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# Non-Confidential: Initiation of Review

## Application by Heinz Wattie's Ltd for a Review of the Anti-Dumping Duties on Canned Peaches from South Africa

## Summary

1. This report assesses an application made by Heinz Wattie's Limited (HW) on 10 December 2012 for a review of the anti-dumping duties that currently apply to imports of canned peaches from South Africa.

2. The report recommends that the Principle Advisor, Register Integrity and Trade Remedies, acting under delegated authority from the Chief Executive of the Ministry of Business, Innovation and Employment, should initiate a review.

## Background

3. Anti-dumping duties were first imposed on canned peaches from South Africa on 1 August 1996. These duties have been reassessed 5 times since their implementation either following limited reassessments or full reviews and reassessments. The last full review and reassessment was completed in November 2007 and February 2008 respectively, and the most recent reassessment (which was limited to 'Choice' grade canned peaches) was completed in February 2010.

4. The anti-dumping duties that currently apply will expire on 12 February 2013, being 5 years from the date the duties were reassessed following the last full review, unless a review is initiated prior to this date. Reviews that are initiated prior to the expiry of anti-dumping duties are also known as 'sunset' reviews. If a review is initiated, the current duties would remain in place pending the outcome of the review.

5. The description of the canned peaches that would be subject to any review that is initiated is the same as that which applies to the goods which are subject to anti-dumping duty as described below:

*'Canned peaches (halves, slices or pieces) packed in various concentrations of sugar syrup and in can sizes ranging from 110 grams to 3 kilograms (A10)'*

6. In the 2007 review, in accordance with the methodology applied by the Ministry at that time, the existence of dumping was determined for each container size investigated. As a result, the amount of anti-dumping duty which applies differs depending on the size of the can.

7. Canned peaches imported from South Africa enter New Zealand under tariff item and statistical key 2008.70.09.00L. (The subject goods are not separately identified as the tariff item includes nectarines and preserved peaches in types of containers other than cans.)

8. Canned peaches originating from South Africa are subject to the normal rate of Customs duty of 5 percent.

9. HW provided data sourced from Statistics New Zealand (SNZ) Infoshare on imports of preserved peaches from South Africa. The Ministry also sourced New Zealand Customs Service (NZCS) data for imports of preserved peaches which contains descriptions of the goods imported under the relevant tariff item and which showed that the imports in the tariff item are predominantly subject goods. The data provided by HW is sufficient for the purpose of initiation but as it includes all preserved peach imports and nectarines, it will need to be refined to the subject goods, should a review be initiated.

10. The Ministry notes that there were five exporter/suppliers of preserved peaches from South Africa from 1 January to 31 December 2012 (which is likely to be the period of review for dumping (POR(D)) used in any review). If considered necessary, the Ministry may base its analysis on a selection of the exporters that represent the largest percentage of the volume of exports that can reasonably be investigated, as permitted by Article 6.10 of the Agreement.

## Sunset Reviews

11. A sunset review involves an investigation to determine whether the expiry of the anti-dumping duty would be likely to lead to the continuation or recurrence of dumping and injury[1].

12. Any interested party that requests a review of the imposition of anti-dumping duties must submit positive evidence justifying the need for a review[2] and the request must be duly substantiated and made by or on behalf of the domestic industry within a reasonable period of time prior to the date of expiry of the duties.

13. The application for a review was submitted by HW on 10 December 2012, which is 37 working days prior to the expiry of the anti-dumping duties that it seeks to have considered in the review. The Ministry is satisfied that HW's request for a

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[1] The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the Anti-dumping Agreement), Article 11.3, states in part:

> ...any definitive anti-dumping duty shall be terminated on a date not later than five years from its imposition (or from the date of the most recent review...if that review has covered both dumping and injury...), unless the authorities determine, in a review initiated before that date on their own initiative or upon a duly substantiated request made by or on behalf of the domestic industry within a reasonable period of time prior to that date, that the expiry of the duty would be likely to lead to the continuation or recurrence of dumping and injury [footnote omitted.]

[2] The Dumping and Countervailing Duties Act 1988, section 14(8), states:

> The [Chief Executive] may, on his or her own initiative, and shall, where requested to do so by an interested party that submits positive evidence justifying the need for a review, initiate a review of the imposition of anti-dumping duty...in relation to goods and shall complete that review within 180 days of its initiation.

sunset review was submitted within a reasonable period of time prior to the expiry of the duties.

## Consideration of Evidence Presented

14. The Ministry interprets the requirement of section 14(8) of the Dumping and Countervailing Duties Act 1988 for an interested party to submit "positive evidence justifying the need for a review" as being a requirement for positive evidence, but not evidence to the same extent as that required under section 10(2) of the Act in respect of new investigations. This interpretation is supported by the international jurisprudence relating to the Anti-Dumping Agreement[3] and the WTO Agreement on Subsidies and Countervailing Measures, which has evidentiary provisions that are very closely aligned with those of the Anti-Dumping Agreement.

15. The Ministry considers, therefore, that while an application for the initiation of a sunset review may cover information on the factors outlined in section 10(2) of the Act and paragraph 2 of Article 5 of the Anti-Dumping Agreement, it is not necessary that all of these matters are addressed or addressed in full for an application to constitute "positive evidence justifying the need for a review" and to be duly substantiated.

## New Zealand Industry and Like Goods

16. The Anti-Dumping Agreement states that a request for a sunset review "must be made by or on behalf of the domestic industry" (Article 11.3). Section 3A of the Act defines an "industry" as the New Zealand producers of like goods and section 3(1) of the Act defines "like goods".[4]

17. HW has advised that it continues to produce preserved peaches that are like the subject goods and that it is the only New Zealand producer of these products. HW has said that the like goods it produces are predominantly preserved peach halves, slices and pieces packed in various media (such as syrup, fruit juice and 'lite' style) in various can sizes. These are produced under the brand names Wattie's, Oak and Weight Watchers.

18. The Weight Watchers brand and 'lite' style canned peaches were not produced at the time of the original investigation, but in subsequent reassessments of the duty and in the 2007 review the Wattie's canned peaches in lite media were considered to be a like good, but the Weight Watcher's brand was not. In other cases relating to preserved peaches undertaken recently (from China in 2012 and from Spain 2011), the Ministry concluded that the Weight Watchers brand was not like goods.

19. On the basis of HW's confirmation in its application that it still produces these products and the findings of recent investigations by the Ministry, it is considered that

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[3] World Trade Organisation Dispute Settlement Panel United States – Sunset Review of Anti-Dumping Duties on Corrosion-Resistant Carbon Steel Flat Products from Japan WT/DS244/R 14 August 2003, paragraph 7.27.

[4] 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) of this definition, goods which have characteristics closely resembling those goods.

for the purposes of initiating a review there is adequate evidence that HW is producing goods that are like the goods subject to the duty. The Ministry is not aware of any other New Zealand producers of preserved peaches.

20. The Ministry considers the information outlined above constitutes positive evidence that there is still a domestic "industry" in place in terms of section 3A of the Act, which consists solely of HW, and that the request for the initiation of a review therefore constitutes an application made by the New Zealand domestic industry.

## Continuation or Recurrence of Dumping

### Export Price

21. To calculate export prices, HW has used the NZS monthly import data for the relevant tariff item for each month of the year from August 2011 to July 2012. As the statistical volume is recorded in kilograms the average value for duty (in NZD) of the preserved peach imports per kilo over the 12 month period was able to be calculated. HW then converted this average VFD to South African Rand using the average of the exchange rate from the mid-point of each of the 12 months. This average exchange rate was used to convert the average VFD to an average export price equivalent to the free on board (FOB) price representative of the period. This amount is therefore exclusive of the costs of shipping the goods to New Zealand.

22. HW provided an estimate of the inland freight (from the factory to the wharf in South Africa) of [redacted] percent, based on its understanding of local freight to port charges. No other export costs were included in the estimate of export price.

23. Table 1 shows HW calculation of an ex-factory export price on the basis outlined above:

**Table 1: Export Price for Peaches (Year Ended July 2012)**

| | | |
|---|---|---|
| Value for Duty (NZD) | | 3,680,942 |
| Volume (Kg) | | 1,868,947 |
| VFD/Kg (NZD) | | 1.97 |
| Convert to Rand (X-rate: Rand/NZD) | 6.29 | 12.39 |
| Freight to Port (% VFD) | [redacted]% | [redacted] |
| Ex-Factory Export Price Rand/Kg | | [redacted] |

Source of VFD and Volume: Statistics New Zealand Infoshare data

24. The Ministry checked the ZAR:NZD (South African Rand : New Zealand Dollar) exchange rate HW used in the currency conversion against the interbank exchange rate from the OANDA currency conversion web site[5] averaged over the same 12 months, which was ZAR:NZD 6.2949:1. This was substantially the same as the rate provided by HW.

25. In addition to the inland freight costs there are likely to be other costs involved in the export of the goods such as port handling charges and clearance fees and the

[5] www.oanda.com

cost of credit. Such costs, if relevant, would reduce the export price further, increasing any dumping margin found.

## Normal Value

26. HW provided information for South African domestic market prices of preserved peaches sourced through Euromonitor[6]. The sample market prices are for preserved yellow peaches from retail supermarkets and were collected in June 2012.

27. The Euromonitor data shows retail prices collected from ten supermarkets in South Africa for a range of different sizes of cans (400g, 410g, 420g, 820g, and 820g). The retail price in ZAR in each instance was recorded and converted to ZAR per kilogram. The weighted average retail price per kilogram of the ten samples was then calculated.

28. The tax treatment must be tax neutral when comparing the normal value and the export price. Appendix 10.8 of HW's application provides information on how to apply Value Added Tax (VAT) in South Africa. South Africa has an output VAT rate of 14 percent which is included in the price of sales of canned fruit so the retail customer pays the full VAT amount. HW deducted the VAT contained in the retail price to calculate a VAT exclusive price.

29. HW has estimated an amount for a retailer's margin calculated as [redacted] percent of the wholesale purchase price. HW said the amount of the retail margin is based on its knowledge of the distribution of preserved peaches in New Zealand. The Ministry notes that as this rate is based on HW's knowledge of the New Zealand market it should be treated as indicative only, and that if it is necessary to use retail selling prices in a review, the retail margin may need to be adjusted.

30. HW also deducted an amount for the cost of inland freight to the domestic customer. HW estimated that inland freight would be [redacted] percent on the wholesale purchase price based on its understanding of local domestic freight costs.

31. The resulting amount was the ex-factory normal value as follows:

**Table 2: Normal Value Rand per Kilogram (June 2012)**

| | | Rand/Kg |
|---|---|---|
| Retail Price | | [redacted] |
| Less VAT (14%) | 14% | [redacted] |
| Less Retailers Margin | [redacted]% | [redacted] |
| Less Freight to Customer | [redacted]% | [redacted] |
| Ex-factory Price Wholesale Price /kilo | | [redacted] |

Source: Application Appendix 10.4 and 10.8

[6] Information from its website shows that Euromonitor International is an independent company which has a worldwide network of analysts able to provide tailored detailed research in consumer markets.

## Comparison of Export Price and Normal Value

32. The export price and normal value are compared in the Table 3 below:

**Table 3: Comparison of Export Price and Normal Value**

| | |
|---|---|
| Ex-factory Export Price (Rand/Kg) | [redacted] |
| Ex-factory Normal Value (Rand/Kg) | [redacted] |
| Dumping Margin (Rand/Kg) | [redacted] |
| Dumping Margin | 75% |

33. HW commented that this is a large dumping margin and that there is no evidence to believe that if the current anti-dumping duty was removed that imports from South Africa would not be dumped.

### Conclusion on Dumping

34. The Ministry concludes that the information provided by HW constitutes positive evidence of a recurrence of dumping should the anti-dumping duties be removed.

## Continuation or Recurrence of Material Injury

35. HW has stated that the effectiveness of the anti-dumping remedies has been eroded since the duties were reviewed or reassessed as the export prices from South Africa are now, in most cases, above the historical anti-dumping duty reference prices. HW has not, however, made a claim of current material injury. Its application consequently focuses on providing evidence of the likelihood of a recurrence of material injury should the duties be removed.

36. As noted in paragraph 9 although canned peaches are not separately identified in the Tariff they are sufficient for the purpose of considering the initiation of a review. The data HW provided from SNZ shows that significant volumes of preserved peaches are being imported from South Africa. The Ministry notes that South African imports represent 42 percent of total preserved peach imports from all sources for the year to 31 December 2012. The Ministry notes that when considering the impact of import volumes, any HW's imports have been excluded from the data.

37. HW has stated that [redacted]. HW has commented that in times of short supply of peaches from its growers, it imports preserved peaches. HW has noted that its imported preserved peaches are sold at the same price and in the same way as domestically produced product and that its imports do not cause it injury.

38. HW said that material injury to it would recur should the anti-dumping duties cease to apply. HW said that this is because of the size of the South African cling peach canning industry and the subsequent easy availability of product, as well as

the price sensitivity of the New Zealand market for preserved peaches. HW said that New Zealand food traders import a wide range of fruit and vegetable products and dumped preserved peaches from South Africa could easily be added to their range of products, or imports increased, should the duties be removed.

39. To support its comments above, HW provided a copy of a "Gain Report" from the US Department of Agriculture on the canned deciduous fruit industry in South Africa, which notes that the size of canned peach production was about 59,000 tonnes (92,000 tonnes of fresh peaches) in 2011/2012. HW commented that a producing nation of this size would have no trouble being able to capture significant market share in New Zealand with discretionary stocks (that is, stocks held in reserve or carried over from a previous season). The report notes that 90 percent of canned peach production is exported from South Africa. (The Ministry notes that the total New Zealand market for preserved peaches is approximately [redacted] tonnes per year.)

40. HW has provided a breakdown of the shares of the New Zealand market by brand taken from AC Nielsen data for the year to November 2012, which shows that HW's brands held a [redacted] percent share of the market. HW has commented that the New Zealand wholesale market for the supply of preserved peaches to distributors and retailers is highly competitive. There are no long term supply contracts in place for customers, and house brand supply contracts are up for constant tender. HW has stated that all supermarkets stock brands of preserved peaches other than HW brands, and it therefore has no exclusive customers in a market that is always open to new sources of supply.

### Volume Effects

41. HW has said that should the duties be removed this will result in a loss of sales volume. HW provided injury forecasts for years to April 2013 to 2015 which show that while production is forecast to remain static (assuming the peach crop volume remained the same), the impact of the removal of the duties would [redacted] in order to maintain its sales. The forecasts do not appear to anticipate a significant increase in volume from South Africa.

## Price Effects

### Price Undercutting

42. HW provided its net sales values (NSVs) for Wattie's and Oak brands for the year ended April 2012 (Table 6 of the Application). It said the NSVs were equivalent to its average wholesale prices [redacted].

43. To show the extent of price undercutting by South African canned peaches, HW compared its NSVs (calculated from Table 6 of the Application) with a constructed import price (calculated in Appendix 10.5 of the Application). In this calculation HW took the FOB value (ZAR) of the export price of the imports into New Zealand that it had previously calculated for the year ended July 2012, updated the exchange rate to 7.08 ZAR:NZD, added an amount for overseas freight and insurance (from the

SNZ data), and an amount for Customs clearance, freight to store and devanning costs.

44. For price undercutting the Ministry compares prices at the level of trade at which the goods would first compete with HW's product in the New Zealand market, which is normally at the level of ex-wharf or ex-importer's store.

45. In the previous (2007) review of South African canned peaches undertaken by the Ministry, the Ministry considered both ex-wharf (e.g. supermarkets importing directly) and ex-store (e.g. distributors' imports), as both were relevant.

46. The Ministry notes that the prices presented are not at the ex-wharf or ex-store level, but HW has compared them at the same level of trade ([redacted]). The Ministry regards these as into-store price levels. The Ministry considers that as the prices presented would be the first point of competition from, for example, supermarkets importing directly, the prices presented are sufficient for the purpose of considering the initiation of a review.

47. Table 4 below shows HW's price undercutting comparison.

**Table 4: Price Undercutting Comparison at an Into-store Price Level**

| Brand | HW's Prices NSV/Kg | Import Price NZD/Kg | Undercutting | Undercutting as % of HW's Price |
|---|---|---|---|---|
| Wattie's | $[redacted] | $1.88 | $[redacted] | [redacted]% |
| Oak | $[redacted] | $1.88 | $[redacted] | [redacted]% |

48. The NSV's and import values are based on actual data, the imports having an updated exchange rate. HW's comparison shows that it is likely there is currently a significant amount of price undercutting of both HW's brands from South African canned peaches before the application of anti-dumping duties.

49. For the purposes of this report, because the importing arrangements are not yet known, the Ministry considers that it is sufficient that the prices of imported goods be calculated at the into-store level for which data has been provided. Should a review be initiated the actual levels of trade relevant to the various importing structures will be considered.

**Price Depression and Suppression**

50. HW said that the Wattie's brand [redacted] HW has commented that unsustainable price differences have previously occurred when dumped or

subsidised imports have entered the New Zealand market, which has resulted in such a loss of volume and market share for its products that prices for its premium Wattie's range were forced down.

51. HW has submitted that a similar effect would be likely to occur should dumped imports from South Africa be permitted to return to the market and [redacted] should dumped preserved peaches from South Africa be sold in the New Zealand market.

52. HW has stated that on the basis of the average VFD per kilogram for the year ended July 2012 using a current exchange rate of 7.08 ZAR:NZD for imports from South Africa, importers and retailers would be able to command retail price points well below $[redacted] per 410g can which HW said is historically the price retailers have used to drive foot traffic in-store. HW estimated a current average retail price (see Appendix 10.5) to support its claim that the level of South African canned peach prices in the market could cause price depression.

| | |
|---|---|
| Into-store cost per kg for imports from South Africa | $1.88 |
| Into-store cost (410g can) | $[redacted] |
| Plus: Retailer's margin @ [redacted]% | $[redacted] |
| GST @ 15% | $[redacted] |
| Retail price | $[redacted] |

53. The retail price calculated above is below the significant $1.00 price point referred to by HW. HW noted that if dumped preserved peaches were to be traded at the $1.00 per 410g can price point in the New Zealand market HW will face the clear and imminent threat of [redacted].

54. HW submitted that the significant price undercutting which would cause it to depress its prices would mean that price suppression would exist as it would be unable to offset the significant undercutting by means of cost savings and price increases elsewhere. HW has submitted that the opposite effect would occur as its unit cost base would increase due to the loss of market share taken by the dumped peaches from South Africa causing costs per tonne to increase.

55. HW said that it undertakes significant trade marketing activities in order to maintain market share and protect the price levels of its products, and so if dumped canned peaches enter the market it would consider [redacted] and in either circumstance injury would have occurred.

## Economic Impact

### Output and Sales

56. HW's production output depends on the size of the fresh peach crop and so the sales volume is not closely linked to production. HW has in the past imported stock to be able to continue to supply product to its customers in times of crop failure. HW has not claimed any loss of output volume should the duties be removed. HW has stated that it would [redacted].

57. HW said that it has [redacted] and is therefore contractually obliged to [redacted]. HW provided a forecast (Table 6 of the Application) for the production and sales of its Oak and Wattie's brands for the next two years ended April (2014 and 2015). These figures show a decline in total sales revenue, price depression and price suppression, with the associated increase in cost of goods sold and decline in gross profit. HW said that [redacted] (Table 6 shows a decline in gross profit of [redacted] percent ($[redacted] m) from 2011 to 2015), HW "[redacted]".

### Market Share

58. HW said that in all previous investigations it has been shown that the entry of dumped peaches has resulted in a loss of market share for HW's brands of canned peaches. HW said that with dumped goods in the market, lower retail price points would be able to be achieved so the peach market would grow as new consumers entered the category. HW said that [redacted] in the growing market.

### Profits

59. HW said that the forecast is based on its own fiscal year to the end of April each year, and that the loss of sales revenue forecast (see Table 6 of the Application) will directly impact on its profits should the anti-dumping duties be removed. HW said that, as a minimum, [redacted]. HW said that the effect of this is visible in the forecast years to April 2014 and 2015.

60. HW said that its response to the forecast loss in sales revenue would [redacted] therefore such a loss in sales revenue would directly impact on profit. HW said that should dumped South African imports be in the market to the extent forecast for 2014 and 2015, it would [redacted]. Injury beyond 2015, [redacted].

61. HW said that such a loss of sales revenue and profit would [redacted]

[redacted]

62. HW said that this loss of profit in the forecast is understated as it is difficult to determine [redacted].HW has commented that [redacted]. HW said that [redacted].

63. HW provided an injury summary in the form of profit and loss statements (Appendix 10.6 of the Application) for the years to April 2011 and 2012 (actual results), and forecasts for years to April 2013 to 2015 based on the level of price undercutting from Table 5 of its Application. The Ministry notes that should a review be initiated it would want to update the information for the financial year 2013 during the review.

64. The Ministry notes that HW's Appendix 10.6 shows that with the anti-dumping duty in place, HW [redacted], but is forecast to [redacted] in 2013 (a period which would still have the current level of duty in place). The Ministry notes that the [redacted] figures from 2011 to 2013 (forecast) appear mainly to be the result of reductions in the [redacted] and an increase in the [redacted] and therefore there does not appear to be any current price suppression or price depression.

65. HW's forecasts for 2014 and 2015 have been made on the basis that dumped goods from South Africa will re-enter the market in the absence of anti-dumping duty. As a direct result, the net sales values for 2014 and 2015 are forecast to decline [redacted] from price undercutting, causing price depression and price suppression, with a consequent decline in gross profit and EBIT, thereby causing material injury to the industry.

**Productivity**

66. In relation to productivity HW said that because of its commitment to [redacted], if dumped import pricing is passed on to consumers, HW would need to consider whether [redacted]. HW estimated that the cost based on [redacted]. HW said that it would need to consider whether the amount of such a loss could be [redacted].

### Return On Investment

67 With regard to return on investment (ROI), HW said that [redacted] it expected [redacted] products. HW said that a [redacted] and would have a consequent negative affect on HW's ROI.

### Utilization of Production Capacity

68. With regard to production capacity, HW said that total production is constrained by the size of the peach crop that orchardists can deliver. HW said that if the anti-dumping duties are removed and material injury does occur, there will [redacted]. HW noted that in these circumstance [redacted].

## Other Economic Effects

69. HW has submitted that "the loss of volume, sales revenue and profits from the return of dumped imports will also have significant adverse effects upon HW's achievable return on investments, cash flow, inventories, employment, and growth [redacted]." HW has not, however, quantified the other economic effects [redacted].

## Other Causes of Injury

### Restrictive Trade Practices of, and Competition between, Overseas and New Zealand Producers

70. HW commented that fresh peaches were zero rated under South Africa's VAT system and that this assisted manufacturers and exporters of canned peaches, keeping costs lower by approximately [redacted] percent (see Application Appendix 10.7 and 10.8). Any review initiated would need to consider this issue.

### Other Factors

71. HW said that non-dumped goods; contraction in demand or changes in patterns of consumption; and developments in technology were not issues affecting the New Zealand industry's performance. It noted that it had exported a small volume of peaches to Australia and the Pacific Islands.

## Causal Link

72. HW has noted that a causal link between dumped imports of preserved peaches and material injury was established in the original investigation which also concluded that material injury would occur to the New Zealand industry if anti-

dumping duties were not put in place. HW has stated that with the availability of canned peaches from South Africa for export, this causal link remains in place.

## Conclusion on Injury

73. HW has provided evidence of the likely average import price into New Zealand of the subject goods in the absence of anti-dumping duty based on the VFD of the goods taken from Statistics NZ import data. While the VFD is equivalent to the FOB price of the goods, when it is adjusted to an into-store price to compare with HW's price at the first point of competition in the New Zealand market, there is evidence that there is likely to be significant price undercutting of HW's prices, [redacted].

74. HW has made reasonable assumptions that this level of price undercutting would require [redacted], which would cause depression and suppression of its prices and result in losses of sales revenue and profits. Although the calculations made by HW of the losses of revenue and profits are based on price undercutting using FOB prices, when these calculations are adjusted to an appropriate level of trade, there is still evidence that there is likely to be a significant loss of sales revenue and profits. HW has also made a reasonable assumption that the loss of sales revenue and profits will have a significant adverse effect on other relevant economic indicators.

75. The Ministry considers this evidence constitutes positive evidence of a likely recurrence of material injury to the domestic industry should anti-dumping duties be removed that is sufficient, in relation to injury, to justify the initiation of a review.

## Conclusion

76. In order for a review to be initiated the Act requires a request by an interested party that submits positive evidence justifying the need for a review. The Anti-dumping Agreement requires that a duly substantiated request must be made by or on behalf of the domestic industry within a reasonable period of time prior to the expiry of the anti-dumping duties that their expiry would be likely to lead to a continuation or recurrence of dumping and injury.

77. The Ministry is satisfied that an application has been made by the domestic industry within a reasonable period of time prior to the expiry of duties that contains positive evidence sufficient to justify the initiation of a review.

## Recommendation

78. It is recommended, in accordance with section 14(8) of the Act and acting under delegated authority, that you:

a. formally initiate a review of the imposition of anti-dumping duty on canned peaches from South Africa; and

b. sign the attached notice of the initiation of the review for publication in the *New Zealand Gazette.*

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Agreed/Not Agreed

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