

23 March 2015

The Registrar
Commerce Commission
PO Box 2351
WELLINGTON 6140

Email: registrar@comcom.govt.nz

Dear Sir/Madam

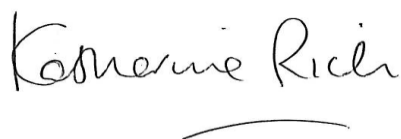
The New Zealand Food & Grocery Council welcomes the opportunity to comment on the ***Draft determination under the Commerce Act 1986 in the matter of an application by the Infant Nutrition Council (INC) for authorisation of a restrictive trade practice.***

The NZFGC represents the major manufacturers and suppliers of food, beverage and grocery products in New Zealand. This includes a number of infant formula manufacturers. The food, beverage and grocery sector is a major contributor to New Zealand's export revenue particularly from the opportunity to supply into Australia. Food and beverage manufacturing is the largest manufacturing sector in New Zealand, representing 46% of total manufacturing income and 34% of all manufacturing salaries and wages. Our members directly or indirectly employ 370,000 people, one in five of the workforce.

NZFGC is strongly supportive of the draft determination. As we understand it, this would allow members of the INC to restrict their advertising and marketing of infant formula for children under six months of age through the Commerce Commission authorising the INC's Code of Practice, which places restrictions on the advertising and marketing of infant formula by INC members.

NZFGC notes that even though the restrictions on marketing and advertising activities typically reduce competitive pressure and make consumers worse off, in this instance, authorisation is likely to have significant public health benefits. NZFGC is well aware that the purpose of the INC gives primacy to "supporting the protection and promotion of breast feeding" and that authorisation of the INC's Code is a significant part of this support.

Yours sincerely



Katherine Rich
Chief Executive