



## **Australian Anti-dumping Commission case 654** **Government of Italy** **2<sup>nd</sup> round of consultations - Comments and requests**

On 15 October 2024, the Australian Anti-Dumping Commission launched an investigation on imports of tomatoes, prepared or preserved, from the Italian Republic.

As argued during the 17 September and 31 October consultations, the Government of Italy (GoI) respectfully finds petitioners' allegations, as well as the Anti-Dumping Commission's (ADC) inquiry, unwarranted and unsubstantiated on different grounds.

An aspect raising serious concerns is related to the programs chosen by the ADC on the basis of the original petition. **A substantial part of the investigation appears to be based on programs that have been found countervailable in different legal systems and relate to distinct sectors and products.** This is a preoccupying precedent, especially due to the further expansion of the scope of the investigation by the Australian authorities.

The **inquiry includes at least 84 programs**<sup>1</sup>, on which the GoI is required to provide, by 21 November, **detailed information related to a broad number of companies.** Indeed, the ADC requires the GoI to provide a list of all Italian economic operators that have produced/exported prepared or preserved tomatoes to Australia in the inquiry period<sup>2</sup>, requesting to indicate whether the companies in the list applied for, accrued or received benefits under the programs listed in the questionnaire<sup>3</sup>. Similarly, ADC asks whether such companies used any of the programs to receive preferential tax treatments<sup>4</sup> or social security reductions and exemptions<sup>5</sup>. Providing these data for a broad number of companies may be particularly burdensome for the Italian authorities, especially considering the time constraints indicated in the questionnaire.

Furthermore, **some of the programs selected by the ADC are outdated**, with some schemes being currently not in force. In this respect, the Australian authorities require the GoI to provide a list by industry and by region of the companies that have received benefits *in the year the provision of benefits was approved* and in *each* of the years 2020 to 2024. As almost one third of these programs has been approved over 25 years ago, with some schemes dating

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<sup>1</sup> Please see sections C-1 and C-2 of the Government Questionnaire.

<sup>2</sup> Please see section B3 of the Government Questionnaire.

<sup>3</sup> Please see question C-3.6 of the Government Questionnaire.

<sup>4</sup> Namely, "take deductions from taxable income, receive credit towards taxes payable (e.g. interest contributions), take exemptions from taxes owed, reduce the tax rate, defer payment of taxes, carry forward losses from previous tax years, use accelerated depreciation, benefit from other tax advantages on the tax return filed during the investigation period".

Please see, in this respect, section C-4 of the Government Questionnaire.

<sup>5</sup> Please see section C-5 of the Government Questionnaire.



back to the 1960s, the 1970s and the 1980s, **it is impossible for the GoI to provide most of the information** related to the approval of such schemes.

In conclusion, while preferring, in line with the European Union request, that the ADC terminates the above investigation, the GoI reiterates its general commitment and pragmatic readiness to cooperate with the Australian authorities. To this aim, shared solutions should be found to make ADC's requests more focused and targeted so as to allow a sound reply to the anti-subsidy questionnaire.

In this respect, the GoI respectfully asks the ADC to:

- Reduce the scope of the investigation to the schemes that are currently in force;
- Eliminate references to section B-3 in question C-3.6, as well as in sections C-4 and C-5, and reduce the number of companies to a sample of two, also for the scope of the GoI inquiry. This would allow the GOI to provide information exclusively on those companies, in representation of the Italian preserved tomato producers/exporters;
- Eliminate, in question C-3.10, the references to information related to the year of approval of the subsidy schemes;
- Eliminate, in section C3, the reference to requests for information “*regardless the year the benefit was granted by the GOI or the year that the benefit was received by the recipient company*”.

The GoI thanks the ADC for considering the above comments and requests.