



Ottawa, Friday, February 15, 2002

Preliminary Injury Inquiry No. PI-2001-003

IN THE MATTER OF a preliminary injury inquiry, under subsection 34(2) of the *Special Import Measures Act*, respecting:

**THE DUMPING OF AUTOMOTIVE LAMINATED WINDSHIELDS FOR THE
REPLACEMENT MARKET EXPORTED FROM OR ORIGINATING FROM
THE PEOPLE'S REPUBLIC OF CHINA**

PRELIMINARY DETERMINATION OF INJURY

The Canadian International Trade Tribunal, under the provisions of subsection 34(2) of the *Special Import Measures Act*, has conducted a preliminary injury inquiry into whether the evidence discloses a reasonable indication that the dumping of automotive laminated windshields for the automotive replacement market of all sizes and shapes, exported from or originating from the People's Republic of China has caused injury or retardation or is threatening to cause injury.

This preliminary injury inquiry is pursuant to the notification, on December 18, 2001, by the Commissioner of the Canada Customs and Revenue Agency, that an investigation had been initiated into the alleged injurious dumping of the above-mentioned goods.

Pursuant to subsection 37.1(1) of the *Special Import Measures Act*, the Canadian International Trade Tribunal hereby determines that the evidence discloses a reasonable indication that the dumping of the above-mentioned goods has caused injury.

Richard Lafontaine

Richard Lafontaine
Presiding Member

Patricia M. Close

Patricia M. Close
Member

Ellen Fry

Ellen Fry
Member

Michel P. Granger

Michel P. Granger
Secretary

The statement of reasons will be issued within 15 days.

Date of Determination: February 15, 2002
Date of Reasons: March 1, 2002

Tribunal Members: Richard Lafontaine, Presiding Member
Patricia M. Close, Member
Ellen Fry, Member

Director of Research: Selik Shainfarber

Research Manager: Don Shires

Statistician: Julie Charlebois

Counsel for the Tribunal: Philippe Cellard

Registrar Officer: Karine Turgeon

Participants:

for James McIlroy
PPG Canada Inc.
Lamiver Inc.

for Richard S. Gottlieb
Darrel H. Pearson
Xinyi Automobile Glass (Shenzhen) Co., Ltd.
Xinyi Glass (North America) Inc.

for Riyaz Dattu
Belron Canada inc.

for Mervin C. Phillips
Inter Pacific Auto Glass Ltd.
Auto Mind International Investment Group Ltd.
Northstar Auto Glass Ltd.
Auto Mind Collision Repair Ltd.

Curie Chen
Fuyao Glass Industry Group Co., Ltd.

James Carino
Greenville Glass Industries Inc.

André Caya
Mario Jutras
PH Vitres D'Autos Inc.

Gordon Kopt
GlassMasters autoglass Ltd.

Ricky Lui
Glory Star Enterprises Inc.



Ottawa, Friday, March 1, 2002

Preliminary Injury Inquiry No. PI-2001-003

IN THE MATTER OF a preliminary injury inquiry, under subsection 34(2) of the *Special Import Measures Act*, respecting:

**THE DUMPING OF AUTOMOTIVE LAMINATED WINDSHIELDS
FOR THE AUTOMOTIVE REPLACEMENT MARKET OF ALL SIZES
AND SHAPES EXPORTED FROM OR ORIGINATING FROM THE
PEOPLE'S REPUBLIC OF CHINA**

CORRIGENDUM

In the English version of the Preliminary Determination of Injury, the main heading should have read as indicated above.

By order of the Tribunal,

Michel P. Granger
Secretary

Ottawa, Friday, March 1, 2002

Preliminary Injury Inquiry No. PI-2001-003

IN THE MATTER OF a preliminary injury inquiry, under subsection 34(2) of the *Special Import Measures Act*, respecting:

**THE DUMPING OF AUTOMOTIVE LAMINATED WINDSHIELDS
FOR THE AUTOMOTIVE REPLACEMENT MARKET OF ALL SIZES
AND SHAPES EXPORTED FROM OR ORIGINATING FROM THE
PEOPLE'S REPUBLIC OF CHINA**

TRIBUNAL: RICHARD LAFONTAINE, Presiding Member
PATRICIA M. CLOSE, Member
ELLEN FRY, Member

STATEMENT OF REASONS

BACKGROUND

On February 15, 2002, pursuant to subsection 37.1(1) of the *Special Import Measures Act*,¹ the Canadian International Trade Tribunal (the Tribunal) issued a preliminary determination of injury relating to the dumping of automotive laminated windshields for the automotive replacement market (ARG windshields) of all sizes and shapes exported from or originating from the People's Republic of China (China).

The Tribunal's decision completed its preliminary injury inquiry. This inquiry was commenced following the initiation, on December 18, 2001, by the Commissioner of the Canada Customs and Revenue Agency (the Commissioner), of an investigation into the alleged dumping of the above-mentioned goods. The investigation was initiated by the Commissioner following a complaint filed by PPG Canada Inc. (PPG) on July 20, 2001. The complaint was supported by Lamiver Inc. (Lamiver).

COMMISSIONER'S DECISION

The Canada Customs and Revenue Agency (CCRA) conducted an analysis of the margins of dumping based on an estimated normal value,² the export price information provided by PPG and the actual import data from customs documentation for the period from November 2000 to May 2001 inclusive. The estimated margin of dumping was 44.5 percent, expressed as a percentage of the normal value.

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1. R.S.C. 1985, c. S-15 [hereinafter SIMA].
 2. For purposes of estimating the normal value, China was treated as a non-market economy. Consequently, the normal value provided by PPG was based on the normal value for ARG windshields manufactured and sold in a surrogate market economy, India. The CCRA revised the normal value estimated by PPG. The CCRA's estimated normal value was then used for purposes of determining the margins of dumping.

SUBMISSIONS

Domestic Industry

In its complaint, PPG submitted that the dumped subject goods have caused and threaten to cause material injury to Canadian producers of ARG windshields. In support of the complaint, PPG provided evidence to show that it experienced price erosion, lost sales, declining market share, reduced income and profitability, and reduced capacity utilization over the past three years. In addition, the complaint contained similar injury information with respect to Lamiver, the only other domestic producer of ARG windshields.

Submissions Opposed to the Industry Complaint

No submissions opposed to the complaint were received from parties to the proceeding. However, the Tribunal received a letter from the co-operators (a Canadian insurance company) that raised certain questions concerning domestic market sales and trends.

ANALYSIS

The Tribunal's mandate with respect to preliminary injury inquiries is set out in subsection 34(2) and section 37.1 of SIMA, which require the Tribunal to determine whether the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury or retardation or is threatening to cause injury. "Injury" is defined in SIMA as "material injury to a domestic industry". "Domestic industry" means the domestic producers as a whole of the "like goods" or whose production constitutes a "major proportion" of the domestic production.

The Tribunal notes that, in initiating its investigation, the CCRA defined the subject goods as ARG windshields. The Tribunal finds that ARG windshields produced in Canada are like goods to ARG windshields from China.

The definition of the subject goods specifically excludes Original Equipment Manufacturer (OEM) windshields that are installed on new vehicles. PPG submitted evidence that ARG and OEM windshields are different with regard to uses, characteristics, manufacturing facilities, production processes, channels of distribution, customers, costs of production and price levels, and submitted, therefore, that they are not like goods. No submissions were received by the Tribunal to counter PPG's submissions on this matter. Based on the evidence before it at this time, the Tribunal is of the opinion that OEM windshields produced in Canada are not like goods to ARG windshields from China.

Respecting the domestic industry, the Tribunal notes that the evidence indicates that PPG and Lamiver are the only domestic producers of ARG windshields. Accordingly, the Tribunal finds that they constitute the domestic industry.

Turning to the evidence on the record relating to injury, the Tribunal notes that the preliminary data indicate a significant increase in imports of ARG windshields from China since 1997. Chinese products have also steadily increased their market share since then, while industry production, sales volumes and revenues, and profitability have shown declines. PPG also filed evidence of low-price offers for Chinese ARG windshields at specific industry accounts, which allegedly caused it to experience price erosion at those accounts. In addition, PPG submitted that China's large capacity to produce ARG windshields and the export orientation of Chinese producers in light of their small current domestic market were indicative of a looming threat to the Canadian market.

Having regard to the foregoing, the Tribunal finds that there is evidence that discloses a reasonable indication that the dumping of the subject goods has caused injury.

Richard Lafontaine
Richard Lafontaine
Presiding Member

Patricia M. Close
Patricia M. Close
Member

Ellen Fry
Ellen Fry
Member