

## **ALENZ Safeguards case**

**(FAQs to accompany the media release)**

### **How many aluminium extruders are there in New Zealand and what do they produce?**

There are five aluminium extruders in New Zealand, three based in Hamilton (INEX, ALTUS, VULCAN), one in New Plymouth (McKechnie Aluminium Solutions) and in Wellington (ALEXCO). For more detail refer [www.alenz.nz](http://www.alenz.nz)

They produce aluminium extrusions (industrial/geometric shapes) for downstream manufacturing across

- the building & infrastructure sector, (includes windows, doors, cladding and structural / non-structural members - eg frameworks for solar panels) for residential, commercial and industrial needs
- transport and marine industry (framework for trailers, motor bodies, boats, marina structures, pedestrian bridges)
- a myriad of specifically designed extrusions which become componentry for downstream manufacturing which include after-market automarket parts, sports rifles, water filtration systems etc..

### **What are Safeguards?**

New Zealand has three types of trade remedy action to deal with dumped, subsidised or low priced imported goods that are; or are threatening to cause injury to New Zealand manufacturers.<sup>1</sup>

1. Anti-dumping duties are used to address the dumping of products causing material injury to the domestic industry.
2. Countervailing duties are used to address the subsidisation of imported products causing material injury to the domestic industry.
3. Safeguard measures are used to address increased imports due to unforeseen developments causing serious injury to the domestic industry.

Trade remedies are set out in the Trade (Anti-dumping and Countervailing Duties) Act 1988 and the Trade (Safeguard Measures) Act 2014. These reflect the provisions of:

- The World Trade Organisation Agreement on Dumping
- The WTO Agreement on Subsidies and Countervailing Measures
- The WTO Agreement on Safeguards

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<sup>1</sup> <https://www.mbie.govt.nz/business-and-employment/business/trade-and-tariffs/trade-remedies>

The law is designed to ensure a fair and competitive market by addressing injury caused to New Zealand manufacturers by unfairly traded, low-priced imports.

Safeguard measures can be imposed if increased imports due to unforeseen developments cause serious injury to the domestic industry.

Safeguard measures are only applied for the length of time required to prevent or remedy serious injury and to facilitate adjustment by the New Zealand industry. If a safeguard measure applies for more than one year it is to be progressively liberalised during its lifetime.

Final safeguard measures can be imposed for a period up to four years, extendable to eight years under special circumstances, and depending on the outcome of a separate review investigation.

### **Have Safeguards been used in New Zealand before?**

Yes, but not in the last three decades as far as we know.

### **What about internationally?**

The European Union, Australia, the United States and China all implement measures to protect their domestic industries:

**EU** uses three primary mechanisms to protect against unfair foreign competition and carbon leakage:

1. **Definitive Anti-Dumping Duties** - The EU heavily targets subsidised or dumped aluminium products from the People's Republic of China. Definitive anti-Dumping duties, ranging from 12.6% to 61.4% depending on the manufacturer.
2. **Carbon Border Adjustment Mechanism (CBAM)** - Importers are required to declare the greenhouse gas emissions embedded in their imported aluminium and surrender CBAM certificates. This ensures imported aluminium faces equivalent carbon costs to domestically produced aluminium, neutralizing the price advantage of high-emission, foreign-produced materials.
3. **Surveillance/Monitoring Measures** - To secure supply chains and prevent scarcity, particularly in the wake of expanding sanctions on Russian primary aluminium, the European Commission actively monitors the inflows and outflows of aluminium and metal scrap.

**Australia** has applied a floor price on aluminium extrusion imports with additional tariffs of up to 29%.

The **US** had (2018) a 25% tariff on aluminium imports - it is a Section 232 measure, justified on national security grounds rather than protecting domestic industries from a surge in imports. This was increased to 50% in April 2026.

**China** has recently (2026) taken Safeguard action on beef imports to protect its local suppliers.

### So, what happens next now that the Minister has initiated the investigation?

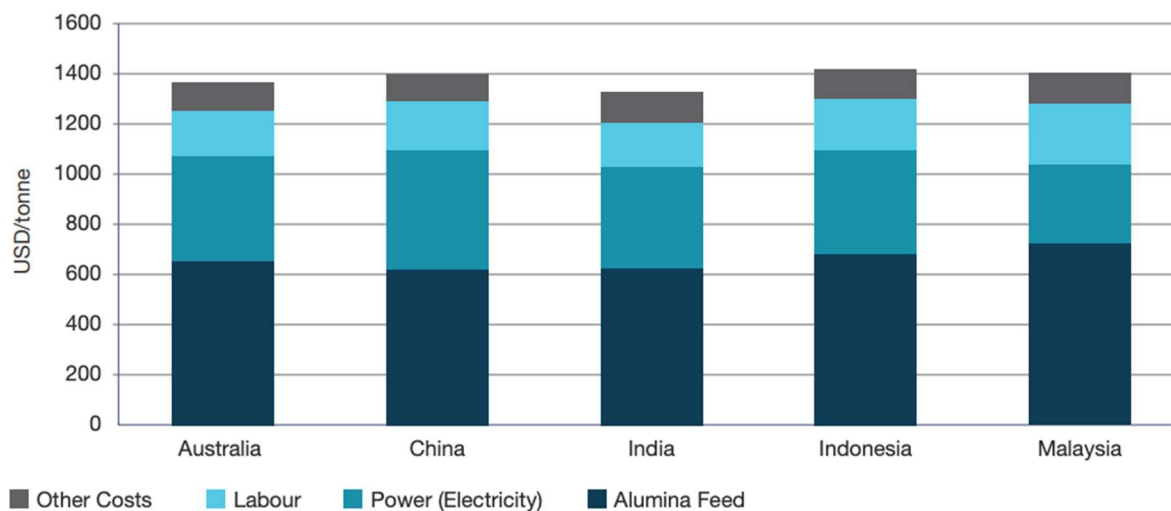
In its application ALENZ has requested immediate action in the form of provisional measures. This is temporary protection to be applied against the imported goods while the investigation proceeds. MBIE must make reasonable efforts to report to the Minister within 85 working days, but this may be extended. There is no time frame set out in the legislation for when the Minister must make his decision.

### Isn't this action preventing New Zealand fabricators and therefore consumers from benefiting from low priced goods?

Aluminium raw material costs are much the same the world over - refer figure 1 below. Over 60% of cost of extrusion manufacture is the raw material / global commodity purchased on LME or SME.

Aluminium extrusions entering New Zealand at below the cost of manufacturing are indicative of subsidisation in host country or dumping below cost in the New Zealand marketplace. This creates unfair advantage to the importer competing with local manufacturers, and deprives NZ the GST value which is paid on importation of the goods.

**Figure 1: Global estimated smelting costs 2024**



Source: AME Research, industry benchmarks, and ALENZ Members internal analysis

### Does this action prevent access to higher quality imported products?

Definitely not. Higher quality goods generally come from reputable manufacturers who play by the rules.

### **Why can't the problem be addressed by the enforcement of regulations, specifications etc?**

Unfortunately, NZ Customs are not resourced to check every shipment coming across our borders. New Zealand's declaration system relies on honest declarations.

Similarly, Customs don't have the technical expertise to check technical specifications / compliance of products being imported.

### **What will happen if the Safeguard Application is unsuccessful?**

Given the significant increase in imports this year - up over 30% on the same period last year, combined with low levels of activity across construction and infrastructure sectors, something will need to give.

Over time, if the competitiveness of local manufacturers continues to be eroded by dumped or subsidised imports, then local manufacturers will not have profits / capital to reinvest in their businesses. Local manufacturers will get smaller, jobs will be lost and ultimately businesses will close.

These businesses are part of New Zealand supply chains supplying construction, transport and marine sectors. They also support added value manufacturing, delivering to short lead times / small order sizes to enable export orientated NZ businesses to be globally competitive.

New Zealand will lose manufacturing capability, skills and expertise which are the very foundations of an innovative, growing economy.

### **Why is ALENZ not taking a dumping and/or subsidy action?**

This takes considerable time for the applicant to prepare a trade case, ( in ALENZ's case almost 6 months) and circumstances are rapidly changing internationally.

Safeguards offers relatively prompt action and a 75- 85 time period for MBIE to investigate. By contrast dumping or subsidy investigations take a minimum of 180 days, (once initiated) with a further 90 days for public interest test before any protection can be provided.

Safeguards apply imports from all countries. Antidumping / countervailing duties focus on specific manufacturers / importers.

In New Zealand's case we have recently experienced significant growth in aluminium extrusion imports from a number of countries who previously would have exported to the US and EU - both of whom have introduced significant tariffs in last 12 months.

### **What are the type of Safeguard measures available?**

The Act stipulates options for the Minister:

- Safeguard duty
- Duty or a variation of any rate of duty under the Tariff Act 1988.
- A restriction on importing of goods under the Customs and Excise Act 2018 or the Imports and Exports (Restrictions) Act 1988.

Further information regarding the challenges facing New Zealand aluminium extruders can be found [here](#)