



Alternatively, does it apply when these benefits are granted by private entities in the exporting country? By the government or by public agencies in a third country? By private entities in a third country?

Response            s.3(1)                            [s.186 A (1.)]

The additional definition relating to the reduction or remission of freight reflects the contents of Article VI:3 of the General Agreement, which refers to "... including any special subsidy to the transportation of a particular product", and is applied in accordance with the provisions of Article VI and of the Subsidies Code.

The reduction or remission of freight when provided by a private entity would normally be a matter considered in terms of an anti-dumping action. New Zealand notes in this regard that the issue of subsidies by private entities is not settled in the GATT, but agrees with the conclusion of the Group of Experts working Paper 7 of 18 May 1981, that other GATT provisions such as anti-dumping action would be more appropriate, although the New Zealand legislation does provide for reductions or remissions of freight when provided by non-governmental entities to be treated as subsidies".

Question 3            Section 186 E (3)            Amount of the subsidy involving State-trading countries

What criteria will the New Zealand authorities apply in determining whether to apply, in the situation described in subsection 3 (a) and (b), countervailing duty or anti-dumping procedures, as allowed in Article 15 of the Subsidies Code?

Response            s.7(3)                            [s.186 E (3)]

Any decision on whether to apply countervailing duty or anti-dumping procedures in the case of State-trading countries will depend on the circumstances of each individual case.

Question 4            Section 186 H (2)            Notice of Initiation of an Investigation

This subsection only provides for the notice to be given and Section 186 G only deals with the form of a notice. How do the New Zealand authorities reconcile these provisions with the requirement in Article 2:5 of the Subsidies Code that the notice "shall describe the subsidy practice or practices to be investigated?

Response            s.10(2)                            [s.186 H (2)]

Any notice made pursuant to the Act must specify the reasons for the giving of the notice, and in respect of countervailing duty investigations this will include a description of the subsidy practices to be investigated. In addition, all interested parties are provided with copies of the non-confidential report on which the decision to initiate an investigation was based.



change in the causal link between the subsidy and the material injury; or evidence relating to the "industry" or "like goods" which would justify a review.

The reviews provided for in s.14(5) relate to the need for the continued imposition of the countervailing duty. The review would accordingly cover the existence of subsidisation, the extent of injury, and the causal relationship between injury and the subsidisation of like goods. Where no request for a review is received from an interested party an administrative decision has been taken that the Minister will review the need for the continued imposition of countervailing duty within two years. The amount of countervailing duty actually imposed may be subject to more frequent reassessment view in order to ensure that the level of duty is not greater than is necessary to prevent material injury. A sunset provision has not been considered necessary.