



24 February 2014

The Director  
Operations 1  
Anti-Dumping Commission

Dear Director,

Prepared or Preserved Tomato Products exported from Italy  
Case No. ADC 217  
Statement of Essential Facts

This submission is in response to the Statement of Essential Facts (“SEF”) issued by the Anti-Dumping Commission (“ADC”) in relation to its inquiry into prepared or preserved tomatoes exported from Italy.

Termination of Dumping Investigations

The Commission has determined that the dumping margins for La Doria and Feger are “de minimis” and proposes to terminate the dumping investigations against these companies. The Association strongly supports the termination of those dumping investigations.

Causal Link between Material Injury and Dumped Imports

The Commission has found that dumped imports from Italy has caused material injury to SPC Ardmona and proposes to recommend the imposition of dumping duties on all exporters to Australia apart from La Doria and Feger.

We do not think that this finding of a causal link between dumped imports and material injury is sustainable, given that factors other than dumping have been identified as causing material injury to the local industry, namely:

- un-dumped imports from Italy;
- the impact of private label strategies on all supermarket categories
- the appreciation of the Australian dollar; and,
- a decrease in SPCA’S export sales.

**Food & Beverage Importers Association**

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In particular, in our view, the Commission has not given due weight to the impact of the un-dumped imports from Italy in its assessment, especially as the volume of un-dumped goods is estimated to be approximately 44% of the total export volume from Italy.

The Commission plays down the effect of these imports by reasoning that “it is reasonable to expect that dumped prices offered to importers/retailers during contract negotiations would have influenced and impacted on prices being tendered by exporters of un-dumped product.” The Commission then concludes that “(i)n a market unaffected by dumped prices of prepared or preserved tomatoes from Italy, the Commission would consider that prices of un-dumped goods would be higher.” (See Paragraph 8.8.1, page 51).

In our view, the Commission goes astray in its reasoning because it does not allow for the competition between the two suppliers of un-dumped tomatoes. These two exporters, which account for a very substantial part of the market, did in fact compete against each other for their respective shares of the Australia market. There is no reason to think that their prices would have been higher in the absence of dumped imports, because they still would have been competing against each other and as well, the private label strategies of the supermarkets would still be a determining factor in the Australian market.

We would argue that the Commission cannot be certain that competition between these two exporters did not lower the price to such an extent that inefficient producers had to reduce their prices to levels the Commission has determined to be dumped. In other words, that the reverse of what the Commission has argued did in fact occur.

Continuation of Dumping and Material Injury

In regard to the Commission’s finding that dumping is likely to continue and such dumping is likely to cause further injury to the local industry, we draw the Commission’s attention to these matters:

- The Australian dollar has devalued against the Euro by over 20 percent.
- The Italian tomato crop of 2013 was significantly affected by bad weather and as a result, there have been increases in export prices to Australia.

Both of these facts will improve the competitiveness of the local industry.



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For these reasons, we would argue that the Commission should recommend that the investigation against preserved tomatoes imported from Italy should be terminated.

Should you have any questions on these comments, please do not hesitate to contact me

Yours faithfully,

A handwritten signature in black ink, reading "A J Beaver". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

A J Beaver  
Secretary