



## **Australia's Anti-Dumping and Countervailing System**

### **Draft Report**

Comments by the Food & Beverage Importers Association

#### **Introduction**

1. The Food & Beverage Importers Association (FBIA) is an industry association that represents importers of food and beverages, both retail ready and ingredients for further processing, into Australia.
2. In 2007-08, Australian food imports amounted to \$A9.1 billion, while the value of exports was \$A23.4 billion. For the same period, total retail food sales were \$112.9 billion. In terms of world trade in food, Australia is the 14<sup>th</sup> highest exporter and the 28<sup>th</sup> highest importer. New Zealand is the major source of Australia's food imports (about 19%). (Source: *Australian Food Statistics 2008*).
3. Australia is not the major market for producing countries that export food or beverages to this country, and most foods that are imported into Australia are also exported to other countries. Moreover, the Australian grocery retailing sector is highly competitive. As a result, Australian importers are not in a position to set prices for the Australian market. In those cases where dumping has been found, there is no evidence that the dumping had been predatory in nature. Rather local production has not been sufficient to satisfy local demand and imports are essential if consumer demand is to be met.
4. There is a range of foods that are currently subject to anti-dumping measures: pineapple fruit prepared or preserved in containers (Thailand, Philippines and China), preserved mushrooms (China), processed dried currants (Greece). Brandy from France is subject to countervailing duties. It is not known how many applications for anti-dumping measures have been lodged but not accepted by Customs. We are aware of only one investigation that was launched against a food import that did not lead to measures being imposed on the imported food. That was the 2004/05 investigation into the alleged subsidisation of olive oil from Spain, Italy & Greece. The Customs decision to terminate the investigation was supported by the Full Federal Court.

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## **Comments on Draft Inquiry Report**

### **Bounded Public Interest Test**

5. The FBIA strongly supports the draft recommendation that anti-dumping or countervailing measures should be subject to a 'bounded' public interest test. Such a test is a practical way of giving some recognition to the wider effect of anti-dumping measures.

### **Other Architectural Changes**

6. We support the Commission's recommendations on the extension of measures (Draft Recommendation 7.4). An extension for five years is surely too long. The Commission recommends that the period be restricted to three years. After eight years of assistance through the dumping system, any further calls for assistance should be treated as a request for longer term industry assistance.

The measures against pineapple from Thailand have already been extended once from October 2006 to October 2011. In October/November 2011, the measures against pineapple from the Philippines and China are due to expire. If the rules are not changed, measures against pineapple imports could be extended indefinitely.

We also support the break of two years between the ending of eight years of dumping assistance and the lodging of a new application

### **Administration of the system**

7. We strongly support the Commission's recommendations in relation to the administration of the system, in particular the draft recommendation in relation to appeals (draft Recommendation 8.2) and to the 30-day limit for decisions by the Minister (draft recommendation 8.6).
8. We also believe that more extensive reporting on anti-dumping and countervailing measures, as proposed by the Commission, would promote transparency and provide a better indication of the wider effect of anti-dumping measures.

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