide justification for the information being treated as confidential.
- 79. Section 3.2 above provides more detail about the treatment of information. If you have any questions about this, MBIE will be happy to assist.

#### **Deadline for submissions**

80. If you wish to provide a submission, including a non-confidential version and any supporting evidence, it should be received by MBIE no later than **11 March 2022** or

earlier if possible. MBIE is working to a statutory deadline for the completion of this review and it is important that responses from interested parties are received by the due dates.

#### **Further information**

81. If you would like further information on anti-dumping investigations and reviews please see our website at <u>Trade remedy investigations</u> | <u>Ministry of Business, Innovation &</u>
 <u>Employment (mbie.govt.nz)</u>. Alternatively please feel free to contact us (see details below).

## **Contact details**

*If you any questions regarding this questionnaire or the review, please contact Mike Andrews or Faith Zimunya at MBIE Trade and International:* 

#### **Trade Remedies**

Email: <a href="mailto:traderemedies@mbie.govt.nz">traderemedies@mbie.govt.nz</a>

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