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**Committee on Subsidies and Countervailing Measures**

Original: English

## **SUBSIDIES**

### **NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVI:1 OF THE GATT 1994 AND ARTICLE 25 OF THE AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES**

#### **NEW ZEALAND**

The following communication, dated and received on 29 June 2021, is being circulated at the request of the delegation of New Zealand.

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The following notification covers the 2018/2019 and 2019/2020 financial years (FY) and has been prepared on the basis of the data supplied by the delivery agencies. The information provided in this report is for transparency purposes in order to clarify the operation of programmes or measures. In accordance with Article 25.7 of the Agreement on Subsidies and Countervailing Measures (ASCM), notification does not in any way prejudice the legal status, nature or effects of government assistance programmes under the ASCM and GATT 1994, including as to whether or not the programmes notified are specific within the meaning of the ASCM. All dollar amounts referred to in this notification are New Zealand dollars.

## **1 PRIMARY GROWTH PARTNERSHIP**

### **A. Name of programme**

Primary Growth Partnership (PGP)

### **B. Period covered by the notification**

FY 2018/19 and FY 2019/20

### **C. Policy objective/purpose of the programme**

The PGP is a government-industry partnership initiative (industry contributions must be at least 60% of the total programme funding) that will invest in significant programmes of research and innovation to boost productivity, economic growth and the sustainability of New Zealand's primary, forestry and food sectors. The focus of the initiative is on boosting productivity through on-going investment in innovation.

The PGP has also been notified under Article 18:2 of the Agreement on Agriculture (G/AG/N/NZL/119 and G/AG/N/NZL/126).

### **D. Background and authority for the programme**

New Zealand Cabinet approved the PGP on 18 May 2009. The programme is administered by the Ministry for Primary Industries.

### **E. Form of assistance**

Grant for a maximum of 40% of eligible costs.

Programmes approved before December 2015 were eligible for up to 50% Crown funding.

### **F. To whom and how is the assistance provided**

Companies or consortia from the primary, forestry and food sector industries are eligible to participate in the PGP. More specifically, industries included are:

- pastoral (including dairy, meat and wool) and arable production;
- horticulture;
- seafood (including aquaculture);
- forestry and wood products; and
- food processing (including nutraceuticals and bio-actives).

Each programme is a joint investment between the government and industry.

Additional information is available here: <https://www.mpi.govt.nz/funding-rural-support/primary-growth-partnerships-pgps/>

### **G. Annual Budget Information**

FY 2018/19: \$29,830,000

FY 2019/20: \$7,270,000

### **H. Duration**

There was no fixed duration for this programme at inception.

The PGP funding programme has now been closed to new applications. The last year for new applications was 2017/18. The final year of contract payments will be 2026.

The PGP has been replaced by the Sustainable Food & Fibre Futures programme. The first year for applications under the Sustainable Food & Fibre Futures programme was 2019.

**I. Statistical data permitting an assessment of the trade effects of a subsidy**

N/A

The PGP is focussed on industry innovation and capability building. It is not focussed on trade development and does not provide a production or export subsidy.

**2 SUSTAINABLE FOOD AND FIBRE FUTURE****A. Name of programme**

Sustainable Food and Fibre Future (SFFF)

**B. Period covered by the notification**

FY 2018/19 and FY 2019/20

**C. Policy objective/purpose of the programme**

The SFFF funds transformative programmes through partnerships and grants to create more value, develop capability and deliver economic, social, cultural and environmental benefits.

The extent of sustainable benefits to New Zealand and/or New Zealanders relative to the commercial returns to the non-government investor is the key criteria in determining the level of government funding.

In order to be approved, the proposal must demonstrate that it is additional to business as usual, for the organisation, industry, sector or community. An independent Investment Advisory Panel provides Ministry for Primary Industries with independent expert advice on funding proposals to ensure the criteria for government funding is met.

The SFFF has also been notified under Article 18:2 and 18:3 of the Agreement on Agriculture (G/AG/N/NZL/118, G/AG/N/NZL/119 and G/AG/N/NZL/126).

**D. Background and authority for the programme**

The SFFF was introduced in October 2018 as a merger of two pre-existing funds: the Primary Growth Partnership and the Sustainable Farming Fund. The SFFF is administered by the Ministry for Primary Industries (MPI).

**E. Form of assistance**

The SFFF is a co-investment fund between government and non-government investors.

**F. To whom and how is the assistance provided**

Companies or consortia from the primary, forestry, fishery and food sector industries are eligible to participate in the SFFF.

**G. Annual Budget Information**

FY 2018/19: \$34,000,000

FY 2019/20: \$25,040,000

**H. Duration**

There was no fixed duration for this programme at inception.

**I. Statistical data permitting an assessment of the trade effects of a subsidy**

N/A

The SFFF is focussed on industry innovation and capability building. It is not focussed on trade development and does not provide a production or export subsidy.

### **3 PROVINCIAL GROWTH FUND**

#### **A. Name of programme**

Provincial Growth Fund (PGF)

#### **B. Period covered by the notification**

FY 2018/19

FY 2019/20

#### **C. Policy objective/purpose of the programme**

The specific objectives of the PGF are:

- increased jobs and sustainable economic development;
- increased social inclusion and participation;
- Māori development;
- Environmental sustainability and help in addressing climate change; and
- increased resilience (infrastructure and economic).

#### **D. Background and authority for the programme**

New Zealand Cabinet approved the PGF in December 2017. The programme is administered by the Ministry for Business, Innovation and Employment.

#### **E. Form of assistance**

Can take the form of loans, grants or equity.

#### **F. To whom and how is the assistance provided**

Loans, grants or equity are provided to:

- Local Authorities (Regional Council, District Council, Unitary Authorities);
- Government Departments;
- Charitable Trusts;
- Companies;
- Incorporated Societies;
- Māori Trusts; and
- Partnerships.

#### **G. Annual Budget Information**

FY 2018/19: \$220.181 million was paid out in 2018/19

FY 2019/20: \$439.657 million was paid out in 2019/20

#### **H. Duration**

Funding has been allocated until 2027/28.

#### **I. Statistical data permitting an assessment of the trade effects of a subsidy**

N/A

The PGF is a broad-based non-specific support programme that does not have trade objectives.