

# LEI News Letter

Nov. 2005

## Barbeques originating in Peoples Republic of China

The Canadian International Trade Tribunal has reported the following:

The Canadian International Trade Tribunal determines, pursuant to subsection 30.22(6) of the Canadian International Trade Tribunal Act, that self-standing barbeques for outdoor use consisting of a metal lid, base and frame, fuelled by either propane or natural gas, with primary cooking space between 200 and 1,500 square inches (1,290 and 9,675 square centimetres), in assembled or knocked-down condition, originating in the People's Republic of China, are being imported in such increased quantities or under such conditions as to be a significant cause of market disruption to domestic producers of like or directly competitive goods.

Pursuant to the Order in Council by the Governor General in Council, issued on August 10, 2005, and in accordance with subsection 30.22(7) of the Canadian International Trade Tribunal Act, the Canadian International Trade Tribunal considers that the most appropriate remedy to remove the market disruption suffered by the domestic producers of like or directly competitive goods is a surtax set at 15 percent for a period of three years to be applied on an ad valorem basis, FOB Chinese port of shipment, to the above-mentioned barbeques originating in the People's Republic of China.

The Canadian International Trade Tribunal finds that no exclusions are warranted.

## Wheat Products Tariff Rate Quota (TRQ)

International Trade Canada has advised that the Wheat Products Tariff Rate Quota (TRQ) for the 2005 – 2006 period has been filled as of Nov.7, 2005 and that the within access commitment tariff items will be closed. Goods affected by the TRQ may be imported under the over access commitment tariff items at the respective rates of duty. The goods affected by the TRQ's are classified under Customs Tariff headings 11.01, 11.03, 11.04, 11.08, 11.09, 19.01, 19.02, 19.04, 19.05 and 23.02.

## Ice Cream and Ice Cream Novelties and Yogurt

International Trade Canada has issued Notice to Importers No. 687 informing importers of the Minister's policies and practices respecting the administration of the 484,000 kg Tariff Rate Quota for ice cream and ice cream novelties and invites applications for quota shares of the ice cream and ice cream novelties TRQ available for allocation for the period of Jan. 1 to Dec. 31, 2006. The notice is available on the ITC website at: [www.fait-maeci.gc.ca/trade/eicb/notices/ser687-en.asp](http://www.fait-maeci.gc.ca/trade/eicb/notices/ser687-en.asp).

International Trade Canada has also issued Notice to Importers No. 688 which addresses the same issues for imports of Yogurt. This notice can be found at [www.dfait-maeci.gc.ca/trade/eicb/notices/ser688-en.asp](http://www.dfait-maeci.gc.ca/trade/eicb/notices/ser688-en.asp).

## Barley Products Tariff Rate Quota (TRQ)

International Trade Canada has advised that the Barley Products Tariff Rate Quota (TRQ) for the 2005 – 2006 period has been filled as of Nov.11, 2005 and that the within access commitment tariff items will be closed. Goods affected by the TRQ may be imported under the over access commitment tariff items at the respective rates of duty. The goods affected by the TRQ's are classified under Customs Tariff headings 11.02, 11.03, 11.04, 11.07, 11.08, 19.01, 19.04, and 23.02.

## Tariff Relief for Textile and Apparel Industries

Following is an extract from a news release issued by the Department of Finance on Oct. 28, 2005.

On behalf of Minister of Finance Ralph Goodale, Member of Parliament for Saint-Leonard-Saint-Michel Massimo Pacetti today announced the Government intends to introduce measures to assist the Canadian textile and apparel industries. These include eliminating tariffs on textile inputs not produced in Canada and moving forward with additional measures to help strengthen the competitiveness of these industries.

The elimination of import tariffs on a number of fibres, yarns and apparel fabrics not produced domestically reflects the recommendations made in a Canadian International Trade Tribunal (CITT) report issued on June 30, 2005. Originally requested by the Minister of Finance last January, the report estimates this tariff relief is worth up to \$29 million a year.....

The Government is also considering additional proposals that could yield up to an additional \$17.5 million in annual tariff relief. Specifically it will request that the CITT continue its inquiry into the Canadian production of textiles that fall under specific areas of key interest to Canadian apparel producers, which could provide up to \$12 million in further tariff relief and consult with industry stakeholders on the elimination of tariffs on apparel fabrics where domestic production averages less than \$5,000 annually.

Along with these measures the Government will extend the Designer Remission Order and will eliminate the \$14/m<sup>2</sup> price point on imported fabrics. This will allow designers to import all of their fabrics duty-free and better compete internationally.

Finally, the Government and the textile and apparel industries have been working on the design of an outward processing program to provide new market opportunities for the textile industry. This work will move forward on a priority basis.....

This news release is available in its entirety at [www.fin.gc.ca/news05/05-71e.html](http://www.fin.gc.ca/news05/05-71e.html).

## US Requirements for Canadian Origin Wood Packaging Materials

The US Customs and Border Protection (CBP) has confirmed that it will not enforce requirements that Canadian wood packaging materials (WPM) be accompanied with a declaration identifying the wood packaging as originating in Canada. The CBP has explained the exemption as follows;

“WPM made entirely of Canadian origin wood or U.S. origin wood is exempt from the treatment and marking requirements in trade between the two countries. The exception only pertains to WPM coming directly to the U.S. from Canada or directly to Canada from the U.S.

For purposes of enforcement of the USDA WPM rule, CBP has decided that the country of origin of the commodity is the country of origin of the WPM on all shipments coming from Canada absent an indication to the contrary. In other words, WPM in shipments of Chinese-made goods coming from Canada will be considered Chinese and must be treated and marked unless there is documentation to prove the WPM is Canadian. WPM in shipments of Canadian-made goods coming from Canada will be considered Canadian and need not be marked.

CBP has decided for operational purposes that the country of origin of the associated merchandise is the country of origin of the WPM absent indication to the contrary. Therefore,

- If the country of origin of the goods is Canada, and the goods are coming directly from Canada into the U.S., we will hold that the country of origin of the WPM is also Canada absent an indication to the contrary. Canada origin WPM are exempt from the regulation, so nothing more is required.
- If the country of origin of the goods is, say, China, and the goods are coming directly from Canada into the US, we will hold that the country of origin of the WPM is also China absent an indication to the contrary; China origin WPM need to be treated and marked.
- If the country of origin of the merchandise, to follow through on this example, is China, but it has been repackaged in Canada on Canada WPM, and the shipment is coming directly from Canada into the U.S., we will still hold that the country of origin of the WPM is China absent an indication to the contrary. A statement is the simplest way to provide CBP with an indication to the contrary.”

Should there be any questions on any issue contained in this news letter, please contact your nearest LEI office.

