

INTERNATIONAL TRADE**DUTIES OF UP TO 276% APPLIED ON IMPORTS OF GYPSUM BOARD FROM THE USA**

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In March 2016, Canadian producers of gypsum board filed a complaint with Canada Border Services Agency (CBSA) alleging that US exporters of gypsum board were dumping their product into western Canada and causing injuring production of gypsum board in Canada. Dumping occurs when an imported product is being sold into Canada below what it would be sold for in the USA, or below its cost of production.

Under Canadian law, if the CBSA finds that the goods are dumped and the Canadian International Trade Tribunal (CITT) finds that those dumped goods are causing injury to Canadian producers of those goods, then dumping duties can be applied on US imports for up to 5 years.

On September 6, 2016, CBSA found that US imports of gypsum board were being dumped into western Canada at a rate of up to 276%, and imposed preliminary duties at that rate. This means that effective September 6, all imports of gypsum board from the US will be assessed a duty of up to 276% upon entry into Canada. The importers are required under Canadian law to pass on the duties to their Canadian customers. See <http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/gb2016/gb2016-np-eng.html>

On September 7, 2016, the CITT initiated its inquiry into whether the dumping of US gypsum board into western Canada is causing injury to Canadian producers of gypsum board. The CITT notice of investigation and schedule can be found at <http://www.citt.gc.ca/en/node/7831>

The purpose of the CITT investigation is to determine whether the Canadian produces are suffering injury, and if so whether the cause of that injury is US imports or other non-import factors such as Canadian labor issues/strikes, a general economic slowdown, financial mismanagement, etc. In addition the Tribunal will examine the extent to which Canadian producers have the capacity to supply western Canada and whether US imports are needed to fill any gap in the Canadian producers' ability to supply.

The Tribunal is scheduled to hold a public hearing into the matter on December 5, 2016. Importers and end users of gypsum board have until September 21, 2016 to file a notice to participate in the CITT process.

Importers and end-users of gypsum board in Canada can protect their interests in this investigation by participating in the CITT process (as individuals or as part of a coalition) to argue against the importation of duties; and to also request that certain US gypsum products be excluded from any application of duties in the future. There is also an

opportunity to argue that the imposition of duties would not be in the public interest of consumers and building products/construction companies in western Canada, especially in light of current economic conditions.

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