



SUBMISSION

Prepared by the
New Zealand Retailers Association

For the
**Foreign Affairs, Trade and Defence
Select Committee**

In respect of
The Trade (Safeguard Measures) Bill

April 2009

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Introduction

These submissions are presented by the New Zealand Retailers Association

Background

The Association is the largest trade association involved in the retail industry in New Zealand.

We represent an industry that has annual sales of \$66billion and which employs 325,000 people (approx 20% of the New Zealand workforce) in more than 49,000 outlets throughout New Zealand.

Our national membership includes the major supermarket and general merchandise chains, specialised chains, traditional department stores and thousands of owner operators spread throughout the country.

The membership also includes a number of specialised trade groups representing manufacturers, distributors and retailers in the plumbing materials, metal fastener, pet, equestrian, jewellery, bicycle and sporting goods sectors.

General Submissions

The Bill is designed to replace the current Temporary Safeguards Act 1987 and is intended to make New Zealand legislation consistent with the World Trade Organisation's safeguards agreement. We accept that such safeguard legislation, coupled with our anti-dumping laws, are part of international trading rules. We recognise that such instruments still have a place in developed economies notwithstanding that we live in an open economy compared to the stringent import controls and high barriers that applied to imported merchandise during the 1980's.

We have had limited involvement with inquiries carried out by Temporary Safeguards Authorities in recent years. However we continue to monitor international trading developments, as most consumer goods sold in New Zealand retail stores are imported, mainly from the People's Republic of China. Even so, retailers concerns are directed towards other issues such as increasing problems of imports of counterfeit merchandise and the volatility in our exchange rate rather than tariff rates which are now generally below 10% apart from textiles, clothing and carpets.

The Association supports the Bill and recommends it proceeds.

Specific Submissions

a) Administration of Temporary Safeguards Inquiries

We believe there should be consistency and transparency in the administrative approaches to safeguards and dumping inquiries and we accept that it is reasonable for both to be carried out by the Ministry for Economic Development. Whilst we believe that there are some advantages in third party inquiries (if the individuals appointed to such a position have commercial experience and are allowed to form a viewpoint independent of Departmental advisors), we accept the policy decision has been made that safeguards investigations should be undertaken by the Ministry for Economic Development.

b) Time line for Investigations

We note the 85 working day period proposed for investigations of safeguards applications. However in comparison to the current 30 day period, this timeframe (essentially just over 4 months) could severely impact businesses who are in a "holding pattern" pending the outcome. Accordingly we seek a shorter timeframe of no more than 60 working days.

c) Submissions from Interested parties

We are pleased to note that clause 9 provides a statutory obligation on the Chief Executive of the Ministry of Economic Development to seek submissions from interested parties likely to be affected by a particular investigation as this would give retailers the opportunity to express their view on a particular application.

d) Length of Safeguards

We note that it is proposed that safeguards can be put in place for a maximum period of four years unless terminated earlier. We also note reviews can be initiated at Ministerial level.

We believe such a time line is reasonable as the proposals are very similar to our anti-dumping laws where dumping duties can be put in place for a period of 5 years.

Conclusion

We support that the Bill proceeds.

We do not wish to appear before the committee to speak to our submissions.

New Zealand Retailers Association
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