

LEI News Letter

January 2007

Government Provides Savings in Tariffs to Apparel Manufacturers

The following is an excerpt from an announcement by the Department of Finance on Dec. 8, 2006. The affected tariff classifications have not yet been released.

“The Honourable Michael M. Fortier, Minister of Public Works and Government Services and Minister responsible for the region of Montreal, on behalf of the Honourable Jim Flaherty, Minister of Finance, today announced the implementation of measures to reduce or eliminate tariffs on a number of textile fabrics used in apparel manufacturing. These measures will provide Canadian apparel producers with up to \$4.5 million in annual duty savings.

“The announcement today will help firms in Montreal and across Canada to maintain jobs by becoming more productive and more competitive,” said Minister Fortier. “Canada’s New Government is determined to let Canadian businesses to grow and succeed by building a stronger economy and creating a tax advantage that will establish the lowest tax rate on new business investment in the Group of Seven (G7).”

Under the new tariff measures announced today, the Government of Canada is:

- Eliminating the tariffs on a variety of apparel fabrics of particular interest to Canadian apparel producers where it has been determined these fabrics are not available from Canadian production.
- Providing further tariff relief on a number of apparel fabrics where domestic production averages less than \$5,000.00 annually.
- Replacing a number of gender-specific tariff descriptions with gender-neutral descriptions and generic apparel applications (for example, replacing tariff descriptions such as certain fabrics for use in the manufacture of *women’s jackets* with descriptions such as certain fabrics for use in the manufacture of *apparel*).

To further support the global competitiveness of the Canadian apparel industry, the above tariff relief measures are retroactive to January 1, 2005, to coincide with the elimination of World Trade Organization import quotas on textiles and apparel.

Minister Fortier also announced the implementation of tariff relief recommended in a recent Canadian International Trade Tribunal (CITT) report pursuant to the Standing Textile Reference. Effective November 23, 2006, duties have been eliminated on certain woven fabrics for use as lining in the manufacture of certain apparel.”

The Government Improves Protection Against Hazardous Chemicals

The following is an excerpt from an announcement from the Government of Canada n Dec. 8, 2006.

Prime Minister Stephen Harper, along with the Honourable Rona Ambrose, Minister of the Environment, and the Honourable Tony Clement, Minister of Health, today unveiled Canada’s new Chemicals Management Plan. The plan takes immediate action to regulate chemicals that are harmful to human health or the environment.

Prime Minister Harper said the plan is part of the government’s comprehensive environmental agenda, which includes the Clean Air Act, support for public transit and action on renewable fuels. “The Chemicals Management Plan we are unveiling today will make Canada a world leader in assessing and regulating chemicals that are used in thousands of industrial and consumer products,” said the Prime Minister. “It includes realistic and enforceable measures that will improve our environment and protect the health and safety of Canadians.”

"Since 1994, new chemicals have not been manufactured in Canada or imported here without undergoing a scientific risk assessment," Minister Ambrose explained. "Now that same rigorous assessment will be applied to 'legacy chemicals' that were introduced between January 1, 1984, and December 31, 1986."

"Canada was the first country to complete categorization of 23,000 legacy chemicals last September," added Minister Clement. "It will be the first, now, to take action. We have established clear priorities and now we are taking action to protect the health of Canadians."

"Moving forward, we will improve product labelling programs as well as deal with imported products which use chemical substances that are prohibited here in Canada," Minister Clement indicated.

Canada's New Government intends to commit \$300 million over four years to implement the Chemicals Management Plan. To provide Canadians with the latest information about hazardous chemicals, the Government is also launching a new Web portal that can be found at <http://www.chemicalsubstances.gc.ca>.

Proposed Amendments for Bovine Imports from the U.S.

The following is an announcement from the Canadian Food Inspection Agency (CFIA) on Dec. 15, 2006.

The Canadian Food Inspection Agency (CFIA) is proposing regulatory amendments to create a more responsive, adaptable and uniform import system for bovine animals and products from the United States.

Under proposed amendments to the *Health of Animals Regulations*, U.S. animals and their products would be imported under CFIA permits. Because permits can be readily adjusted, this system would allow the Agency to more effectively respond to new science and evolving international standards. Permits also provide an effective means to track imported animals—a critical component of foreign animal disease outbreak responses.

The new system would also provide Canada greater flexibility to more quickly implement revisions to import policies, such as previously announced changes to bluetongue-related import requirements for U.S. cattle. Similarly, the Agency could introduce any changes deemed necessary to Canada's anaplasmosis and small ruminant import policies, both of which are currently under review.

The proposed amendments standardize Canada's import controls with respect to bovine spongiform encephalopathy (BSE) in accordance with the Agency's BSE import policy. While the amendments focus on bovine animals and products, they also include several previously proposed provisions for other animals.

The proposed amendments are published in the *Canada Gazette* (www.canadagazette.gc.ca). Interested parties are invited to submit comments until January 14, 2007.

Canada Takes Economic Action Against Belarus

The following is a notice provided by the Department of Foreign Affairs and International Trade on Dec. 14, 2006.

This Notice is to advise exporters that the Government of Canada has decided to add Belarus to the *Area Control List* (ACL), the list of countries to which the exportation of all items is only permitted with a valid export permit.

This Notice reflects the Government of Canada's response concerning the deteriorating human rights situation in Belarus, following the March 19, 2006 presidential election which was deemed by international

observers to be severely flawed. The campaign was marred with widespread harassment and detention of opposition party campaign workers, the physical assault of senior opposition figures, arbitrary use of state powers to support the incumbent president, pressure on state workers and students to support the President, restrictions on the ability of opposition campaigns to communicate with the electorate, and control of the state media to severely restrict access by opposition candidates. These elements resulted in a climate of intimidation and insecurity, further undermining democracy and the respect of human rights in Belarus. Since the election Belarusian authorities have continued their unwarranted imprisonment of democratic supporters.

All applications for permits to export items to Belarus will be reviewed on a case-by-case basis. Permits for humanitarian goods, including food, clothing, medicines, medical supplies, information material, casual gifts and personal effects belonging to persons leaving Canada for Belarus, will generally be approved. Permits for other items will generally be denied. For information concerning the export permit application process, please contact the Exports Controls Division at the information provided below or view its [website](http://www.exportcontrols.gc.ca), (www.exportcontrols.gc.ca).

Under the authority of Section 6 of the *Export and Imports Permits Act*, the Governor-in-Council added Belarus to the *Area Control List* effective December 14, 2006.

For further information, exporters may contact:

Export Controls Division (TIE)
Export and Import Permits Bureau
Foreign Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario
K1A 0G2
Telephone: (613) 996-2387
Facsimile: (613) 996-9933
Email: TIE@international.gc.ca

Waterproof Footwear and Bottoms from China – Anti-Dumping

The Canada Border Services Agency has issued Customs Notice 661, Dec. 13, 2006 respecting waterproof rubber footwear and waterproof footwear and bottoms of plastic or rubber from the People's Republic of China. Following is an excerpt from Notice 661. The Notice may be found in its entirety at: <http://www.cbsa-asfc.gc.ca/E/pub/cm/cn661/README.html>.

“This notice is to advise that, on November 21, 2006, the Canada Border Services Agency (CBSA) concluded its re-investigation of the normal values and export prices of certain waterproof rubber footwear and certain waterproof footwear and bottoms made of plastic or rubber from the People's Republic of China in accordance with the Special Import Measures Act (SIMA).

For exporters that cooperated with the CBSA in this re-investigation, the normal values will be effective for the subject goods released from the CBSA on or after Nov. 21, 2006. Normal values currently in place will expire on that date. An exporter was considered cooperative if a complete response to the CBSA's Request for Information (RFI) was submitted on time and the exporter permitted verification of this data.

Four exporters provided complete responses to the CBSA's dumping RFI. In the course of the re-investigation, verification visits were conducted at the premises of three Chinese manufacturers.

(The four exporters are:
Fuzhou Light Industry Import and Export Co. Ltd.
Mudanjiang Baiyue Shoe-making Co. Ltd.
Suzhou New World Rubber Inc.
Co-operative Feed Dealers Inc.)

Where an exporter did not provide complete information, normal values will be determined in accordance with a ministerial specification, which is currently calculated by advancing the export price of the goods by 74% for waterproof rubber footwear and 49% for waterproof footwear and bottoms made of plastic or rubber.

Importers are reminded that it is their responsibility to calculate and declare their anti-dumping duty liability. If importers are using the services of a customs broker to clear importations, the brokerage firm should be advised that the goods are subject to anti-dumping measures and be provided with sufficient information necessary to clear the shipments. In order to determine their anti-dumping duty liability, importers should contact their suppliers who can provide information on normal values. Under limited circumstances, the CBSA may make this information available to importers.”

Any questions concerning the above should be directed to:

SIMA Registry and Disclosure Unit
Anti-dumping and Countervailing Program
Canada Border Services Agency
100 Metcalfe St., 11th floor,
Ottawa, ON K1A 0L8

Officers:

R.D. Cousineau – Ph. 613-954-7183, email: Robert.Cousineau@cbsa.asfc.gc.ca

Richard Chung – Ph. 613-954-7253, email: Richard.Chung@cbsa.asfc.gc.ca

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