



PAC.NZ
Packaging Council of New Zealand Inc.

10th August 2016

The Chair
Commerce and Consumer Affairs Select Committee
Parliament Buildings
Wellington

Submission on Trade (Anti-dumping and countervailing Duties) Amendment Bill

Thank you for giving the Packaging Council (PAC.NZ) the opportunity to comment on this Bill.

The purpose of PAC.NZ is to represent the packaging industry as a key sector in the New Zealand economy, one that improves the utility and safety of products and underpins producers and manufacturers efforts to 'add value' in an export-dependent economy. Independent analysis by KPMG puts the value of the New Zealand packaging industry at \$3.9 billion and Infometrics data shows that over five thousand businesses support 48,000 employees. The packaging industry in New Zealand is constantly innovating to create the features and benefits we demand from packaging such as improved functionality, customer preference, safety, design for dexterity challenges, portion control for health benefits and wastage prevention and enhanced environmental characteristics.

PAC.NZ are supportive the Government's continued interest in enabling "New Zealand to apply anti-dumping and countervailing duties to prevent material injury or the threat of material injury due to dumped or subsidised goods being imported into New Zealand." (Clause 1A Purpose).

General Comments

We would make the follow general observations in regards to this Bill:

PAC.NZ is aware of and supports the concerns of others representing New Zealand-based manufacturing at the prospect of facing dumped and subsidised competition.

In particular, we are supportive of the position (based on informal discussions) we understand will be articulated by Business NZ regarding the "Public Interest Test". PAC.NZ represents a significant manufacturing sector, which is also a major employer so we are concerned at any potential policy changes which might undermine the viability of the New Zealand manufacturing sector. Permanent loss, or even significant scaling back of operations of a large employer, and the detrimental knock-on

effect across the entire manufacturing supply chain, can have devastating economic and social impacts in a small economy such as New Zealand.

An area of specific concern to PAC.NZ members is the regulatory impost on domestic manufacturing in terms of "Product Stewardship". This includes the apparent expectation by some regulators that domestic manufacturers will continue to provide domestic recovery and recycling opportunities for imported as well as domestically manufactured goods. Imported packaging is added to, and assumed the responsibility of, the domestic industry without regard to, or ability for, a contribution to product stewardship obligations and infrastructure. It is not clear that the direct cost of provision of such services will form part of the proposed public interest test, notwithstanding the obvious public interest that such facilities continue to operate.

Conclusion

The prospect that New Zealand packaging manufacturers could face dumped and subsidised competition is a concern to members, particularly as there is no certainty that Ministerial discretion allowing dumped and subsidised product would extend to a full consideration of the reasons for apparent differences in the 'cost to the consumer' between imported and domestically manufactured goods.

A handwritten signature in black ink, appearing to read "Sharon Humphreys". The signature is written in a cursive, flowing style.

Sharon Humphreys

Executive Director