



Ottawa, Friday, August 31, 1990

IN THE MATTER OF a request made under subsection 76(2) of the *Special Import Measures Act* for a review of the finding of material injury of the Anti-dumping Tribunal in Inquiry No. ADT-4-81 dated September 23, 1981, as continued by the Canadian Import Tribunal in Review No. R-11B-85 dated December 20, 1985, respecting:

**PLAIN HARDBOARD SHEETS OR PANELS ORIGINATING IN OR EXPORTED FROM
THE UNION OF SOVIET SOCIALIST REPUBLICS AND POLAND**

DECISION

On April 26, 1990, the Canadian International Trade Tribunal issued a Notice of Expiry (LE-90-005) requesting views on whether the aforementioned finding should be reviewed. Having considered representations both in support of, and against, a review of the finding, the Tribunal has decided, pursuant to subsection 76(3) of the *Special Import Measures Act*, that a review is not warranted.

Arthur B. Trudeau

Arthur B. Trudeau
Presiding Member

Sidney A. Fraleigh

Sidney A. Fraleigh
Member

Charles A. Gracey

Charles A. Gracey
Member

Robert J. Martin

Robert J. Martin
Secretary



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STATEMENT OF REASONS

BACKGROUND

The Canadian International Trade Tribunal (the Tribunal), on April 26, 1990, in a Notice of Expiry (LE-90-005), gave notice that the finding of the Anti-dumping Tribunal (Inquiry No. ADT-4-81) of September 23, 1981, which was continued on December 20, 1985 (Review No. R-11B-85), with respect to material injury caused by the dumping of plain hardboard sheets or panels originating in or exported from the Union of Soviet Socialist Republics (USSR) and Poland was scheduled to expire on December 19, 1990. Interested parties requesting or opposing a review of the finding were invited to file submissions addressing, with respect to the subject goods, the issues of supply and demand, the vulnerability of the industry to dumped imports, the effect of such imports on prices, production, sales, market shares and profits, and the propensity to dump, in Canada and elsewhere, by exporters in the USSR and Poland.

The Tribunal has considered a submission to review and to continue the finding presented on behalf of Canoxel Hardboard Division of Canadian Pacific Forest Products Limited (Canoxel). Canadian Forest Products Ltd. (Canfor) supported this submission. Canoxel and Canfor are the only manufacturers of hardboard panels in Canada. Submissions were also received from Commonwealth Plywood Co. Ltd. and the Québec Furniture Manufacturers' Association Inc., users of hardboard panels, opposing a review of the finding.

Plain hardboard sheets or panels, the subject goods, come in all standard sizes up to 5' 7" x 9' or in full press sheets or parts thereof, with a nominal thickness of 1/8 of an inch not primed, painted, oil treated or perforated, nor further finished other than by trimming to nominal size and/or by sanding to maintain an even thickness across a panel.

In the submission, it was argued that the industry, although having demonstrated its ability to compete in the highly competitive markets for the subject goods, remained vulnerable to a renewal of dumping from the subject countries and that there would be a resumption of dumping in the Canadian market if the finding were rescinded.

The argument that dumping would resume in the Canadian market was based on alleged dumping of hardboard sheets by the USSR and Poland in the United States. Information provided in support of this argument included copies of invoices of two sales of hardboard panels along with verbal price quotes for Russian commodity board in the US market. In addition, US import data for selected harmonized system tariff and statistical items were

provided showing values, quantities and unit values for imports of "Baltic" board from the USSR and Poland in 1989 and the first quarter of 1990. The economic problems of both Poland and the USSR were also cited as being likely to intensify the desire of those countries to earn hard currency through increased exports. Finally, the submission noted that, although there have been virtually no imports into Canada of the subject goods from the subject countries since the original finding, Statistics Canada had reported two small shipments of commodity board from the USSR in 1989 and 1990.

REASONS FOR DECISION

When considering a request to review a finding pursuant to subsection 76(3) of the *Special Import Measures Act*, the Tribunal needs to be satisfied, on the basis of the facts available, that a review is warranted.

The submission in support of a review included facts and statistics alleging that dumping in Canada of hardboard panels by the subject countries would resume if the finding were rescinded. The Tribunal has examined the facts and statistics, as clarified by counsel for Canexel, and does not find them to be of sufficient scope and relevance to provide an acceptable basis on which to undertake a review of the finding. The Tribunal found that the data presented on exports from the subject countries to the United States were unreliable because they included, in addition to the subject goods, other commodity board products that are not subject goods. Information provided on prices was inconclusive. In the Tribunal's view, two invoices for small sales do not provide an adequate basis for assessing price levels of hardboard panels imported into the United States from the subject countries. Moreover, the actual origin of the goods cannot be ascertained from these invoices. No facts were presented concerning the marketing practices of the USSR or Poland that would show how they would respond to a rescission of the finding. Finally, the contention that Poland and the USSR will dump to earn hard currency remains a matter of conjecture and speculation in the absence of specific evidence.

The facts of this case show that there have been virtually no imports of hardboard panels from the subject countries since 1981. The industry provided no information on which to conclude that exports from the USSR and Poland would resume in the foreseeable future. Therefore, the Tribunal is not satisfied that a review of the finding is warranted.

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