



Ottawa, November 16, 1999

Expiry No.: LE-99-005

IN THE MATTER OF a request, under subsection 76(2) of the *Special Import Measures Act*, for a review of the order made by the Canadian International Trade Tribunal on July 5, 1995, in Review No. RR-94-005, continuing, with amendment, its finding made on July 6, 1990, in Inquiry No. NQ-89-004, concerning:

**REFILL PAPER, ALSO KNOWN AS FILLER OR LOOSELEAF PAPER,
ORIGINATING IN OR EXPORTED FROM
THE FEDERATIVE REPUBLIC OF BRAZIL**

ORDER

On September 3, 1999, the Canadian International Trade Tribunal issued a notice of expiry requesting views on whether the order of July 5, 1995, should be reviewed. The Tribunal has decided, pursuant to subsection 76(3) of the *Special Import Measures Act*, that a review is not warranted.

Patricia M. Close
Patricia M. Close
Presiding Member

Raynald Guay
Raynald Guay
Member

Peter F. Thalheimer
Peter F. Thalheimer
Member

Michel P. Granger
Michel P. Granger
Secretary



Ottawa, November 16, 1999

Expiry No.: LE-99-005

IN THE MATTER OF a request, under subsection 76(2) of the *Special Import Measures Act*, for a review of the order made by the Canadian International Trade Tribunal on July 5, 1995, in Review No. RR-94-005, continuing, with amendment, its finding made on July 6, 1990, in Inquiry No. NQ-89-004, concerning:

**REFILL PAPER, ALSO KNOWN AS FILLER OR LOOSELEAF PAPER,
ORIGINATING IN OR EXPORTED FROM
THE FEDERATIVE REPUBLIC OF BRAZIL**

STATEMENT OF REASONS

BACKGROUND

The Canadian International Trade Tribunal (the Tribunal), on September 3, 1999, gave notice that its order made on July 5, 1995, in Review No. RR-94-005, continuing, with amendment, its finding made on July 6, 1990, in Inquiry No. NQ-89-004, concerning refill paper, also known as filler or looseleaf paper, originating in or exported from the Federative Republic of Brazil, was scheduled to expire on July 4, 2000.

Persons or governments requesting or opposing the initiation of a review were invited to file submissions containing relevant information, opinions and arguments on all relevant factors, including: the likelihood of the continuation or the resumption of dumping in Canada; the likelihood of material injury to the domestic industry from resumed dumping if the order were allowed to expire, having regard to the anticipated effects of the availability of imports at dumped prices on the domestic industry's performance; the likely volumes and price ranges of dumped imports if the order were to expire; domestic trends in production, sales, market share, and profits; other developments affecting or likely to affect the domestic industry; and, any other changes in market conditions in Brazil, in other markets and in Canada that might be relevant, including changes to supply and demand for refill paper and in trends and sources of imports into Canada.

Refill paper is most commonly used by students in educational institutions. The market for refill paper is seasonal and is dominated by large retailers that use the product as a loss leader in their back-to-school programs. The product is available in a wide variety of sizes, with different ruling and various hole configurations. The size of the paper ranges from 3 in. × 5 in. to 8½ in. × 14 in. and may be ruled with horizontal lines, be graph ruled, have columns or be left blank. The most common type of refill paper on the market is 8³/₈ in. × 10⁷/₈ in. in size, ruled with horizontal lines and a vertical margin, and punched with three holes for insertion in a ring binder.

At the time of the 1995 review, there were three domestic producers of refill paper, namely Fanco Products Canada Ltd. (Fanco), Hilroy, A Mead Company, and Spiral Paper Products, Division of Belt Manufacturing Limited. During the period considered by the Tribunal in the 1995 review, i.e. 1990 through 1994, there were no imports of the subject goods from Brazil.

In response to the notice of expiry, the Tribunal received only one submission, from Fanco, requesting the initiation of a review. There were no other submissions, either supporting or opposing a review.

ANALYSIS

For the Tribunal to initiate a review, it must be satisfied, on the basis of submissions, that a review is warranted. The submissions should give the Tribunal sufficient factual material to indicate that there is a likelihood of a continuation or a resumption of dumping if the order is allowed to expire and that such dumping is likely to result in injury to the domestic industry.

With respect to a continuation or resumption of dumping, Fanco alleged that Brazilian companies continue to maintain a presence in the Canadian market through the same trade channels and trade shows as was the case in 1995 and that these companies have offered, for sale in Canada, merchandise “related” to the subject goods. Fanco submitted that the increasing presence of Indonesian imports of refill paper have suppressed the ability of Brazilian exporters to offer the subject goods for sale in Canada. However, in Fanco’s view, if the finding is rescinded, Brazilian refill paper will re-enter the market at dumped price levels in order to compete with Indonesian imports. In addition, Fanco claims that some Brazilian exporters have continued to aggressively ship into the United States market. Finally, Fanco claimed that it has lost market share and sales since 1996 to Indonesian imports.

In addressing these issues, the Tribunal notes that Fanco’s submission consists of various claims and allegations which are unsupported by facts, documentation or other evidence. In particular, the Tribunal was not provided with data or information concerning the volumes or prices of Brazilian refill paper or “related” goods offered for sale in Canada, nor with any evidence that Brazilian imports have, in fact, entered the country in the past several years.

With regard to Fanco’s allegations that Brazilian refill paper will re-enter the market at dumped prices to be able to compete with Indonesian imports, the Tribunal notes that it found that the dumping of refill paper from Indonesia had not caused, nor did it threaten to cause, material injury to the domestic industry as recently as 1996.¹ Moreover, the Tribunal is not persuaded that the mere fact that Indonesian refill paper continues to be sold in Canada is an indication that imports of the Brazilian product are likely to resume at dumped price levels, in absence of the order. Fanco also failed to provide relevant and sufficient information concerning Brazilian export activity in the US market or any other foreign market. Furthermore, there is no evidence to support Fanco’s claims, with respect to the US market, that these goods have been dumped or are being dumped.

Regarding the likelihood of material injury if the order were allowed to expire, Fanco submitted that it has already lost significant market share and suffers from reduced production levels and sales. The Tribunal notes that Fanco did not submit information on the volume and prices of Indonesian refill paper, the magnitude of competition it faces from this source and the magnitude of any effect Brazilian dumping is likely to have. The company also alleged that the Canadian market continues to be concentrated in increasingly narrow channels due to the demise of certain large purchasers of refill paper. These submissions by Fanco suggest to the Tribunal that the major difficulties the company is facing are related to the effects of

1. *Refill Paper, also Known as Filler Paper or Looseleaf Paper, Originating in or Exported from the Republic of Indonesia, and Notebooks with a Coiled or Spiral Binding, Originating in or Exported from the Republic of Indonesia and the Federative Republic of Brazil* (27 September 1996), NQ-96-001 (CITT).

competition from Indonesian imports of refill paper and to major structural changes occurring in distribution channels in the Canadian market.

Finally, in the Tribunal's view, Fanco did not support its claims regarding the likelihood of material injury, as it failed to provide sufficient information concerning recent trends in domestic production, sales, market share, prices and profits, as well as information on the availability of imports at dumped prices and their anticipated effects on the industry's future performance as set out in the notice of expiry.

CONCLUSION

The Tribunal has decided, on the basis of the information before it, that a review of the order is not warranted.

Patricia M. Close

Patricia M. Close
Presiding Member

Raynald Guay

Raynald Guay
Member

Peter F. Thalheimer

Peter F. Thalheimer
Member