



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Trade (Anti-dumping and Countervailing Duties) Act 1988

Preserved Peaches from China

Dumping Investigation

Step 1 Final Report

MBIE/AD/I/2025/002

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Table of contents

1. OVERVIEW	1
1.1 Background	1
1.2 Legal framework for investigation and determination	1
1.3 Grounds for investigation	2
1.4 Treatment of information	2
1.5 Report Details	4
1.6 Submissions on the Stage 1 EFC Report	4
2. SUBJECT GOODS, DOMESTIC INDUSTRY AND INTERESTED PARTIES.....	5
2.1 Subject goods	5
2.2 Like goods and the New Zealand industry	6
2.3 Notified and Interested parties	7
3. DUMPING INVESTIGATION.....	10
3.1 Dumping	10
3.2 Export price	10
3.3 Normal value	11
3.4 Fair comparison	13
3.5 Basis for investigation of dumping	13
3.6 Countree Food	13
3.7 Medallion	15
3.8 J&G International	16
3.9 Other producers	17
3.10 Conclusions relating to dumping	18
4. INJURY INVESTIGATION	19
4.1 Material injury	19
4.2 Basis for investigation of material injury	20
4.3 Import volume effects (refer Confidential Figure CAD1)	20
4.4 Price effects	21
4.5 Economic impact of dumping	24
4.6 Other causes of injury	33
4.7 Other factors	35
4.8 Conclusions on material injury caused by dumping	35
5. RATE OF ANTI-DUMPING DUTY	37
5.1 Legal Basis	37
5.2 Proposed Rates or Amounts of Anti-dumping Duties	37
6. CONCLUSIONS	38
ANNEX 1: LEGAL PROVISIONS	42
ANNEX 2: SUMMARY OF SUBMISSIONS ON THE ESSENTIAL FACTS AND CONCLUSIONS (EFC) REPORT.....	49
CONFIDENTIAL ANNEX A: COUNTREE FOODS	52
CONFIDENTIAL ANNEX B: WEIFANG MEDALLION AND QINGDAO MEDALLION	54
CONFIDENTIAL ANNEX C: NON-PARTICIPATING EXPORTERS	55
CONFIDENTIAL ANNEX D: INJURY INFORMATION.....	58

Abbreviations and acronyms

The following abbreviations and acronyms are used in this Report:

Abbreviation / Acronym	Meaning
Act (the)	Trade (Anti-dumping and Countervailing Duties) Act 1988
AD Agreement (the)	WTO Agreement on Implementation of Article VI of the GATT 1994
AUD	Australian dollars
CIF	Cost, insurance and freight
CNY	Chinese Yuan
Customs	New Zealand Customs Service
EBIT	Earnings before interest and tax
EFC Report	Essential Facts and Conclusions Report
FOB	Free on board
GOC	The Government of China.
CHINA	The People's Republic of China
HWL	Heinz Wattie's Limited
KG	Kilograms
MBIE	Ministry of Business, Innovation and Employment
MT	Metric ton/tonne
NSV	Net Sales Value
NZ	New Zealand
NZD	New Zealand dollar
Countree Food	Qingdao Countree Food Co Ltd – a Chinese manufacturer of preserved peaches
POI(D)	The period of investigation for dumping is the year from 1 July 2024 to 30 June 2025.
POI(I)	The period of investigation for injury (POI(I)) is from 1 July 2021 to 30 June 2025.
Qingdao Medallion	Qingdao Medallion Food Co Ltd – a Chinese exporter exporting preserved peaches produced by Weifang Medallion Food Co Ltd
RFI	Request for information
ROI	Return on investment
USD	United States dollar
VAT	Value Added Tax
Weifang Medallion	Weifang Medallion Food Co Ltd – a Chinese manufacturer of preserved peaches
WTO	World Trade Organisation

1. Overview

1.1 Background

1. On 2 December 2024, MBIE received an application from Heinz Wattie's Ltd (HWL), the sole entity in the New Zealand preserved peach industry, seeking an investigation into the alleged dumping of preserved peaches from China. On 15 July 2025, pursuant to section 10A(1) of the Trade (Anti-Dumping and Countervailing Duties) Act 1988 (the Act), the Ministry of Business, Innovation and Employment (MBIE) started an investigation on the basis that the application contained sufficient evidence to justify the need to investigate.
2. On 10 December 2025, MBIE provided the notified parties with the EFC Report for investigation Step 1, and invited them to provide comments. The EFC report set out the essential facts and conclusions that are likely to form the basis for a determination by the Minister of Commerce and Consumer Affairs (Minister) under section 10D(1) of the Act, as required by section 10C(2) of the Act. MBIE received comments from only one party, HWL, which have been addressed in **Annex 2**. Where relevant, these comments have been considered in the present report.
3. The 180-day period for the completion of investigation Step 1 will conclude on 31 January 2026. By that time (but not less than 30 days after the publication of EFC Report) the Minister must make a final Step 1 determination under section 10D(1) of the Act.

1.2 Legal framework for investigation and determination

4. This section of the present report outlines the key legal provisions considered and applied during investigation Step 1. **Annex 1** of this Report contains these provisions in full.
5. The present investigation was 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) as well as reports adopted by the WTO Dispute Settlement Body provided guidance where the Act was silent, or where there were questions as to its intended interpretation. The AD Agreement and dispute settlement reports cannot replace or substitute the Act in the event of inconsistency.
6. Section 10C(1) of the Act provides, in relation to investigation Step 1, that the Chief Executive must investigate whether, in relation to goods being imported or intended to be imported into New Zealand:
 - (a) the goods are being dumped or subsidised; and
 - (b) material injury to an industry has been or is being caused or is threatened, or the establishment of an industry has been or is being materially retarded, because of the dumping or subsidisation.
7. Sections 10C(2)-(5) set out the procedure for investigation Step 1.
8. Section 10D(1) states that within 180 days after the start of Step 1 (but not less than 30 days after the written advice on essential facts and conclusions is provided to interested parties), the Minister must determine whether—
 - (a) the goods are being dumped or subsidised; and

(b) material injury to an industry has been or is being caused or is threatened, or the establishment of an industry has been or is being materially retarded, because of the dumping or subsidisation.

9. If the Minister makes an affirmative determination they must, as required under section 10D(2):¹

- Determine the rate or amount of anti-dumping or countervailing duty in accordance with section 10E² that will form the basis for investigation Step 2.³
- Direct the Chief Executive to immediately start investigation step 2.

10. If the Minister makes a negative determination,⁴ the investigation must be terminated under section 11 of the Act.⁵

1.3 Grounds for investigation

11. In its application, HWL states that preserved peach imports from China are being dumped causing significant ongoing material injury. In particular HWL states that the alleged dumping is continuing to cause price undercutting, price depression and price suppression, and a resulting decline in sales, market share and profits.

1.4 Treatment of information

1.4.1 Consideration of information

12. Section 10C(3) of the Act requires MBIE to give interested parties reasonable opportunity:

- to present, in writing, all evidence relevant to the investigation and, on justification being shown, to present that evidence orally; and
- on request by an interested party, to meet other interested parties with adverse interests in order that they may present opposing views.

13. Section 6 of the Act outlines the following:

- Section 6(1) provides that, where the Chief Executive is satisfied that sufficient information has not been furnished or is not available for the calculation of an export price or normal value, those values shall be an amount determined by the Chief Executive having regard to all available information.
- Section 6(2) provides that, for the purposes of subsection (1), the Chief Executive may disregard any information they consider to be unreliable.

¹ Per section 10D(5), an affirmative determination is a determination that the goods are being dumped or subsidised, and material injury is being caused or is threatened, or the establishment of an industry has been or is being materially retarded, because of the dumping or subsidisation.

² Section 10E sets out how a rate or amount of duty may be determined.

³ The purpose of Step 2 is to determine whether into whether imposing an anti-dumping duty at the rate or amount determined is in the public interest. This is set out in section 10F.

⁴ Section 10D(5) provides that a negative determination is a determination under section 10F(1) that is not an affirmative determination.

⁵ Section 11 provides for the termination of an investigation.

14. Article 6.6. of the AD Agreement requires authorities to satisfy themselves of the accuracy of information supplied by interested parties on which findings are based, except in circumstances involving non-cooperative parties. Article 6.7 of the AD Agreement provides for on-site visits as one option for fulfilling this obligation, but does not preclude other approaches. While this article provides guidance, it does not have legal effect in New Zealand as it is not incorporated into domestic law.
15. Further guidance can be taken from Article 6.8 of the AD Agreement. This provision states that determinations may be made on the basis of facts available where an interested party does not provide necessary information within a reasonable period. Annex II sets out associated procedures relating to the request for and receipt of information from interested parties.
16. In keeping with the above:
 - MBIE seeks and obtains information directly relevant to the case at hand. Such information includes questionnaire⁶ responses and other information from interested parties; the application and submissions from the New Zealand industry; Customs and statistical data; other relevant data such as exchange rates, interest rates and prices; and other information gathered through MBIE's own research.
 - Interested parties are able to make submissions at any time during the investigation, including in response to information provided by other parties.
 - Findings relating to non-participating parties are based on the available information, where reasonable and appropriate, as detailed in the present report.
 - MBIE satisfies itself as to the accuracy of the information provided. To do so, it may use verification visits, desktop verification and other engagement with interested parties to assess the reliability of the information available.

1.4.2 Protection of Information

17. Section 3F(1) of the Act provides that an interested party may ask the Chief Executive to provide copies of information relevant to trade remedy proceedings.⁷ As set out in section 3F(2), this requirement does not apply to confidential information (unless consent is given by the submitter) or to information that would be likely to be withheld if it were requested under the Official Information Act 1982. Section 3F(5) defines confidential information.
18. At Investigation Step 1, section 10C(4) clarifies that MBIE's obligation under section 10D(2) to provide notified parties with written advice of essential facts and conclusions is limited to information that is available under section 3F.
19. MBIE maintains a Public File for the current review:
 - The Public File contains non-confidential versions of the relevant review documents. Any interested party can request the Public File document list and copies of the documents held in the File via email. MBIE then provides the requester with the relevant documents.

⁶ To assist with MBIE's dumping assessment, MBIE requests information from participating importers, exporters and foreign manufacturers through questionnaires.

⁷ An investigation, a full review, a reassessment, or a new exporter reassessment.

- In preparing non-confidential documents for the Public File, MBIE requests that interested parties submitting information they wish to have treated as confidential provide a non-confidential version or summary of that information or reasons why there can be no summary.
- MBIE also informs interested parties that, under section 3F(4) of the Act, the Chief Executive may disregard any information for which the submitter does not provide a satisfactory non-confidential version (or appropriate alternative).

20. MBIE considers confidentiality requests from interested parties and is satisfied that the following types of information should be treated as confidential:

- Documentation relating to transactions, information relating to costs and prices, information relating to commercial relationships, and non-public financial information.
- Information relating to the domestic industry and the analysis of injury.

1.5 Report Details

21. In this report, unless otherwise stated, “years” are years ending 30 June and dollar values are in New Zealand dollars (NZD). Other currencies used are US dollars (USD), Australian dollars (AUD) and Chinese Yuan (CNY). In tables, column totals may differ from individual figures because of rounding.

22. Volumes are expressed on a metric ton (MT) basis unless otherwise stated. Exports to New Zealand were invoiced in Australian dollars (AUD) and United States dollars (USD). The exchange rates used are those relating to specific transactions, where available, and otherwise are Customs exchange rates or the rate that MBIE considers most appropriate in the circumstances, as indicated in the text.

23. The period of investigation for dumping is the year from 1 July 2024 to 30 June 2025 (POI(D)) while the period of investigation for injury (POI(I)) is from 1 July 2021 to 30 June 2025. The information on injury from the 4-year POI(I) 1 July 2021 to 30 June 2024 is considered to identify wider market trends and other relevant factors. Such an assessment helps to determine whether any injury during the one-year POI(D) was caused by dumping rather than other factors. Any injury not attributable to dumping is not relevant to the tests which MBIE is required to apply.

1.6 Submissions on the Stage 1 EFC Report

24. In accordance with section 10C(2), MBIE provided notified parties with an EFC report on 10 December 2025. This report set out the essential facts and conclusions that were likely to form the basis for a determination to be made by the Minister under section 10D(1).

25. MBIE invited parties to provide comments on any of the matters covered in the EFC Report. There was one submission made – by HWL. On 15 December, HWL also met with MBIE to discuss the content of the EFC report and the key issues of its submission. Annex 2 to this report summarises the matters raised by HWL and outlines MBIE’s responses. Where appropriate, the matters raised have been taken into account in the preparation of this report.

2. Subject Goods, Domestic Industry and Interested Parties

2.1 Subject goods

2.1.1 Description

26. The subject goods identified by HWL were:

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

27. The subject goods are classified under New Zealand Customs tariff item No. 2008.70.09 and statistical key 001 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

28. MBIE considers that the subject goods description includes the following:

- **Medium:** Preserved peaches in juice, as well as in various concentrations of sugar syrup.
- **Container type:** Preserved peaches packaged in cans, plastic or glass jars and plastic cups.

29. MBIE notes that there are some goods imported under the same tariff item as preserved peaches 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.

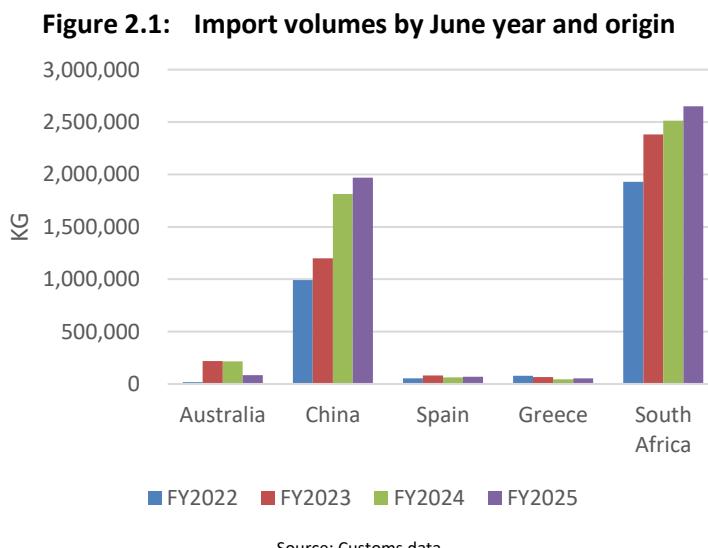
2.1.2 Duties

30. The subject goods originating in China are subject to a preferential tariff of 0%, as agreed under the New Zealand China Free Trade Agreement. For the purposes of this investigation, this is the normal rate of Customs duty.

2.1.3 Imports of subject goods

Trade volumes

31. The figure below illustrates import volumes from China that meet the description above.



Excluded goods

32. KidsCan, a charitable entity, imported preserved peaches in plastic cups over the POI(D) from one importer - Lianyungang Tianle Food Co Ltd (Tianle Food). These goods are distributed to children in schools free of charge to support KidsCan's lunch programme. MBIE has excluded those goods from the subject goods as they have a different function and distribution to comparable goods produced by the domestic industry.⁸ HWL has also indicated its comfort with this approach, noting that preserved peaches that KidsCan imports do not compete with its products. For the avoidance of doubt, figures and tables in this report exclude Kidscan imports.

2.2 Like goods and the New Zealand industry

33. To identify the New Zealand industry for this investigation, it is necessary to determine whether there are New Zealand producers of goods that are like to the subject goods discussed in section 2.1 above.

34. 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.

35. 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.

2.2.1 New Zealand industry

36. HWL submitted its application as the only producer of preserved peaches in New Zealand. MBIE is satisfied that HWL is the sole producer of like goods to those originating in China, and therefore meets the definition of "industry" as outlined in section 3A of the Act.

2.2.2 Like goods

37. Having reviewed HWL's submission and other available information, MBIE has reached the following conclusions:

- **Physical characteristics:** HWL produces preserved peaches in a range of styles (including halves, slices, diced), packed in three types of media (syrup, juice, "lite"). MBIE considers these characteristics to closely resemble those of the subject goods.
- **Function and usage:** Preserved peaches are commonly used for desserts, in baking, in smoothies, eaten with breakfast dishes or on their own. MBIE considers that the subject goods and the preserved peaches produced by HWL can be interchangeably used by customers for these functions, whether in a commercial (e.g. food service) or non-commercial context.
- **Container type/size:** HWL produces preserved peaches in 410g, 820g, and A10 (2.96/3.0kg) cans. It does not currently produce in glass jars or plastic cups. MBIE does not consider container type a key factor for consumers. While HWL's range is narrower than the subject goods –which include containers up to 5.0kg in plastic and glass – MBIE considers all formats serve the same purpose, rendering them substitutable.

⁸ Non-commercial distribution methods are substantially different to that of the domestic industry. HWL and importers distribute preserved peaches for commercial gain, where KidsCan distributes for charitable purposes.

38. On balance, in light of the above, MBIE considers HWL's preserved peaches to be like goods with characteristics closely resembling the subject goods.

2.3 Notified and Interested parties

39. As discussed above, section 10C(2) of the Act references "notified parties", while section 10C(3) references "interested parties".

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

- (a) the Government of the country of export
- (b) exporters and importers known by the Chief Executive to have an interest in the goods
- (c) the applicant in relation to the goods
- (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

41. Although the Act does not define "interested parties", Article 6.11 of the AD Agreement provides a definition that assists in interpreting the term for the purposes of the Act:

- (i) an exporter or foreign producer or the importer of a product subject to investigation, or a trade or business association a majority of the members of which are producers, exporters or importers of such product;
- (ii) the government of the exporting Member; and
- (iii) a producer of the like product in the importing Member or a trade and business association a majority of the members of which produce the like product in the territory of the importing Member.

2.3.1 Government of China

42. The Government of China (GOC) is a notified party under the Act for the purposes of this investigation, and an interested party under the AD Agreement. On 5 February 2025, per Article 62.2 of the China-New Zealand Free Trade Agreement, MBIE advised the GOC that it had received a properly documented application from HWL in respect of the alleged dumping of the subject goods. In July 2025, MBIE notified the GOC that it had initiated this investigation and, in December 2025, MBIE provided the GOC with the EFC Report for investigation step 1. To date, MBIE has not received any submissions from the GOC in relation to this investigation.

2.3.2 Manufacturers and exporters

43. Using Customs data and questionnaire responses provided by intermediary exporters and importers, MBIE identified a number of Chinese manufacturers supplying preserved peaches to New Zealand directly or via an intermediary exporter.

44. MBIE identified a total of 28 Chinese manufacturers whose products were exported to New Zealand over the POI(D):

- **Qingdao Countree Food Co Ltd (Countree Food):**
 - Countree Food is the sales office for its factory Heze Sanqing Food Co Ltd (Sanqing Food) – a Chinese producer of processed vegetables and fruit sold in China and internationally – in Shandong province. Countree Food is responsible for the Group's export sales, whereas domestic sales of canned peaches are made by Sanqing Food. For the purposes of its analysis, MBIE refers to Countree Food as the producer, but in doing so treats Countree Food and Sanqing Food as a combined entity.

- Countree Food provided information through detailed responses to an exporter questionnaire, a response to MBIE's request for further information and during an on-site verification visit.
- **Qingdao Medallion Imp. & Exp Co., Ltd (Qingdao Medallion) and Weifang Medallion Food Co Ltd (Weifang Medallion)**
 - Weifang Medallion is a manufacturer of fruit-based foodstuffs, producing preserved peaches in a range of plastic cup and pouch packaging formats. The company manufactures preserved peaches primarily for export, and trades exclusively through its affiliated company, Qingdao Medallion, which is responsible for international sales and handles exports to New Zealand. Weifang Medallion (and related entities) normally do not sell in the Chinese domestic market.
 - MBIE verified that Weifang Medallion and Qingdao Medallion maintain a close commercial relationship while operating as distinct legal entities. Both companies share substantial common ownership and allocate certain expenses jointly; however, they remain legally separate, reportedly for reasons related to domestic tax compliance and cost management. In light of this information, following confirmation with the entities in question, MBIE has treated Weifang Medallion and Qingdao Medallion as a combined entity (Medallion) for the purposes of its analysis.
 - Weifang Medallion and Qingdao Medallion respectively provided information through detailed foreign manufacturer and exporter questionnaire responses, a response to MBIE's request for further information, and during an on-site verification visit.
- **J&G International Co Ltd (J&G International)**
 - During the POI(D), J&G International exported preserved peaches in various can sizes. The company did not respond to MBIE's exporter questionnaire and is considered a non-participating exporter for the purposes of this report.
 - J&G International's exports to New Zealand comprised 20% of total trade during the POI(D). MBIE has therefore undertaken a bespoke dumping margin assessment for J&G International based on the information available.
- **Lianyungang Tianle Food Co Ltd (Tianle Food)**
 - As noted in section 2.1, Tianle Food solely exported preserved peaches to Kidscan Charitable Trust. For reasons outlined above, MBIE has determined that those goods are not subject to investigation.
 - MBIE acknowledges that Tianle Food may, in the future, export to commercial parties but does not have information to suggest that this is likely. If this does occur, and therefore its canned peach exports become subject goods, such exports will be treated in a manner consistent with the "other exporters / producers" discussed below.
- **Other Exporters / Producers (refer Confidential Figure CAC4)**
 - MBIE identified a further 24 Chinese exporters of preserved peaches to New Zealand during the POI(D). These exporters have not engaged with MBIE during this investigation and are considered non-participating exporters / producers.

- Exports from these parties collectively comprised 15 % of total trade during the POI(D), with no single exporter supplying more than 5% of total trade. Considering this, and in the event that these exporters are supplied by producers other than the four identified above, MBIE calculated an aggregated dumping margin for “all other producers” using Customs data and information provided by cooperating parties.

2.3.3 Importers

45. MBIE identified the following New Zealand importers:
 - Barkers Food Processors
 - Simply Food Solutions Ltd (previously participating as Bidfood Ltd)
 - Davis Trading Co Ltd
 - Foodstuffs Own Brand Ltd (New World, PAK'nSAVE, Four Square and Gilmours)
 - Woolworths New Zealand Ltd (Countdown, Super Value and Fresh Choice supermarkets)
46. Of these importers, Simply Food Solutions Ltd, Davis Trading Co Ltd, Foodstuffs Own Brands Ltd NZ and Woolworths New Zealand Ltd provided questionnaire responses, and responses to further questions from MBIE via email.

2.3.4 Applicant (New Zealand Industry)

47. As set out in section 2.2.1 above, HWL constitutes the New Zealand industry for the purposes of this full review. In addition to its application, HWL responded to MBIE’s request for further information. MBIE verified this information online, through a series of emails and calls.
48. In addition to producing preserved peaches, HWL imports preserved peaches from China in times of short supply to supplement its domestically sourced production. HWL has provided information about its imports from China.

2.3.5 Other interested parties

49. No other interested parties have come forward or been identified.

3. Dumping Investigation

3.1 Dumping

50. The objective of a dumping investigation is to establish if there is dumping. Section 3(1) of the Act defines dumping as:

dumping, in relation to goods, means the situation where the export price of goods imported into New Zealand or intended to be imported into New Zealand is less than the normal value of the goods as determined in accordance with the provisions of this Act, and **dumped** has a corresponding meaning.

51. The dumping investigation determines export prices and normal values under the Act and, where relevant, the AD Agreement, and compares them to assess whether and to what extent dumping is occurring. Export prices are determined in accordance with section 4 of the Act and normal values in accordance with section 5.

52. In accordance with section 5(3) of the Act (taking guidance from Article 2.4 of the AD Agreement) MBIE normally seeks to compare the export price with the normal value (where it is the price paid for like goods in the manufacturer's domestic market) at the same level of trade, for sales made as close as possible at the same time. Due allowance is made, as appropriate, for differences affecting price comparability. These include differences in sale terms and conditions (such as discounts and rebates, delivery terms, payment terms, levels of trade, physical characteristics). Prices are compared net of any taxation.

53. Section 6(1) of the Act provides that, where sufficient information is not available or has not been provided, export prices and normal values can be determined having regard to all available information. Section 6(2) also provides that for the purposes of subsection (1) the Chief Executive may disregard any information considered to be unreliable.

54. Section 11(2) of the Act provides that a dumping margin of less than 2% is insufficient evidence of dumping unless the goods originate from Singapore. This 2% threshold is referred to as the *de minimis* threshold.

3.2 Export price

55. Export prices are normally determined in accordance with section 4(1) of the Act, which deals with transactions where the imported goods have been purchased by the importer from the exporter.

56. The export price for an arm's length transaction is calculated in accordance with section 4(1)(a) of the Act by determining:

- **The base price:** The price paid for the goods by the importer
- **Less adjustments** to take the base price back to the ex-factory⁹ level and to ensure a fair comparison with the normal value, namely:
 - costs, charges and expenses of preparation to export that are additional to such costs incurred for sales for home consumption (section 4(1)(a)(i); and
 - any other costs, charges and expenses resulting from the exportation or arising after their shipment from the country of export (section 4(1)(a)(ii)).

⁹ An ex-factory price is the price of a product at the factory gate, before any inland transport, port charges, or export-related costs are incurred / added on.

57. Adjustments generally cover costs such as inland freight between the factory and the port, port charges and bank charges, overseas freight and insurance (depending on the terms of sale). Fair comparison adjustments relating to differences in the cost of items such as credit and packaging may also be made, where appropriate, to the extent these costs relate to the export price. Where an intermediary company facilitates export sales, adjustments are made for the intermediary's commission or margin, and any other costs associated with the trade, to ensure an ex-factory equivalent is achieved.
58. Where there are no arm's length transactions, sections 4(1)(b) and (c) of the Act provide alternative ways to calculate an export price. Similarly, section 4(2) applies where goods are shipped on consignment to an unknown purchaser, or there is no exporter's sale price or arm's length importer's purchase price.
59. MBIE is of the view that export sales in the present investigation were arm's length transactions, and information on the sale price is available. As such, section 4(1)(b) and (c) and section 4(2) do not apply. MBIE's reasoning, as it relates to each cooperating producer, is set out in sections 3.6 and 3.7 of the present report.

3.3 Normal value

60. Section 5(1) of the Act defines normal value as follow:

Subject to this section, for the purposes of this Act, the normal value of any goods imported or intended to be imported into New Zealand shall be the price paid for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arm's length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.

61. Section 5(2) of the Act provides alternative ways to calculate normal value where the normal value cannot be determined under subsection (1) because:
 - there is an absence of sales that would be relevant for the purpose of determining a price under that subsection; or
 - the situation in the relevant market is such that sales in that market that would otherwise be relevant for the purpose of determining a price under subsection (1) are not suitable for use in determining such a price; or
 - like goods are not sold in the ordinary course of trade for home consumption in the country of export in sales that are arm's length transactions by the exporter and it is not practicable to obtain within a reasonable time information in relation to sales by other sellers of like goods that would be relevant for the purpose of determining a price under subsection (1)

The Act does not specify the percentage or presence of sales that should be considered relevant when applying section 5(2)(a).

62. Section 5(2)(d) and (e) provide for the following alternative approaches:

- (d) **Cost build-up:** Constructed normal value, using the sum of the cost of production/ manufacture in the country of export, reasonable amounts for administrative and selling costs, delivery charges, and other charges that would be incurred in a sale in the country of export, and a profit margin reflecting the profit normally realised on the sales of such goods

(e) **Third country sales:** A price representative of the price paid for similar quantities of like goods sold at arm's length in the ordinary course of trade in the country of export for export to a third country.

63. Section 5(6) of the Act provides that goods are not deemed to have been sold in the ordinary course of trade where the Chief Executive is satisfied, in relation to goods imported or intended to be imported to New Zealand, that –

- the price paid for like goods –
 - sold for home consumption in the country of export in sales that are arms' length transactions; or
 - sold in the country of export to a third country in sales that are arms' length transactions, –

Is, and has been for an **extended period** of time and in respect of a **substantial quantity** of like goods, **less than** the sum of [emphasis added] –

- such amount as the Chief Executive deems to be the cost of production or manufacture of the like goods in the country of export; and
- such amounts as the Chief Executive determines to be reasonable amounts for administrative and selling costs, delivery charges, and other charges necessarily incurred in the sale of the like goods by the seller of the goods; and

- it is likely that the seller of those like goods will not be able to fully recover the amounts referred to in subparagraphs (iii) and (iv) of paragraph (a) within a **reasonable period**.

64. MBIE also takes guidance, as appropriate, from the provisions of the AD Agreement:

- **Article 2.2.** provides for the **construction of normal values**, including in situations “when, because of the particular market situation or the low volume of the sales in the domestic market of the exporting country, such sales do not permit a proper comparison...”.
- **Footnote 2 to Article 2.2.** provides, with regards to low **volumes of sales** that:

Sales of the like product destined for consumption in the domestic market of the exporting country shall normally be considered a sufficient quantity for the determination of the normal value if such sales constitute 5 per cent or more of the sales of the product under consideration to the importing Member, provided that a lower ratio should be acceptable where the evidence demonstrates that domestic sales at such lower ratio are nonetheless of sufficient magnitude to provide for a proper comparison

MBIE considers this provision to provide guidance for the interpretation of sections 5(2)(a) of the Act (to determine whether there are sales relevant for determining a normal value) and section 5(6)(a) of the Act (to determine whether sales were made in the ordinary course of trade by assessing whether a substantial quantity of like goods were sold).

- **Footnote 4 to Article 2.2.1** provides that the **extended period of time** “...should normally be one year but shall in no case be less than six months”. MBIE considers this provision to provide guidance for the interpretation of section 5(6)(a) of the Act (to determine whether sales were made in the ordinary course of trade by assessing whether they were made over an extended period).

3.4 Fair comparison

65. The Act does not specify the basis for comparison. However, Article 2.4.2 of the AD Agreement provides that dumping margins shall normally be established by comparison on a weighted average to weighted average basis, or on a transaction-to-transaction basis.

3.5 Basis for investigation of dumping

Information available

66. Information available to MBIE in investigating the alleged dumping of preserved peaches from China included information from HWL's application, importer questionnaire responses, foreign manufacturers and exporters' questionnaire responses, the New Zealand Customs Service, and MBIE's independent research.

Price comparisons

67. MBIE undertook price comparisons on the basis of weighted average prices by product model. MBIE has used weighted averages instead of simple averages for price comparisons as it considered the former approach to more appropriately reflect the effect of individual shipment price on the impacts of the subject imports as a whole. Adjustments were made to account for applicable differences in terms and conditions of sale (e.g. discounts and rebates), delivery terms (e.g. inland transportation and port handling costs), and payment terms (for instance, the cost of credit). Prices were compared net of any taxation.

3.6 Countree Food

68. Confidential Annex A contains detailed calculations relating to MBIE's dumping assessment with regards to Countree Foods, with specific charts and tables referenced in the sections below.

3.6.1 Export price

Base prices (refer Confidential Figure CAA3, columns 3 and 4)

69. Countree Food's exports comprised of:

- 125g cups of diced peaches in juice
- 410g, 415g, 425g, 820g, and 3kg cans of sliced or halved peaches in light syrup or juice
- 695g tubs of sliced peaches in juice.

70. Countree Food provided information on all transactions of the subject goods over the POI(D) and invoices reflecting names of importers, product details and dates and terms of sale. All exports were on an FOB basis¹⁰ and the prices were exclusive of VAT.

71. Base prices were set in USD and AUD. Countree Food provided exchange rates from its internal accounting system that were based on the Bank of China official rates, extracted on the first day of each month. When compared to historical exchange rates available at www.x-rates.com, MBIE noted an average difference of less than 1 per cent. MBIE used historical exchange rates as these were more aligned to the dates of sale. It considered this sufficiently accurate for the purpose

¹⁰ FOB, or Free-on-Board, price is the price of a good at the port of export. It comprises the costs of production and all costs incurred to sell/transport the goods from the factory gate to the export vessel. These typically include inland transportation from factory to port, port handling and loading charges, export documentation and customs clearance charges, and ancillary costs (e.g. terminal handling and security fees).

of calculating the export price.

72. MBIE is satisfied, on the basis of the information provided, that Countree Food's sales to New Zealand were arm's length transactions to unrelated parties. As such, MBIE has taken the FOB prices provided by Countree Food as base prices.

Adjustments (refer Confidential Figure CAA3, columns 5-7)

73. MBIE adjusted the base prices to account for costs incurred in the process of exporting to New Zealand to allow for a fair comparison, and to ensure the establishment of the export price on an ex-factory basis. Countree Food provided costs per transaction on the expenses incurred between the ex-factory level of trade and loading the goods onto the vessel for export to New Zealand (FOB level). MBIE has verified these costs.
74. Using the above information, MBIE adjusted the base export price for inland transport to port, handling, loading and ancillary expenses, and the cost of credit.
75. MBIE did not discount the FOB price to account for intermediary margins. There was no immediate evidence that Countree Food was paying for an intermediary to sell its exports.

3.6.2 Normal value

76. Countree Food's domestic sales comprised 312g, 425g, 822g, and 3.0kg cans of sliced or halved peaches in light or heavy syrup, or juice. Countree Food did not sell preserved peaches in 410g, 415g and 425g cans, nor 125g plastic cups, or 695g plastic tubs on the domestic market. The 822g can sold domestically differed from the 820g cans exported to New Zealand, in its medium; while the 3.0kg can varied from the 3.0kg cans exported to New Zealand in cut and medium.

Preserved peaches in cans (refer Confidential Figure CAA4)

77. Over the POI(D), Countree Food sold preserved peaches to independent customers on the Chinese market. These customers represented retail, food distribution and food manufacturing industry companies.
78. Countree Food provided sales transaction data and invoices showing information including the product description, name of customer, volume and value of goods, terms of trade, and a 13% VAT charge.
79. MBIE used actual sales information, rather than an alternative approach, to calculate normal values as:
 - MBIE was satisfied that sales volumes to the Chinese market constituted more than 5% of Countree Food's export sales to New Zealand (i.e. a sufficient quantity)¹¹, and were made at an arm's length in the ordinary course of trade over the POI(D) (i.e. an extended period).¹²
 - MBIE identified goods sold at a profit based on Countree Food's information on the costs of production for each product sold on the domestic market, and excluded goods sold at a loss
80. To ensure a fair comparison, MBIE made adjustments for:
 - Costs incurred by Countree Food in the process of selling on the domestic market that were not also incurred while making export sales – i.e. for VAT (noting a rebate scheme for export sales), inland transportation costs, deductions on invoiced values for claims, and cost of credit.

¹¹ Refer footnote 2, Article 2.2 of the AD Agreement.

¹² Refer footnote 4, Article 2.2.1 of the AD Agreement.

- Physical differences between product models sold on the Chinese market and models exported to New Zealand – MBIE used verified production costs to identify and adjust for differences in the cost of raw materials, medium and packaging models, noting slight variations in associated production costs.

Preserved peaches in cups and tubs (refer Confidential Figure CAA5)

81. Over the POI(D) Countree Food did not sell preserved peaches in cups or tubs on the domestic market. Given the lack of comparable domestic sales for exports of 125g cups and 695g tubs, MBIE constructed normal values for these products in accordance with section 5(2)(d) of the Act.
82. Normal values were constructed based on verified information accounting for the cost of material, manufacturing overheads, selling and administrative expenses related to the sale of these products on the Chinese market, and a profit margin that MBIE considered reflected the profit level achieved by goods in the same general category sold on the Chinese market.

3.6.3 Dumping margin (refer Confidential Figure CAA6)

83. For each export model, MBIE compared the weighted average export prices and weighted average normal values established for Countree Food's products exported to New Zealand.
84. MBIE established that Countree Food's export prices were less than normal values for cans weighing between 500g and 3kg, resulting in a positive, though *de minimis*, dumping margin of 1.8%. MBIE did not identify dumping across the other models exported by Countree Food over the POI(D).

3.7 Medallion

85. **Confidential Annex B** contains detailed calculations relating to MBIE's dumping assessment with regards to Weifang Medallion and Qingdao Medallion, with specific charts and tables referenced in the sections below.
86. While MBIE considers Weifang Medallion and Qingdao Medallion to be related parties for the purposes of this investigation, it made the decision to undertake a dumping assessment at an ex-warehouse level, using transactions provided by Qingdao Medallion. This was because pricing on the market was set by Qingdao Medallion – the company responsible for exports/trading, noting Weifang Medallion only made negligible sales on the Chinese market. MBIE also considers comparison at an ex-warehouse level to be more appropriate given the complexity of internal pricing arrangements between the two companies which, if engaged with for an ex-factory dumping assessment, would require MBIE to make significant assumptions without complete information.

3.7.1 Export price

87. During the POI(D), Qingdao Medallion exported preserved peaches in juice, in 113g plastic cups to one New Zealand importer. Export sales were invoiced in USD at a FOB rate (refer **Figure CAB1**).
88. MBIE is satisfied that subject goods were exported by Qingdao Medallion at arm's length, on the basis that sales were made to unrelated New Zealand importers. As such, the prices paid by the importer provided the base prices for the calculation of export prices.

Base prices (Refer Confidential Figure CAB2, column 2)

89. MBIE used the above export sales information to calculate an ex-warehouse export price per kilogram. It treated the FOB price paid by the importer as a base price.

90. MBIE converted Qingdao Medallion's base price to CNY using exchange rates from www.x-rates.com for the relevant invoice dates and reviewed these rates against the rates used by Medallion. This process yielded an average variance of less than 0.3%. MBIE therefore accepted Medallion's rates for its export price analysis, being the actual rates used in the transactions.

Adjustments (Refer Confidential Figure CAB2, columns 3-5)

91. MBIE made adjustments for inland transport which included handling fees, selling and administrative costs, and cost of credit to arrive at a weighted average ex-warehouse export price.

3.7.2 Normal value (Refer Confidential Figure CAB3)

92. During the POI(D), Medallion made a very small volume of sales in the Chinese domestic market. These amounted to substantially less than 5% of exports to New Zealand (MBIE considers this to be an insufficient volume, with reference to Article 2, footnote 2.2., of the AD Agreement). MBIE therefore concluded that there were insufficient actual sales to support the calculation of a normal value using actual sales information (per section 5(1)).

93. To support an alternative normal value calculation, Medallion provided information on:

- **Weifang Medallion's costs of production:** This comprised information on Weifang Medallion's costs of production and production processes for the exported product.
- **Qingdao Medallion's third country export sales:** This comprised of information on sales of the same product model to the United Kingdom at comparable volumes and a comparable level of trade. Qingdao Medallion also provided information on associated adjustments towards an ex-warehouse export price.

94. MBIE discussed the above information with Medallion during its on-site verification visit and determined that the third country approach was more appropriate given the above decision to undertake a dumping assessment at ex-warehouse level.

95. MBIE verified Qingdao Medallion's third country export price (being the FOB price to the UK less inland transport, selling and administrative costs and cost of credit) and has used this as a normal value for the present dumping assessment. The information provided yielded an ex-warehouse normal value for Qingdao Medallion's third country exports.

3.7.3 Dumping margin (Refer Confidential Figure CAB4)

96. Based on the information provided by Weifang Medallion and Qingdao Medallion, MBIE found that the established export price for export to New Zealand exceeded their normal value. This resulted in a negative dumping margin – i.e. no dumping was found.

3.8 J&G International

97. **Confidential Annex C** contains detailed calculations relating to MBIE's dumping assessment for J&G International with regards to J&G, with specific charts and tables referenced in the sections below.

98. As J&G was a non-participating entity, MBIE calculated its dumping margin using the best information available. This included Customs import data, cost information from a cooperating exporter Countree Food - a comparably large, participating Chinese manufacturer - and information from an associated importer.

99. Due to limited transaction and product detail information, MBIE calculated a weighted-average export price and used the established weighted average normal value based on information provided by Countree Food.

3.8.1 Export price

Base prices (refer Confidential Figure CAC1, column 2)

100. MBIE relied on importer questionnaire responses and Customs data to establish the bases prices for exports from J&G International.
101. From the importer questionnaire, MBIE established that J&G International exported 410g and 3kg cans of peach slices in syrup to New Zealand during the POI(D). Separately, MBIE used Customs data to establish the values and volumes of products exported, and spot-checked transactions against sample invoices supplied by the importer. Accordingly, the FOB level prices charged to importers formed the base price.
102. Due to the paucity of transactional information for each product model, MBIE calculated a weighted average base price for all product models.
103. MBIE is satisfied that export sales by J&G International were arm's length transactions to unrelated parties.

Adjustments (refer Confidential Figure CAC1, columns 3-5)

104. As MBIE did not have access to J&G International's own sales and costing data, it used overall weighted average estimates derived from verified cost information from Countree Food for its adjustments.
105. MBIE deducted inland transport, handling, loading, ancillary costs, and credit costs from J&G International's base price to arrive at an overall weighted average ex-factory export price across both product sizes (refer **Figure CAC1, column 6**).

3.8.2 Normal value (refer Confidential Figure CAC2)

106. MBIE did not have access to information on J&G International's sale of like goods in the Chinese market over the POI(D). It therefore used normal values calculated for comparable products traded by Countree Food to determine an overall weighted average normal value for J&G International.
107. Due to lack of information on J&G International's domestic sales and production costs, MBIE did not have adequate information to assess for physical differences.
108. On the above basis, MBIE established a weighted average normal value across both exported can sizes (refer **Figure CAC2, row 8**).

3.8.3 Dumping margin (refer Confidential Figure CAC3)

109. Based on the information available, MBIE found that the J&G International's overall weighted average export price was lower than the established weighted average normal value. This resulted in a positive dumping margin of 17.78% across both exported can sizes.

3.9 Other producers

110. **Confidential Annex C** contains detailed calculations relating to MBIE's dumping assessment, with specific charts and tables referenced in the sections below.
111. The 24 remaining non-participating exporters who exported the subject goods to New Zealand during the POI(D) accounted for 15% of total exports to New Zealand. Each of these exporters accounted for trade volumes ranging between 0.0012% and 3.8% of exports to New Zealand.

112. Given the limited information available on export product models, and the small volumes traded, MBIE calculated an overall weighted average export price and used the established weighted average normal value based on information provided by Countree Food.

3.9.1 Export price

Base prices (refer Confidential Figure CAC5, column 2)

113. MBIE used Customs data to calculate an aggregated, weighted average base price for these exporters. This information provided the FOB value and volume of goods imported, dates of import, names of exporters and importers, and a general description of the goods imported.

Adjustments (refer Confidential Figure CAC5, columns 3-5)

114. To ensure a fair comparison at ex-factory level, MBIE adjusted the above base price to account for the cost of inland transport, handling, loading and ancillary costs and cost of credit. MBIE relied on the best available information, being verified information provided by a cooperating party – Countree Food – for comparable products for this purpose.

115. Using this information, MBIE calculated an overall weighted average ex-factory export price for all other exports to New Zealand (refer **Figure CAC5, column 6**).

3.9.2 Normal value (refer Confidential Figure CAC6)

116. In the absence of domestic sales data for these exporters, MBIE used information on normal values from Countree Food to calculate an overall weighted-average normal value (refer **Figure CAC6, row 8**).

3.9.3 Dumping margin (refer Confidential Figure CAC7)

117. MBIE compared the above export price and normal value and found that the overall weighted average export price of goods exported to New Zealand exceeded the established overall weighted average normal value. This resulted in a negative dumping margin – i.e. no dumping was identified.

3.10 Conclusions relating to dumping

118. Figure 3.1 below summarises the dumping margins identified across the above parties.

Figure 3.1: Dumping Margins

Weighted Average Dumping Margins	Countree Food	Medallion	J&G International	Other producers
Plastic cups	No dumping	No dumping	N/A	-
Plastic tubs	No dumping	N/A ¹³	N/A	-
Cans < 500g	No dumping	N/A	17.78%	-
Cans ≥ 500g < 3kg	No dumping (1.8% being <i>de minimis</i>)	N/A		-
Cans ≥ 3kg	No dumping	N/A	-	-
Overall weighted average	No dumping	No dumping	17.78%	No dumping¹⁴

¹³ Dashed cells indicate that no information was available on the associated products, and/or the associated products were not exported to New Zealand during the POI(D).

¹⁴ This is an aggregated weighted average dumping margin; therefore, product specific margins are not provided.

4. Injury investigation

4.1 Material injury

119. Section 8 of the Act is set out in full at Annex 1, and sets out a methodology for considering material injury. Section 8(1) requires the chief executive to examine the volume of imports of the dumped goods, and the effect of the dumped goods on prices in New Zealand for like goods, and the consequent impact of the dumped goods on the relevant New Zealand industry. Section 8(2) specifies a non-exhaustive list of matters to which the chief executive shall have regard:

- **Import volumes:** The extent to which there has been or is likely to be a significant increase in the volume of dumped goods, either in absolute terms or relative to production or consumption.
- **Price effects:**
 - The extent to which the prices of dumped goods represent significant price undercutting in relation to prices in New Zealand.
 - The extent to which the effect of the dumped goods is or is likely to significantly depress prices for like goods of New Zealand producers or to significantly prevent price increases for those goods that otherwise would have been likely to occur.
- **Consequential impacts:** The economic impact of the dumped goods on the industry, including actual or potential decline in output, sales, market share, profits, productivity, return on investments, and utilisation of production capacity; factors affecting domestic prices; the magnitude of the margin of dumping; and actual and potential effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investments.
- **Other factors causing injury:** Factors other than the dumped or subsidised goods that have injured, or are injuring, the industry, include, the volumes and prices of non-dumped imports of the product, contractions in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry.
- **Importation by New Zealand producers:** The nature and extent of importations of dumped goods by New Zealand producers of like goods, including the value, quantity, frequency, and purpose of any such importation.

120. MBIE has found evidence of dumping among some exporters, with the dumped goods (at a margin of 17.78%) comprising 20% of total trade during the POI(D).

121. MBIE has ensured that all imports from HWL have been excluded from the injury analysis.

122. The relevant facts supporting MBIE's conclusions are set out in the section below (to the extent the information is non-confidential) and in Confidential Annex 4, which contains confidential material. All information—both confidential and non-confidential—is provided in full to the Minister to support decision-making.

123. To enable the publication of supporting information for interested parties without disclosing confidential data, MBIE has modified the graphs in this section of the report by removing Y-axis labels and notes that not all Y axes start at zero. The graphs are provided in full, with all labels, in Confidential Annex 4 for the Minister's consideration.

4.2 Basis for investigation of material injury

124. MBIE has based its assessment of injury, for the purpose of this report, on the information provided by HWL in its application and supplementary responses to requests for further information, as well as on information provided by other interested parties, such as importers.

4.2.1 MBIE's approach to injury analysis

125. Material injury analysis typically involves coincidence analysis where it compares data for an injury factor against data in a period unaffected by dumping. Coincidence analysis considers the trend over the POI(I) for the factors concerned – it is not a binary comparison of the start and end points.
126. MBIE assessed HWL's evidence against each of the factors set out in the Act, to reach an overall conclusion on whether the domestic industry is experiencing material injury resulting from the dumped goods.
127. MBIE had regard to the extent to which the dumped imports contributed to identified injury for each of the factors listed. In doing so, data limitations prevented a precise (quantitative) separation of injury caused by dumped imports from injury caused by non-dumped imports to determine the significance of injury caused by the former in each case. Where this was the case, MBIE considered the volume of dumped imports, associated import volume changes over the POI(I), and extent of price undercutting observed in relation to these imports relative to total imports to assess the causal link between dumping and any injury experienced by HWL. This has allowed MBIE to come to a partially qualitative view on the effect of the dumping identified, and the extent of the injury attributable to that dumping.

4.2.2 HWL's application

128. HWL noted in its application that its claims are based on arguments of current injury, and not a threat of injury.

4.2.3 Information available

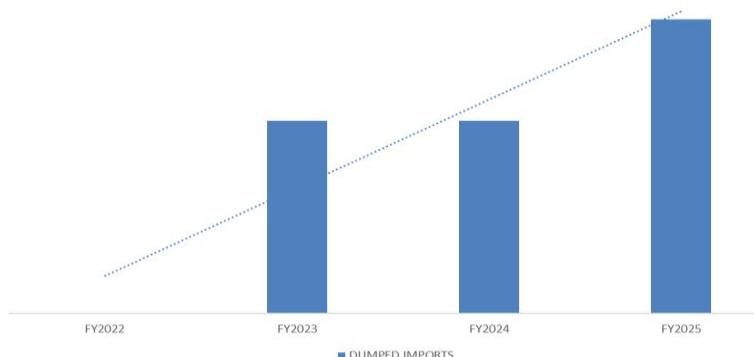
129. MBIE based its assessment of injury on the information provided by HWL in its application, HWL's response to MBIE's request for further information, information provided by HWL during and after the verification process, and information provided by other interested parties.¹⁵

4.3 Import volume effects (refer Confidential Figure CAD1)

130. Section 8(2)(a) of the Act requires that the Chief Executive should have regard to the extent to which there has been or is likely to be a significant increase in the volume of imports of dumped goods either in absolute terms or in relation to production or consumption in New Zealand.
131. MBIE reviewed trends in Customs data relating to the POI(I) to assess whether imports of the dumped subject goods from China increased absolutely, or relative to production, consumption, or imports from other sources. Those results are outlined in the figure below.

¹⁵ Non-confidential versions of HWL's RFI response and a domestic industry verification report are available on the public file for this investigation.

Figure 4.1: Absolute import volumes of dumped preserved peaches from China



132. At the start of the POI(I) there were no imports of dumped preserved peaches from China. Figure 4.1 above shows that as of FY2023 the volume of dumped imports increased in absolute terms. Over the POI(I) dumped imports increased by 176%.
133. In light of the above information, MBIE concludes that there has been a significant increase in volume of dumped subject goods in absolute terms.

4.4 Price effects

134. In examining price effects, as required by section 8(1)(b) of the Act, MBIE had regard to:
 - **Price undercutting:** The extent to which prices of the dumped goods represent significant price undercutting in relation to prices in New Zealand (at the relevant level of trade) for like goods of New Zealand producers (section 8(2)(b)).
 - **Price depression:** The extent to which the effect of the dumped goods is or is likely to significantly depress prices for like goods of New Zealand producers (section 8(2)(c)).
 - **Price suppression:** The extent to which the effect of the dumped goods is or is likely to significantly prevent price increases for those goods that otherwise would have been likely to have occurred (section 8(2)(c)).

4.4.1 Price undercutting

135. Price undercutting refers to the extent to which the prices of the subject goods are lower than the prices of like goods produced by New Zealand producers at the relevant level of trade. Prices are compared at the point that the imported goods first compete with the goods made in New Zealand – typically this is at the ex-wharf price of subject goods and the ex-factory price of like goods. Price undercutting is not in itself a determinant of the existence or extent of injury. Instead, the price undercutting level is considered in relation to the extent of the economic impact on the industry using the factors in section 8(2)(d) of the Act (discussed below).
136. To determine price undercutting, MBIE compared imports' ex-wharf price to HWL's ex-factory price. To determine ex-wharf import price MBIE sourced import prices over the POI(D) from four importers purchasing the dumped goods from Chinese producers, and undertook a sample-reconciliation of these prices against Customs import data (at the FOB level) for the POI(D). This provided confidence in the accuracy of the Customs data, which formed the basis for this analysis.
137. MBIE then calculated HWL's ex-factory prices for its Wattie's and Oak brands by taking HWL's

declared NSV (Net Sales Value)¹⁶ and subtracting inland freight (to purchasers).

138. MBIE then compared HWL's ex-factory price to the ex-wharf import price to determine the rate of undercutting by the dumped imports. The table below sets out MBIE's findings.

Figure 4.2: Undercutting of Chinese preserved peaches against New Zealand industry brands

	Wattie's	Oak
Aggregated undercutting from dumped imports: J&G International	57%	35%
Undercutting from de minimis dumped imports (i.e. no dumping found): Countree Food (>500>3kg)	51%	26%
Aggregated undercutting from non-dumped imports	43%	15%

139. In light of the above findings, 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.

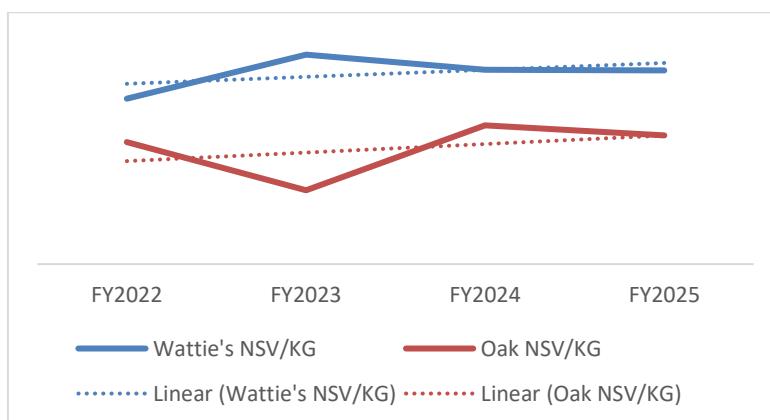
4.4.2 Price depression (refer Confidential Figure CAD2)

140. Price depression occurs where prices achieved by New Zealand manufacturers are lower than those achieved in a period unaffected by dumped goods. For clarity, price suppression, discussed in the next section below, considers price increases being prevented due to dumping.

141. Price depression does not in itself determine the existence or extent of injury. MBIE looks to identify a consequent impact on the industry, measured per the factors set out in section 8(2)(d) of the Act.

142. In its application, HWL noted a general increase in the NSV Value per kg that it has achieved over time for its Wattie's and Oak brands, and outlined that it is not making a claim of material injury relating to price depression. The figure below sets out MBIE's analysis of HWL's NSV data over the POI(I). This analysis shows an upwards trend of NSV across both brands.

Figure 4.3: Net sales values of industry brands



143. On the basis of this analysis, MBIE observed that there had been price increases for both brands over the POI(I), which went against a finding of price depression.

144. As there was no evidence of price depression caused by imports generally and, consequently, no evidence of price depression caused by the dumped imports, MBIE concluded that the dumped subject goods had not contributed to price depression.

¹⁶ Net Sales Value refers to total revenue generated from sales. It is calculated by deducting sales returns, allowances and rebates from gross sales revenue.

4.4.3 Price suppression (refer Confidential Figures CAD3 and 4)

145. Price suppression occurs when the domestic industry is unable to increase prices, for example, to recover cost increases. Cost increases that cannot be recovered by price increases will be reflected in an increased ratio of costs to sales revenue. Price suppression does not in itself determine the existence or extent of injury. MBIE looks to identify a consequent impact on the industry, measured with reference to the factors set out in section 8(2)(d) of the Act.

146. HWL stated that dumped Chinese imports undercutting its products have caused price suppression, preventing HWL from increasing prices to offset costs increases. HWL provided financial data for the POI(I) in support of this position.

147. The figures below chart HWL's direct costs of production and its total costs as a percentage of its NSV over the POI(I) for the Wattie's and Oak brands. Total costs include direct costs of production and fixed costs relating to manufacturing, selling, general and administrative expenses. HWL used a previously agreed methodology for allocating fixed costs to preserved peach production. Considering both production costs and total costs is useful for determining if and where HWL is feeling cost pressures. The graphs below illustrate that fixed costs are rising faster than production costs as a percentage of revenue.

Figure 4.4: Costs as a percentage of revenue: Wattie's brand

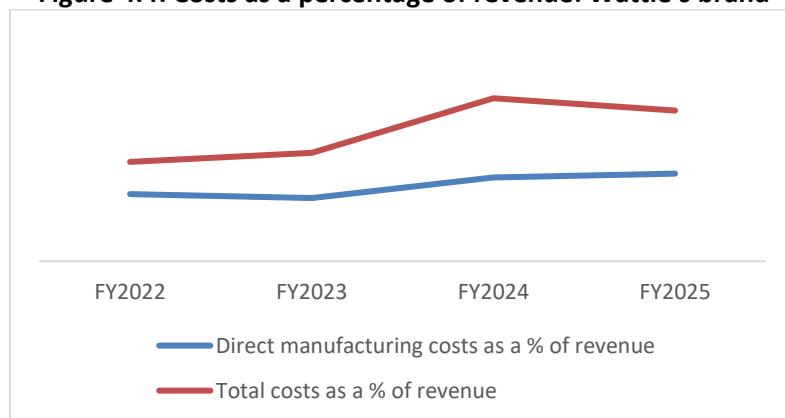
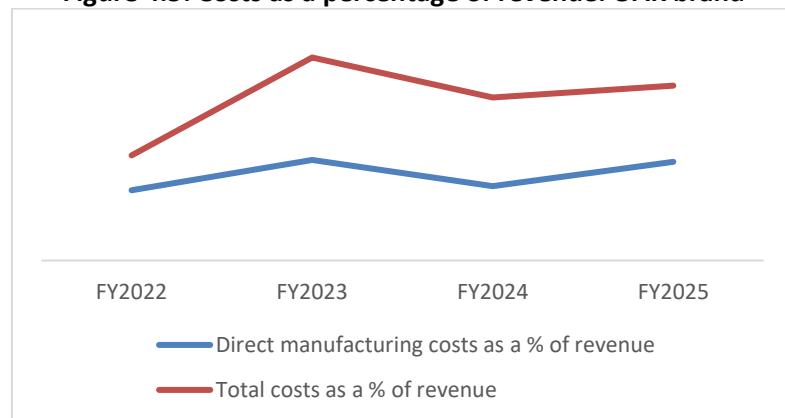


Figure 4.5: Costs as a percentage of revenue: OAK brand



148. The figures show that the costs of production as a percentage of NSV increased over the POI(I) for both brands. This means that HWL is achieving a smaller contribution margin on its goods over time. A contribution margin is the amount left over after subtracting direct manufacturing costs from NSV, and shows how much revenue contributes to covering fixed costs and generating profit. Further, the figures show total cost allocation (which includes fixed costs) as a percentage of net sales value has also increased.

149. These figures show that HWL has been unable to recover cost increases over the POI(I) for either brand and which MBIE considers would otherwise have resulted in price increases. MBIE considered this to be indicative of price suppression.
150. As noted at paragraph 127 above, data limitations prevented a precise (quantitative) separation of the extent of the price suppressing effects of the dumped and non-dumped goods. MBIE assessed the likely effect of the imports as a whole on price suppression and, in light of the proportional volume of dumped to non-dumped imports, the absolute increase in the volume of dumped goods during the POI(I), considered the extent to which dumped goods have contributed to price suppression. In particular, MBIE observed that:
 - imports as a whole contributed to price suppression;
 - dumped goods comprised 20% of those imports in 2025;
 - there was a 176% increase in the volume of dumped goods over the POI(I) and
 - dumped goods were significantly undercutting HWL brands, and to a greater degree than non-dumped goods.
151. In light of the above MBIE considers that a significant portion of the price suppression identified can be attributed to the dumping of subject goods.

4.4.4 Conclusions on price effects

152. In considering the effect of the dumped goods on prices in New Zealand for like goods, MBIE has established, based on the information available, that:
 - Dumped subjected goods from China are significantly undercutting HWL's products, and to a greater degree than non-dumped goods.
 - There is no evidence of price depression.
 - There is evidence of price suppression, where HWL has been unable to increase its prices to account for increases in costs. Data limitations have prevented a precise separation of the price suppressing effects of the dumped and non-dumped undercutting goods. However, as 20% of imports are being dumped, there was a significant increase (176%) in the volume of these goods over the POI(I), and dumped goods were undercutting HWL brands to a greater degree than non-dumped goods, MBIE considered that a significant portion of the price suppression identified can be attributed to the dumping of subject goods.

4.5 Economic impact of dumping

153. The consequent impacts of the above price effects were determined by considering the above findings against the economic factors set out in section 8(2)(d) of the Act and discussed below.
154. Section 8(2)(d) of the Act sets out factors that MBIE must consider when assessing the economic impact of the dumped goods on the domestic industry. This section outlines MBIE's assessment on the impact of the dumped goods on the listed factors.
155. As discussed at paragraph 138 above, and with the price effects analysis above, MBIE had regard to the extent to which consequent (injurious) economic impacts can be attributed to dumped versus non-dumped goods. Due to information limitations, it has not been possible to reach a fully quantified conclusion. MBIE has taken the following steps to reach partially qualitative outcome conclusions on the presence and significance of any economic impacts caused by the dumped goods on the industry, MBIE:
 - assessed the likely impact of the imports as a whole on the relevant economic factors; then

- in light of the following findings, considered the extent to which the dumped goods have contributed to the specific economic impacts discussed below:
 - The proportional volume of dumped goods during the POI(D) (17.78% of total imports from China).
 - The import volume effects of these goods over the POI(I) (an increase of 176%).
 - The extent to which those goods are undercutting HWL's like goods relative to undercutting by non-dumped goods (higher levels of undercutting by dumped imports).

4.5.1 Output

156. Changes in output by domestic producers may reflect shifts in production decisions. Such shifts are often influenced by changes in the market situation – these could arise from changes in a combination of factors like demand, competition, prices and costs unrelated to the importation of dumped goods.

157. In the present context, HWL's output of preserved peaches is also dependent on the size and quality of the peach crop available for processing each year. MBIE understands from previous investigations that to ensure raw peach supply, HWL has traditionally:

- Invested in the efficient use of its own orchards
- Run a tree renewal programme with its growers
- Introduced a peach variety that can be harvested over a longer period
- Signed multi-year contracts to ensure it gathers all the crop that it can from its growers

158. MBIE also understands that supply agreements with growers are multi-year agreements – this gives certainty to growers and improves HWL's understanding of growers' business intentions, supporting effective supply management.

159. Historically, HWL's sales volumes have closely followed production, and so sales volumes have been treated as a better indicator of injury than output levels. This is on the basis that HWL's usual practice is to preserve the entirety of the peach crop, regardless of market conditions, delinking production decisions from changing market conditions.

160. However, in the present case, there has been a meaningful change in output as a result of market conditions. In 2025, HWL made the decision to leave a large quantity of the 2025 crop unprocessed (refer **paragraph 1, Confidential Annex D**). It noted that the decision was a response to current market conditions, particularly a loss of market share (discussed at section 4.5.5 below) resulting in a decline in demand. This change in approach, which represents a significant departure from HWL's traditional practice, suggests that changes in output should be considered as an injury measure.

161. In light of the above information, MBIE is of the view that HWL has experienced a decline in output during the POI, which should be treated as an injury factor.

162. As noted at paragraph 138 above, MBIE had regard to the extent to which this decline in sales volume can be attributed to dumped versus non-dumped goods. Due to data limitations, it has not been possible to explicitly identify and therefore reach a fully quantified conclusion. Instead, MBIE first observed that there has been a significant detrimental effect of the imports as a whole on sales volume. MBIE then observed that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods. In light of these factors MBIE considers that the dumped imports significantly contributed to the injury that HWL experienced in the form of a decline in output.

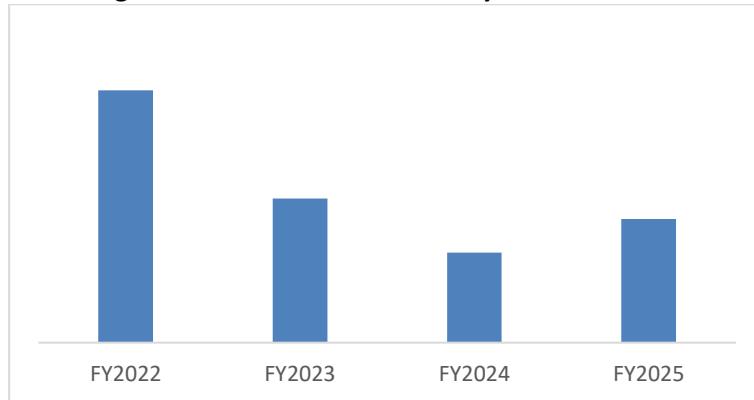
4.5.2 Sales volume and revenue

163. Section 8(2)(d)(i) of the Act requires the impact of dumped goods on sales be considered as an injury factor. Dumped imports can affect sales volume and revenue, through an increase in supply of goods to the market, and through price competition.

4.5.3 Sales volume (refer Confidential Figure CAD5)

164. The figure below illustrates the sales volumes achieved by HWL for Wattie's and Oak brands of preserved peaches during the POI(I), based on information provided by HWL. MBIE has removed imports by HWL, to ensure the figure shows only the domestic production.

Figure 4.6: New Zealand industry sales volume



165. The data above shows a decline in sales volumes through 2023 and 2024, with a partial recovery into 2025. In response to MBIE's request for further information, HWL noted that it is no longer processing all its available crop, due to price suppression.

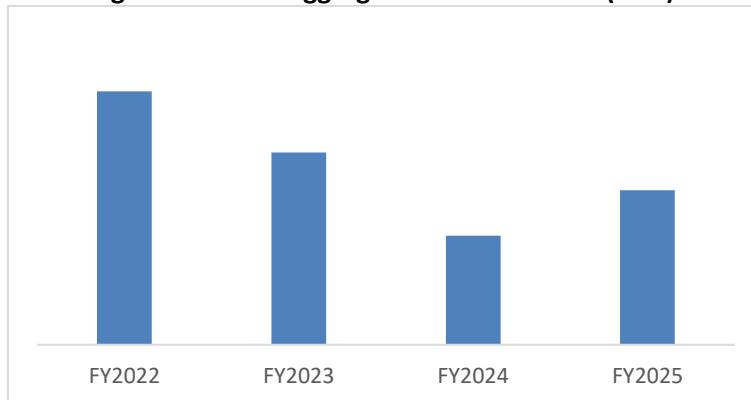
166. In light of the above information, MBIE is of the view that HWL has experienced an actual decline in sales volume during the POI.

167. As noted at paragraph 138 above, MBIE had regard to the extent to which this decline in sales volume can be attributed to dumped versus non-dumped goods. Due to data limitations, it has not been possible to explicitly identify and therefore reach a fully quantified conclusion. Instead, MBIE first observed that there has been a significant detrimental effect of the imports as a whole on sales volume. MBIE then observed that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods. In light of these factors MBIE considers that the dumped imports significantly contributed to HWL's decline in sales volume in 2025.

4.5.4 Sales revenue (refer Confidential Figure CAD6)

168. The figure below shows the sales revenue achieved by HWL for Wattie's and Oak brands during the POI(I), based on the information provided by HWL.

Figure 4.7: HWL aggregated sales revenue (NZD)

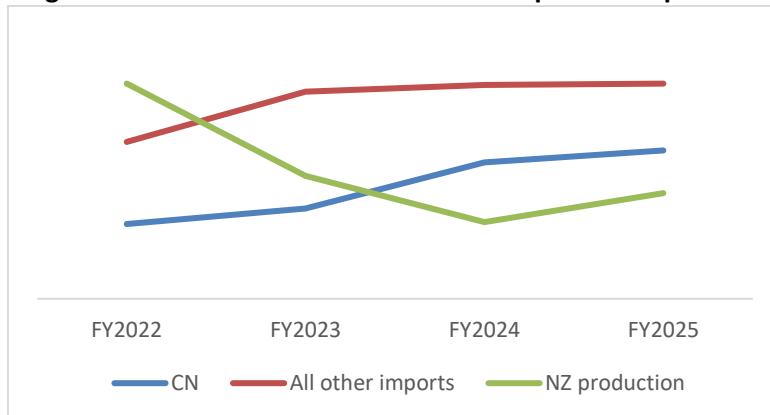


169. The figure presents a similar pattern to the sales volume pattern in Figure X above – sales revenue decreased in 2023 and 2024 and made a partial recovery in 2025. The decline in 2023 is much less pronounced in the sales revenue observations than in volumes. As with sales volumes, HWL states that its loss in sales revenue is the direct effect of price suppression. MBIE accepts this position.
170. As noted at paragraph 138 above, MBIE had regard to the extent to which this decline in sales volume can be attributed to dumped versus non-dumped goods. Due to data limitations, it has not been possible to explicitly identify and therefore reach a fully quantified conclusion. Instead, MBIE first observed that there has been a significant detrimental effect of the imports as a whole on sales volume. MBIE then observed that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods. In light of these factors, MBIE considers it likely that the dumped imports significantly contributed to HWL's decline in sales revenue in 2025.

4.5.5 Market share (refer Confidential Figure CAD7)

171. Section 8(2)(d)(i) requires consideration of the impact of the dumped goods on any declines in market share as an injury factor. Declines in market share are assessed with due consideration of changes in the size of the total market. A decline in the domestic industry's market share when the total market is expanding will not necessarily indicate material injury, particularly if the domestic industry's sales are also growing.
172. MBIE has reviewed the Customs data for imports of subject goods from China and other countries, along with HWL's information on its sales. The sales from New Zealand production fall through the 2023 and 2024 years, with a partial recovery in 2025. Further, the data shows a large and sustained increase in imports from China since 2023, absorbing a larger market share.

Figure 4.8: Market share – NZ marked for preserved peaches



173. In light of the above information, MBIE considers that HWL has experienced a decline in market share, with a large proportion of its lost share being absorbed by imports from China during the POI. As noted at paragraph 138 above, MBIE had regard to the extent to which this decline in sales volume can be attributed to dumped versus non-dumped goods. Due to data limitations, it has not been possible to explicitly identify and therefore reach a fully quantified conclusion. Instead, MBIE first observed that there has been a significant detrimental effect of the imports as a whole on sales volume. MBIE then observed that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods. MBIE therefore considers that the dumped imports significantly contributed to HWL's decline in market share.

4.5.6 Profits (refer Confidential Figure CAD8)

174. Section 8(2)(d)(i) of the Act requires consideration of the impact of the dumped goods on any declines in profits as an injury factor. Dumped imports can affect gross profit and net profit via their (negative) impact on the domestic industry's sales prices and volumes. Changes in net profit can also reflect changes in costs. Competing with dumped imports can affect any or all of these factors.

175. In its application, HWL states that its loss in sales revenue is the direct effect of price suppression, and has had a significant impact on its profits. HWL provided a summary of this loss of profit, highlighting its particular challenges in lifting prices to offset rising costs at the end of the POI(I).

176. The figure below shows HWL's combined profit levels (as measured by EBIT) across both brands.

Figure 4.9: HWL's profits relating to production and sale of preserved peaches



177. The figure shows a significant reduction in profit relating HWL's preserved peach business over the POI(I), most strongly observed in 2024 and 2025. This figure shows that HWL continued to post

significant losses despite increases in average sales prices, and recovery of production volumes following Cyclone Gabrielle. This is likely attributable to the price suppression identified above, whereby HWL has been unable to increase prices to account for an increase in costs.

178. As noted at paragraph 138 above, MBIE had regard to the extent to which this decline in sales volume can be attributed to dumped versus non-dumped goods. Due to data limitations, it has not been possible to explicitly identify and therefore reach a fully quantified conclusion. Instead, MBIE first observed that there has been a significant detrimental effect of the imports as a whole on sales volume. MBIE then observed that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods. MBIE therefore considers that the dumped imports significantly contributed to HWL's decline in profits.

4.5.7 Productivity

179. Section 8(2)(d)(i) of the Act requires that the impact of the dumped goods on productivity be considered as an injury factor. Productivity is the relationship between the volume of goods produced and the volume of inputs required to manufacture those goods. Changes in productivity are affected by output levels and by the level of production capacity utilisation.
180. The peach production period in New Zealand runs from February to March, when HWL hires additional employees to support with preserved peach production.
181. HWL did not initially claim that imports of preserved peaches from China were having an injurious effect on its productivity, noting it traditionally processes the entirety of the raw peach crop available for processing. However, HWL has since (and particularly in response to MBIE's request for further information) stated that its productivity has declined due to a reduction in output levels given its decision to forgo production of a large portion of the 2025 peach crop.
182. MBIE acknowledges this view. It does however note that preserved peach production makes up a small proportion of total factory production. As such, MBIE is of the view that any adverse impacts on overall productivity due to a reduction in peach processing out is likely to be relatively light.
183. In light of the above information, MBIE is of the view that HWL productivity levels are likely to have been adversely impacted during the POI, but that this effect is relatively less injurious than the other factors observed above. MBIE considers that given, in this case, productivity is closely linked to output and its finding above that the dumped goods significantly contributed to HWL's decline in output, it is likely that the presence of dumped goods also significantly contributed to HWL's (relatively smaller) decline in productivity levels.

4.5.8 Return on investments

184. Section 8(2)(d)(i) of the Act requires that the impact of the dumped goods on the return on investment (ROI) be considered as an injury factor. An analysis of the ROI measures profit against the size of the investment in a business to evaluate the value of that investment. Changes in ROI may affect the business's ability to retain current investment or attract new investment. Declines in ROI can result from a decline in profit or an increase in the level of investment within a business without a subsequent rise in profit. ROI is normally expressed as EBIT as a percentage of assets or shareholders' funds employed in the production of like goods.
185. In its application, HWL stated that it views the industry positively, and continues to invest in its canned peach processing operation.
186. HWL has confirmed ROI has not been a significant factor for consideration in injury investigations relating to preserved peaches. In particular, it has noted that its peach processing facilities are also used to process other products which makes it difficult to segment a ROI metric for preserved peaches.
187. In light of the above, MBIE is not of the view that HWL's ROI was adversely affected during the POI and therefore no injury is attributable to the dumping of subject goods.

4.5.9 Utilisation of production capacity

188. Section 8(2)(d)(i) of the Act requires that the impact of the dumped goods on utilisation of production capacity be considered as an injury factor. The utilisation of production capacity refers to the extent to which a business achieves its maximum potential output by comparing actual output to maximum potential output. Changes in this metric reflect changes in production volumes or changes in capacity.
189. MBIE understands that HWL's use of production capacity is most closely linked to the peach crop yield in any given year. HWL stated that in the POI(D), it left peaches unprocessed in response to current market conditions (particularly a loss of market share and corresponding decline in demand). This is expected to result in reduced utilisation of production capacity.
190. In light of the above information, MBIE considers that HWL's utilisation of production capacity was adversely affected during the POI. MBIE considers that, given utilisation of production capacity is closely linked to output, and its finding above that the dumped goods significantly contributed to HWL's decline in output, the presence of dumped goods also significantly contributed to HWL's decline in that utilisation of production capacity.

4.5.10 Factors affecting domestic prices

191. In its response to MBIE's request for further information, HWL stated that the dumped peaches from China being sold via retail private label have suppressed the market; and the food service channel. MBIE has considered these submissions at section 4.4.3 above.
192. MBIE has not identified any other effects of the dumped goods on the domestic price of preserved peaches.

4.5.11 Magnitude of margin of dumping

193. Section 8(2)(d)(iii) of the Act requires an assessment of the magnitude of the margin of dumping. The main effect of large margins of dumping is that they could enable significant price undercutting, with flow-on effects on prices achieved and volumes sold by the domestic industry.

194. MBIE has identified a dumping margin of 17.78% on 20% of Chinese imports (by volume). MBIE considers this to be a sufficiently large magnitude to support the view that the identified dumping is significantly contributing to the injury experienced by HWL.

4.5.12 Other actual and potential negative effects

195. Section 8(2)(d)(iv) of the Act requires an assessment of any actual or potential negative effects of the dumped goods on the factors discussed below.

Cash-flow

196. Cash flow is the total amount of money being transferred into and out of a business. Cash flow levels are an indicator of liquidity, and provide insight into a business's ability to self-finance.

197. HWL stated that cash flow is not a reliable indicator of injury as preserved peaches and other HWL products share common resources. This makes it difficult to isolate the impact of changes in the preserved peach business on overall cash flow.

198. MBIE has considered and accepted HWL's view above and concludes that it is not possible to clearly establish the extent to which any possible effects on cash flow may be attributable to dumped Chinese imports. MBIE has therefore considered this factor, but has not given it particular weight.

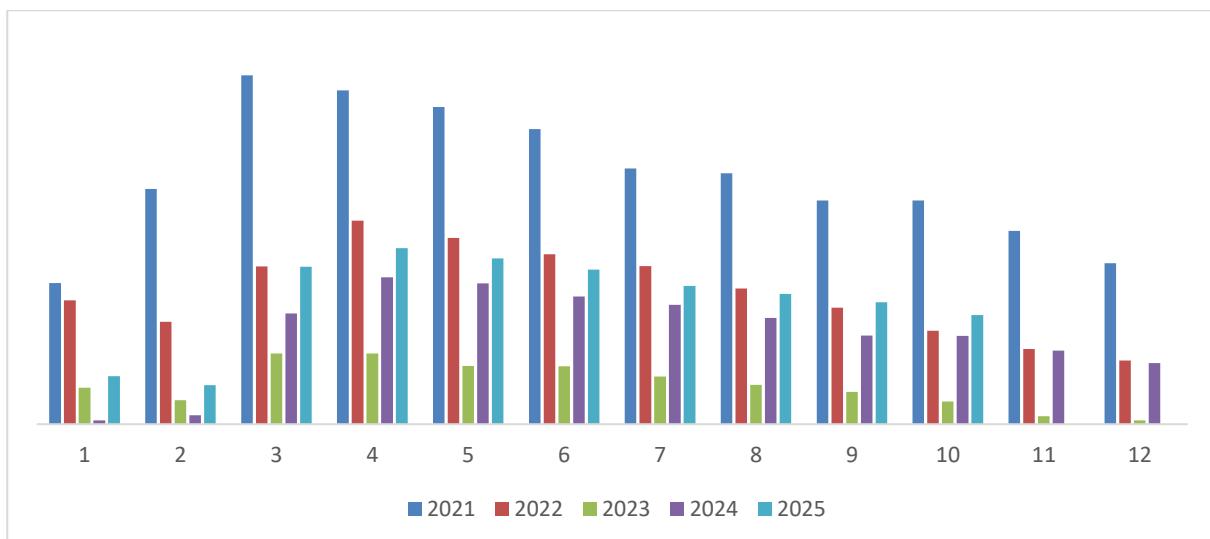
Inventories (refer Confidential Figure CAD9)

199. Increasing inventories at the end of a financial period can be a sign of injury, when considering the context of normal conditions and practices within the industry.

200. HWL indicated that it carried over inventories past the POI(I), into 2026, due to the loss of market share caused by the dumped imports from China.

201. MBIE has reviewed HWL's inventory data and has not observed a notable increase in retained stock levels in recent times. While the evidence shows a small increase in 2024 and 2025, this could be attributable to other factors, including natural stock movements. Therefore, in the absence of further supporting information, MBIE does not consider this to be an indication of injury caused by imports, and consequently by the dumped imports.

Figure 4.10: HWL inventory across months and years (MT)



Employment and wages

202. HWL, in its response to MBIE's request for further information, noted that its decision to forgo production of a significant part of the 2025 peach crop resulted in foregone wages and employment for individuals working in its peach preserving facilities – this is an adverse effect. HWL calculated this cost by identifying the per-tonne third-party seasonal labour wages payable for processing of foregone peach crop.
203. Given that employment and wages are closely linked to output, and MBIE's conclusion that the dumped goods significantly contributed to HWL's decline in output, MBIE is of the view that the dumped goods also significantly contributed to HWL's decline in employment and wages.

Growth

204. HWL stated that processing the peach crop was an important part of its business and any significant decline would affect its ability to produce other processed fruit and vegetables and would increase its fixed costs.
205. MBIE notes its above conclusions regarding the significant detrimental impact of the dumped imports on sales volume and revenue, profits and market share. In light of these conclusions, and the information above, MBIE is of the view that the dumped imports also has a significantly detrimental impact on HWL's ability to grow its peach business, which is likely to have a flow on effect on the growth of HWL's broader business.

Ability to raise capital and investments

206. HWL has not made any claims of adverse effect in ability to raise capital and investments in this investigation to date. MBIE has also not identified any other evidence of associated impacts.
207. On this basis, MBIE has considered this factor but not given it particular weight.

4.5.13 Conclusions on economic impact

208. As noted at paragraph 138 above, MBIE had regard to the extent to which this decline in sales volume can be attributed to dumped versus non-dumped goods. Due to data limitations, it has not been possible to explicitly identify and therefore reach a fully quantified conclusion. Instead, MBIE first observed that there has been a significant detrimental effect of the imports as a whole on sales volume. MBIE then observed that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods.
209. MBIE therefore considers that it likely that HWL has experienced injury caused by dumping due to the following factors:
 - A significant decline in sales volumes.
 - A comparable decline in sales revenue.
 - A significant decline in market share.
 - A significant decline in profits.
 - A significant decline in the growth of HWL's peach business, and likely consequent decline in the growth of its broader business.
 - A decline in output due to HWL's decision to forgo production of a large portion of its 2025 crop.
 - A reduction in employment levels, and foregone wages payable, due to the above decision.
 - An (relatively lower) adverse impact on its utilisation of production capacity due to output decline.

- A (relatively lower) adverse impact on productivity due to decreased output, noting peaches make up a small proportion of HWL's overall processing activities.

210. With regards to the remaining economic impact factors, MBIE is of the view that there is little evidence of an adverse impact on HWL's ROI, cash flow, inventories or ability to raise capital and investments. MBIE has therefore considered these factors but has not given them particular weight.

211. Finally, MBIE is of the view that the magnitude of the margin of dumping (being 17.78% across 20% of total imports during the POI(D)) is sufficiently large to support the view that the identified dumping is contributing to the identified injury.

4.6 Other causes of injury

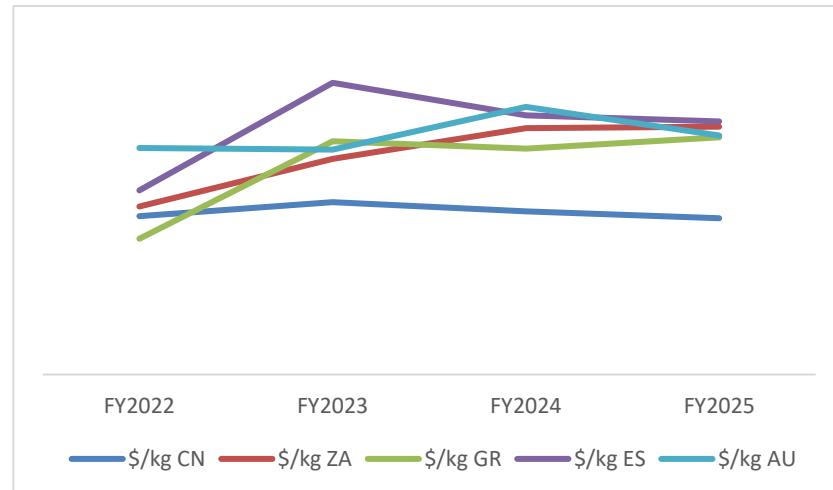
212. Sections 8(2)(e) and (f) of the Act outline a non-exhaustive list of factors other than the dumped goods that may have injured the industry. MBIE is required to consider these factors as part of its examination of whether material injury is being caused by the dumped imports. This section of the report considers those factors.

4.6.1 Non-dumped imports

213. Section 8(2)(e)(i) of the Act requires an assessment of whether the volume and prices of goods that are not dumped are factors that may have injured or are injuring the industry. This assessment considers the extent to which prices of imports from other non-dumped sources might be affecting HWL.

214. The figure below illustrates the price per kilogram of preserved peaches from the top five exporting countries, making up more than 99% of trade to New Zealand, at the CIF price, including any payable anti-dumping duties. The figure illustrates that preserved peaches of Chinese origin are traded at substantially lower price per kilogram than goods of other origins. Further, as demonstrated in the volume effects section above, imports from China have risen quicker than those from other sources. This suggests that HWL faces relatively much higher competition from Chinese imports relative to other imports (most of which are already subject to anti-dumping duties).

Figure 4.11: Trade weighted average ex-wharf price of preserved peaches from major origins



215. MBIE also notes the magnitude of the margin of dumping particularly for 20% of Chinese imports, at 17.78%, with a further 4% dumped at *de minimis* levels, and the generally high level of injury observed overall.

216. In light of the above information, MBIE is of the view material injury is being caused by the dumped imports notwithstanding that injury is also being caused by non-dumped imports.

4.6.2 Changes in demand or patterns of consumption

217. HWL observed a gradual decrease in demand for canned fruit in general, at approximately -2.2% per year. HWL considered that the declining demand is due to changes in consumption patterns reflecting organic decline of the preserved peach market.

218. In light of the above information, MBIE concludes that the referenced decline in demand is not significant because the magnitude is small, and the change is gradual. MBIE considers that those changes in the pattern of consumption or demand in New Zealand for preserved peaches would not meaningfully impact business operations of HWL.

219. MBIE is therefore satisfied there is no injury arising from this factor.

4.6.3 Restrictive trade practices and competition

220. HWL stated that it is not aware of any restrictive trade practices that are currently affecting the New Zealand industry. MBIE has also not received/identified any information to indicate that conditions of competition in the New Zealand market between overseas producers and the New Zealand producer have recently changed and have injured HWL.

221. In light of the above information, MBIE concludes that there is no evidence of restrictive trade practices or low levels of competition in the New Zealand market for preserved peaches. MBIE is therefore satisfied there is no injury arising from this factor.

4.6.4 Developments in technology

222. HWL has referred to recent improvements in its canning operations to help improve the quality of the product, including reducing instances of stone fragments in the finished goods, but that this does not represent a significant change in technology, nor does it risk causing injury. MBIE has no further information that would indicate that there has been a significant change in technology that could cause/contribute to material injury.

223. MBIE is therefore satisfied there is no injury arising from this factor.

4.6.5 Exports of New Zealand producers

224. HWL has historically exported a small volume of preserved peaches to the Pacific Islands (mainly to the food service industry). MBIE considers, and HWL has confirmed, that these relatively small export volumes, at the prices achieved, have not negatively affected HWL's profitability. MBIE considers therefore that the export performance and productivity is not a material factor for considering material injury in this instance.

225. MBIE is therefore satisfied there is no injury arising from this factor.

4.6.6 Imports by the New Zealand Industry

226. HWL imports preserved peaches from China to supplement and complement its domestic supply. This was particularly important in 2022 and 2023, after Cyclone Gabrielle destroyed a significant portion of HWL's raw product for processing. HWL's imports over that time, were marketed under the Oak brand and, apart from country-of-origin declarations, these imports had identical labelling to New Zealand-made Oak products and were sold at HWL's regular Oak prices. On this basis, HWL has stated that these imports are not injurious, and indeed are important to help maintain market share,

consumer perception, and shelf space during times of lower domestic supply.

227. Customs data shows that HWL was importing from South Africa at the start of the POI(I) and shifted supplies to China from 2024. Between 2023 and 2025, HWL imported between [REDACTED] tonnes of preserved peaches from all sources, per year. Where applicable, HWL's imports are subject to anti-dumping duties in the same way as other importers.
228. HWL's imports from China during the POI(D) have been excluded from the data underpinning MBIE's analysis above.
229. In light of the above evidence, MBIE is satisfied that there is no injury arising from this factor.

4.7 Other factors

230. Noting that the factors listed in sections 8(2)(e) and (f) of the Act are not exhaustive, MBIE has considered whether there may be other factors affecting the performance of HWL's preserved peach business.

4.7.1 Cyclone Gabrielle

231. Cyclone Gabrielle hit New Zealand, including the Hawke's Bay in February 2023, causing widespread destruction to the horticulture industry. Given the destruction of the peach crop in the Hawkes Bay, associated reductions in sales volumes through 2023 and 2024 are most likely attributable to the challenging production conditions that HWL faced following the damage to its raw peach crop.
232. However, MBIE accepts HWL's argument that it has been unable to recover its market share since 2024 when the peach crop was restored, and indeed, that HWL has left peaches unprocessed in the 2025 period. MBIE considers it appropriate to attribute that lost ability to restore market share, and the associated price suppression, to the competition faced from imported subject goods from China.
233. As discussed at section 5.2.1 above, 20% of Chinese imports are being dumped at significant margins, and that HWL is suffering a high level of injury overall. As such, MBIE is of the view that material injury is still being caused by dumped Chinese imports (alongside other factors).

4.8 Conclusions on material injury caused by dumping

234. Having considered factors set out in section 8 of the Act, detailed above, and in light of the information available, MBIE is of the view that the injury caused by the dumped goods to the domestic industry is material. This is on the basis that:
 - MBIE has observed the following price and volume effects:
 - **Volume effects:** An absolute 176% increase in the volume of dumped imports over the POI(I) (Section 8(2)(a)).
 - **Price effects:**
 - Significant price undercutting by the dumped goods across Watties (57%) and Oak (35%) brands at rates higher than the rate of undercutting by non-dumped goods (Section 8(2)(b)).
 - Price suppression caused by imports from China and consequently, price suppression caused by the dumped goods (section 8(2)(c)).
 - MBIE notes its conclusion that there is no evidence of price depression (section 8(2)(c)).

and

- **Consequent economic impacts:** MBIE has observed a range of detrimental consequent economic impacts of the imports as a whole on HWL. MBIE is of the view that where such impacts are present, the dumped imports significantly contributed to them on the basis that dumped goods made up 17.78% of those imports in 2025 (a large proportion from a single exporter), that there has been a 176% increase in import volumes for these goods during the POI(D), and that these goods were undercutting HWL brands to a greater degree than non-dumped goods. Using this approach, MBIE concludes that there has been:
 - A decline in output, sales, market share, profits, productivity and utilisation of production capacity, growth and relatively smaller decline productivity, to all of which the dumping significantly contributed (Section 8(2)(d)(i)).
 - A sufficiently large margin of dumping to support the finding that dumping is significantly contributing to injury (Section 8(2)(d)(iii)).
 - A decline in employment and wages, due to the above decline in output, to which the dumping significantly contributed (Section 8(2)(d)(iv)).
 - No adverse impact to ROI and, consequently, no adverse impact attributable to the dumping (Section 8(2)(d)(i)).
 - No indication of any other factors affecting the domestic price of preserved peaches (Section 8(2)(d)(ii)).
 - No indication of a decline in HWL's cash flow, inventory, ability to raise capital, or investments generally, and therefore no evidence that the dumping is causing injury associated with these factors (Section 8(2)(d)(iv)).
- **Other causes of injury:**
 - Both dumped and non-dumped imports contributed to injury, however any injury caused by non-dumped goods has not been attributed to the dumping (Section 8(2)(e)(i)).
 - No indication that the gradual 2.2% yearly contraction in demand is meaningfully affecting HWL's operations and, therefore no indication that this factor is injuring the domestic industry (Section 8(2)(e)(ii)).
 - No evidence of restrictive trade practices / competition between New Zealand and overseas producers, and therefore no indication that this factor is injuring the domestic industry (Section 8(2)(e)(iii)).
 - No evidence of significant developments in technology in the preserved peach, and therefore no indication that this factor is injuring the domestic industry (Section 8(2)(e)(iv)).
 - HWL's export performance and productivity are not material factors while considering injury, and therefore no indication that this factor is injuring the domestic industry (Section 8(2)(e)(v)).
 - HWL's imports of the dumped goods, given their small volume and manner of sale, are not causing injury (Section 8(2)(f)).
 - The effects of Cyclone Gabrielle only had an impact until 2024, when HWL's crop cycle was restored, did not significantly contribute to injury during the POI.

5. Rate of Anti-Dumping Duty

5.1 Legal Basis

1. Section 10D(2)(a) of the Act requires that, if the Minister makes an affirmative determination, they must determine the rate or amount of duty, in accordance with section 10E, that will form the basis for full review Stage 2. Section 10E provides, in respect of dumped goods, that:
 - The Minister may determine different rates or amounts of duty for named exporters and a residual rate or amount for all other exporters from the same country as a named exporter.
 - The Minister must, in determining the rate or amount of the duty, have regard to:
 - the desirability of ensuring that the rate or amount is not greater than is necessary to prevent the material injury or a recurrence of the material injury; remove the threat of material injury to an industry; or prevent the material retardation to the establishment of an industry; and
 - New Zealand's obligations as a party to the WTO Agreement.
2. Section 16(1) of the Act states that provisional measures "*shall not exceed the difference between the export price of the goods and their normal value*" (i.e. the dumping margin).

5.2 Proposed Rates or Amounts of Anti-dumping Duties

3. In accordance with the section 10E(2)(a), which prioritises the minimum duty necessary to eliminate injury, MBIE recommends the following *ad valorem* rates of duty:

Figure 5.1: Anti-dumping duty rates

Exporter	Goods	Recommended duty
Qingdao Countree Food Co. Ltd	Peaches in preserving liquid, in containers <500g	Nil
	Peaches in preserving liquid, in containers ≥500g>3kg	Nil
	Peaches in preserving liquid, in containers ≥3kg, not elsewhere specified	Nil
J&G International Co. Ltd.	Peaches in preserving liquid, in containers up to and including 3.0kg	17.78%
All other exporters	Peaches in preserving liquid, in containers up to and including 5.0kg	Nil

4. The recommended duties above are equivalent to the likely dumping margins identified. MBIE considered the appropriateness of recommending a duty rate lower than the dumping margin. However, MBIE considers that the observed injury sufficiently exceeds the dumping margins, given the conclusion that dumping has caused material injury and noting the price undercutting of 35% and 57% for dumped imports. On this basis, MBIE has recommended that the maximum rate, calculated as the dumping margin, be applied.

6. Conclusions

235. MBIE has considered the legal tests for assessing dumping (sections 3-6 of the Act), material injury and causation (section 8 of the Act) in the context of an investigation (section 10C-E of the Act). Given available evidence, MBIE's conclusions on the matters it must investigate in Step 1 of this investigation are summarised below:

- **Dumping (sections 10(C)(1)(a) and 3-5 of the Act):**
 - **Countree Foods:** MBIE identified a positive, though *de minimis*, dumping margin of 1.8% for cans weighing between 500g and 3kg (inclusive). MBIE did not identify dumping across the other exported models.
 - **Medallion:** MBIE did not identify dumping across the exported model.
 - **J&G International:** MBIE identified a positive dumping margin 17.78% across both exported models.
 - **All other producers:** MBIE did not identify dumping across the exported models.
- **Material injury (sections 10(C)(1)(b) and 8 of the Act):**

MBIE assessed HWL's evidence against each of the factors set out in the Act, to reach an overall conclusion that the domestic industry is experiencing material injury caused by the dumped goods.

MBIE's conclusion is informed by its conclusion on each of the listed injury factors, assessed in accordance with section 8 of the Act – factors listed in green support a finding that HWL has suffered material injury caused by dumped imports, factors listed in red go against such a finding, and factors listed in black have a neutral effect.

 - **Volume effects (section 8(1)(a)):** The volume of dumped imports increased by 176% in absolute terms over the POI(I).
 - **Price effects (Section 8(1)(b)):**
 - **Price undercutting:** Dumped imports from China are undercutting HWL's sales, and to a greater degree than non-dumped imports (Section 8(2)(b)).
 - **Price depression:** There is no evidence of price depression caused by imports generally and, consequently, no evidence of price depression caused by the dumped imports (Section 8(2)(c)).
 - **Price suppression:** There is evidence of price suppression, with HWL unable to increase its prices to account for increases in costs. Dumped imports significantly contributed to this price suppression as 20% of imports were being dumped, and these goods undercut HWL's brands to a greater degree than non-dumped goods (Section 8(2)(c)).
 - **Consequent economic impacts (Section 8(1)(c)):**
 - **Output:** HWL experienced a decline in output during the POI, which should be treated as an injury factor. Dumped imports significantly contributed to this injury factor as 20% of imports were being dumped, there was a significant (176%) increase in the volume of dumped imports over the POI(I), and these goods undercut HWL's brands to a greater degree than non-dumped goods (Section 8(2)(d)(i)).

- **Sales:** HWL experienced a decline in sales volume and sales revenue during the POI, which should be treated as an injury factor. Dumped imports significantly contributed to this injury factor as 20% of imports were being dumped, there was a significant (176%) increase in the volume of dumped imports over the POI(I), and these goods undercut HWL's brands to a greater degree than non-dumped goods (Section 8(2)(d)(i)).
- **Market share:** HWL experienced a decline in market share during the POI, with a large proportion of its lost share being absorbed by imports from China. This decline should be treated as an injury factor. Dumped imports significantly contributed to this injury factor as this injury factor as 20% of imports were being dumped, there was a significant (176%) increase in the volume of dumped imports over the POI(I), and these goods undercut HWL's brands to a greater degree than non-dumped goods (Section 8(2)(d)(i)).
- **Profits:** HWL experienced a decline in profits during the POI, which should be treated as an injury factor. Dumped imports significantly contributed to this injury factor as this injury factor as 20% of imports were being dumped, there was a significant (176%) increase in the volume of dumped imports over the POI(I), and these goods undercut HWL's brands to a greater degree than non-dumped goods (Section 8(2)(d)(i)).
- **Productivity:** HWL's productivity levels are likely to have been adversely impacted during the POI. This should be treated as an injury factor, but the effect is relatively less injurious than the decline in output, sales, market share and profits. Given that productivity is closely linked to output, and MBIE's conclusion that the dumped goods significantly contributed to HWL's decline in output, it is likely that the presence of dumped goods also significantly contributed to HWL's (relatively smaller) decline in productivity levels (Section 8(2)(d)(i)).
- **ROI:** ROI was not adversely affected during the POI and therefore no injury is attributable to imports generally and, consequently, to the dumped imports (Section 8(2)(d)(i)).
- **Utilisation of production capacity:** HWL's utilisation of production capacity was adversely affected during the POI, which should be treated as an injury factor. Given utilisation of production capacity is closely linked to output, and MBIE's conclusion that the dumped goods significantly contributed to HWL's decline in output, MBIE is of the view that the dumped goods also significantly contributed to HWL's decline in that utilisation of production capacity (Section 8(2)(d)(i)).
- **Factors affecting domestic prices:** MBIE has not identified any other factors affecting the domestic price of preserved peaches. It has therefore considered this factor but not given it particular weight (Section 8(2)(d)(ii)).
- **Magnitude of margin of dumping:** There is a dumping margin of 17.78% on 20% of Chinese imports (by volume), and *de minimis* dumping on a further 4% of imports. This is sufficiently large to support the view that the identified dumping is significantly contributing to the injury experienced by HWL (Section 8(2)(d)(iii)).

- **Cash flow:** It is not possible to clearly establish the extent to which any possible effects on cash flow may be attributable to dumped Chinese imports. MBIE has therefore considered this factor but has not given it particular weight (Section 8(2)(d)(iv)).
- **Inventories:** There is no evidence of a notable increase in HWL's inventory level over the POI. MBIE therefore does not consider this to be an indication of injury caused by imports and, consequently, by the dumped import (Section 8(2)(d)(iv)).
- **Employment and wages:** There was a decline in employment, and consequent decline in wages, in the preserved peach production industry. Given that employment and wages are closely linked to output, and MBIE's conclusion that the dumped goods significantly contributed to HWL's decline in output, MBIE is of the view that the dumped goods also significantly contributed to HWL's decline in employment and wages (Section 8(2)(d)(iv)).
- **Growth:** There was a decline in sales volume and revenue, profits and market share. This, paired HWL's submission that any significant decline in the HWL's peach business would affect its ability to produce other processed fruit and vegetables and would increase its fixed costs, leads MBIE to conclude that view that the dumped imports also significantly contributed to HWL's ability to grow.
- **Ability raise capital, and investments:** MBIE has not identified/received any evidence that HWL experienced a decline in its ability to raise capital and investments. On this basis, MBIE has considered this factor but not given it particular weight (Section 8(2)(d)(iv)).
- **Other causes of injury (sections 8(2)(e) and (f)):**
 - **Volume and prices of non-dumped goods:** Due to the significant undercutting from the non-dumped goods, MBIE has also found injury caused by the non-dumped goods. However, notwithstanding this, material injury is also being caused by the dumped imports. This is in light of the magnitude of the margin of dumping for dumped imports, the fact that these imports are undercutting HWL's products more than non-dumped imports, and the generally high level of injury observed overall. MBIE is therefore satisfied that injury caused by non-dumped imports has not been attributed to the dumping (Section 8(2)(e)(i)).
 - **Contractions in demand / changes in patterns of consumption:** There has been a gradual, approximately 2.2% decrease in demand for canned fruit in general. This change is not expected to meaningfully affect HWL's business operations. MBIE is therefore satisfied that there is no injury arising from this factor (Section 8(2)(e)(ii)).
 - **Restrictive trade practices / competition between overseas and NZ producers:** MBIE has also not identified/received any evidence of restrictive trade practices or low levels of competition in the New Zealand market for preserved peaches. MBIE is therefore satisfied that there is no injury arising from this factor (Section 8(2)(e)(iii)).

- **Developments in technology:** MBIE has not received/identified evidence indicating that there has been a significant change in technology that could cause/contribute to material injury to the New Zealand industry. MBIE is therefore satisfied that there is no injury arising from this factor (Section 8(2)(e)(iv)).
- **Export performance and productivity of the NZ industry:** HWL historically exports a small volume at prices which have not negatively affected HWL's profitability. As such, HWL's export performance and productivity are not material factors while considering material injury. MBIE is therefore satisfied that there is no injury arising from these factors (Section 8(2)(e)(v)).
- **Imports of dumped goods by NZ industry:** HWL's imports are marketed under the Oak brand, and apart from country-of-origin declarations, had identical labelling to New Zealand-made Oak products and were sold at HWL's regular Oak prices. Further, HWL's imports from China during the POI(D) have been excluded from the data underpinning MBIE's analysis. MBIE is satisfied, on this basis, that such imports are not injurious (Section 8(2)(f)).
- **Other factors – Cyclone Gabrielle:** Cyclone Gabrielle caused widespread destruction to the peach crop in 2023, which had a significant effect on HWL's market share. However, HWL has been unable to recover from the impacts of the Cyclone since 2024 – being the year its full crop cycle was restored – by increasing its prices in line with rises in costs (due to observed price suppression) and rebuilding its market share. As a result, HWL is experiencing ongoing loss of profit and the above adverse economic impacts, and made the unprecedented decision not to process a large portion of its 2025 peach crop. MBIE is therefore satisfied that while much of the injury experienced over 2023 and 2024 was likely most attributable to the Cyclone, the Cyclone it did not contribute meaningfully to injury in 2025.

236. The findings outlined in this report, and the conclusions drawn from them, form the basis for recommendations for the determinations to be made under section 10D(2) of the Act. Subject to that determination, the rate or amount of anti-dumping duty will be determined and will form the basis for a Step 2 investigation. These recommendations take into account the submissions made in response to the Essential Facts and Conclusions Report, summarised in Annex 2.

237. On this basis, MBIE has recommended that the Minister make the following Step 1 determinations

- An affirmative determination under section 10D(1) of the Act should be made in respect of imports of preserved peaches from China exported by J&G International, and consequently a determination should be made of the rates of anti-dumping duties that will form the basis for investigation step 2, and the chief executive should be directed to immediately start investigation step 2 in regard to these goods.
- A negative determination under section 10D(1) of the Act should be made in respect of all other imports of from China, and consequently, the investigation in regard to these goods should be terminated.

Annex 1: Legal Provisions

Section 3 Interpretation

dumping, in relation to goods, means the situation where the export price of goods imported into New Zealand or intended to be imported into New Zealand is less than the normal value of the goods as determined in accordance with the provisions of this Act, and dumped has a corresponding meaning

like goods, in relation to any goods, means—

- (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

notified parties means—

- (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

Section 4: Export price

- (1) Subject to this section, for the purposes of this Act, the export price of any goods imported or intended to be imported into New Zealand which have been purchased by the importer from the exporter shall be—
 - (a) where the purchase of the goods by the importer was an arm's length transaction, the price paid or payable for the goods by the importer other than any part of that price that represents—
 - (i) costs, charges, and expenses incurred in preparing the goods for shipment to New Zealand that are additional to those costs, charges, and expenses generally incurred on sales for home consumption; and
 - (ii) any other costs, charges, and expenses resulting from the exportation of the goods, or arising after their shipment from the country of export; or
 - (b) where the purchase of the goods by the importer was not an arm's length transaction, and the goods are subsequently sold by the importer in the condition in which they were imported to a person who is not related to the importer, the price at which the goods were sold by the importer to that person less the sum of the following amounts:
 - (i) the amount of any duties and taxes imposed under any Act; and
 - (ii) the amount of any costs, charges, or expenses arising in relation to the goods after exportation; and
 - (iii) the amount of the profit, if any, on the sale by the importer or, where the chief executive so directs, an amount calculated in accordance with such rate as the chief

executive determines as the rate of profit on the sale by the importer having regard to the rate of profit that would normally be realised on sales of goods of the same category by the importer where such sales exist; or

(c) where the purchase of the goods by the importer was not an arm's length transaction, and the goods are subsequently sold by the importer in a condition different from the condition in which they were imported, a reasonable price determined by the chief executive in the circumstances of the case.

(2) Where—

- (a) goods are or are to be shipped to New Zealand on consignment and there is no known purchaser in New Zealand for the goods; or
- (b) there is no exporter's sale price or no price at which the importer or a person not related to the importer, has purchased or agreed to purchase the goods,—

the export price, for the purposes of this Act, shall be determined in such manner as the chief executive considers appropriate having regard to all the circumstances of the exportation.

Section 5: Normal value

- (1) Subject to this section, for the purposes of this Act, the normal value of any goods imported or intended to be imported into New Zealand shall be the price paid for like goods sold in the ordinary course of trade for home consumption in the country of export in sales that are arm's length transactions by the exporter or, if like goods are not so sold by the exporter, by other sellers of like goods.
- (2) Where the chief executive is satisfied that the normal value of goods imported or intended to be imported into New Zealand cannot be determined under subsection (1) because—
 - (a) there is an absence of sales that would be relevant for the purpose of determining a price under that subsection; or
 - (b) the situation in the relevant market is such that sales in that market that would otherwise be relevant for the purpose of determining a price under subsection (1) are not suitable for use in determining such a price; or
 - (c) like goods are not sold in the ordinary course of trade for home consumption in the country of export in sales that are arm's length transactions by the exporter and it is not practicable to obtain within a reasonable time information in relation to sales by other sellers of like goods that would be relevant for the purpose of determining a price under subsection (1),—

the chief executive may determine that the normal value, for the purposes of this Act, shall be either—

- (d) the sum of—
 - (i) such amount as is determined by the chief executive to be the cost of production or manufacture of the goods in the country of export; and
 - (ii) on the assumption that the goods, instead of being exported, had been sold for home consumption in the ordinary course of trade in the country of export,—

- (A) such amounts as the chief executive determines would be reasonable amounts for administrative and selling costs, delivery charges, and other charges incurred in the sale; and
- (B) an amount calculated in accordance with such rate as the chief executive determines would be the rate of profit on that sale having regard to the rate of profit normally realised on sales of goods (where such sales exist) of the same general category in the domestic market of the country of export of the goods; or
- (e) the price that is representative of the price paid for similar quantities of like goods sold at arm's length in the ordinary course of trade in the country of export for export to a third country.

(3) Where the normal value of goods imported or intended to be imported into New Zealand is the price paid for like goods, in order to effect a fair comparison for the purposes of this Act, the normal value and the export price shall be compared by the chief executive—

- (a) at the same level of trade; and
- (b) in respect of sales made at as nearly as possible the same time; and
- (c) with due allowances made as appropriate for any differences in terms and conditions of sales, levels of trade, taxation, quantities, and physical characteristics, and any other differences that affect price comparability.

(4) Where the normal value of goods exported to New Zealand is to be ascertained in accordance with subsection (2), the chief executive shall make such adjustments as are necessary to ensure that the normal value so ascertained is properly comparable with the export price of those goods.

(5) Where—

- (a) the actual country of export of goods imported or intended to be imported into New Zealand is not the country of origin of the goods; and
- (b) the chief executive is of the opinion that the normal value of the goods should be ascertained for the purposes of this Act as if the country of origin were the country of export,—

the chief executive may direct that the normal value of the goods shall be so ascertained.

(6) Where the chief executive is satisfied, in relation to goods imported or intended to be imported into New Zealand, that—

- (a) the price paid for like goods—
 - (i) sold for home consumption in the country of export in sales that are arm's length transactions; or
 - (ii) sold in the country of export to a third country in sales that are arm's length transactions,—

is, and has been for an extended period of time and in respect of a substantial quantity of like goods, less than the sum of—

- (iii) such amount as the chief executive determines to be the cost of production or manufacture of the like goods in the country of export; and

- (iv) such amounts as the chief executive determines to be reasonable amounts for administrative and selling costs, delivery charges, and other charges necessarily incurred in the sale of the like goods by the seller of the goods; and
- (b) it is likely that the seller of those like goods will not be able to fully recover the amounts referred to in subparagraphs (iii) and (iv) of paragraph (a) within a reasonable period of time,—

the price so paid for those like goods shall be deemed not to have been paid in the ordinary course of trade.

Section 6: Export price and normal value

- (1) Where the chief executive is satisfied that sufficient information has not been furnished or is not available to enable the export price of goods to be ascertained under section 4, or the normal value of goods to be ascertained under section 5, the normal value or export price, as the case may be, shall be such amount as is determined by the chief executive having regard to all available information.
- (2) For the purposes of subsection (1), the chief executive may disregard any information that the chief executive considers to be unreliable.

Section 8: Material injury

- (1) In determining for the purposes of this Act whether or not any material injury to an industry has been or is being caused or is threatened or whether or not the establishment of an industry has been or is being materially retarded by means of the dumping or subsidisation of goods imported or intended to be imported into New Zealand from another country, the chief executive shall examine—
 - (a) the volume of imports of the dumped or subsidised goods; and
 - (b) the effect of the dumped or subsidised goods on prices in New Zealand for like goods; and
 - (c) the consequent impact of the dumped or subsidised goods on the relevant New Zealand industry.
- (2) Without limiting the generality of subsection (1), and without limiting the matters that the chief executive may consider, the chief executive shall have regard to the following matters:
 - (a) the extent to which there has been or is likely to be a significant increase in the volume of imports of dumped or subsidised goods either in absolute terms or in relation to production or consumption in New Zealand;
 - (b) the extent to which the prices of the dumped or subsidised goods represent significant price undercutting in relation to prices in New Zealand (at the relevant level of trade) for like goods of New Zealand producers;
 - (c) the extent to which the effect of the dumped or subsidised goods is or is likely significantly to depress prices for like goods of New Zealand producers or significantly to prevent price increases for those goods that otherwise would have been likely to have occurred;
 - (d) the economic impact of the dumped or subsidised goods on the industry, including—
 - (i) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilisation of production capacity; and

- (ii) factors affecting domestic prices; and
- (iii) the magnitude of the margin of dumping; and
- (iv) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investments;
- (e) factors other than the dumped or subsidised goods that have injured, or are injuring, the industry, including—
 - (i) the volume and prices of goods that are not sold at dumped prices or that are not subsidised; and
 - (ii) contraction in demand or changes in the patterns of consumption; and
 - (iii) restrictive trade practices of, and competition between, overseas and New Zealand producers; and
 - (iv) developments in technology; and
 - (v) the export performance and productivity of the New Zealand producers;
- (f) the nature and extent of importations of dumped or subsidised goods by New Zealand producers of like goods, including the value, quantity, frequency, and purpose of any such importations.

(3) For the purposes of this section, the chief executive may disregard any information that the chief executive considers to be unreliable.

Section 10C Step 1: investigation

Dumping, subsidy, and material injury

(1) If the chief executive starts an investigation, the chief executive must investigate whether, in relation to imported goods or goods intended to be imported into New Zealand,—

- (a) the goods are being dumped or subsidised; and
- (b) material injury to an industry has been or is being caused or is threatened, or the establishment of an industry has been or is being materially retarded, because of the dumping or subsidisation.

Procedure

(2) The chief executive must, within 150 days after starting investigation step 1, give the notified parties written advice of the essential facts and conclusions that are likely to form the basis for a determination to be made by the Minister under section 10D(1).

(3) The chief executive must give interested parties a reasonable opportunity—

- (a) to present, in writing, all evidence relevant to the investigation and, on justification being shown, to present that evidence orally; and
- (b) on request by an interested party, to meet other interested parties with adverse interests in order that they may present opposing views.

(4) Subsection (2) does not require the chief executive to provide information that would not be available to an interested party under section 3F.

(5) The chief executive must report the findings of investigation step 1 to the Minister.

10D Step 1: determination

(1) Within 180 days after the start of investigation step 1 (but not less than 30 days after the written advice is given by the chief executive under section 10C(2)), the Minister must determine whether, in relation to the imported goods or goods intended to be imported into New Zealand,—

- (a) the goods are being dumped or subsidised; and
- (b) material injury to an industry has been or is being caused or is threatened, or the establishment of an industry has been or is being materially retarded, because of the dumping or subsidisation.

(2) If the Minister makes an affirmative determination, the Minister must—

- (a) determine the rate or amount of anti-dumping or countervailing duty, in accordance with section 10E, that will form the basis for investigation step 2; and
- (b) direct the chief executive to immediately start investigation step 2.

(3) If the Minister makes a negative determination, the Minister must terminate the investigation under section 11.

(4) The Minister must give notice of a determination under subsection (1) as soon as practicable after the determination is made.

(5) In this section,—

affirmative determination means a determination made by the Minister under subsection (1) that, in relation to the imported goods or goods intended to be imported into New Zealand,—

- (a) the goods are being dumped or subsidised; and
- (b) material injury to an industry has been or is being caused or is threatened, or the establishment of an industry has been or is being materially retarded, because of the dumping or subsidisation

negative determination means a determination made by the Minister under subsection (1) that is not an affirmative determination.

11 Termination of investigations

(1) Where the Minister, at any time before making a determination under [section 10H\(1\)](#) or, if appropriate, [section 10D\(1\)](#), is satisfied in respect of some or all of the goods under investigation, that—

- (a) there is insufficient evidence of dumping or subsidisation to justify proceeding with the investigation; or
- (b) there is insufficient evidence that material injury to a New Zealand industry has been or is being caused or is threatened or the establishment of a New Zealand industry has been or is being materially retarded by means of the dumping or subsidisation of the goods; or
- (c) in the case of subsidisation, the imposition of a countervailing duty in respect of those goods would be inconsistent with New Zealand's obligations as a party to the WTO Agreement; or
- (d) the application for the investigation has been withdrawn in writing by those New Zealand producers by or on whose behalf the application was made; or
- (e) New Zealand producers who previously expressed support for the application for the investigation have withdrawn that support in writing to such an extent that, by reason of section 10A(1)(b), the investigation could not have been started,—

the Minister shall—

- (f) terminate the investigation with respect to those goods; and
- (g) give notice of such termination.

- (2) For the purposes of subsection (1)(a), evidence of dumping or subsidisation shall be insufficient where,—
 - (a) in the case of dumping, the margin of dumping is,—
 - (i) in the case of goods of Singaporean origin, less than 5% (expressed as a percentage of the export price); or
 - (ii) in the case of goods of any other origin, less than 2% (expressed as a percentage of the export price); or
 - (b) in the case of subsidisation, the amount of the subsidy is less than 1% of the value of the goods at the time of import; or
 - (c) in the case of either dumping or subsidisation, the volume of imports of dumped or subsidised goods, expressed as a percentage of total imports of like goods into New Zealand, is negligible, having regard to New Zealand's obligations as a party to the WTO Agreement.

- (2A) For the purposes of subsection (2)(c), in applying Article 5.8 of the Agreement on the Implementation of Article VI of the General Agreement on Tariffs and Trade 1994, annexed to the WTO Agreement, in relation to goods of Singaporean origin,—

- (a) the first reference in Article 5.8 to "3 per cent" must be read as a reference to "5 per cent"; and
- (b) accordingly, if the volume of goods of Singaporean origin dumped is found to account for less than 5% of the total imports of like goods into New Zealand, the volume of goods dumped must normally be regarded as negligible.

- (3) Where—

- (a) any investigation is terminated under subsection (1), and it is subsequently ascertained that information supplied affecting the investigation was incorrect or did not disclose material facts, and that the information is of such nature as materially to affect the decision to terminate the investigation; or
- (b) any investigation is terminated pursuant to an undertaking given by the Government of the country of export or by an exporter, as the case may be, under section 15(1) and that Government or that exporter violates that undertaking,—

the chief executive may start a further investigation and all the provisions of this Act shall have effect accordingly.

- (4) Notice shall be given of the start of every further investigation under subsection (3).

Annex 2 – Summary of Submissions on the Essential Facts and Conclusions (EFC) Report

A. Submission by HWL	MBIE's response
<p>1. Use of Qingdao Countree Foods (QCF) normal value</p> <p>HWL objects to MBIE's use of QCF's normal value to determine a dumping margin for "all other [non-cooperating] exporters". HWL submits that QCF supplies supermarkets [in the Chinese market] with own-label products, stating that such products are typically sold at lower margins than branded products – this would yield a lower normal value. HWL notes that not all non-cooperating exporters will operate a similar business model and, to the extent that they currently sell branded products in the Chinese market, the application of QCF's lower normal value would create a bias that suppresses dumping margins.</p>	<p>MBIE acknowledges HWL's concern regarding the use of QCF's normal value in the calculation of a dumping margin for "all other (non-cooperating) exporters".</p> <p>Use of best available information: MBIE's approach to calculating a dumping margin for these producers was to apply the best available information for non-cooperating exporters in this investigation. This approach is in accordance with the Act and informed by Article 2 (normal value rules), Article 2.4 (fair comparison), Article 6.8 and Annex II (best information/facts available) of the WTO Anti-Dumping Agreement. It reflects a reasoned, representative, and verified proxy, applied with special circumspection, as required by the Agreement.</p> <p>MBIE notes that information on QCF's normal values was the only available normal value information for this investigation, and that the absence of any information from other non-cooperating exporters impeded its ability to fully understand the product profiles of those exporters, or make any associated adjustments to QCF's normal value information to account for these. MBIE also notes that the other verified exporter, Qingdao Medallion, did not sell in the Chinese domestic market and exported only 113 g cups over the POI(D), which were not comparable to or representative of exports by all other producers to the New Zealand market – as such, normal values calculated for this company were less appropriate for use than the normal values calculated for QCF. MBIE therefore considers QCF's domestic sales to be the more appropriate proxy for normal value.</p> <p>Tender-Process Concern:</p>

	<p>MBIE notes that QCF's exports to New Zealand also occur via competitive tenders, and both domestic and export transactions are at arm's length, satisfying Article 2.4's fair comparison requirement to compare prices at the same level of trade with due allowances. MBIE has considered these market characteristics and remains satisfied that QCF's prices are suitable for normal value determination, subject to any appropriate adjustments required to maintain fairness.</p>
<p>HWL queries why MBIE's findings have shifted from identifying widespread dumping in earlier investigations (2005 and 2012) to finding little or no dumping since 2017. HWL suggests that this change may be due to MBIE's use of the "distributor model" and reliance on QCF's normal value, which HWL argues could bias results in favour of exporters. HWL highlights that distributor margins cited by QCF (25–35%) and final customer margins (35–50%) seem excessive and inconsistent with HWL's data.</p>	<p>MBIE notes that the shift in findings between earlier investigations (2005 and 2012) and the current investigation reflects differences in market conditions, pricing structures, and investigation periods. These factors affect comparability and must be considered when evaluating methodologies.</p> <p>MBIE confirms that it has not relied on a "distributor model" or applied distributor or final customer margins while calculating the normal values set out in this report. MBIE's normal value calculations were based on verified domestic sales (or, in the case of Qingdao Medallion, sales to a third country) to the first consumer in a chain, making adjustments where required to ensure fair comparison to export sales to comparable consumers in New Zealand. As such, there was no need to make adjustments for distributor or retailer margin.</p>
2. Product segmentation by size	
<p>HWL submits that MBIE's decision to calculate dumping margins by container size departs from prior MBIE practice of assessing by physical can dimensions, and requests that MBIE should revert to the physical can size segmentation used previously.</p>	<p>MBIE's recent practice has consistently been to calculate dumping margins by container size rather than container dimension. This is MBIE's preferred approach on the basis that domestic and imported products compete based on price (which aligns with container volume) and product characteristics rather than container dimensions. Further, assessments based on container volume enables better product comparability given the limited range of products sold in the New Zealand and Chinese markets. Lastly, dumping assessments based on container dimensions would pose significant operational constraints in cases where a duty is imposed given difficulties in thoroughly capturing the much wider range of available container dimensions, creating a greater risk of dumping producers evading duties.</p>

HWL notes an apparent inconsistency: that the conclusions at paragraph 127 of the EFC Report are in error relative to paragraph 93, and requests that this be corrected.	MBIE has made the necessary updates to this text to remedy the identified inconsistency.
1. Methodology for non-cooperating exporters	
HWL also requests that MBIE to assess non-cooperating producers individually to ensure appropriate consideration of their operations in New Zealand. HWL raises concerns about MBIE's use of a weighted average export price while calculating a dumping margin for "all other (non-cooperating) producers". HWL submits that use of a weighted average and QCF's normal value could understate dumping margins for these producers, resulting in producers who are dumping not being subject to an anti-dumping duty. HWL notes that such an outcome could incentivise New Zealand consumers to switching away from J&G International to another dumping producer, which would continue to adversely affect HWL's business.	MBIE acknowledges HWL's concern about incentives for importers to switch suppliers in the "all other producers" category. However, MBIE's use of a weighted average calculation is intended to accurately reflect the individual weight of specific producers prices, which lowers the risk of understated dumping margins. MBIE also notes that it has used QCF's normal value information as the best information available for calculating normal values, given the lack of other information on/from these non-participating producers.
2. VAT Rebate Adjustment	
HWL queried whether export prices have been properly adjusted for China's VAT rebate scheme, which could affect dumping margin calculations.	MBIE has considered and appropriately factored the VAT rebate scheme into its dumping margin calculations to ensure a fair comparison between domestic and export prices, as referenced in this report. These adjustments were applied to ensure that the normal value and export price were compared on an equivalent basis.
3. Impact on New Zealand Industry	
HWL stresses that trade remedy investigations must be impartial. It notes severe injury to HWL's peach business from previous conclusions that duties were not required and warns that without proper remedies, HWL may cease canned peach production in Hawkes Bay, impacting growers and seasonal operations.	MBIE acknowledges the concerns raised regarding the potential impact on HWL's operations and the broader Hawkes Bay industry. The purpose of trade remedy investigations is to ensure impartiality and protect domestic industry from injury caused by unfair trade practices. MBIE notes that HWL's comments has been considered in the preparation of this final report.