

HORTNZ SUBMISSION ON ANTI-DUMPING AND COUNTER-VAILING DUTIES BILL

HortNZ:

New Zealand horticulture is a growth industry; our sector has doubled in value in the last 10 years and seen over 20% growth in the last year – we're an active contributor to the Government's "Export Double" goal.

HortNZ represents the interest of 5,500 growers across New Zealand, of various sizes from tiny to global, from Apples to Zucchini's.

I've listened to the 1st reading of this Bill in the House, and support in-principle the need to act as a good faith trading partner; to deliver best value to consumers; and to ensure we have a fair marketplace: - that already exists under our existing legislation.

Our view is that this legislation:

- Has a narrow policy benefit focus—targeted at building materials
- Adds further time to the anti-dumping decision-making process, which does not reflect the reality of short term decisions on perishable horticultural produce
- Delivers less effective protection than the current, WTO compliant regime
- Does not reflect the wholesale subsidisation of agricultural products across the globe, with New Zealand one of few unsubsidised countries

I won't quote the policy objectives for the current changes (*from MBIE Paper June 2015*) being considered for the anti-dumping and countervailing duties regime but two stand out:

- a. to contribute to the government's objective of improving housing affordability and assisting with the Canterbury rebuild ↪
- d. to minimise complexity and administrative costs, and promote certainty of outcomes.

This legislative change may well help housing affordability but appears to add complexity, present additional hurdles for application, and reduces certainty for horticulture industry:

- Timeframe – Public interest test adds more time (3 months) - need quick action as often short term dumping of excess fresh or processed product
- Uncertain outcomes – short term consumer benefit ignores the longer term costs of food including food security, food safety and the

environmental and social cost of production elsewhere. (E.g. NZ lowest carbon producer – if subsidised production from less efficient production were to displace NZ emissions would rise)

- The percentage rules and transactional costs are high – too high for many smaller scale horticultural industries – big hurdle to application .

NZ horticulture businesses are least subsidised in world – we need appropriate legislation, which I think we already have in current legislation. This Bill has sought to create an enduring process to allow entry of effectively dumped goods when in NZ interest – a PIT in specific cases of need should be established NOT change to all circumstances.

HortNZ maintains the status quo is already a bare minimum of protection for the horticulture industry.

- New Zealand's anti-dumping regime is already WTO-compliant.
- A problem with New Zealand's current anti-dumping regime has not been sufficiently identified.
- The introduction of a public interest test would weaken New Zealand's anti-dumping mechanism.

The Public Interest Test adds too much time to the decision-making process – it's too long for defence against dumping of hort products (seasonal, perishable) – need to be able to apply quickly!

Current rules meet the WTO obligations

We've seen our nearest neighbour Australia go the other way and strengthened their process – whilst one could argue they're as protectionist as many (TFES, SPC) they're acting to protect against dumping and the legacy that leaves in agriculture

Summary:

- Current system WTO compliant
- Proposed Bill adds additional hurdles including time which is precious for perishable goods
- Doesn't account for global subsidisation of agriculture and NZ's relative disadvantage