

**CANADIAN INTERNATIONAL TRADE TRIBUNAL**

(Reference No.: MN-2004-001)

**INTERIM REPORT**

**OF AN**

**INQUIRY INTO  
THE AVAILABILITY OF CERTAIN TEXTILE INPUTS  
PRODUCED BY CANADIAN TEXTILE MANUFACTURERS  
FOR USE IN  
THE PRODUCTION OF APPAREL**

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October 28, 2004

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## PART I - INTRODUCTION

### 1. Terms of Reference

On May 19, 2004, the Honourable Ralph Goodale, Minister of Finance (the Minister), referred to the Canadian International Trade Tribunal (the Tribunal), pursuant to section 19 of the *Canadian International Trade Tribunal Act*<sup>1</sup>, an inquiry into the availability of certain textile inputs produced by Canadian textile manufacturers for use in the production of apparel and provided terms of reference to guide the Tribunal in its inquiry. The Minister indicated that this reference was part of the Canadian Government's announced measures aimed at improving the global competitiveness of the apparel and textile industries. These measures include tariff reductions on textile inputs with an approximate value of \$26.75 million to the apparel industry over the next three years. The Minister indicated that, to minimize the effect on Canadian textile manufacturers, the report would be important in implementing tariff relief for the apparel industry on textile inputs not currently produced in Canada. The Tribunal was asked to submit its report by October 31, 2004. On October 6, 2004, the Minister granted an extension of time to January 31, 2005, for the submission of the report. The terms of reference for the inquiry are reproduced at Appendix I.

The mandate of the Tribunal is to inquire into and report on the extent to which "certain specific yarns and fabrics" have been produced and sold in Canada since 2003. The Tribunal was directed to report on total textile domestic and export sales, by apparel and non-apparel uses, and on the relative value of those domestic textile sales compared to the value of imports of the same textile inputs used in Canadian apparel production. Further, where the Tribunal determined that there were domestic sales of subject textile inputs for apparel uses, the Tribunal was directed to provide a more detailed product description of those textile inputs, where required, and to report on the significance of those sales to domestic textile manufacturers.

The Tribunal was also directed to report on any other matter that it determined to be of relevance to this inquiry.

On June 9, 2004, the Tribunal issued its Notice of Commencement of Inquiry (the Notice).

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1. R.S.C. 1985 (4th Supp.), c. 47 [*CITT Act*].



## 2. Organization of this Report

This report is divided into 4 parts.

- Part I gives general information concerning the conduct of the inquiry.
- Part II provides a brief description of the textile and apparel industries in Canada, as well as general data on imports.
- Part III summarizes, by Chapter of the *Customs Tariff*, the information gathered by the Tribunal regarding the availability of the textile inputs found in Chapters 51-60 (excluding Chapter 57) for those 10-digit statistical codes<sup>2</sup> subject to the inquiry.
- Finally, Part IV summarizes the preliminary findings of the Tribunal.

## 3. Period Covered by the Inquiry

The Tribunal is to inquire into and report on the extent to which certain textile inputs have been produced and sold in Canada since 2003. In its Notice, the Tribunal indicated that the period of inquiry would be from January 1, 2003 to March 31, 2004. However, given the circumstances of the inquiry, the Tribunal extended the period covered to June 2004 as data became available for this extended time period.

Therefore, the information provided in this report covers the period from January 1, 2003 to June 30, 2004.

## 4. Product Coverage

The terms of reference directed the Tribunal to report on 153 statistical codes. It should be noted that two of these statistical codes, 5309.11.90.00 and 5309.19.90.00, are specific to non-apparel uses and that there are two corresponding statistical codes for apparel, i.e. 5309.11.10.00 and 5309.19.10.00, that are already duty free. Consequently, statistical codes 5309.11.90.00 and 5309.19.90.00, are not relevant to importers of fabric for use in the production of apparel. Therefore, the Tribunal's analysis covers the remaining 151 statistical codes. These are listed in Appendix II of this report.

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2. The last two digits, added on to the 8-digit tariff item number, refer to the statistical suffix (SS). The 10-digit number is called the statistical annotation. In this report, the 10-digit statistical annotation will be referred to as the "statistical code".

## 5. Conduct of the Inquiry

### a) Introduction

Canadian textile manufacturers are the source best placed to provide the most complete and accurate information concerning the matters on which the Tribunal has been directed to report. The Tribunal initially sought the information required for this inquiry from textile manufacturers as its primary source. However, because textile manufacturers provided very little information in response to the Tribunal's questionnaire, the Tribunal was forced to look at other options to fulfil its mandate.

First, the Tribunal conducted a telephone survey of importers of subject textile inputs to try to obtain information on the availability of the subject yarns and fabrics from domestic sources. These importers were selected using Statistics Canada import data. Second, the Tribunal looked at export data to determine whether it would provide information on the availability of domestic subject textile inputs. Third, the Tribunal reviewed the files that had been generated by its investigations of some 174 requests for tariff relief as part of a standing ministerial reference on textile inputs. When it became evident that these approaches would not yield a significant amount of useful data, the Tribunal surveyed major purchasers of textile inputs for use in the production of apparel. The information gathered by the Tribunal from this source is, by its nature, less comprehensive than what could have been provided by textile manufacturers.

Because of the incompleteness of the available data, the Tribunal is not in a position to report on certain of the items identified in the terms of reference. These include: total domestic and export sales by textile manufacturers, by apparel and non-apparel uses; the relative value of those sales compared to the value of imports of the same textile inputs used in Canadian apparel production; a more detailed product description of the textile inputs available from domestic production; and the significance of those sales to domestic textile manufacturers.

In summary, the Tribunal's inquiry was conducted in three phases. In **Phase I**, the Tribunal surveyed domestic textile manufacturers; in **Phase II**, it conducted a telephone survey of importers based on Statistics Canada data, reviewed available export data of the subject textile inputs, and searched its own textile tariff reference files; and, in **Phase III**, the Tribunal surveyed apparel producers and distributors that purchase textile inputs for use in the production of apparel.

**b) Phase I: Survey of Domestic Textile Manufacturers**

On June 9, 2004, the Tribunal sent out Producer Questionnaires to 81 potential manufacturers of textile inputs<sup>3</sup>. The Canadian Textiles Institute (the CTI) was consulted to ensure that the Tribunal's survey captured, to the greatest extent possible, all known textile manufacturers that supplied apparel producers.

The Tribunal received two questionnaire responses and two partial responses from firms that indicated they manufacture the subject textile inputs for apparel uses. Letters were received from 27 firms indicating that they either did not produce the subject textile inputs or that they did not supply apparel producers. Another 21 firms provided no response to the Tribunal. The remaining 26 textile manufacturers wrote to the Tribunal indicating that, while they manufacture some of the subject inputs<sup>4</sup>, they were opposed to the inquiry and would not respond to the questionnaire. Their concerns regarding the form and content of the inquiry are contained in a series of form letters received by the Tribunal. An example of these letters is found in Appendix V.

**c) Phase II: Other Research Options Considered by the Tribunal****(i) Importer Telephone Survey**

Given the lack of information from textile manufacturers, the Tribunal looked at the option of surveying importers to obtain data on the availability of subject textile inputs from domestic sources. Because time did not permit a survey of all 151 subject codes, the Tribunal chose the statistical code with the highest duty paid in 2003 in each of the nine subject Chapters. In 2003, duties collected under these nine statistical codes amounted to \$15.9 million, or 34 percent of the total duties collected under the 151 subject codes. Next, the major importers within each of the codes were identified and were contacted by telephone. Importers were asked whether the company's business involved apparel. In a number of cases, the companies did not deal with apparel and, therefore, no further questions were asked. If the company either made apparel or distributed textiles to apparel producers, it was asked if product as described by the subject codes was available from domestic sources. If so, further details were requested.

In most cases, for each of the statistical codes reviewed, importers stated that the specific products they import are not available in Canada. Companies stated that, if they

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3. Appendix III provides a list of these firms and a summary of all contacts made by Tribunal staff during **Phase I** of its research work.

4. Appendix IV provides a summary of the subject textile inputs reported, by these firms, to be available from domestic production.

had the opportunity to buy domestic textile inputs, they would do so, since they would prefer not to deal with import issues such as letters of credit, higher transportation costs, shipping problems, communication problems, longer lead time to market, more costly trading terms, and quality issues. Importers reported that there are relatively few domestic textile manufacturers left that supply apparel producers.

In light of the considerable time and resources that would have been required to conduct a full statistical survey, i.e. the other 142 subject statistical codes, and of its limited usefulness in obtaining verifiable information regarding what subject textile inputs are manufactured in Canada, this option was not pursued further by the Tribunal.

### **(ii) Textile Exports**

The Tribunal reviewed export data available from Statistics Canada as a possible source of information on whether Canadian textile manufacturers exported textile inputs as classified by the statistical codes subject to the inquiry. Export data would give an indication that these textile inputs were made in Canada.

However, because of the lack of specificity in the Statistics Canada data and the resulting inability to match exports directly with the descriptions of the subject textile inputs at the statistical code level<sup>5</sup>, the export data available to the Tribunal does not provide any useful information regarding the exports of textile inputs classified under the subject codes. Furthermore, the limited available export data gives no indication whether exports of the goods under consideration are for use in the production of apparel. As a result, the review of the export data was not pursued further. Consequently, the Tribunal is unable to provide the Minister with the total export sales of the subject textile inputs.

### **(iii) Tribunal Textile Files**

Since 1994, further to a standing reference from the Minister, the Tribunal has inquired into requests from domestic producers for tariff relief on imported textile inputs for use in their manufacturing operations. To date, some 174 requests have been filed.

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5. The level of statistical detail available for export data is significantly less than that for import data. For imports, the data is available at the 10-digit level, which consists of the chapter (1st 2-digits), heading (2nd 2-digits), sub-heading (3rd 2-digits), tariff item (4th 2-digits) and statistical annotation (5th 2-digits). For exports, the data is available at the 8-digit level. The first 6-digits of this export code is identical to the 6-digit in classifying import data, i.e., chapter, heading and sub-heading. However, the tariff item of the 8-digit code for imports is not the same as that for exports. In addition, the 10-digit statistical annotation for the HS code used to classify exports, for the same 6-digit import HS code, is not as detailed as the 10-digit code used for imports. For example, for the first subject import HS code, i.e. 5111.11.90.10, there are 4 separate 8-digit tariff items under 5111.11 and up to 3 different 10-digit statistical annotations under each tariff item. In comparison, on the export side, for 5111.11, there is only one 8-digit export HS code.

The Tribunal considered whether the information contained in the files resulting from the investigations conducted to date could be of assistance in the present inquiry.

The Tribunal chose to review only its tariff relief investigations of the last three years as older investigations would be unlikely to provide useful information given the rapid evolution of the world of textile input manufacturing. The Tribunal review indicated that, since April 2000, almost all investigations have resulted in tariff relief being recommended by the Tribunal and implemented by the Government. These textile inputs are already free of duty and are not covered by the present inquiry. Of the four textile inputs for which no recommendations for tariff relief were made, three (5407.42.90.11, 5407.42.90.12 and 5513.21.00.10) are covered by this inquiry and one (5407.82.90.11) is not.

In summary, **Phase II** provided very limited information that could be used by the Tribunal in its inquiry.

**d) Phase III: Survey of Purchasers of Textile Inputs for Use in the Production of Apparel**

On August 26, 2004, the Tribunal sent a Purchasers' Questionnaire to 212<sup>6</sup> of Canada's largest apparel producers and 6 major distributors of textile inputs. Appendix VI provides a summary of replies to the questionnaire received from firms reporting purchases of domestic textile inputs. Appendix VII provides a list of firms that reported that they did not purchase subject textile inputs from domestic sources. Appendix VIII provides a list of firms that did not reply to the Tribunals' Purchasers' Questionnaire.

In total, the Tribunal received written replies from 101 firms. Some 45 firms reported that they purchased subject domestically produced textile inputs for use in the production of apparel during the period of inquiry,<sup>7</sup> while 56 firms reported that they did not. In total, 24 statistical codes were reported as being sourced from domestic producers of textile inputs. In addition, domestic purchasers reported many textile inputs not subject to this inquiry.

The Purchasers' Questionnaire included a request for descriptions of the textile inputs that firms purchased from domestic textile manufacturers. In order to put this

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6. On June 30, 2004, Tribunal staff met with CAF to explore other possible methods of obtaining information to meet the requirements of the reference. CAF provided names of about 200 of its top members.

7. Of these, eight firms provided insufficient product detail to enable classification of the textile inputs purchased. See Appendix IX for details regarding these firms.

information into the statistical code format required by the terms of reference, Tribunal Staff reviewed the product characteristics provided by purchasers and requested additional detail in instances where complete descriptions were not provided. Next, staff classified the products according to the *Customs Tariff* statistical codes using new software called “3CE” developed by Logical Properties of Montréal, Québec. This software was recommended by the Canadian Apparel Federation (CAF) and, after initial tests by Tribunal staff, it was determined that the software would help to make comparatively accurate first level classifications. The Tribunal hired a consultant with expertise in textile tariff classification to review the classifications made by its staff. The consultant confirmed most of the staff’s classifications and made corrections where necessary. The survey results presented in this report are based on these classifications.<sup>8</sup>

## 6. Chronology of Events

The following is a listing of key events in this inquiry.

- **May 19, 2004:**

The Minister directed the Tribunal to inquire into and report on the extent to which certain yarn and fabric textile inputs are domestically produced and sold to apparel manufactures.

- **May 31, 2004:**

Tribunal staff invited CAF and the CTI to submit comments on the Textile Producers’ Questionnaire for use in connection with this inquiry. Comments from both parties were appropriately reflected in the questionnaire.

- **June 9, 2004:**

The Tribunal began its inquiry into the availability of textile inputs produced in Canada by issuing a notice and requesting 81 textile manufacturers to respond to the Tribunal’s questionnaire by July 7, 2004.

In total, twenty-six major textile firms sent form letters to the Tribunal between June 21 and July 7, 2004, stating their opposition to the inquiry and their decision not to complete the questionnaire.

A further twenty-seven textile manufacturers wrote to the Tribunal stating that they do not manufacture products for use by apparel producers as described by the subject statistical codes.

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8. It should be noted that despite all the efforts made to arrive at accurate classifications, it cannot be assumed that the CBSA would confirm all Tribunal staff classifications.

- **June 24, 2004:**

The CTI wrote to the Minister about its concerns with the Reference. It disagreed with the time period and the research methodology selected and stated that, in its view, the textile industry is more complex than what is envisaged by the Reference. The CTI asked the Minister to reconsider the Reference.
- **June 29, 2004:**

By letter, the Tribunal invited textile manufacturers to provide any specific suggestions that would help it in the performance of its mandate. The Tribunal also indicated that it was considering various alternate methods of obtaining the best possible information in order to meet its legal responsibility to comply with the Minister's direction. See Appendix X.
- **June 30, 2004:**

Tribunal staff met with CAF to explore other possible methods of obtaining information to meet the data requirements of the Reference. CAF provided names of its top 200 member companies.
- **July 6, 2004:**

CAF wrote to the Minister urging him to re-confirm the terms of reference of the inquiry transmitted to the Tribunal on May 19, 2004, and to encourage the Tribunal to use all means at its disposal to secure the information needed from the textile industry to meet the October 31, 2004 deadline. CAF also invited the Minister to confirm the Tribunal's approach of looking to the Canadian textile industry as the primary source of information on textile products made and sold in Canada for apparel uses, and, if such information was not forthcoming for a particular category of textile inputs at issue, to assume that the Canadian textile industry does not oppose tariff free treatment for such goods.
- **July 7, 2004:**

Replies to Textile Producers' Questionnaire were due. Two usable and two partial responses were received.
- **July 8, 2004:**

Tribunal staff met with the CTI. The CTI re-iterated a number of its concerns, for example, that the inquiry does not address the issues of competitive products in the marketplace and products under development.

- **August 25, 2004:**

The Minister responded to the CTI's June 24, 2004 letter and the July 6, 2004 letter from CAF. The Minister indicated that the terms of reference of the inquiry are sufficiently flexible to address the concerns raised by the CTI. The Minister urged textile manufacturers to engage fully in the inquiry and to use the Tribunal as the forum for discussions and to ensure that their concerns are thoroughly documented in their written submissions. See Appendices XI and XII, respectively.
- **August 25, 2004:**

The Tribunal wrote to the Minister outlining the status of the inquiry, identifying options available to the Tribunal and requesting a time extension to January 31, 2005, to issue its report. See Appendix XIII.
- **August 26, 2004:**

Given the lack of response supplied by the textile industry, the Tribunal sent a letter and a Purchasers' Questionnaire to 212 of the largest apparel producers in Canada and to 6 major distributors of fabric in an effort to determine what textile inputs have been purchased from Canadian textile manufacturers.
- **September 1, 2004:**

The Tribunal wrote to the CTI informing it that the Tribunal had sent a letter and a Purchasers' Questionnaire to apparel producers. See Appendix XIV.
- **September 23, 2004:**

Replies to the Purchasers' Questionnaire were due. The Tribunal received replies to the Purchasers' Questionnaire from 45 companies indicating that they purchased subject textile inputs from domestic textile manufacturers.
- **October 6, 2004:**

The Minister of Finance granted an extension of time to January 31, 2005 for the submission of the Tribunal's final report.



## PART II - DESCRIPTIVE AND GENERAL DATA

### 1. The Textile and Apparel Industries

Table 1 provides information on certain key indicators for the textile and apparel industries. This data was obtained from Industry Canada's database according to the North American Industrial Classification System (NAICS). Further information on NAICS is provided in Appendix XV. The textile mills referred to in this table refer to textiles produced for both apparel and non-apparel uses.

|                            |               | <u>2000</u> | <u>2001</u> | <u>2002</u> |
|----------------------------|---------------|-------------|-------------|-------------|
| Establishments             | Textile Mills | 642         | 626         | 625         |
|                            | Apparel       | 2,874       | 2,843       | 2,788       |
| Employees                  | Textile Mills | 25,932      | 27,397      | 26,519      |
|                            | Apparel       | 100,820     | 106,226     | 94,622      |
| Shipments<br>(\$ billion)  | Textile Mills | 4.10        | 4.22        | 4.13        |
|                            | Apparel       | 7.93        | 7.84        | 7.57        |
| Exports<br>(\$ billion)    | Textile Mills | 1.75        | 1.77        | 1.75        |
|                            | Apparel       | 3.04        | 2.96        | 3.07        |
| Imports<br>(\$ billion)    | Textile Mills | 3.50        | 3.24        | 3.20        |
|                            | Apparel       | 5.31        | 5.90        | 6.09        |
| Market<br>(\$ billion)     | Textile Mills | 5.84        | 5.69        | 5.58        |
|                            | Apparel       | 10.20       | 10.78       | 10.59       |
| Import Market<br>Share (%) | Textile Mills | 60          | 57          | 57          |
|                            | Apparel       | 52          | 55          | 58          |

Source: Industry Canada Strategis

### 2. Textile Firms that Supply Apparel Producers in Canada

The number of textile manufacturers that make textile inputs for use by Canadian apparel producers is much smaller than the number of establishments reported for the broad category covered by "textile mills". In 2002, the number of establishments reported for textile mills, as shown in Table 1, was 625. However, the Tribunal's surveys of textile manufacturers and of purchasers of textile inputs (**Phase I** and **Phase III** surveys)

indicate that the number of firms that supply domestic apparel producers is comparatively very small.

In **Phase I** of the inquiry, although the Tribunal sent questionnaires to 81 textile manufacturers identified by the Tribunal as potentially producing inputs for the apparel industry, only 31 firms indicated to the Tribunal that they produced and supplied textile inputs to domestic apparel producers. Although the Tribunal's notice and the Producers' Questionnaire were put on the Tribunal's web site, no additional companies came forth indicating that they manufacture textile inputs used in the production of apparel. In **Phase III** of the inquiry, the responses to the Purchasers' Questionnaire indicated that an additional 15 firms currently supply the subject textile inputs to Canadian apparel producers.

Table 2 provides the names of the 46 firms that have been identified as domestic manufacturers of subject textile inputs during the period of inquiry.

| <b>Table 2</b>                                  |                  |   |
|---|------------------|---|
| <b>Domestic Textile Manufacturers</b>           |                  |   |
| <b>Phase I</b>                                  |                  | <b>Phase III</b>                          |
| <b>Textile Manufacturers</b>                    |                  | <b>Additional Textile Manufacturers</b>   |
| <b>(as per correspondence)</b>                  |                  | <b>Identified by Purchasers</b>           |
|   |                  | <b>(Employment Numbers not Available)</b> |
|   | <b>Employees</b> |   |
| Atlantic Fine Yarns                             | 220              | Britex                                    |
| Barrday   | 96               | Con-Trade Textiles                        |
| Canada Hair Cloth                               | 84               | Fine Cotton Factory                       |
| Cannon Knitting Mills                           | 35               | Hubbard Fabrics                           |
| Cleyn & Tinker                                  | 400              | Interlock Knitting                        |
| Consoltex Inc. <sup>1</sup>                     | 750              | J.L. DeBall                               |
| DIFCO   | 360              | Laxer Fibre Co.                           |
| Doubletex                                       | 450              | Magni-tex Inc.                            |
| Filspec (Cavalier Specialty Yarns) <sup>2</sup> | 750              | Meridian Knitting                         |
| Fraser & Kirkbright                             | N/A              | Nalpac                                    |
| Gentry Knitting Mills Ltd.                      | N/A              | Narrowflex                                |
| Great Lakes Knitting Mills Ltd.                 | 22               | Northeast Knitting Mills Inc.             |
| Hafner <sup>1</sup>                             | 350              | Superior Quilting                         |
| Huntingdon Mills (Canada) Ltd. <sup>1</sup>     | 200              | Thermolite                                |
| Lenrod Industries <sup>1,3</sup>                | 50               | Tissus Knitrama                           |
| Lincoln Fabrics Ltd. <sup>1</sup>               | 65               |   |
| Manoir Inc.                                     | 175              |   |
| Matador Converters Co Ltd.                      | 135              |   |
| Monterey Textiles Inc.                          | 90               |   |
| Parker Brothers Textile Mills Ltd.              | 60               |   |
| Rentex  | 125              |   |
| Roopa Sales & Trading Ltd.                      | 10               |   |
| Stedfast Inc.                                   | 100              |   |
| Tek-Knit Industries                             | 17               |   |
| Texel Inc.                                      | 194              |   |
| Tricot Richelieu Inc. <sup>1</sup>              | 325              |   |
| Tricots Canada U.S. Inc.                        | 90               |   |
| Tricots Liesse                                  | 145              |   |
| Tri-Star Textiles                               | 42               |   |
| Victor Woolens                                  | 165              |   |
| Worldbest (Canada) Industries                   | <u>110</u>       |   |
| <b>Total</b>                                    | <b>5,615</b>     |   |

Notes: 1. These companies did not identify textile inputs that they manufacture under the subject statistical codes.  
2. Data sourced from Strategis, Industry Canada.  
3. Currently, less than 1% of Lenrod Industries' total sales volume is to the apparel industry.

### **3. Imports**

#### **a) Textile Imports for Use in Apparel**

Because the terms of reference focused exclusively on textile inputs for use in the production of apparel, the Tribunal used information provided by Statistics Canada's NAICS data base to exclude, at the 10-digit statistical level, imports whose end-uses were non-apparel specific.

Statistics Canada assigns NAICS codes to specific importers based on their major business activity. Thus, the importers' major business activity, as reported through the NAICS Codes, was used to determine whether the imports of textile inputs were for the production of apparel. In situations where the information was not conclusive, it was assumed that the imports of subject inputs, as reported, were for use in apparel.

Using this methodology, it was determined that, for 2003, for subject imports for use in the production of apparel, duty paid totalled \$39 million, compared to \$46 million for total imports of the subject statistical codes, as reported by Statistics Canada.

#### **b) Structure and Rates of Canadian Textile Tariffs**

Under NAFTA, the Canada-Chile FTA and the Canada-Israel FTA, all tariffs have been eliminated for textiles & textile products originating in the respective countries. In 2003, essentially all of the duties collected on imports of the subject textile inputs were under the MFN tariff. Therefore, the data presented in this report and considered by the Tribunal covers only imports subject to the MFN tariff treatment.

Canada grants Most-Favoured-Nation (MFN) treatment to all of its trading partners that are members of the World Trade Organization (WTO), as well as those with whom it has a bilateral agreement to extend MFN treatment. The average MFN duty rates for fibres, yarns and fabrics for 2003 and 2004 are presented in Table 3.

**Table 3**  
**Structure of the Canadian Textile Tariff**

| <u>Product Group</u> | <u>Average Dutiable MFN Rate</u> |                                   | <u>MFN Rate</u>             |
|----------------------|----------------------------------|-----------------------------------|-----------------------------|
|                      | <u>2003</u>                      | <u>Jan. - June</u><br><u>2004</u> | <u>Range</u><br><u>2004</u> |
| Fibres:              |                                  |                                   |                             |
| Natural              | 4%                               | 5%                                | 5%                          |
| Man-made             | 4%                               | 4%                                | 5%                          |
| Yarns:               |                                  |                                   |                             |
| Natural              | 7%                               | 7%                                | 4%-9%                       |
| Man-made             | 6%                               | 7%                                | 8%                          |
| Woven Fabrics:       |                                  |                                   |                             |
| Natural              | 11%                              | 10%                               | 5.5%-14%                    |
| Man-made             | 13%                              | 13%                               | 5.5%-14%                    |
| Knitted Fabrics      | 12%                              | 11%                               | 10%-14%                     |
| Specialty Textiles   | 9%                               | 9%                                | 5%-18%                      |
| All:                 |                                  |                                   |                             |
| Fibres               | 4%                               | 4%                                | 5%                          |
| Yarns                | 7%                               | 7%                                | 4%-9%                       |
| Fabrics              | 11%                              | 10%                               | 5%-18%                      |

**Note:** Includes dutiable H.S. codes on all fibres, yarns and fabrics of Chapters 51 to 60, excluding Chapter 57.

**Source:** Customs Tariff.

Table 4 presents the value and duty paid of imports for the subject textile inputs for use in the production of apparel for 2003 and the period from January 1, 2004 to June 30, 2004, compared to total imports, regardless of use. This information is presented for each of the subject Chapters of the *Customs Tariff*.

| Chapter   | HS Description   | 2003                 |                    |                    | Jan – June 2004    |                   |            |
|-----------|--|----------------------|--------------------|--------------------|--------------------|-------------------|------------|
|           |  | Total Value          | Duty               |                    | Total Value        | Duty              |            |
| Collected | % of Chapter Total   |                      | Collected          | % of Chapter Total |                    |                   |            |
| <b>51</b> | <b>Wool, fine or coarse animal hair; woven fabric</b>            |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (10 Codes)                                | 48,223,059           | 4,733,239          | 72                 | 21,659,219         | 1,956,475         | 69         |
|           | Total Chapter 51   | 153,981,194          | 6,600,209          | 100                | 74,093,781         | 2,847,139         | 100        |
| <b>52</b> | <b>Cotton</b>  |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (54 Codes)                                | 77,346,376           | 7,677,284          | 39                 | 37,986,992         | 3,594,969         | 41         |
|           | Total Chapter 52   | 423,434,536          | 19,705,429         | 100                | 203,263,040        | 8,668,134         | 100        |
| <b>53</b> | <b>Woven Fabric of Paper Yarn</b>                                |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (2 Codes)                                 | 2,095,629            | 193,689            | 41                 | 780,030            | 98,757            | 40         |
|           | Total Chapter 53   | 15,979,955           | 467,056            | 100                | 8,356,250          | 244,389           | 100        |
| <b>54</b> | <b>Man-made Filaments</b>  |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (19 Codes)                                | 63,213,600           | 8,405,166          | 36                 | 28,548,871         | 3,573,207         | 30         |
|           | Total Chapter 54   | 310,159,816          | 23,465,234         | 100                | 157,276,330        | 12,063,856        | 100        |
| <b>55</b> | <b>Man-made Staple Fibres</b>                                    |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (24 Codes)                                | 42,518,886           | 5,788,106          | 30                 | 20,616,563         | 2,617,927         | 30         |
|           | Total Chapter 55   | 259,420,646          | 18,983,674         | 100                | 144,309,388        | 8,601,691         | 100        |
| <b>56</b> | <b>Wading, Felt, Non-wovens</b>                                  |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (9 Codes)                                 | 2,449,150            | 344,452            | 4                  | 1,268,755          | 160,039           | 3          |
|           | Total Chapter 56   | 151,504,754          | 8,089,402          | 100                | 98,031,821         | 5,086,400         | 100        |
| <b>58</b> | <b>Special woven fabrics, trimmings, embroidery</b>              |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (8 Codes)                                 | 3,719,374            | 467,287            | 7                  | 2,321,465          | 273,595           | 8          |
|           | Total Chapter 58   | 78,144,089           | 7,159,995          | 100                | 36,473,337         | 3,296,204         | 100        |
| <b>59</b> | <b>Impregnated, coated, covered or laminated textile fabrics</b> |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (3 Codes)                                 | 6,729,312            | 384,506            | 6                  | 2,767,950          | 186,021           | 6          |
|           | Total Chapter 59   | 155,212,613          | 6,315,990          | 100                | 78,941,688         | 3,273,581         | 100        |
| <b>60</b> | <b>Knitted or Crocheted Fabrics</b>                              |                      |                    |                    |                    |                   |            |
|           | Subject 10-digit Codes (22 Codes)                                | 83,004,702           | 11,212,948         | 50                 | 39,738,214         | 4,812,843         | 50         |
|           | Total Chapter 60   | 194,712,218          | 22,232,919         | 100                | 94,268,537         | 9,586,488         | 100        |
|           | <b>Total of all Subject Digit Codes</b>                          | <b>329,300,088</b>   | <b>39,206,677</b>  | <b>35</b>          | <b>155,688,059</b> | <b>17,273,833</b> | <b>32</b>  |
|           | <b>Total of all Chapters</b>                                     | <b>1,742,549,821</b> | <b>113,019,908</b> | <b>100</b>         | <b>895,014,172</b> | <b>53,667,882</b> | <b>100</b> |

Source: Statistics Canada

In 2003, it is estimated that importers of the subject textile inputs for use in apparel paid \$39.2 million in duties on MFN imports under the subject statistical codes; for the first half of 2004, this figure was \$17.3 million.

The Tribunal has used Canada's official trade data and statistical data, however, the data is only as good as the information supplied to the government. In this respect, it is understood by the apparel industry that the frequent misclassification at the 8 and 10-digit level of detail is a significant issue for textile products. It is estimated that 30 to 50 percent of customs entries contain classification errors.<sup>9</sup> Nevertheless, this is the official data, upon which the government itself relies in trade negotiations and tariff policy.

#### 4. Source of Subject Textile Imports

Table 5 provides, for 2003, imports of subject textile inputs for use in apparel, by country.

| Country        | CNDS<br>CHAPTER          |                   |                  |                   |                   |                  |                  |                  |                   |
|----------------|--------------------------|-------------------|------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|
|                | 51                       | 52                | 53               | 54                | 55                | 56               | 58               | 59               | 60                |
| China          | 2,432,858                | 12,847,573        | 877,899          | 19,632,244        | 19,033,106        | 97,286           | 1,787,244        | 22,474           | 14,744,320        |
| France         | 353,617                  | 2,697,841         | 142,831          | 330,093           | 1,080,517         | 118,248          | 430,207          | 783,116          | 1,004,478         |
| Germany        | 202,736                  | 779,675           | 6,542            | 1,314,263         | 191,495           | 1,923,307        | 281,094          | 686,718          | 811,528           |
| India          | 168,441                  | 11,588,461        | 15,409           | 1,070,139         | 1,866,110         | 0                | 103,578          | 4,963            | 8,123             |
| Indonesia      | 0                        | 2,797,930         | 243              | 10,101,560        | 2,007,164         | 0                | 21,233           | 0                | 48,963            |
| Italy          | 17,332,493               | 6,448,176         | 682,598          | 1,014,572         | 3,386,371         | 61,345           | 131,573          | 209,975          | 4,628,798         |
| Japan          | 74,609                   | 5,469,255         | 13,540           | 5,703,594         | 324,929           | 20,674           | 8,015            | 306,660          | 323,574           |
| Korea South    | 8,516,791                | 10,436,221        | 13,090           | 14,734,587        | 1,964,559         | 59,979           | 376,192          | 38,740           | 28,569,483        |
| Chinese Taipei | 0                        | 2,134,824         | 9,623            | 2,800,173         | 3,196,760         | 0                | 184,326          | 47,831           | 28,400,137        |
| Turkey         | 4,952,068                | 1,251,863         | 34,694           | 1,592,223         | 2,262,495         | 0                | 78,415           | 20,254           | 68,199            |
| USA            | 4,658,250                | 8,129,665         | 15,173           | 491,004           | 313,800           | 8,284            | 121,921          | 4,164,163        | 881,850           |
| LDC            | 0                        | 71,211            | 0                | 0                 | 1,207             | 0                | 0                | 0                | 200               |
| Others         | 9,531,196                | 12,693,681        | 283,987          | 4,429,148         | 6,890,373         | 160,027          | 195,576          | 444,418          | 3,515,049         |
| <b>TOTAL</b>   | <b>48,223,059</b>        | <b>77,346,376</b> | <b>2,095,629</b> | <b>63,213,600</b> | <b>42,518,886</b> | <b>2,449,150</b> | <b>3,719,374</b> | <b>6,729,312</b> | <b>83,004,702</b> |
| Country        | PERCENT SHARE<br>CHAPTER |                   |                  |                   |                   |                  |                  |                  |                   |
|                | 51                       | 52                | 53               | 54                | 55                | 56               | 58               | 59               | 60                |
| China          | 5                        | 17                | 42               | 31                | 45                | 4                | 48               | 0                | 18                |
| France         | 1                        | 3                 | 7                | 1                 | 3                 | 5                | 12               | 12               | 1                 |
| Germany        | 0                        | 1                 | 0                | 2                 | 0                 | 79               | 8                | 10               | 1                 |
| India          | 0                        | 15                | 1                | 2                 | 4                 | 0                | 3                | 0                | 0                 |
| Indonesia      | 0                        | 4                 | 0                | 16                | 5                 | 0                | 1                | 0                | 0                 |
| Italy          | 36                       | 8                 | 33               | 2                 | 8                 | 3                | 4                | 3                | 6                 |
| Japan          | 0                        | 7                 | 1                | 9                 | 1                 | 1                | 0                | 5                | 0                 |
| Korea South    | 18                       | 13                | 1                | 23                | 5                 | 2                | 10               | 1                | 34                |
| Chinese Taipei | 0                        | 3                 | 0                | 4                 | 8                 | 0                | 5                | 1                | 34                |
| Turkey         | 10                       | 2                 | 2                | 3                 | 5                 | 0                | 2                | 0                | 0                 |
| USA            | 10                       | 11                | 1                | 1                 | 1                 | 0                | 3                | 62               | 1                 |
| LDC            | 0                        | 0                 | 0                | 0                 | 0                 | 0                | 0                | 0                | 0                 |
| Others         | 20                       | 16                | 14               | 7                 | 16                | 7                | 5                | 7                | 4                 |
| <b>TOTAL</b>   | <b>100</b>               | <b>100</b>        | <b>100</b>       | <b>100</b>        | <b>100</b>        | <b>100</b>       | <b>100</b>       | <b>100</b>       | <b>100</b>        |

Source: Statistics Canada

Note: Only imports subject to MFN are reported.

9. Canadian Apparel Magazine, July/August 2004, p.21.

### PART III - AVAILABILITY OF TEXTILE INPUTS

Part III provides, for each subject Chapter in the *Customs Tariff*, information received from domestic textile manufacturers that reported production of subject inputs in Canada and from apparel producers that purchased these inputs. It also provides Statistics Canada data on imports of subject inputs for use in the production of apparel and compares domestic purchases made by apparel producers with imports. Finally, Tribunal observations are offered.

#### 1. Chapter 51 – Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabric

##### a) Domestic Textile Manufacturers

In **Phase I** of the inquiry, the Tribunal received a form letter from six firms reporting that they manufacture in Canada certain products as described in Chapter 51. Table 6 lists these companies and their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Canada Hair Cloth                    | 84                    |
| Cleyn & Tinker                       | 400                   |
| Fraser & Kirkbright                  | n/a                   |
| Parker Brothers Ltd.                 | 60                    |
| Tricots Liesse                       | 145                   |
| Victor Wollens                       | <u>165</u>            |
| <b>Total for Reporting Companies</b> | <b>854</b>            |

Source: Correspondence to the Tribunal

Appendix IV identifies the textile inputs that two firms, Canada Hair Cloth and Cleyn & Tinker, reported that they manufacture as described specifically by the subject 10-digit statistical codes of Chapter 51. The Appendix also shows that four other firms reported that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions, however, do not confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs, even though such information was requested in the Tribunal's questionnaire.



**b) Apparel Producers**

In **Phase III** of the inquiry, six firms reported that they purchased domestically produced textile inputs as described by the subject statistical codes of Chapter 51. The combined total company sales from domestic production from these firms, in 2003, amounted to over \$73 million. Together these companies employ 1,422 people. Based on information before the Tribunal, Table 7 indicates under which statistical codes textile inputs are produced domestically.

Coppley Apparel Group, Freda's Originals Inc. and S. Cohen Inc. commented that the selection of high-end, fashionable wool fabric from domestic suppliers is limited. Riviera Inc. indicated that domestic products do not have the hand and drape that is available from off-shore sources. Canada Sportswear Co, and Riviera Inc. raised other issues that, in their view, are of concern in dealing with domestic suppliers, specifically, minimum order quantities, long production lead-times and price versus quality relationships.

Three additional purchasers, Ballin Inc. (Ballin), Cooper Clothing Inc. (Cooper) and Unicorp Uniform (Unicorp) also responded to the Tribunal's Purchasers' Questionnaire; however, insufficient product detail was provided to enable classification of the textile inputs purchased. Ballin reported that it purchased a wool/man-made blended fabric from Cleyn and Tinker. Cooper reported that it purchased 100 percent wool fabric and various polyester/wool blends from Cleyn & Tinker. Unicorp reported that it purchased various wool fabrics from Cleyn & Tinker and Victor Wollens (see Appendix IX).

**c) Domestic Availability of Subject Chapter 51 Textile Inputs**

Table 7 provides a summary of the domestic availability of subject Chapter 51 textile inputs. Based on questionnaire replies, 4 out of 10 subject textile inputs were purchased from domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 7**  
**Domestic Availability of Subject Chapter 51 Textile Inputs**  
**January 1, 2003 to June 30, 2004**

| Statistical Code | Reporting Firm                            | Available in Canada From <sup>1</sup>                                |
|------------------|---|--|
| 5111.11.90.10    | none                                      |  |
| 5111.20.92.00    | none                                      |  |
| 5111.30.91.00    | none                                      |  |
| 5111.30.92.00    | Pace Setter<br>Canada Sportswear          | Victor Woolens<br>Superior Quilting<br>Thermolite                    |
| 5112.11.90.10    | Coppley<br>Riviera                        | Cleyn & Tinker<br>Cleyn & Tinker                                     |
| 5112.19.91.10    | Coppley<br>Freda's<br>Riviera<br>S. Cohen | Cleyn & Tinker<br>Cleyn & Tinker<br>Cleyn & Tinker<br>Cleyn & Tinker |
| 5112.19.92.10    | none                                      |  |
| 5112.20.91.00    | none                                      |  |
| 5112.30.91.00    | Riviera                                   | Cleyn & Tinker   |
| 5112.90.91.00    | none                                      |  |

1. As reported by questionnaire respondents. May include firms that distribute textile inputs but may not necessarily be textile manufacturers.

Source: Replies to questionnaires

## d) Import Data

Table 8 provides, for Chapter 51, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 8**  
**Chapter 51**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**

| Statistical Code | 2003              |                  | Jan. – June 2004  |                  |
|------------------|-------------------|------------------|-------------------|------------------|
|                  | Value             | Duty Paid        | Value             | Duty Paid        |
| 5111.11.90.10    | 1,952,104         | 146,425          | 998,118           | 54,173           |
| 5111.20.92.00    | 697,225           | 104,478          | 250,354           | 34,913           |
| 5111.30.91.00    | 749,998           | 105,768          | 784,857           | 60,313           |
| 5111.30.92.00    | 487,818           | 69,949           | 590,247           | 81,847           |
| 5112.11.90.10    | 22,900,974        | 2,383,198        | 8,504,583         | 771,979          |
| 5112.19.91.10    | 15,556,394        | 1,264,491        | 7,351,775         | 624,931          |
| 5112.19.92.10    | 1,584,187         | 189,575          | 1,105,192         | 120,938          |
| 5112.20.91.00    | 791,131           | 76,599           | 425,788           | 45,591           |
| 5112.30.91.00    | 2,546,758         | 315,975          | 1,313,596         | 149,333          |
| 5112.90.91.00    | 956,470           | 76,781           | 334,709           | 12,457           |
|                  | <b>48,223,059</b> | <b>4,733,239</b> | <b>21,659,219</b> | <b>1,956,475</b> |

| Statistical Code | 2003       |            | Jan. – June 2004 |            |
|------------------|------------|------------|------------------|------------|
|                  | Value      | Duty Paid  | Value            | Duty Paid  |
| 5111.11.90.10    | 4          | 3          | 5                | 3          |
| 5111.20.92.00    | 1          | 2          | 1                | 2          |
| 5111.30.91.00    | 2          | 2          | 4                | 3          |
| 5111.30.92.00    | 1          | 1          | 3                | 4          |
| 5112.11.90.10    | 47         | 50         | 39               | 39         |
| 5112.19.91.10    | 32         | 27         | 34               | 32         |
| 5112.19.92.10    | 3          | 4          | 5                | 6          |
| 5112.20.91.00    | 2          | 2          | 2                | 2          |
| 5112.30.91.00    | 5          | 7          | 6                | 8          |
| 5112.90.91.00    | 2          | 2          | 2                | 1          |
|                  | <b>100</b> | <b>100</b> | <b>100</b>       | <b>100</b> |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 9 provides, for each subject statistical code of Chapter 51, where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases to the estimated value of imports.

| Statistical Code | Domestic Purchases to Imports (%) |               |
|------------------|-----------------------------------|---------------|
|                  | Range <sup>1</sup>                |               |
|                  | 2003                              | Jan-June 2004 |
| 5111.30.92.00    | >100                              | >25           |
| 5112.11.90.10    | <10                               | <10           |
| 5112.19.91.10    | >25                               | >25           |
| 5112.30.91.00    |                                   | <10           |
| <b>TOTAL</b>     | <b>&gt;10</b>                     | <b>&gt;10</b> |

1. The ranges used for this scale are: less than (<) 10%; greater than (>) 10%; greater than (>) 25%; greater than (>) 50%; greater than (>) 100%.  
Source: Replies to questionnaires and Statistics Canada.

f) **Tribunal Observations**

The information provided by six apparel producers indicates that they purchased, from the domestic textile industry, textile inputs covered by four subject statistical codes (5111.30.92.00, 5112.11.90.10, 5112.19.91.10 and 5112.30.91.00) of Chapter 51.

In total, for the period of inquiry, the value of these domestic purchases was over \$10 million. Three of the four statistical codes accounted for almost all of the purchases. They are:

- 5111.30.92.00 (woven fabrics of **carded** wool or of **carded** fine animal hair, mixed mainly or solely with man-made staple fibres, of a weight not exceeding 300 g/m<sup>2</sup>);
- 5112.11.90.10 (woven fabrics of **combed** wool or of **combed** fine animal hair, of a weight not exceeding 200 g/m<sup>2</sup>); and
- 5112.19.91.10 (woven fabrics of **combed** wool or of **combed** fine animal hair, of a weight not exceeding 300 g/m<sup>2</sup>).

Data from Table 7 indicates that subject textile inputs were available from Cleyn & Tinker, Superior Quilting, Thermolite and Victor Wollens. No purchases were reported from Canada Hair Cloth, Fraser & Kirkbright, Parker Brothers Ltd. or Tricots Liesse, domestic textile manufacturers that also reported manufacturing activities for products in Chapter 51 (see Table 6).

A comparison of domestic purchases to imports, on a value basis, shows that, for the period of inquiry, for two statistical codes (5111.30.92.00 and 5112.19.91.10), textile inputs purchased from domestic manufacturers were greater than 10 percent when compared to imports.

Of the four statistical codes for which domestic purchases of subject textile inputs were reported, two (woven fabrics of **combed wool** or of **combed fine animal** hair covered by 5112.11.90.10 and 5112.19.91.10) accounted for over 70 percent of the total value of imports reported and duty paid in 2003 and the first six months of 2004. Duty paid for these two codes in 2003 and the first six months of 2004 was \$3.6 million and \$1.4 million, respectively.

Duty collected under the six subject statistical codes for which the Tribunal's information indicated no purchases of domestic textile inputs amounted to approximately \$700,000 in 2003 and \$328,000 in the first six months of 2004.

## 2. Chapter 52 – Cotton

### a) Domestic Textile Manufacturers

In **Phase I** of the inquiry, the Tribunal received a form letter from six firms reporting that they manufacture in Canada products as described in Chapter 52. Table 10 lists these companies and their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Atlantic Fine Yarns                  | 220                   |
| Canada Hair Cloth                    | 84                    |
| DIFCO                                | 360                   |
| Doubletex                            | 450                   |
| FilSpec (Cavalier)                   | 750*                  |
| Tricots Liesse                       | <u>145</u>            |
| <b>Total for Reporting Companies</b> | <b>2,009</b>          |

Source: Correspondence to the Tribunal  
Note: \* Data sourced from Strategis, Industry Canada.

Appendix IV identifies the textile inputs that Atlantic Fine Yarns, Canada Hair Cloth and FilSpec (Cavalier) reported it manufactures as described specifically by the subject statistical codes of Chapter 52. The Appendix also shows that other firms reported

that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions, however, do not confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

**b) Apparel Producers**

In **Phase III** of the inquiry, five firms reported that they purchased domestically produced textile inputs as described by the subject 10-digit statistical codes of Chapter 52. The combined total company sales from domestic production for these firms, in 2003, amounted to \$188 million. Together these companies employ 2,222 people. Based on information before the Tribunal, Table 11 indicates under which statistical codes textile inputs are produced domestically.

With respect to cotton yarns described by the subject statistical codes 5205.22.90.90 and 5205.23.90.90 of Chapter 52, Château Lingerie Mfg. Inc. commented that two domestic suppliers are able to supply the type of yarns it requires, but that they are not price competitive with yarns available from Asian mills. Main Knitting noted that it stopped buying from a Canadian mill because yarns from the United States and India were cheaper. Australian Outback Collection (Canada) Ltd. commented that wax cotton fabrics are not available from domestic suppliers and Canada Sportswear Inc. stated that its experience with domestic suppliers has been entirely negative because specific fabrics or colours were not in stock and that special orders had minimum quantity requirements at prohibitive costs. On the other hand, Incredible Clothing Inc. noted that, when purchasing domestic product, it had not encountered any supply issues.

**c) Domestic Availability of Subject Chapter 52 Textile Inputs**

Table 11 provides a summary of the availability of subject Chapter 52 textile inputs. Based on the questionnaire replies, 4 out of 54 subject textile inputs were purchased from domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 11**  
**Domestic Availability of Subject Chapter 52 Textile Inputs**  
**January 1, 2003 to June 30, 2004**

| Statistical Code | Reporting Firm                          | Available in Canada From <sup>1</sup>   |
|------------------|---|---|
| 5205.22.90.90    | Main Knitting<br>Incredible Clothing    | Atlantic Fine Yarns<br>Atlantic Yarns<br>Laxer Fibre Co. Ltd.<br>Filspec (Cavalier) |
| 5205.23.90.90    | Chateau Lingerie<br>Incredible Clothing | Atlantic Yarns<br>Laxer Fibre Co. Ltd.  |
| 5208.12.30.20    | none                                    |   |
| 5208.19.20.90    | none                                    |   |
| 5208.32.90.10    | none                                    |   |
| 5208.32.90.20    | none                                    |   |
| 5208.32.90.90    | Australian Outback                      | Doubletex   |
| 5208.33.90.00    | none                                    |   |
| 5208.39.90.90    | none                                    |   |
| 5208.41.90.00    | none                                    |   |
| 5208.42.90.10    | none                                    |   |
| 5208.42.90.20    | none                                    |   |
| 5208.42.90.90    | none                                    |   |
| 5208.43.90.00    | none                                    |   |
| 5208.49.90.90    | none                                    |   |
| 5208.51.00.00    | none                                    |   |
| 5208.52.90.20    | none                                    |   |
| 5208.52.90.90    | none                                    |   |
| 5208.59.90.90    | none                                    |   |
| 5209.12.10.00    | none                                    |   |
| 5209.19.20.90    | none                                    |   |
| 5209.31.90.90    | none                                    |   |
| 5209.32.90.00    | none                                    |   |
| 5209.39.90.10    | none                                    |   |
| 5209.39.90.90    | Canada Sportswear Group                 | Great Lakes Knitting Mills  |
| 5209.41.90.00    | none                                    |   |
| 5209.43.90.00    | none                                    |   |
| 5209.49.00.90    | none                                    |   |
| 5209.51.00.90    | none                                    |   |
| 5209.52.00.00    | none                                    |   |
| 5209.59.90.10    | none                                    |   |
| 5209.59.90.90    | none                                    |   |
| 5210.29.00.11    | none                                    |   |
| 5210.32.00.11    | none                                    |   |
| 5210.32.00.90    | none                                    |   |
| 5210.39.00.11    | none                                    |   |
| 5210.39.00.90    | none                                    |   |
| 5210.41.00.11    | none                                    |   |
| 5210.41.00.90    | none                                    |   |
| 5210.49.00.11    | none                                    |   |
| 5210.49.00.90    | none                                    |   |
| 5210.51.00.11    | none                                    |   |
| 5210.51.00.90    | none                                    |   |
| 5211.32.00.11    | none                                    |   |
| 5211.39.00.11    | none                                    |   |
| 5211.41.00.90    | none                                    |   |
| 5211.43.00.11    | none                                    |   |
| 5211.43.00.90    | none                                    |   |
| 5211.49.00.11    | none                                    |   |
| 5211.49.00.90    | none                                    |   |
| 5212.11.90.00    | none                                    |   |
| 5212.14.90.00    | none                                    |   |
| 5212.23.90.00    | none                                    |   |
| 5212.24.90.00    | none                                    |   |

<sup>1</sup>. As reported by questionnaire respondents. May include firms that distribute textile inputs but may not necessarily be textile manufacturers.

Source: Replies to questionnaires

#### d) Import Data

Table 12 provides, for Chapter 52, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 12**  
**Chapter 52**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**  
CDN \$

| Statistical Code | 2003              |                  | Jan. - June 2004  |                  |
|------------------|-------------------|------------------|-------------------|------------------|
|                  | Value             | Duty Paid        | Value             | Duty Paid        |
| 5205.22.90.90    | 5,491,955         | 465,743          | 2,362,169         | 188,951          |
| 5205.23.90.90    | 6,853,666         | 582,491          | 3,205,391         | 256,400          |
| 5208.12.30.20    | 252,841           | 20,224           | 0                 | 0                |
| 5208.19.20.90    | 146,747           | 11,728           | 31,502            | 2,515            |
| 5208.32.90.10    | 1,316,446         | 124,761          | 378,375           | 39,098           |
| 5208.32.90.20    | 1,012,011         | 122,288          | 386,173           | 45,953           |
| 5208.32.90.90    | 5,557,532         | 595,475          | 2,668,113         | 275,821          |
| 5208.33.90.00    | 2,044,405         | 205,051          | 961,052           | 89,747           |
| 5208.39.90.90    | 1,431,048         | 142,608          | 752,586           | 60,722           |
| 5208.41.90.00    | 107,696           | 6,871            | 118,142           | 4,394            |
| 5208.42.90.10    | 983,864           | 47,528           | 649,339           | 28,151           |
| 5208.42.90.20    | 350,459           | 35,189           | 121,288           | 12,052           |
| 5208.42.90.90    | 2,015,503         | 206,143          | 650,312           | 68,205           |
| 5208.43.90.00    | 904,508           | 68,195           | 412,423           | 28,993           |
| 5208.49.90.90    | 2,752,882         | 152,716          | 1,499,808         | 108,586          |
| 5208.51.00.00    | 644,668           | 74,876           | 258,971           | 27,330           |
| 5208.52.90.20    | 3,307,069         | 399,686          | 1,211,878         | 144,196          |
| 5208.52.90.90    | 20,382,659        | 2,359,410        | 10,848,019        | 1,203,753        |
| 5208.59.90.90    | 674,792           | 74,697           | 429,052           | 44,728           |
| 5209.12.10.00    | 521,185           | 41,679           | 352,742           | 28,214           |
| 5209.19.20.90    | 351,974           | 26,637           | 16,396            | 1,310            |
| 5209.31.90.90    | 1,709,338         | 192,453          | 569,171           | 61,567           |
| 5209.32.90.00    | 1,952,219         | 205,257          | 904,067           | 95,453           |
| 5209.39.90.10    | 0                 | 0                | 334,378           | 35,311           |
| 5209.39.90.90    | 0                 | 0                | 859,931           | 82,350           |
| 5209.41.90.00    | 855,844           | 97,998           | 452,541           | 49,709           |
| 5209.43.90.00    | 203,332           | 20,029           | 17,220            | 1,867            |
| 5209.49.00.90    | 691,056           | 80,034           | 487,470           | 55,567           |
| 5209.51.00.90    | 1,016,821         | 122,514          | 494,838           | 56,850           |
| 5209.52.00.00    | 1,017,109         | 104,486          | 204,874           | 21,518           |
| 5209.59.90.10    | 984,810           | 104,115          | 336,125           | 34,099           |
| 5209.59.90.90    | 1,442,971         | 173,302          | 784,101           | 90,250           |
| 5210.29.00.11    | 92,604            | 13,883           | 32,269            | 4,515            |
| 5210.32.00.11    | 41,156            | 6,119            | 57,280            | 7,988            |
| 5210.32.00.90    | 476,997           | 27,251           | 224,276           | 27,900           |
| 5210.39.00.11    | 291,111           | 33,767           | 44,830            | 5,932            |
| 5210.39.00.90    | 547,356           | 72,804           | 198,507           | 27,047           |
| 5210.41.00.11    | 229,886           | 30,495           | 255,625           | 33,905           |
| 5210.41.00.90    | 250,515           | 32,319           | 138,466           | 13,922           |
| 5210.49.00.11    | 759,624           | 53,317           | 76,902            | 7,273            |
| 5210.49.00.90    | 98,561            | 12,775           | 96,776            | 13,352           |
| 5210.51.00.11    | 42,354            | 6,336            | 8,985             | 1,255            |
| 5210.51.00.90    | 3,776,589         | 50,140           | 2,620,166         | 30,582           |
| 5211.32.00.11    | 384,024           | 46,611           | 182,611           | 20,024           |
| 5211.39.00.11    | 896,972           | 81,817           | 218,649           | 22,447           |
| 5211.41.00.90    | 139,684           | 20,783           | 2,575             | 332              |
| 5211.43.00.11    | 73,631            | 8,337            | 7,392             | 1,031            |
| 5211.43.00.90    | 26,652            | 3,880            | 13,241            | 1,852            |
| 5211.49.00.11    | 51,170            | 7,142            | 33,003            | 3,450            |
| 5211.49.00.90    | 1,649,167         | 241,421          | 721,543           | 99,266           |
| 5212.11.90.00    | 201,918           | 24,932           | 98,309            | 12,771           |
| 5212.14.90.00    | 68,886            | 5,942            | 41,010            | 4,306            |
| 5212.23.90.00    | 230,513           | 27,883           | 143,123           | 10,996           |
| 5212.24.90.00    | 39,596            | 5,146            | 13,007            | 1,163            |
|                  | <b>77,346,376</b> | <b>7,677,284</b> | <b>37,986,992</b> | <b>3,594,969</b> |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada



Table 12 (Continued)

| Statistical Code | PERCENT SHARE<br>2003 |           | Jan. - June 2004 |           |
|------------------|-----------------------|-----------|------------------|-----------|
|                  | Value                 | Duty Paid | Value            | Duty Paid |
| 5205.22.90.90    | 7                     | 6         | 6                | 5         |
| 5205.23.90.90    | 9                     | 8         | 8                | 7         |
| 5208.12.30.20    | 0                     | 0         | 0                | 0         |
| 5208.19.20.90    | 0                     | 0         | 0                | 0         |
| 5208.32.90.10    | 2                     | 2         | 1                | 1         |
| 5208.32.90.20    | 1                     | 2         | 1                | 1         |
| 5208.32.90.90    | 7                     | 8         | 7                | 8         |
| 5208.33.90.00    | 3                     | 3         | 3                | 2         |
| 5208.39.90.90    | 2                     | 2         | 2                | 2         |
| 5208.41.90.00    | 0                     | 0         | 0                | 0         |
| 5208.42.90.10    | 1                     | 1         | 2                | 1         |
| 5208.42.90.20    | 0                     | 0         | 0                | 0         |
| 5208.42.90.90    | 3                     | 3         | 2                | 2         |
| 5208.43.90.00    | 1                     | 1         | 1                | 1         |
| 5208.49.90.90    | 4                     | 2         | 4                | 3         |
| 5208.51.00.00    | 1                     | 1         | 1                | 1         |
| 5208.52.90.20    | 4                     | 5         | 3                | 4         |
| 5208.52.90.90    | 26                    | 31        | 29               | 33        |
| 5208.59.90.90    | 1                     | 1         | 1                | 1         |
| 5209.12.10.00    | 1                     | 1         | 1                | 1         |
| 5209.19.20.90    | 0                     | 0         | 0                | 0         |
| 5209.31.90.90    | 2                     | 3         | 1                | 2         |
| 5209.32.90.00    | 3                     | 3         | 2                | 3         |
| 5209.39.90.10    | 0                     | 0         | 1                | 1         |
| 5209.39.90.90    | 0                     | 0         | 2                | 2         |
| 5209.41.90.00    | 1                     | 1         | 1                | 1         |
| 5209.43.90.00    | 0                     | 0         | 0                | 0         |
| 5209.49.00.90    | 1                     | 1         | 1                | 2         |
| 5209.51.00.90    | 1                     | 2         | 1                | 2         |
| 5209.52.00.00    | 1                     | 1         | 1                | 1         |
| 5209.59.90.10    | 1                     | 1         | 1                | 1         |
| 5209.59.90.90    | 2                     | 2         | 2                | 3         |
| 5210.29.00.11    | 0                     | 0         | 0                | 0         |
| 5210.32.00.11    | 0                     | 0         | 0                | 0         |
| 5210.32.00.90    | 1                     | 0         | 1                | 1         |
| 5210.39.00.11    | 0                     | 0         | 0                | 0         |
| 5210.39.00.90    | 1                     | 1         | 1                | 1         |
| 5210.41.00.11    | 0                     | 0         | 1                | 1         |
| 5210.41.00.90    | 0                     | 0         | 0                | 0         |
| 5210.49.00.11    | 1                     | 1         | 0                | 0         |
| 5210.49.00.90    | 0                     | 0         | 0                | 0         |
| 5210.51.00.11    | 0                     | 0         | 0                | 0         |
| 5210.51.00.90    | 5                     | 1         | 7                | 1         |
| 5211.32.00.11    | 0                     | 1         | 0                | 1         |
| 5211.39.00.11    | 1                     | 1         | 1                | 1         |
| 5211.41.00.90    | 0                     | 0         | 0                | 0         |
| 5211.43.00.11    | 0                     | 0         | 0                | 0         |
| 5211.43.00.90    | 0                     | 0         | 0                | 0         |
| 5211.49.00.11    | 0                     | 0         | 0                | 0         |
| 5211.49.00.90    | 2                     | 3         | 2                | 3         |
| 5212.11.90.00    | 0                     | 0         | 0                | 0         |
| 5212.14.90.00    | 0                     | 0         | 0                | 0         |
| 5212.23.90.00    | 0                     | 0         | 0                | 0         |
| 5212.24.90.00    | 0                     | 0         | 0                | 0         |
|                  | 100                   | 100       | 100              | 100       |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 13 provides, for each subject statistical code of Chapter 52, where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases to the estimated value of imports.

**Table 13**  
**Domestic Purchases Compared to Imports of Subject Textile Inputs**  
**for Use in the Production of Apparel**

| Statistical Code | Domestic Purchases to Imports (%) |               |
|------------------|-----------------------------------|---------------|
|                  | Range <sup>1</sup>                |               |
|                  | 2003                              | Jan-June 2004 |
| 5205.22.90.90    | >10                               | <10           |
| 5205.23.90.90    | >10                               | >10           |
| 5208.32.90.90    | <10                               | <10           |
| 5209.39.90.90    | >100                              | >10           |
| <b>TOTAL</b>     | <b>&lt;10</b>                     | <b>&lt;10</b> |

1. The ranges used for this scale are: less than (<)10%; greater than (>)10%; greater than (>) 25%; greater than (>) 50% and greater than (>)100%.

Source: Replies to questionnaires and Statistics Canada.

f) **Tribunal Observations**

The information provided by five apparel producers indicates that they purchased, from the domestic textile industry, textile inputs covered by four subject statistical codes (5205.22.90.90, 5205.23.90.90, 5208.32.90.90 and 5209.39.90.90) of Chapter 52.

In total, for the period of inquiry, the value of these domestic purchases was over \$3 million. Three of the four statistical codes accounted for almost all of the purchases. They are:

- 5205.22.90.90 (certain single cotton yarn of combed fibres, measuring less than 714.29 decitex but not less than 232.56 decitex);
- 5205.23.90.90 (certain single cotton yarn of combed fibres, measuring less than 232.56 decitex but not less than 192.31 decitex); and
- 5209.39.90.90 (certain dyed woven fabrics of cotton, containing 85 percent or more of cotton, weighing more than 200 g/m<sup>2</sup>).

Data from Table 11 indicates that subject textile inputs were available from Atlantic Fine Yarns, Atlantic Yarns, Doubletex, FilSpec (Cavalier), Great Lakes and Laxer Fibre Co. Ltd. No purchases were reported from Canada Hair Cloth, DIFCO or Tricots Liesse, domestic textile manufacturers that also reported manufacturing activities for products described in Chapter 52 (see Table 10).

A comparison of domestic purchases to imports, on a value basis, shows that, in 2003, for three statistical codes (5205.22.90.90, 5205.23.90.90 and 5209.39.90.90), textile inputs purchased from domestic manufacturers were greater than 10 percent when compared to imports. For the first six months of 2004, for two statistical codes (5205.23.90.90 and 5209.39.90.90), textile inputs purchased from domestic manufacturers were greater than 10 percent when compared to imports.

Statistical code 5208.52.90.90 (certain plain weave printed fabrics of cotton, weighing not more than 100 g/m<sup>2</sup>) for which there were no domestic purchases, accounted for over 25 percent of the total value of imports reported in 2003 and the first six months of 2004 and for over 30 percent of the duty collected on subject textile inputs for the Chapter. It was, by far, the largest amount of duty collected for any single code in this Chapter, amounting to \$2.4 million in 2003 and \$1.2 million for the first six months of 2004.

Duty collected under the 50 subject statistical codes for which the Tribunal's information indicated no purchases of domestic textile inputs amounted to approximately \$6 million in 2003 and \$2.8 million in the first six months of 2004.

### **3. Chapter 53 – Other Vegetable Textile Fibres, Paper Yarn and Woven Fabrics of Paper Yarn**

#### **a) Domestic Textile Manufacturers**

In **Phase I** of the inquiry, the Tribunal received a form letter from one firm, Tricots Liesse, reporting that it manufacturers in Canada products as described by the broad 4-digit heading 5903, in Chapter 53. This broad description does not confirm whether Tricots Liesse actually manufactures any of the subject textile inputs. Tricots Liesse employs 145 people.

No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

#### **b) Apparel Producers**

In **Phase III** of the inquiry, no firms reported that they purchased domestically produced textile inputs as described by the subject statistical codes of Chapter 53.

### c) Import Data

Table 14 provides, for Chapter 53, by statistical code, the estimated value of imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

| <b>Table 14</b>   |                  |                  |                         |                  |
|---|------------------|------------------|-------------------------|------------------|
| <b>Chapter 53</b>   |                  |                  |                         |                  |
| <b>Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel</b> |                  |                  |                         |                  |
| <b>CDN \$</b>   |                  |                  |                         |                  |
| <b>Statistical Code</b>   | <b>2003</b>      |                  | <b>Jan. – June 2004</b> |                  |
|   | <b>Value</b>     | <b>Duty Paid</b> | <b>Value</b>            | <b>Duty Paid</b> |
| 5309.21.00.00   | 81,339           | 11,669           | 59,917                  | 8,346            |
| 5309.29.90.00   | 2,014,290        | 182,020          | 720,113                 | 90,411           |
|   | <b>2,095,629</b> | <b>193,689</b>   | <b>780,030</b>          | <b>98,757</b>    |
| <b>PERCENT SHARE</b>  |                  |                  |                         |                  |
| <b>Statistical Code</b>   | <b>2003</b>      |                  | <b>Jan. – June 2004</b> |                  |
|   | <b>Value</b>     | <b>Duty Paid</b> | <b>Value</b>            | <b>Duty Paid</b> |
| 5309.21.00.00   | 4                | 6                | 8                       | 8                |
| 5309.29.90.00   | 96               | 94               | 92                      | 92               |
|   | <b>100</b>       | <b>100</b>       | <b>100</b>              | <b>100</b>       |
| Source: Statistics Canada   |                  |                  |                         |                  |

### d) Tribunal Observations

Although Tricots Liesse indicated that it manufactures textile inputs covered by *Customs Tariff* heading 5309, this was not confirmed by any apparel producers.

Duty collected under the following two subject statistical codes amounted to approximately \$194,000 in 2003 and \$99,000 in the first six months of 2004:

- 5309.21.00.00 (woven fabric of flax, containing less than 85% flax, unbleached or bleached); and
- 5309.29.90.00 (woven fabric of flax, containing less than 85% flax, other).

#### 4. Chapter 54 – Man-made Filaments

##### a) Domestic Textile Manufacturers

In **Phase I** of the inquiry, the Tribunal received a form letter from five firms reporting that they manufacture in Canada various products as described in Chapter 54. Table 15 lists these companies and reports their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Barrday                              | 96                    |
| Canada Hair Cloth                    | 84                    |
| Doubletex                            | 450                   |
| Monterey Textiles                    | 90                    |
| Tricots Liesse                       | <u>145</u>            |
| <b>Total for Reporting Companies</b> | <b>865</b>            |

Source: Correspondence to the Tribunal

Appendix IV identifies the textile inputs that Canada Hair Cloth reported it manufactures as described specifically by the subject 10-digit statistical codes of Chapter 54. The Appendix also shows that other firms reported that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions do not, however, confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

##### b) Apparel Producers

In **Phase III** of the inquiry, two firms reported that they purchased domestically produced textile inputs, from Consoltex, as described by one of the subject statistical codes (5407.61.99.33) of Chapter 54, as indicated in Table 16. None of the textile manufacturers listed in Table 15 were mentioned.

Metro Sportswear Ltd. commented that domestic suppliers have, to date, met limited textile requirements. Technofil Inc. indicated there are long delivery times of five to six weeks for domestic products.

**c) Domestic Availability of Subject Chapter 54 Textile Inputs**

Table 16 provides a summary of the availability of subject Chapter 54 textile inputs. Based on the questionnaire replies, 1 out of the 19 subject textile inputs was purchased from domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 16**  
**Domestic Availability of Subject Chapter 54 Textile Inputs**  
**January 1, 2003 to June 30, 2004**

| Statistical Code | Reporting Firm                | Available in Canada From <sup>1</sup> |
|------------------|-------------------------------|---------------------------------------|
| 5407.20.90.00    | none                          |                                       |
| 5407.42.90.11    | none                          |                                       |
| 5407.42.90.12    | none                          |                                       |
| 5407.52.90.11    | none                          |                                       |
| 5407.52.90.12    | none                          |                                       |
| 5407.52.90.13    | none                          |                                       |
| 5407.54.00.12    | none                          |                                       |
| 5407.61.99.31    | none                          |                                       |
| 5407.61.99.32    | none                          |                                       |
| 5407.61.99.33    | Metro Sportswear<br>Technofil | Consoltex<br>Consoltex                |
| 5407.61.99.72    | none                          |                                       |
| 5407.61.99.73    | none                          |                                       |
| 5407.72.00.11    | none                          |                                       |
| 5407.72.00.12    | none                          |                                       |
| 5407.92.90.31    | none                          |                                       |
| 5407.92.90.32    | none                          |                                       |
| 5407.92.90.81    | none                          |                                       |
| 5407.92.90.82    | none                          |                                       |
| 5407.93.90.32    | none                          |                                       |

<sup>1</sup> As reported by questionnaire respondents. May include firms that distribute textile inputs but may not necessarily be textile manufacturers.

Source: Replies to questionnaires

**d) Import Data**

Table 17 provides, for Chapter 54, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 17**  
**Chapter 54**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**

| Statistical Code | CDN \$            |                  |                   |                  |
|------------------|-------------------|------------------|-------------------|------------------|
|                  | 2003              |                  | Jan. – June 2004  |                  |
|                  | Value             | Duty Paid        | Value             | Duty Paid        |
| 5407.20.90.00    | 79,825            | 10,843           | 3,137             | 437              |
| 5407.42.90.11    | 2,877,545         | 426,551          | 817,170           | 113,338          |
| 5407.42.90.12    | 1,116,547         | 103,562          | 1,129,722         | 61,229           |
| 5407.52.90.11    | 879,839           | 122,071          | 425,558           | 55,247           |
| 5407.52.90.12    | 7,980,910         | 1,167,752        | 2,125,653         | 286,204          |
| 5407.52.90.13    | 8,134,300         | 1,089,621        | 3,488,346         | 441,181          |
| 5407.54.00.12    | 2,970,769         | 412,320          | 1,337,587         | 182,156          |
| 5407.61.99.31    | 736,230           | 79,743           | 318,775           | 30,576           |
| 5407.61.99.32    | 10,379,754        | 1,446,782        | 5,779,620         | 779,018          |
| 5407.61.99.33    | 8,848,553         | 1,245,494        | 4,223,753         | 568,723          |
| 5407.61.99.72    | 6,699,874         | 856,751          | 3,032,931         | 400,721          |
| 5407.61.99.73    | 437,786           | 63,014           | 168,120           | 23,518           |
| 5407.72.00.11    | 1,036,469         | 149,328          | 329,053           | 41,251           |
| 5407.72.00.12    | 569,543           | 80,501           | 347,486           | 48,622           |
| 5407.92.90.31    | 931,724           | 128,022          | 469,837           | 61,236           |
| 5407.92.90.32    | 6,619,293         | 640,057          | 2,894,356         | 279,842          |
| 5407.92.90.81    | 810,546           | 112,873          | 352,644           | 46,775           |
| 5407.92.90.82    | 1,234,030         | 176,569          | 550,546           | 70,163           |
| 5407.93.90.32    | 870,063           | 93,312           | 754,577           | 82,970           |
|                  | <b>63,213,600</b> | <b>8,405,166</b> | <b>28,548,871</b> | <b>3,573,207</b> |

| Statistical Code | PERCENT SHARE |            |                  |            |
|------------------|---------------|------------|------------------|------------|
|                  | 2003          |            | Jan. – June 2004 |            |
|                  | Value         | Duty Paid  | Value            | Duty Paid  |
| 5407.20.90.00    | 0             | 0          | 0                | 0          |
| 5407.42.90.11    | 5             | 5          | 3                | 3          |
| 5407.42.90.12    | 2             | 1          | 4                | 2          |
| 5407.52.90.11    | 1             | 1          | 1                | 2          |
| 5407.52.90.12    | 13            | 14         | 7                | 8          |
| 5407.52.90.13    | 13            | 13         | 12               | 12         |
| 5407.54.00.12    | 5             | 5          | 5                | 5          |
| 5407.61.99.31    | 1             | 1          | 1                | 1          |
| 5407.61.99.32    | 16            | 17         | 20               | 22         |
| 5407.61.99.33    | 14            | 15         | 15               | 16         |
| 5407.61.99.72    | 11            | 10         | 11               | 11         |
| 5407.61.99.73    | 1             | 1          | 1                | 1          |
| 5407.72.00.11    | 2             | 2          | 1                | 1          |
| 5407.72.00.12    | 1             | 1          | 1                | 1          |
| 5407.92.90.31    | 1             | 2          | 2                | 2          |
| 5407.92.90.32    | 10            | 8          | 10               | 8          |
| 5407.92.90.81    | 1             | 1          | 1                | 1          |
| 5407.92.90.82    | 2             | 2          | 2                | 2          |
| 5407.93.90.32    | 1             | 1          | 3                | 2          |
|                  | <b>100</b>    | <b>100</b> | <b>100</b>       | <b>100</b> |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 18 provides, for the subject statistical code of Chapter 54 where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases to the estimated value of imports.

**Table 18**  
**Domestic Purchases Compared to Imports of Subject Textile Inputs**  
**for Use in the Production of Apparel**

| Statistical Code | Domestic Purchases to Imports (%) |               |
|------------------|-----------------------------------|---------------|
|                  | Range <sup>1</sup>                |               |
|                  | 2003                              | Jan-June 2004 |
| 5407.61.99.33    | <10                               | >10           |
| <b>TOTAL</b>     | <b>&lt;10</b>                     | <b>&lt;10</b> |

1. The ranges used for this scale are: less than (<) 10%; greater than (>) 10%; greater than (>) 25%; greater than (>) 50%; greater than (>) 100%.  
Source: Replies to questionnaires and Statistics Canada.

f) **Tribunal Observations**

The information provided by two apparel producers, indicates that the domestic textile industry has produced textile inputs covered by only one subject statistical code of Chapter 54:

- 5407.61.99.33 (certain woven dyed fabrics of non-textured polyester filaments, of a weight exceeding 170 g/m<sup>2</sup>).

Data from Table 16 indicates that subject textile inputs were available from Consoltex. No purchases were reported from Barrday, Canada Hair Cloth, Doubletex, Monterey Textiles or Tricots Liesse, domestic manufacturers that also reported manufacturing activities for products in Chapter 54 (see Table 15).

A comparison of domestic purchases to imports, on a value basis, shows that, for the first six months of 2004, domestic purchases for one statistical code 5407.61.99.33 were greater than 10 percent when compared to imports.

The following five statistical codes, for which no domestic purchases were reported, accounted for over 63 percent of the total value of imports reported in 2003 and 61 percent in the first six months of 2004. These five codes accounted for 62 percent (or \$5.2 million) and 61 percent (or \$2.2 million), respectively, of the total duty paid over the same periods.



- 5407.52.90.12 (certain dyed woven fabrics, containing 85 percent or more of textured polyester filaments, of a weight not exceeding 170 g/m<sup>2</sup>);
- 5407.52.90.13 (certain dyed woven fabrics, containing 85 percent or more of textured polyester filaments, of a weight exceeding 170 g/m<sup>2</sup>);
- 5407.61.99.32 (certain dyed woven fabrics, containing 85 percent or more by weight of non-textured polyester filaments, of a weight exceeding 50 g/m<sup>2</sup> but not exceeding 170 g/m<sup>2</sup>);
- 5407.61.99.72 (certain printed woven fabrics, containing 85 percent or more by weight of non-textured polyester filaments, of a weight exceeding 50 g/m<sup>2</sup> but not exceeding 170 g/m<sup>2</sup>); and
- 5407.92.90.32 (certain dyed woven fabrics of artificial filaments, of a weight exceeding 170 g/m<sup>2</sup>).

Duty collected under the 18 subject statistical codes for which the Tribunal's information indicated no purchases of domestic textile inputs amounted to approximately \$7.2 million in 2003 and \$3 million in the first six months of 2004.

## 5. Chapter 55 – Man-made Staple Fibres

### a) Domestic Textile Manufacturers

In **Phase I** of the inquiry, the Tribunal received a form letter from four firms reporting that they manufacture in Canada various products as described in Chapter 55. Table 19 lists these companies and reports their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Canada Hair Cloth                    | 84                    |
| DIFCO                                | 360                   |
| Doubletex                            | 450                   |
| Tricots Liesse                       | <u>145</u>            |
| <b>Total for Reporting Companies</b> | <b>1,039</b>          |

Source: Correspondence to the Tribunal

Appendix IV identifies the textile inputs that Canada Hair Cloth reported it manufactures as described specifically by the subject 10-digit statistical codes of Chapter 55. The Appendix also shows that other firms reported that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions do not, however, confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in

Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

**b) Apparel Producers**

In **Phase III** of the inquiry, three firms reported that they purchased domestically produced textile inputs as described by the subject statistical codes of Chapter 55. The combined total company sales from domestic production for these firms, in 2003, amounted to \$130 million. Together these companies employ 1,186 people. Based on information before the Tribunal, Table 20 indicates under which statistical codes textile inputs are produced domestically.

Canadelle commented that the selection of textile inputs from domestic suppliers is limited and Exploits Design Inc. indicated that certain fabrics are not available in Canada. Riviera Inc. noted that domestic product does not have the hand and drape of fabrics that are available from offshore sources, and it commented on other issues when dealing with domestic suppliers, specifically, minimum order quantities, long production lead time and price versus quality relationships.

c) **Domestic Availability of Subject Chapter 55 Textile Inputs**

Table 20 provides a summary of the availability of subject Chapter 55 textile inputs. Based on the questionnaire replies, 3 out of 24 subject textile inputs were purchased from domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 20**  
**Domestic Availability of Subject Chapter 55 Textile Inputs**  
**January 1, 2003 to June 30, 2004**

| Statistical Code | Reporting Firm | Available in Canada From <sup>1</sup>                                   |
|------------------|----------------|---|
| 5512.19.90.11    | none           |   |
| 5512.19.90.31    | none           |   |
| 5512.29.90.00    | none           |   |
| 5513.11.90.11    | none           |   |
| 5513.11.90.21    | none           |   |
| 5513.12.90.10    | none           |   |
| 5513.21.00.10    | Canadelle      | PGI Difco Performance<br>Doubletex<br>Tissus Knitrama Inc.<br>Doubletex |
|                  | Exploits       |   |
| 5513.22.90.10    | none           |   |
| 5513.31.90.00    | none           |   |
| 5513.41.90.10    | none           |   |
| 5514.21.00.10    | Canadelle      | Tissus Knitrama Inc.  |
| 5514.22.90.10    | none           |   |
| 5515.11.90.00    | none           |   |
| 5515.13.90.11    | Riviera        | Cleyn & Tinker  |
| 5515.13.90.20    | none           |   |
| 5516.12.00.10    | none           |   |
| 5516.14.90.10    | none           |   |
| 5516.22.00.11    | none           |   |
| 5516.22.00.90    | none           |   |
| 5516.23.90.90    | none           |   |
| 5516.32.00.00    | none           |   |
| 5516.42.00.00    | none           |   |
| 5516.92.00.00    | none           |   |
| 5516.93.90.00    | none           |   |

1. As reported by questionnaire respondents. May include firms that distribute textile inputs but may not necessarily be textile manufacturers.

Source: Replies to questionnaires

## d) Import Data

Table 21 provides, for Chapter 55, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 21**  
**Chapter 55**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**

| Statistical Code | CDN \$               |                  |                   |                  |
|------------------|----------------------|------------------|-------------------|------------------|
|                  | 2003                 |                  | Jan. – June 2004  |                  |
|                  | Value                | Duty Paid        | Value             | Duty Paid        |
| 5512.19.90.11    | 4,376,856            | 610,198          | 1,738,322         | 229,105          |
| 5512.19.90.31    | 1,297,821            | 180,886          | 344,249           | 44,687           |
| 5512.29.90.00    | 506,922              | 71,085           | 605,873           | 83,521           |
| 5513.11.90.11    | 2,398,061            | 355,620          | 1,037,940         | 140,964          |
| 5513.11.90.21    | 1,012,110            | 151,691          | 437,451           | 61,226           |
| 5513.12.90.10    | 993,704              | 149,044          | 266,613           | 37,322           |
| 5513.21.00.10    | 3,876,214            | 573,509          | 2,159,296         | 301,061          |
| 5513.22.90.10    | 202,582              | 30,383           | 351,074           | 49,143           |
| 5513.31.90.00    | 600,620              | 88,290           | 426,030           | 58,996           |
| 5513.41.90.10    | 948,091              | 140,544          | 383,489           | 52,736           |
| 5514.21.00.10    | 739,351              | 110,871          | 362,212           | 43,934           |
| 5514.22.90.10    | 339,209              | 49,687           | 252,279           | 33,418           |
| 5515.11.90.00    | 15,447,610           | 1,986,274        | 5,947,292         | 699,316          |
| 5515.13.90.11    | 611,016              | 86,518           | 247,454           | 34,548           |
| 5515.13.90.20    | 617,358              | 82,491           | 1,579,722         | 208,143          |
| 5516.12.00.10    | 632,376              | 86,908           | 297,904           | 41,660           |
| 5516.14.90.10    | 514,636              | 77,141           | 328,403           | 45,391           |
| 5516.22.00.11    | 1,748,598            | 213,568          | 591,823           | 67,119           |
| 5516.22.00.90    | 1,451,492            | 167,768          | 956,391           | 101,183          |
| 5516.23.90.90    | 237,647              | 33,065           | 276,512           | 32,046           |
| 5516.32.00.00    | 526,501              | 78,375           | 218,482           | 27,371           |
| 5516.42.00.00    | 968,079              | 139,697          | 587,778           | 81,590           |
| 5516.92.00.00    | 1,896,440            | 246,955          | 986,460           | 113,653          |
| 5516.93.90.00    | 575,592              | 77,538           | 233,514           | 29,794           |
|                  | <b>42,518,886</b>    | <b>5,788,106</b> | <b>20,616,563</b> | <b>2,617,927</b> |
|                  | <b>PERCENT SHARE</b> |                  |                   |                  |
| 5512.19.90.11    | 10                   | 11               | 8                 | 9                |
| 5512.19.90.31    | 3                    | 3                | 2                 | 2                |
| 5512.29.90.00    | 1                    | 1                | 3                 | 3                |
| 5513.11.90.11    | 6                    | 6                | 5                 | 5                |
| 5513.11.90.21    | 2                    | 3                | 2                 | 2                |
| 5513.12.90.10    | 2                    | 3                | 1                 | 1                |
| 5513.21.00.10    | 9                    | 10               | 10                | 11               |
| 5513.22.90.10    | 0                    | 1                | 2                 | 2                |
| 5513.31.90.00    | 1                    | 2                | 2                 | 2                |
| 5513.41.90.10    | 2                    | 2                | 2                 | 2                |
| 5514.21.00.10    | 2                    | 2                | 2                 | 2                |
| 5514.22.90.10    | 1                    | 1                | 1                 | 1                |
| 5515.11.90.00    | 36                   | 34               | 29                | 27               |
| 5515.13.90.11    | 1                    | 1                | 1                 | 1                |
| 5515.13.90.20    | 1                    | 1                | 8                 | 8                |
| 5516.12.00.10    | 1                    | 2                | 1                 | 2                |
| 5516.14.90.10    | 1                    | 1                | 2                 | 2                |
| 5516.22.00.11    | 4                    | 4                | 3                 | 3                |
| 5516.22.00.90    | 3                    | 3                | 5                 | 4                |
| 5516.23.90.90    | 1                    | 1                | 1                 | 1                |
| 5516.32.00.00    | 1                    | 1                | 1                 | 1                |
| 5516.42.00.00    | 2                    | 2                | 3                 | 3                |
| 5516.92.00.00    | 4                    | 4                | 5                 | 4                |
| 5516.93.90.00    | 1                    | 1                | 1                 | 1                |
|                  | <b>100</b>           | <b>100</b>       | <b>100</b>        | <b>100</b>       |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 22 provides, for each subject statistical code of Chapter 55 where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases respondents to the estimated value of imports.

| Statistical Code | Domestic Purchases to Imports (%) |               |
|------------------|-----------------------------------|---------------|
|                  | Range <sup>1</sup>                |               |
|                  | 2003                              | Jan-June 2004 |
| 5513.21.00.10    | <10                               | <10           |
| 5514.21.00.10    | <10                               | <10           |
| 5515.13.90.11    | <10                               | >10           |
| <b>TOTAL</b>     | <b>&lt;10</b>                     | <b>&lt;10</b> |

1. The ranges used for this scale are: less than (<) 10%; greater than (>) 10%; greater than (>) 25%; greater than (>) 50%; greater than (>) 100%.  
Source: Replies to questionnaires and Statistics Canada.

f) **Tribunal Observations**

The information provided by three apparel producers, indicates that the domestic textile industry has produced textile inputs covered by 3 out of the 24 subject statistical codes of Chapter 55. They are:

- 5513.21.00.10 (certain woven dyed fabrics of polyester staple fibres, containing less than 85 percent of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170g/m<sup>2</sup>);
- 5514.21.00.10 (certain woven dyed fabrics of polyester staple fibres, containing less than 85 percent of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170g/m<sup>2</sup>); and
- 5515.13.90.11 (certain woven fabrics of synthetic staple fibres, mixed mainly or solely with carded wool or carded animal hair, of a weight not exceeding 300 g/m<sup>2</sup>).

In total, for the period of inquiry, the value of these domestic purchases was over \$600,000. Over 80 percent of the value of these purchases was accounted for by one statistical code, 5513.21.00.10.

Data from Table 20 indicates that the subject textile inputs were available from Cleyne & Tinker, DIFCO, Doubletex and Tissus Knitrama Inc. No purchases were reported from Canada Hair Cloth or Tricots Liesse, domestic textile manufacturers that

also reported manufacturing activities for products described in Chapter 55 (see Table 19).

A comparison of domestic purchases to imports, on a value basis, shows that, in 2003, for one statistical code (5513.21.00.10), domestic purchases of textile inputs were greater than 10 percent when compared to imports. In the first six months of 2004, for one statistical code (5515.13.90.11), textile inputs purchased from domestic manufacturers were more than 10 percent.

Statistical code 5515.11.90.00 (certain woven fabrics of synthetic staple fibres mixed with viscose rayon staple fibres) for which there were no reported domestic purchases, accounted for 36 and 29 percent, respectively, of the total value of imports reported in 2003 and the first six months of 2004 and 34 percent (or \$2 million) and 27 percent (or \$700,000), respectively, of the duty paid for the same periods.

Duty collected under the 21 subject statistical codes for which the Tribunal's information indicated no purchases of domestic textile inputs amounted to approximately \$5.0 million in 2003 and \$2.2 million in the first six months of 2004.

## 6. Chapter 56 – Wadding, Felt and Nonwovens; Special Yarns; Twine; Cordage; Ropes and Cables and Articles Thereof

### a) Domestic Textile Manufacturers

In **Phase I** of the inquiry, the Tribunal received a form letter from six firms reporting that they manufacture in Canada various products as described in Chapter 56. Table 23 lists these companies and reports their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Canada Hair Cloth                    | 84                    |
| Doubletex                            | 450                   |
| Matador Converters Co. Ltd.          | 135                   |
| Steadfast Inc.                       | 100                   |
| Texel Inc.                           | 194                   |
| Tricots Liesse                       | <u>145</u>            |
| <b>Total for Reporting Companies</b> | <b>1,108</b>          |

Source: Correspondence to the Tribunal

Appendix IV identifies the textile inputs that Canada Hair Cloth and Matador Converters reported they manufacture as described specifically by the subject 10-digit statistical codes of Chapter 56. The Appendix also shows that other firms reported that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions do not, however, confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

In addition to the firms noted above, Texel, a textile manufacturer, replied in full to the Tribunal's Producers' Questionnaire. It stated that it has manufactured in Canada needle-punched nonwoven fabrics since 1967. Texel reported that it produces interlinings for apparel and protective clothing as described specifically by statistical codes 5603.93.90.30 (certain nonwovens of polyesters, weighing more than 70g/m<sup>2</sup> but not more than 150 g/m<sup>2</sup>) and 5603.93.90.90 (certain nonwovens, weighing more than 70g/m<sup>2</sup> but not more than 150 g/m<sup>2</sup>). According to the information provided by Texel, for January 1, 2003 to March 30, 2004, sales of textile inputs to apparel producers covered by these two statistical codes were greater than 10 percent when compared to imports.

**b) Apparel Producers**

In **Phase III** of the inquiry, Canadelle reported that it purchased domestically produced textile inputs as described by subject statistical code 5603.93.90.30 of Chapter 56.

Canadelle commented that the selection of textile inputs from domestic suppliers is limited and that domestic product of the same quality as imported product is more expensive.

**c) Domestic Availability of Subject Chapter 56 Textile Inputs**

Table 24 provides a summary of the availability of subject Chapter 56 textile inputs. Based on the questionnaire replies, from purchasers and one domestic textile manufacturer, textile inputs covered by two out of nine subject statistical codes were purchased from or sold by domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 24**  
**Domestic Availability of Subject Chapter 56 Textile Inputs**

**January 1, 2003 to June 30, 2004**

| <b>Statistical Code</b> | <b>Reporting Firm</b> | <b>Available in Canada From<sup>1</sup></b> |
|-------------------------|-----------------------|---|
| 5602.21.90.00           | none                  |   |
| 5603.92.90.20           | none                  |   |
| 5603.92.90.30           | none                  |   |
| 5603.92.90.40           | none                  |   |
| 5603.92.90.50           | none                  |   |
| 5603.92.90.90           | none                  |   |
| 5603.93.90.30           | Canadelle             | Matador Converters, Texel <sup>2</sup>      |
| 5603.93.90.40           | none                  |   |
| 5603.93.90.90           | Texel                 | Texel <sup>2</sup>                          |

1. As reported by questionnaire respondents. May include firms that distribute textile inputs but may not necessarily be textile manufacturers.

2. As reported by Texel in the Tribunal's Producer's questionnaire.

Source: Replies to questionnaires



## d) Import Data

Table 25 provides, for Chapter 56, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 25**  
**Chapter 56**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**

| Statistical Code | 2003             |                | Jan. – June 2004 |                |
|------------------|------------------|----------------|------------------|----------------|
|                  | Value            | Duty Paid      | Value            | Duty Paid      |
| 5602.21.90.00    | 866,128          | 108,226        | 427,046          | 51,231         |
| 5603.92.90.20    | 264,925          | 39,607         | 331,286          | 46,356         |
| 5603.92.90.30    | 171,424          | 25,698         | 136,388          | 19,088         |
| 5603.92.90.40    | 0                | 0              | 64,160           | 0              |
| 5603.92.90.50    | 587,690          | 87,604         | 4,144            | 579            |
| 5603.92.90.90    | 97,028           | 14,542         | 33,886           | 4,736          |
| 5603.93.90.30    | 222,585          | 32,881         | 196,660          | 27,525         |
| 5603.93.90.40    | 37,030           | 5,554          | 0                | 0              |
| 5603.93.90.90    | 202,340          | 30,340         | 75,185           | 10,524         |
|                  | <b>2,449,150</b> | <b>344,452</b> | <b>1,268,755</b> | <b>160,039</b> |

| Statistical Code | 2003       |            | Jan. – June 2004 |            |
|------------------|------------|------------|------------------|------------|
|                  | Value      | Duty Paid  | Value            | Duty Paid  |
| 5602.21.90.00    | 35         | 31         | 34               | 32         |
| 5603.92.90.20    | 11         | 11         | 26               | 29         |
| 5603.92.90.30    | 7          | 7          | 11               | 12         |
| 5603.92.90.40    | 0          | 0          | 5                | 0          |
| 5603.92.90.50    | 24         | 25         | 0                | 0          |
| 5603.92.90.90    | 4          | 4          | 3                | 3          |
| 5603.93.90.30    | 9          | 10         | 16               | 17         |
| 5603.93.90.40    | 2          | 2          | 0                | 0          |
| 5603.93.90.90    | 8          | 9          | 6                | 7          |
|                  | <b>100</b> | <b>100</b> | <b>100</b>       | <b>100</b> |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 26 provides, for each subject statistical code of Chapter 56, where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases to the estimated value of imports.

**Table 26**  
**Domestic Purchases Compared to Imports of Subject Textile Inputs**  
**for Use in the Production of Apparel**

| Statistical Code | Domestic Purchases to Imports (%) |               |
|------------------|-----------------------------------|---------------|
|                  | Range <sup>1</sup>                |               |
|                  | 2003                              | Jan-June 2004 |
| 5603.93.90.30    | >50                               | <10           |
| 5603.93.90.90    | >100                              |               |
| <b>TOTAL</b>     | <b>&gt;25</b>                     | <b>&lt;10</b> |

1. The ranges used for this scale are: less than (<) 10%; greater than (>) 10%; greater than (>) 25%; greater than (>) 50%; greater than (>) 100%.

Source: Replies to questionnaires and Statistics Canada. Information provided by Texel for a 15 month period was included in 2003.

f) **Tribunal Observations**

The information provided by one apparel producer, and one domestic textile manufacturer indicates that textile inputs covered by two subject statistical codes, 5603.93.90.30 and 5603.93.90.90 of Chapter 56 were available from domestic production.

Data from Table 24 indicates that subject textile inputs were also available from Matador Converters and Texel. No purchases were reported from Canada Hair Cloth, Doubletex, Steadfast Inc. or Tricots Liesse, domestic textile manufacturers that also reported manufacturing activities for products in Chapter 56 (see Table 23).

A comparison of domestic purchases to imports, on a value basis, shows that, in 2003, for two statistical codes (5603.93.90.30 and 5603.93.90.90) textile inputs purchased from domestic manufacturers were greater than 10 percent when compared to imports.

The following three statistical codes, for which there was no domestic production reported, accounted for 70 and 60 percent, respectively, of the total value of imports reported in 2003 and the first six months of 2004. They accounted for 67 percent (or

\$235,000) and 61 percent (or \$98,000), respectively, of the total duty paid over the same periods

- 5602.21.90.00 (certain felt of wool or fine animal hair);
- 5603.92.90.20 (certain nonwovens weighing more than 25g/m<sup>2</sup> but not more than 70 g/m<sup>2</sup>); and
- 5603.92.90.50 (certain nonwovens of nylon or polyamides weighing more than 25g/m<sup>2</sup> but not more than 70 g/m<sup>2</sup>).

Duty collected under the seven statistical codes for which the Tribunal's information indicated no purchases of domestic textile inputs amounted to approximately \$281,000 in 2003 and \$122,000 in the first six months of 2004.

## **7. Chapter 58 – Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery**

### **a) Domestic Textile Manufacturers**

In **Phase I** of the inquiry, the Tribunal received a form letter from one firm, Tricots Liesse, reporting that it manufactures in Canada products as described by the broad 4-digit headings 5801, 5804 and 5806 in Chapter 58. This broad description does not, however, confirm whether Tricots Liesse actually manufactures any of the subject textile inputs. Tricots Liesse employs 145 people.

No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

### **b) Apparel Producers**

In **Phase III** of the inquiry, Riviera Inc. reported that it purchased domestically produced textile inputs as described by the subject statistical codes 5801.22.29.90 and 5801.22.90.00 of Chapter 58.

Riviera Inc. commented that the selection of fashionable textile inputs from domestic suppliers is limited and that domestic product does not have the hand and drape of fabrics that are available from offshore sources. It also noted other issues when dealing with domestic suppliers, specifically, minimum order quantities, long production lead time and price versus quality relationships.

**c) Domestic Availability of Subject Chapter 58 Textile Inputs**

Table 27 provides a summary of the availability of subject Chapter 58 textile inputs. Based on the questionnaire replies, 2 out of 8 subject textile inputs were purchased from domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 27**  
**Domestic Availability of Subject Chapter 58 Textile Inputs**  
**January 1, 2003 to June 30, 2004**

| <b>Statistical Code</b> | <b>Reporting Apparel Firm</b> | <b>Available in Canada From<sup>1</sup></b> |
|-------------------------|-------------------------------|---|
| 5801.22.29.90           | Riviera                       | J.L. DeBall                                 |
| 5801.22.90.00           | Riviera                       | J.L. DeBall                                 |
| 5804.21.00.10           | none                          |   |
| 5804.21.00.20           | none                          |   |
| 5804.29.00.10           | none                          |   |
| 5804.29.00.20           | none                          |   |
| 5804.30.90.00           | none                          |   |
| 5806.10.90.90           | none                          |   |

1. As reported by questionnaire respondents. May include firms that distribute textile inputs but may not necessarily be textile manufacturers.

Source: Replies to questionnaires

## d) Import Data

Table 28 provides, for Chapter 58, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 28**  
**Chapter 58**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**

| Statistical Code | CDN \$           |                |                  |                |
|------------------|------------------|----------------|------------------|----------------|
|                  | 2003             |                | Jan. – June 2004 |                |
|                  | Value            | Duty Paid      | Value            | Duty Paid      |
| 5801.22.29.90    | 505,626          | 60,637         | 859,740          | 103,130        |
| 5801.22.90.00    | 1,615,174        | 229,716        | 780,684          | 109,244        |
| 5804.21.00.10    | 550,107          | 66,336         | 87,511           | 9,270          |
| 5804.21.00.20    | 534,343          | 60,762         | 270,877          | 22,248         |
| 5804.29.00.10    | 160,151          | 8,860          | 22,796           | 1,191          |
| 5804.29.00.20    | 86,186           | 1,073          | 117,778          | 3,090          |
| 5804.30.90.00    | 7,692            | 952            | 2,203            | 262            |
| 5806.10.90.90    | 260,095          | 38,951         | 179,876          | 25,160         |
|                  | <b>3,719,374</b> | <b>467,287</b> | <b>2,321,465</b> | <b>273,595</b> |

| Statistical Code | PERCENT SHARE |            |                  |            |
|------------------|---------------|------------|------------------|------------|
|                  | 2003          |            | Jan. – June 2004 |            |
|                  | Value         | Duty Paid  | Value            | Duty Paid  |
| 5801.22.29.90    | 14            | 13         | 37               | 38         |
| 5801.22.90.00    | 43            | 49         | 34               | 40         |
| 5804.21.00.10    | 15            | 14         | 4                | 3          |
| 5804.21.00.20    | 14            | 13         | 12               | 8          |
| 5804.29.00.10    | 4             | 2          | 1                | 0          |
| 5804.29.00.20    | 2             | 0          | 5                | 1          |
| 5804.30.90.00    | 0             | 0          | 0                | 0          |
| 5806.10.90.90    | 7             | 8          | 8                | 9          |
|                  | <b>100</b>    | <b>100</b> | <b>100</b>       | <b>100</b> |

The shaded statistical codes indicate that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 29 provides, for each subject statistical code of Chapter 58, where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases to the estimated value of imports.

**Table 29**  
**Domestic Purchases Compared to Imports of Subject Textile Inputs**  
**for Use in the Production of Apparel**

| Statistical Code | Domestic Purchases to Imports (%) |               |
|------------------|-----------------------------------|---------------|
|                  | Range <sup>1</sup>                |               |
|                  | 2003                              | Jan-June 2004 |
| 5801.22.29.90    |                                   | <10           |
| 5801.22.90.00    | <10                               | <10           |
| <b>TOTAL</b>     | <b>&lt;10</b>                     | <b>&lt;10</b> |

1. The ranges used for this scale are less than 10% (<), greater than 10% (>), greater than 25% (>), greater than 50% (>) and greater than 100% (>).  
Source: Replies to questionnaires and Statistics Canada.

f) **Tribunal Observations**

The information provided by one apparel producer, indicates that the domestic textile industry has produced textile inputs covered by two subject statistical codes of Chapter 58:

- 5801.22.29.90 (cut corduroy fabrics of cotton); and
- 5801.22.90.00 (cut corduroy fabrics).

Data from Table 27 indicates that subject textile inputs were available from J.L. DeBall. No purchases were reported from Tricots Liesse.

A comparison of domestic purchases to imports, on a value basis, shows that, for the textile inputs covered by statistical codes 5801.22.29.90 and 5801.22.90.00, domestic purchases were less than 10 percent when compared to imports during the period of inquiry. These two statistical codes accounted for 57 and 71 percent, respectively, of the total value of imports reported in 2003 and the first six months of 2004. Together, these two codes accounted for 62 percent (or \$290,353) and 78 percent (or \$212,374), respectively, of the duty paid in 2003 and the first six months of 2004.

Duty collected under the other six subject statistical codes for which the Tribunal's information indicated no domestic purchases of textile inputs amounted to

approximately \$177,000 (or 37 percent) in 2003 and \$61,000 (or 21 percent) in the first six months of 2004.

**8. Chapter 59 – Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable for Industrial Use**

**a) Domestic Textile Manufacturers**

In **Phase I** of the inquiry, the Tribunal received a form letter from five firms reporting that they manufacture in Canada products as described in Chapter 59. Table 30 lists these companies and reports their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Barrday                              | 96                    |
| Canada Hair Cloth                    | 84                    |
| Matador Converters Co. Ltd.          | 135                   |
| Steadfast Inc.                       | 100                   |
| Tricots Liesse                       | <u>145</u>            |
| <b>Total for Reporting Companies</b> | <b>560</b>            |

Source: Correspondence to the Tribunal

Appendix IV identifies the textile inputs that Canada Hair Cloth and Matador Converters reported they manufacture as described specifically by the subject 10-digit statistical codes of Chapter 59. The Appendix also shows that other firms reported that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions do not, however, confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information such as sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

**b) Apparel Producers**

In **Phase III** of the inquiry, no firms reported that they purchased domestically produced textile inputs as described by the subject statistical codes of Chapter 59.

**c) Import Data**

Table 31 provides, for Chapter 59, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

| <b>Table 31</b>   |                  |                  |                         |                  |
|---|------------------|------------------|-------------------------|------------------|
| <b>Chapter 59</b>   |                  |                  |                         |                  |
| <b>Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel</b> |                  |                  |                         |                  |
| <b>CDN \$</b>   |                  |                  |                         |                  |
| <b>Statistical Code</b>   | <b>2003</b>      |                  | <b>Jan. – June 2004</b> |                  |
|   | <b>Value</b>     | <b>Duty Paid</b> | <b>Value</b>            | <b>Duty Paid</b> |
| 5903.90.10.10   | 529,759          | 76,537           | 269,234                 | 37,660           |
| 5903.90.10.90   | 16,169           | 2,331            | 12,608                  | 1,763            |
| 5903.90.29.00   | 6,183,384        | 305,638          | 2,486,108               | 146,598          |
|   | <b>6,729,312</b> | <b>384,506</b>   | <b>2,767,950</b>        | <b>186,021</b>   |
| <b>PERCENT SHARE</b>  |                  |                  |                         |                  |
| <b>Statistical Code</b>   | <b>2003</b>      |                  | <b>Jan. – June 2004</b> |                  |
|   | <b>Value</b>     | <b>Duty Paid</b> | <b>Value</b>            | <b>Duty Paid</b> |
| 5903.90.10.10   | 8                | 20               | 10                      | 20               |
| 5903.90.10.90   | 0                | 1                | 0                       | 1                |
| 5903.90.29.00   | 92               | 79               | 90                      | 79               |
|   | <b>100</b>       | <b>100</b>       | <b>100</b>              | <b>100</b>       |
| Source: Statistics Canada   |                  |                  |                         |                  |

**d) Tribunal Observations**

Although five textile manufacturers indicated that they have manufactured textile inputs covered by the three subject statistical codes of Chapter 59 none of the apparel producers indicated that they have purchased these inputs domestically. Duty collected under these statistical codes amounted to approximately \$385,000 in 2003 and \$186,000 in the first six months of 2004.



## 9. Chapter 60 – Knitted or Crocheted Fabrics

### a) Domestic Textile Manufacturers

In **Phase I** of the inquiry, the Tribunal received a form letter from nine firms reporting that they manufacture in Canada products as described in Chapter 60. Table 32 lists these companies and reports their total number of employees.

|                                      | <b># of Employees</b> |
|--------------------------------------|-----------------------|
| Cannon Knitting Mills                | 35                    |
| Doubletex                            | 450                   |
| Gentry Knitting Mills Limited        | N/A                   |
| Manoir Inc.                          | 175                   |
| Rentex Inc.                          | 125                   |
| Roopa Sales & Trading Ltd            | 10                    |
| Tek-Knit Industries                  | 17                    |
| Tricots Canada U.S. Inc              | 90                    |
| Tricots Liesse                       | <u>145</u>            |
| <b>Total for Reporting Companies</b> | <b>1,047</b>          |

Source: Correspondence to the Tribunal

Appendix IV identifies the textile inputs that Cannon Knitting Mills, Rentex Inc. and Roopa Sales & Trading Ltd. reported they manufacture textile inputs as described specifically by the subject 10-digit statistical codes of Chapter 60. The Appendix also shows that other firms reported that they produce textile inputs as described by the broader 4-digit heading or 8-digit tariff item. These broader descriptions do not, however, confirm whether these manufacturers actually produce any of the subject textile inputs. No other data or information, specifically, sales invoices, product descriptions or volumes of production were provided to substantiate the production in Canada of subject textile inputs even though such information was requested in the Tribunal's questionnaire.

In addition to the above noted firms, Great Lakes Knitting, a textile manufacturer, also provided a response to the Tribunal's Producers' Questionnaire and reported that it manufactures knitted fabrics covered by statistical code 6004.10.90.90 (certain knitted fabrics containing by weight 5 percent or more of elastomeric yarn, of a width exceeding 30 cm).

In addition, the Tribunal received partial responses from Tri-Star Textiles Ltd. and Worldbest (Canada) Industries Inc. Tri-Star reported that it manufactures textile inputs as described by statistical codes 6001.92.90.10, 6004.10.90.10, 6004.10.90.90, 6006.31.90.19, 6006.32.90.11, 6006.32.90.14, 6006.32.90.19, 6006.33.90.19, 6006.34.90.19 and 6006.42.90.19. Worldbest indicated that it manufactures in Canada the subject textile inputs covered by the following 8-digit tariff items: 6006.31.90, 6006.32.90, 6006.33.90 and 6004.10.90. Tri-Star and Worldbest did not provide information at the 10-digit statistical code level to substantiate sales of subject textile inputs from domestic production.

**b) Apparel Producers**

In **Phase III** of the inquiry, 16 firms reported that they purchased domestically produced textile inputs as described by the subject statistical codes of Chapter 60. The combined total sales from domestic production for 11 of these firms, in 2003, amounted to approximately \$215 million. Together these companies employ over 2,500 people.

These apparel producers commented that, in general, the selection of knitted fabrics from domestic sources is limited and that it is becoming increasingly difficult to buy “Canadian” as unique products are not produced. Moreover, some producers indicated that domestic textile producers are not able to compete with imported products and that the quality, colour consistency and pricing of imported fabrics from far-east suppliers are not comparable to domestic products. Producers noted other issues when dealing with domestic suppliers, specifically, delivery times, the high cost of fabrics, minimum run requirements, long lead times to develop new products and required volumes within specified times. Appendix VI provides a more detailed summary of comments from these producers.

**c) Domestic Availability of Subject Chapter 60 Textile Inputs**

Table 33 provides a summary of the availability of subject Chapter 60 textile inputs. Based on the questionnaire replies, both from purchasers and from one domestic textile manufacturer in this case, 8 out of 22 subject textile inputs were purchased from or sold by domestic textile manufacturers between January 1, 2003 and June 30, 2004.

**Table 33**  
**Domestic Availability of Subject Chapter 60 Textile Inputs**  
**January 1, 2003 to June 30, 2004**

| Statistical Code | Reporting Firm   | Available in Canada From <sup>1</sup>   |
|------------------|--|---|
| 6001.92.90.10    | Standard Knitting  | Huntingdon Mills (Canada)Ltd.   |
| 6002.40.90.11    | none   |   |
| 6002.40.90.19    | none   |   |
| 6002.40.90.91    | none   |   |
| 6002.40.90.99    | Bravado Designs Inc.<br>Canadelle                                | Narroflex<br>Narroflex<br>Britex Limited  |
| 6002.90.90.91    | none   |   |
| 6004.10.90.10    | none   |   |
| 6004.10.90.90    | Bravado Designs Inc.<br><br>Canadelle                            | Gentry Mills<br>Manoir Inc.<br>Nalpac<br>Hafner<br>Britex Limited                         |
|                  | Coquette Lingerie<br>Donna Fashions                              | Hafner<br>Magni-Tex<br>Tricots Liesse   |
|                  | Lululemon<br>Mondor Ltée   | Nalpac<br>Manoir Inc.<br>Nalpac<br>Hafner<br>Nalpac<br>Tricots Liesse                     |
|                  | SGS Sports Inc.<br>Stanfields                                    | Huntingdon Mills (Canada)Ltd.<br>Con-Trade Textiles Inc.<br>Agmont Inc.<br>Tricots Liesse |
|                  | Talula Babaton-Aritzia<br>Wing Son Garments                      | N/A<br>Meridian Knitting  |
|                  | Great Lakes Knitting   | Great Lakes Knitting <sup>2</sup>   |
| 6005.22.90.90    | none   |   |
| 6005.31.90.23    | none   |   |
| 6005.32.90.21    | Alpine Joe   | Doubletex   |
| 6005.32.90.23    | none   |   |
| 6005.32.90.24    | none   |   |
| 6005.32.90.29    | none   |   |
| 6005.34.90.23    | none   |   |
| 6006.31.90.19    | none   |   |
| 6006.32.90.11    | Canadelle  | Knitrama<br>Hubbard Fashions Inc.   |
| 6006.32.90.14    | Hamilton Lingerie<br><br>Mondor Ltée                             | Tri-Star Textile<br>Northeast Knitting Mills<br>Roopa Sales                               |
|                  | Pace Setter Sportswear<br>Standard Knitting<br>Wing Son Garments | Interlock Knitting<br>Tricots Canada U.S. Inc.<br>Meridian Knitting                       |
| 6006.32.90.19    | Trimark Athletic   | Fine Cotton Factory   |
| 6006.33.90.19    | Sport Maska Inc. / The Hockey Company                            | Knitrama  |
| 6006.34.90.19    | none   |   |
| 6006.42.90.19    | none   |   |

1. As reported by questionnaire respondents. May include firms that distribute textile inputs but may not

2. As reported by Great Lakes Knitting in response to the Tribunal's Producers' Questionnaire.

Source: Replies to questionnaires

**d) Import Data**

Table 34 provides, for Chapter 60, the estimated imports of subject textile inputs for use in the production of apparel, for the period of inquiry.

**Table 34**  
**Chapter 60**  
**Estimated Imports of Subject Textile Inputs for Use in the Production of Apparel**

| Statistical Code | 2003              |                   | Jan. - June 2004  |                  |
|------------------|-------------------|-------------------|-------------------|------------------|
|                  | Value             | Duty Paid         | Value             | Duty Paid        |
| 6001.92.90.10    | 5,141,408         | 770,965           | 1,219,138         | 170,620          |
| 6002.40.90.11    | 13,064            | 1,776             | 13,929            | 1,948            |
| 6002.40.90.19    | 6,114,838         | 79,943            | 4,201,881         | 23,012           |
| 6002.40.90.91    | 809,999           | 121,260           | 331,960           | 46,433           |
| 6002.40.90.99    | 3,470,448         | 357,599           | 1,865,978         | 202,078          |
| 6002.90.90.91    | 79,413            | 11,829            | 21,135            | 2,919            |
| 6004.10.90.10    | 1,198,551         | 179,596           | 642,652           | 86,263           |
| 6004.10.90.90    | 34,911,885        | 5,177,452         | 20,537,542        | 2,808,141        |
| 6005.22.90.90    | 545,105           | 79,677            | 116,638           | 16,325           |
| 6005.31.90.23    | 1,385,492         | 207,144           | 906,196           | 126,824          |
| 6005.32.90.21    | 546,598           | 81,930            | 279,110           | 38,007           |
| 6005.32.90.23    | 7,019,511         | 1,045,885         | 2,774,896         | 383,527          |
| 6005.32.90.24    | 135,516           | 20,314            | 28,454            | 3,980            |
| 6005.32.90.29    | 192,746           | 28,884            | 80,682            | 11,282           |
| 6005.34.90.23    | 496,447           | 74,003            | 461,266           | 64,540           |
| 6006.31.90.19    | 511,617           | 76,350            | 171,645           | 24,011           |
| 6006.32.90.11    | 6,494,705         | 971,044           | 2,072,963         | 286,787          |
| 6006.32.90.14    | 3,052,922         | 457,335           | 1,210,895         | 169,469          |
| 6006.32.90.19    | 8,054,502         | 1,142,970         | 1,794,716         | 246,182          |
| 6006.33.90.19    | 224,816           | 33,702            | 47,715            | 6,672            |
| 6006.34.90.19    | 1,579,133         | 223,011           | 535,289           | 74,682           |
| 6006.42.90.19    | 1,025,986         | 70,279            | 423,534           | 19,141           |
|                  | <b>83,004,702</b> | <b>11,212,948</b> | <b>39,738,214</b> | <b>4,812,843</b> |

| Statistical Code | 2003       |            | Jan. - June 2004 |            |
|------------------|------------|------------|------------------|------------|
|                  | Value      | Duty Paid  | Value            | Duty Paid  |
| 6001.92.90.10    | 6          | 7          | 3                | 4          |
| 6002.40.90.11    | 0          | 0          | 0                | 0          |
| 6002.40.90.19    | 7          | 1          | 11               | 0          |
| 6002.40.90.91    | 1          | 1          | 1                | 1          |
| 6002.40.90.99    | 4          | 3          | 5                | 4          |
| 6002.90.90.91    | 0          | 0          | 0                | 0          |
| 6004.10.90.10    | 1          | 2          | 2                | 2          |
| 6004.10.90.90    | 42         | 46         | 52               | 58         |
| 6005.22.90.90    | 1          | 1          | 0                | 0          |
| 6005.31.90.23    | 2          | 2          | 2                | 3          |
| 6005.32.90.21    | 1          | 1          | 1                | 1          |
| 6005.32.90.23    | 8          | 9          | 7                | 8          |
| 6005.32.90.24    | 0          | 0          | 0                | 0          |
| 6005.32.90.29    | 0          | 0          | 0                | 0          |
| 6005.34.90.23    | 1          | 1          | 1                | 1          |
| 6006.31.90.19    | 1          | 1          | 0                | 0          |
| 6006.32.90.11    | 8          | 9          | 5                | 6          |
| 6006.32.90.14    | 4          | 4          | 3                | 4          |
| 6006.32.90.19    | 10         | 10         | 5                | 5          |
| 6006.33.90.19    | 0          | 0          | 0                | 0          |
| 6006.34.90.19    | 2          | 2          | 1                | 2          |
| 6006.42.90.19    | 1          | 1          | 1                | 0          |
|                  | <b>100</b> | <b>100</b> | <b>100</b>       | <b>100</b> |

The shaded statistical codes indicates that domestic purchases have been reported under these codes.

Source: Statistics Canada

e) **Apparel Producers' Domestic Purchases Compared to Imports**

Table 35 provides, for each subject statistical code of Chapter 60 where purchases were reported by questionnaire respondents, a comparison, in percentage terms, of the value of domestic purchases to the estimated value of imports.

**Table 35**  
**Domestic Purchases Compared to Imports of Subject Textile Inputs**  
**for Use in the Production of Apparel**

| Statistical Code | Ratio Domestic Purchases to Imports (%) |               |
|------------------|---|---------------|
|                  | Range <sup>1</sup>                      |               |
|                  | 2003                                    | Jan-June 2004 |
| 6001.92.90.10    | >10                                     | >25           |
| 6002.40.90.99    | >25                                     | >25           |
| 6004.10.90.90    | >10                                     | >10           |
| 6005.32.90.21    | <10                                     | <10           |
| 6006.32.90.11    | <10                                     | <10           |
| 6006.32.90.14    | >10                                     | >25           |
| 6006.32.90.19    | <10                                     | <10           |
| 6006.33.90.19    | <10                                     | >10           |
| <b>TOTAL</b>     | <b>&gt;10</b>                           | <b>&gt;10</b> |

1. The ranges used for this scale are less than (<)10%; greater than (>)10%; greater than (>) 25%; greater than (>) 50% and greater than (>)100%.

Source: Replies to questionnaires and Statistics Canada.

f) **Tribunal Observations**

The information provided by 16 apparel producers and one domestic textile manufacturer indicates that the domestic textile industry has produced textile inputs covered by eight subject statistical codes (6001.92.90.10, 6002.40.90.99, 6004.10.90.90, 6005.32.90.21, 6006.32.90.11, 6006.32.90.14, 6006.32.90.19 and 6006.33.90.19) of Chapter 60.

In total, for the period of inquiry, the value of the domestic purchases was over \$13 million. Five of the eight statistical codes accounted for almost all of the purchases. They are:

- 6001.92.90.10 (certain knitted fabrics of man-made fibres, of a width exceeding 30 cm);
- 6002.40.90.99 (certain knitted fabrics containing by weight 5 percent or more of elastomeric yarn, of a width not exceeding 30 cm);

- 6004.10.90.90 (certain knitted fabrics containing by weight 5 percent or more of elastomeric yarn, of a width exceeding 30 cm);
- 6006.32.90.14 (certain dyed double knit fabrics of synthetic fibres); and
- 6006.32.90.19 (certain dyed knitted fabrics of synthetic fibres).

Data from Table 33 indicates that subject textile inputs were available from 22 different textile manufacturers. No purchases were reported from Cannon Knitting Mills, Rentex and Tek-Knit Industries.

A comparison of domestic purchases to imports, on a value basis, shows that, for the period of inquiry, for four statistical codes, (6001.92.90.10, 6002.40.90.99, 6004.10.90.90, 6006.32.90.14), domestic purchases of textile inputs were greater than 10 percent when compared to imports. In addition, purchases of fabrics described by a fifth statistical code (6006.33.90.19), were more than 10 percent of imports in the first six months of 2004.

Statistical code 6004.10.90.90 accounted for 42 and 52 percent, respectively, of the total value of imports reported in 2003 and the first six months of 2004. This code accounted for 46 percent (or \$5.2 million) and 58 percent (or \$2.8 million), respectively, of the total duty paid over the same periods.

Duty collected under the 14 statistical codes for which the Tribunal's information indicated no purchases of textile domestic inputs amounted to approximately \$2.2 million in 2003 and \$885,000 in the first six months of 2004.

## PART IV - SUMMARY

### 1. Inquiry

- On June 9, 2004, the Tribunal commenced an inquiry, as directed by the Minister, into the availability of certain textile inputs produced by Canadian textile manufacturers for use in the production of apparel.
- Estimated imports of the 151 subject textile inputs for use in the manufacture of apparel in 2003 were valued at \$329 million, with duty collected of \$39 million; for the first six months of 2004, these amounts were \$156 million and \$17 million, respectively.
- The Tribunal's inquiry was conducted in three phases.

### 2. Phase I

- In **Phase I**, the Tribunal sent out Producers' Questionnaire to 81 textile manufacturers. All firms were contacted (by letter, e-mail or telephone) on at least three occasions.
- In **Phase I**, 31 firms identified themselves as suppliers of textile inputs for the production of apparel. Data provided by 29 of these textile manufacturers indicated that, collectively, they employ approximately 5,600 people.
- Only two textile producers submitted useful responses to the questionnaire; partial responses were received from two additional firms.

### 3. Phase II

- When the textile industry indicated that it would not cooperate, the Tribunal considered three research options. First, the Tribunal staff contacted close to 75 importers by telephone to determine whether subject textile inputs were available from domestic sources. Second, the Tribunal staff looked at export data to determine if it could give an indication as to whether some textile inputs were made in Canada. Finally, a review of the Tribunal's textile standing reference files was conducted. The review indicated that, since April 2000, the Tribunal has not recommended that tariff relief be granted for four textile inputs, three of which are the subject of this inquiry. Of these three, the Tribunal received information that one (5513.21.00.10) was available from domestic production.



#### 4. Phase III

- When the Tribunal received little information on production of the subject textile inputs in Canada from the textile industry, the Tribunal sent 218 questionnaires to major purchasers of textile inputs used in the manufacture of apparel. Table 36 provides a statistical summary of activities conducted in **Phase III**.

**Table 36**  
**Phase III**  
**Statistical Summary**

|   |          |                         |
|---|----------|-------------------------|
| Purchasers' Questionnaires Sent                                     |          | <b>218</b> <sup>1</sup> |
| Replies Received  |          |                         |
| Purchased Domestic Textile Inputs                                   | 43       |                         |
| Did Not Purchase Domestic Textile Inputs                            | 56       |                         |
| Did Not Want to Participate   | 4        |                         |
| Out of Business   | <u>3</u> | <b>106</b>              |
| Did Not Respond   |          | <b>112</b>              |
| Unsolicited Replies   |          |                         |
| Purchased Domestic Textile Inputs                                   | 2        |                         |
| Did Not Purchase Domestic Textile Inputs                            | <u>3</u> | <b>5</b>                |
| Number of Tariff Classifications Made by Tribunal Staff             |          | <b>338</b>              |
| Number of Subject Statistical Codes Under Which Purchases were Made |          | <b>24</b>               |

**Note 1:** All of these firms were contacted by Tribunal Staff on at least 3 occasions

- While 45 apparel producers reported that they purchased textile inputs from domestic textile manufacturers during the inquiry period, only 28 firms reported purchases of “subject” textile inputs. In 2003, total company sales for these 28 firms amounted to over \$475 million. Collectively, they employ over 6,000 people.
- 59 apparel producers reported that they do not purchase any of the subject textile inputs from domestic textile manufacturers.
- Only textile inputs covered by 24 out of the 151 subject statistical codes were reported to have been sold to apparel producers or purchased from domestic textile manufacturers. The total value of purchases of subject textile inputs from domestic textile manufacturers (28 companies), and the value of sales of domestic production of subject inputs as reported by Texel and Great Lakes Knitting amounted to \$21 million in 2003, and \$9 million for the first six months of 2004, or about

6 percent of the value of estimated imports of subject textile inputs for use in the production of apparel for the period of inquiry.

- During the period of inquiry, for 14 out of the 24 subject statistical codes, the value of domestic purchases was more than 10 percent of the value of imports.
- A common theme in the comments received from purchasers is that, in general, the availability of textile inputs for use in the manufacture of apparel from Canadian textile manufacturers is limited: fashion and unique fabrics are not available in Canada, and other fabrics are not available at competitive prices compared to offshore sources. Apparel manufacturers also commented on other issues, specifically, minimum order quantities, long production lead-times and price versus quality relationships.
- Table 37 provides a summary, by *Customs Tariff* Chapter, of the number of subject statistical codes where no domestic purchases or production were reported. The amount of duty paid on imports of textile inputs for use in the manufacture of apparel under these codes is also shown.

| Chapter      | Subject Statistical Codes Where Inputs Were Not Purchased From Domestic Textile Manufacturers | Duty Paid<br>CDN\$  |                    |
|--------------|---|---------------------|--------------------|
|              |   | 2003                | Jan-June 2004      |
| 51           | 6 / 10  | 700,000             | 328,000            |
| 52           | 50 / 54   | 6,000,000           | 2,800,000          |
| 53           | 2 / 2   | 194,000             | 99,000             |
| 54           | 18 / 19   | 7,200,000           | 3,000,000          |
| 55           | 21 / 24   | 5,000,000           | 2,200,000          |
| 56           | 7 / 9   | 282,000             | 122,000            |
| 58           | 6 / 8   | 177,000             | 61,000             |
| 59           | 3 / 3   | 385,000             | 186,000            |
| 60           | <u>14 / 22</u>  | <u>2,200,000</u>    | <u>885,000</u>     |
| <b>Total</b> | <b>127 / 151</b>  | <b>\$22,138,000</b> | <b>\$9,681,000</b> |

- There were no domestic purchases, or sales by textile manufacturers, reported for 127 out of 151 subject statistical codes. Duty collected on imports of subject textile inputs under these 127 statistical codes, for which there is no reported domestic production,

amounted to over \$22.1 million in 2003, and \$9.7 million for the first six months of 2004.

- The top ten subject statistical codes for which no domestic purchases were reported and the duty paid on imports covered by these codes are summarized in Table 38.

| <b>Statistical Code</b> | <b>Duty Paid<br/>CDN\$</b> |                           |
|-------------------------|----------------------------|---------------------------|
|                         | <b>2003</b>                | <b>Jan-June 2004</b>      |
| 5208.52.90.90           | 2,359,410                  | 1,203,753                 |
| 5515.11.90.00           | 1,986,274                  | 699,316                   |
| 5407.61.99.32           | 1,446,782                  | 779,018                   |
| 5407.52.90.12           | 1,167,752                  | 286,204                   |
| 5407.52.90.13           | 1,089,621                  | 441,181                   |
| 6005.32.90.23           | 1,045,885                  | 383,527                   |
| 5407.61.99.72           | 856,751                    | 400,721                   |
| 5407.92.90.32           | 640,057                    | 279,842                   |
| 5512.19.90.11           | 610,198                    | 229,105                   |
| 5407.42.90.11           | <u>426,551</u>             | <u>113,338</u>            |
| <b>TOTAL</b>            | <b><u>\$11,629,281</u></b> | <b><u>\$4,816,005</u></b> |

## Appendix I - Terms of Reference

May 19, 2004

Mr. Pierre Gosselin  
Chairman  
Canadian International Trade Tribunal  
17th Floor, Standard Life Centre  
333 Laurier Avenue, West  
Ottawa, Ontario  
K1A 0G7

Dear Mr. Gosselin:

I am writing, pursuant to section 19 of the *Canadian International Trade Tribunal Act*, to direct the Canadian International Trade Tribunal (the Tribunal) to inquire into and report on the availability of textile inputs produced by Canadian textile manufacturers for use in the production of apparel.

As you know, on February 27, 2004, the Government announced measures aimed at improving the global competitiveness of the apparel and textiles industries. These measures include tariff reductions on textile inputs, with an approximate value of \$26.75 million to the apparel industry over the next three years.

To minimize the potential effects on Canadian textile manufacturers, I intend to focus tariff relief on textile inputs not currently produced in Canada. The information resulting from the inquiry and report will be important in implementing the announced tariff relief.

In this respect,

1. The Tribunal is directed to inquire into and report on the extent to which each of the yarn and fabric textile inputs listed in Annex I<sup>1</sup> (textile inputs), domestically produced since 2003<sup>2</sup>, were sold to apparel producers, including:
  - a) total domestic and export sales, by apparel<sup>3</sup> and non-apparel<sup>4</sup> uses; and
  - b) where there were domestic sales for apparel uses, the relative value of those sales compared to the value of imports of the same textile inputs used in Canadian apparel production.

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1. Annex I identifies the yarn and fabric textile inputs to be considered, based on the statistical 10-digit Commodity Codes found in the Canada Border Services Agency's Departmental Consolidation of the *Customs Tariff*.

2. In exceptional circumstances, the Tribunal may consider a longer period.

3. Apparel uses include: fashion apparel, activewear and uniforms.

4. Non-apparel uses include: carpeting, home furnishings, industrial, protective wear and products, automotive, sports and leisure non-apparel products, hygiene, medical, agricultural, construction, communication, aerospace.

2. Where the Tribunal determines that there are domestic sales of textile inputs for apparel uses<sup>5</sup>, the Tribunal is directed to:
  - a) provide a more detailed product description of those textile inputs than that found in Annex I, where required; and
  - b) report on the significance of those sales to domestic textile manufacturers.
3. The Tribunal is also directed to report on any other matter that it determines to be of relevance to this inquiry.

The Tribunal shall conduct an open and transparent inquiry, ensuring that reasonable steps are taken to advise all interested parties and that all parties that have indicated an intention to participate in the inquiry have the opportunity to make their views known, through their responses to questionnaires, written submissions or public hearings, as the Tribunal may determine to be appropriate or necessary. The Tribunal report is to be based on the best information available.

The Tribunal shall submit its report by October 31, 2004.

Sincerely,

Ralph Goodale

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5. This includes fabrics that contain fine animal hair or elastomeric yarns.

## ANNEX I

## TEXTILE INPUTS UNDER CONSIDERATION

| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods  |
|-------------------|--------------------|--|
| <b>Chapter 51</b> |                    | <b>Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabric</b>   |
| 51.11             |                    | Woven fabrics of carded wool or of carded fine animal hair.<br>-Containing 85% or more by weight of wool or of fine animal hair:                   |
| 5111.11           |                    | --Of a weight not exceeding 300 g/m <sup>2</sup>   |
| 5111.11.90        |                    | ---Other   |
|                   | 5111.11.90.10      | ----For apparel  |
| 5111.20           |                    | -Other, mixed mainly or solely with man-made filaments<br>---Other:  |
|                   | 5111.20.92.00      | ----Of a weight exceeding 300 g/m <sup>2</sup>   |
| 5111.30           |                    | -Other, mixed mainly or solely with man-made staple fibres<br>---Other:  |
|                   | 5111.30.91.00      | ----Of a weight not exceeding 300 g/m <sup>2</sup>   |
|                   | 5111.30.92.00      | ----Of a weight exceeding 300 g/m <sup>2</sup>   |
| 51.12             |                    | Woven fabrics of combed wool or of combed fine animal hair.<br>-Containing 85% or more by weight of wool or of fine animal hair:                   |
| 5112.11           |                    | --Of a weight not exceeding 200 g/m <sup>2</sup>   |
| 5112.11.90        |                    | ---Other   |
|                   | 5112.11.90.10      | ----For apparel  |
| 5112.19           |                    | --Other<br>---Other:   |
|                   |                    | ----Of a weight not exceeding 300 g/m <sup>2</sup>   |
| 5112.19.91        |                    | ----For apparel  |
| 5112.19.92        |                    | ----Of a weight exceeding 300 g/m <sup>2</sup>   |
|                   | 5112.19.92.10      | ----For apparel  |
| 5112.20           |                    | -Other, mixed mainly or solely with man-made filaments<br>---Other:  |
|                   | 5112.20.91.00      | ----Of a weight not exceeding 300 g/m <sup>2</sup>   |
| 5112.30           |                    | -Other, mixed mainly or solely with man-made staple fibres<br>---Other:  |
|                   | 5112.30.91.00      | ----Of a weight not exceeding 300 g/m <sup>2</sup>   |
| 5112.90           |                    | -Other<br>---Other:  |
|                   | 5112.90.91.00      | ----Of a weight not exceeding 300 g/m <sup>2</sup>   |
| <b>Chapter 52</b> |                    | <b>Cotton</b>  |
| 52.05             |                    | Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale.<br>-Single yarn, of combed fibres: |
| 5205.22           |                    | --Measuring less than 714.29 decitex but not less than 232.56 decitex<br>(exceeding 14 metric number but not exceeding 43 metric number)           |
| 5205.22.90        |                    | ---Other   |
|                   | 5205.22.90.90      | ----Other  |

| 2004 HS Code | Inputs to Consider | 2004 Description of Goods   |
|--------------|--------------------|---|
| 5205.23      |                    | --Measuring less than 232.56 decitex but not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number) |
| 5205.23.90   |                    | ---Other  |
|              | 5205.23.90.90      | ----Other   |
| 52.08        |                    | Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200 g/m <sup>2</sup> .<br>-Unbleached:    |
| 5208.12      |                    | --Plain weave, weighing more than 100 g/m <sup>2</sup>  |
| 5208.12.30   |                    | ---Other, for use in the production of apparel  |
|              | 5208.12.30.20      | ----Printcloths and sheetings (not napped or brushed)   |
| 5208.19      |                    | --Other fabrics   |
| 5208.19.20   |                    | ---Other, for use in the production of apparel  |
|              | 5208.19.20.90      | ----Other   |
|              |                    | -Dyed:  |
| 5208.32      |                    | --Plain weave, weighing more than 100 g/m <sup>2</sup>  |
| 5208.32.90   |                    | ---Other  |
|              | 5208.32.90.10      | ----Poplins and broadcloths   |
|              | 5208.32.90.20      | ----Printcloths and sheetings (not napped or brushed)   |
|              | 5208.32.90.90      | ----Other   |
| 5208.33      |                    | --3-thread or 4-thread twill, including cross twill   |
|              | 5208.33.90.00      | ---Other  |
| 5208.39      |                    | --Other fabrics   |
| 5208.39.90   |                    | ---Other  |
|              | 5208.39.90.90      | ----Other   |
|              |                    | -Of yarns of different colours:   |
| 5208.41      |                    | --Plain weave, weighing not more than 100 g/m <sup>2</sup>  |
|              | 5208.41.90.00      | ---Other  |
| 5208.42      |                    | --Plain weave, weighing more than 100 g/m <sup>2</sup>  |
| 5208.42.90   |                    | ---Other  |
|              | 5208.42.90.10      | ----Poplins and broadcloths   |
|              | 5208.42.90.20      | ----Printcloths and sheetings (not napped or brushed)   |
|              | 5208.42.90.90      | ----Other   |
| 5208.43      |                    | --3-thread or 4-thread twill, including cross twill   |
|              | 5208.43.90.00      | ---Other  |
| 5208.49      |                    | --Other fabrics   |
| 5208.49.90   |                    | ---Other  |
|              | 5208.49.90.90      | ----Other   |
|              |                    | -Printed:   |
| 5208.52      |                    | --Plain weave, weighing not more than 100 g/m <sup>2</sup>  |
| 5208.52.90   |                    | --Plain weave, weighing more than 100 g/m <sup>2</sup>  |
|              |                    | ---Other  |
|              | 5208.52.90.20      | ----Printcloths and sheetings (not napped or brushed)   |
|              | 5208.52.90.90      | ----Other   |
| 5208.59      |                    | --Other fabrics   |
| 5208.59.90   |                    | ---Other  |
|              | 5208.59.90.90      | ----Other   |
| 52.09        |                    | Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing more than 200 g/m <sup>2</sup> .<br>-Unbleached:        |
| 5209.12      |                    | --3-thread or 4-thread twill, including cross twill   |
|              | 5209.12.10.00      | ---For use in the production of apparel   |

| 2004 HS Code | Inputs to Consider | 2004 Description of Goods   |
|--------------|--------------------|---|
| 5209.19      |                    | --Other fabrics   |
| 5209.19.20   |                    | ---Other, for use in the production of apparel  |
|              | 5209.19.20.90      | ----Other   |
|              |                    | -Dyed:  |
| 5209.31      |                    | --Plain weave   |
| 5209.31.90   |                    | ---Other  |
|              | 5209.31.90.90      | ----Other   |
| 5209.32      |                    | --3-thread or 4-thread twill, including cross twill   |
|              | 5209.32.90.00      | ---Other  |
| 5209.39      |                    | --Other fabrics   |
| 5209.39.90   |                    | ---Other  |
|              | 5209.39.90.10      | ----Satin weave   |
|              | 5209.39.90.90      | ----Other   |
|              |                    | -Of yarns of different colours:   |
| 5209.41      |                    | --Plain weave   |
|              | 5209.41.90.00      | ---Other  |
| 5209.43      |                    | --Other fabrics of 3-thread or 4-thread twill, including cross twill  |
|              | 5209.43.90.00      | ---Other  |
| 5209.49.00   |                    | --Other fabrics   |
|              | 5209.49.00.90      | ----Other   |
|              |                    | -Printed:   |
| 5209.51.00   |                    | --Plain weave   |
|              | 5209.51.00.90      | ----Other   |
|              | 5209.52.00.00      | --3-thread or 4-thread twill, including cross twill   |
| 5209.59.90   |                    | --Other fabrics   |
|              | 5209.59.90.10      | ----Satin weave   |
|              | 5209.59.90.90      | ----Other   |
| 52.10        |                    | Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200 g/m <sup>2</sup> |
|              |                    | -Bleached:  |
| 5210.29.00   |                    | --Other fabrics   |
|              | 5210.29.00.11      | ----Mixed mainly or solely with polyester filaments:<br>-----For apparel  |
|              |                    | -Dyed:  |
| 5210.32.00   |                    | --3-thread or 4-thread twill, including cross twill   |
|              | 5210.32.00.11      | ----Mixed mainly or solely with polyester filaments:<br>-----For apparel  |
|              | 5210.32.00.90      | ----Other   |
| 5210.39.00   |                    | --Other fabrics   |
|              | 5210.39.00.11      | ----Mixed mainly or solely with polyester filaments:<br>-----For apparel  |
|              | 5210.39.00.90      | ----Other   |
|              |                    | -Of yarns of different colours:   |
| 5210.41.00   |                    | --Plain weave   |
|              | 5210.41.00.11      | ----Mixed mainly or solely with polyester filaments:<br>-----For apparel  |
|              | 5210.41.00.90      | ----Other   |
| 5210.49.00   |                    | --Other fabrics   |
|              | 5210.49.00.11      | ----Mixed mainly or solely with polyester filaments:<br>-----For apparel  |
|              | 5210.49.00.90      | ----Other   |
|              |                    | -Printed:   |



| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods   |
|-------------------|--------------------|---|
| 5210.51.00        |                    | --Plain weave<br>----Mixed mainly or solely with polyester filaments:   |
|                   | 5210.51.00.11      | -----For apparel  |
|                   | 5210.51.00.90      | -----Other  |
| 52.11             |                    | Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 g/m <sup>2</sup><br>-Dyed: |
| 5211.32.00        |                    | --3-thread or 4-thread twill, including cross twill<br>----Mixed mainly or solely with polyester filaments:   |
|                   | 5211.32.00.11      | ----- For apparel   |
| 5211.39.00        |                    | --Other fabrics<br>----Mixed mainly or solely with polyester filaments:   |
|                   | 5211.39.00.11      | ----- For apparel   |
| 5211.41.00        |                    | -Of yarns of different colours:<br>--Plain weave  |
|                   | 5211.41.00.90      | -----Other  |
| 5211.43.00        |                    | --Other fabrics of 3-thread or 4-thread twill, including cross twill<br>----Mixed mainly or solely with polyester filaments:  |
|                   | 5211.43.00.11      | -----For apparel  |
|                   | 5211.43.00.90      | -----Other  |
| 5211.49.00        |                    | --Other fabrics<br>----Mixed mainly or solely with polyester filaments:   |
|                   | 5211.49.00.11      | -----For apparel  |
|                   | 5211.49.00.90      | -----Other  |
| 52.12             |                    | Other woven fabrics of cotton.<br>-Weighing not more than 200 g/m <sup>2</sup> :  |
| 5212.11           |                    | --Unbleached  |
|                   | 5212.11.90.00      | ---Other  |
| 5212.14           |                    | --Of yarns of different colours   |
|                   | 5212.14.90.00      | ---Other  |
| 5212.23           |                    | -Weighing more than 200 g/m <sup>2</sup> :<br>--Dyed  |
|                   | 5212.23.90.00      | ---Other  |
| 5212.24           |                    | --Of yarns of different colours   |
|                   | 5212.24.90.00      | ---Other  |
| <b>Chapter 53</b> |                    | <b>Other Vegetable Textile Fibres, Paper Yarn and Woven Fabrics of Paper Yarn</b>   |
| 53.09             |                    | Woven fabrics of flax.  |
| 5309.11           |                    | -Containing 85% or more by weight of flax:<br>--Unbleached or bleached  |
|                   | 5309.11.90.00      | ---Other  |
| 5309.19           |                    | --Other   |
|                   | 5309.19.90.00      | ---Other  |
| 5309.21           |                    | -Containing less than 85% by weight of flax:<br>--Unbleached or bleached  |
|                   | 5309.21.00.00      |   |
| 5309.29           |                    | --Other   |
|                   | 5309.29.90.00      | ---Other  |

| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods  |
|-------------------|--------------------|--|
| <b>Chapter 54</b> |                    | <b>Man-Made Filaments</b>  |
| 54.07             |                    | Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04.  |
| 5407.20           | 5407.20.90.00      | -Woven fabrics obtained from strip or the like<br>---Other<br>-Other woven fabrics, containing 85% or more by weight of filaments of nylon or other polyamides:  |
| 5407.42           |                    | --Dyed   |
| 5407.42.90        |                    | ---Other<br>----For apparel:<br>-----Of a weight not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup>   |
| 5407.52           |                    | -Other woven fabrics, containing 85% or more by weight of textured polyester filaments:<br>--Dyed  |
| 5407.52.90        |                    | ---Other<br>----For apparel:<br>-----Of a weight not exceeding 50 g/m <sup>2</sup><br>-----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup>   |
| 5407.52.90.11     |                    |  |
| 5407.52.90.12     |                    |  |
| 5407.52.90.13     |                    |  |
| 5407.54.00        |                    | --Printed<br>----For apparel:<br>-----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup>   |
|                   | 5407.54.00.12      | -Other woven fabrics, containing 85% or more by weight of polyester filaments:<br>--Containing 85% or more by weight of non-textured polyester filaments   |
| 5407.61           |                    | ---Other:<br>----Other<br>----Dyed, for apparel:<br>-----Of a weight not exceeding 50 g/m <sup>2</sup><br>-----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup>   |
| 5407.61.99        |                    | ----Printed, for apparel:<br>-----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup>  |
|                   | 5407.61.99.31      |  |
|                   | 5407.61.99.32      |  |
|                   | 5407.61.99.33      |  |
|                   | 5407.61.99.72      |  |
|                   | 5407.61.99.73      |  |
| 5407.72.00        |                    | -Other woven fabrics, containing 85% or more by weight of synthetic filaments:<br>--Dyed<br>----For apparel:<br>-----Of a weight not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup>   |
|                   | 5407.72.00.11      |  |
|                   | 5407.72.00.12      |  |
| 5407.92           |                    | -Other woven fabrics:<br>--Dyed  |
| 5407.92.90        |                    | ---Other<br>----Mixed mainly or solely with artificial filaments, for apparel:<br>-----Of a weight not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup><br>-----Other, for apparel:<br>-----Of a weight not exceeding 170 g/m <sup>2</sup><br>-----Of a weight exceeding 170 g/m <sup>2</sup> |
|                   | 5407.92.90.31      |  |
|                   | 5407.92.90.32      |  |
|                   | 5407.92.90.81      |  |
|                   | 5407.92.90.82      |  |

| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods   |
|-------------------|--------------------|---|
| 5407.93           |                    | --Of yarns of different colours   |
| 5407.93.90        |                    | ---Other  |
|                   |                    | ----Mixed mainly or solely with artificial filaments, for apparel:  |
|                   | 5407.93.90.32      | -----Of a weight exceeding 170 g/m <sup>2</sup>   |
| <b>Chapter 55</b> |                    | <b>Man-Made Staple Fibres</b>   |
| 55.12             |                    | Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres.  |
|                   |                    | -Containing 85% or more by weight of polyester staple fibres  |
| 5512.19           |                    | --Other   |
| 5512.19.90        |                    | ---Other  |
|                   |                    | ----Dyed:   |
|                   | 5512.19.90.11      | -----For apparel  |
|                   |                    | ----Printed:  |
|                   | 5512.19.90.31      | -----For apparel  |
|                   |                    | -Containing 85% or more by weight of acrylic or modacrylic staple fibres:   |
| 5512.29           |                    | --Other   |
|                   | 5512.29.90.00      | ---Other  |
| 55.13             |                    | Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m <sup>2</sup> . |
|                   |                    | -Unbleached or bleached:  |
| 5513.11           |                    | --Of polyester staple fibres, plain weave   |
| 5513.11.90        |                    | ---Other  |
|                   |                    | ----Unbleached:   |
|                   | 5513.11.90.11      | -----For apparel  |
|                   |                    | ----Bleached:   |
|                   | 5513.11.90.21      | -----For apparel  |
| 5513.12           |                    | --3-thread or 4-thread twill, including cross twill, of polyester staple fibres   |
| 5513.12.90        |                    | --Other   |
|                   | 5513.12.90.10      | ----For apparel   |
|                   |                    | -Dyed:  |
| 5513.21.00        |                    | --Of polyester staple fibres, plain weave   |
|                   | 5513.21.00.10      | ----For apparel   |
| 5513.22           |                    | --3-thread or 4-thread twill, including cross twill, of polyester staple fibres   |
| 5513.22.90        |                    | ---Other  |
|                   | 5513.22.90.10      | ----For apparel   |
|                   |                    | -Of yarns of different colours:   |
| 5513.31           |                    | --Of polyester staple fibres, plain weave   |
|                   | 5513.31.90.00      | ---Other  |
|                   |                    | -Printed:   |
| 5513.41           |                    | --Of polyester staple fibres, plain weave   |
| 5513.41.90        |                    | ---Other  |
|                   | 5513.41.90.10      | ----For apparel   |

| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods   |
|-------------------|--------------------|---|
| 55.14             |                    | Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m <sup>2</sup> . |
|                   |                    | -Dyed:  |
| 5514.21.00        |                    | --Of polyester staple fibres, plain weave   |
|                   | 5514.21.00.10      | ----For apparel   |
| 5514.22           |                    | --3-thread or 4-thread twill, including cross twill, of polyester staple fibres   |
|                   |                    | ---Other  |
| 5514.22.90        |                    | ----For apparel   |
| 55.15             |                    | Other woven fabrics of synthetic staple fibres.   |
|                   |                    | -Of polyester staple fibres:  |
| 5515.11           |                    | --Mixed mainly or solely with viscose rayon staple fibres   |
|                   | 5515.11.90.00      | ---Other  |
| 5515.13           |                    | --Mixed mainly or solely with wool or fine animal hair  |
| 5515.13.90        |                    | ---Other  |
|                   |                    | ----Mixed mainly or solely with carded wool or carded animal hair:  |
|                   | 5515.13.90.11      | -----Of a weight not exceeding 300 g/m <sup>2</sup>   |
|                   | 5515.13.90.20      | ----Mixed mainly or solely with combed wool or combed fine animal hair  |
| 55.16             |                    | Woven fabrics of artificial staple fibres.  |
|                   |                    | -Containing 85% or more by weight of artificial staple fibres:  |
| 5516.12.00        |                    | --Dyed  |
|                   | 5516.12.00.10      | ----Of viscose rayon  |
| 5516.14           |                    | --Printed   |
| 5516.14.90        |                    | ---Other  |
|                   | 5516.14.90.10      | ----Of viscose rayon  |
|                   |                    | -Containing less than 85% by weight of artificial staple fibres, mixed mainly or solely with man-made filaments:  |
| 5516.22.00        |                    | --Dyed  |
|                   |                    | ----Mixed mainly or solely with polyester filaments:  |
|                   | 5516.22.00.11      | -----For apparel  |
|                   | 5516.22.00.90      | ----Other   |
| 5516.23           |                    | --Of yarns of different colours   |
| 5516.23.90        |                    | ---Other  |
|                   | 5516.23.90.90      | ----Other   |
|                   |                    | -Containing less than 85% by weight of artificial staple fibres, mixed mainly or solely with wool or fine animal hair:  |
|                   | 5516.32.00.00      | --Dyed  |
|                   |                    | -Containing less than 85% by weight of artificial staple fibres, mixed mainly or solely with cotton:  |
|                   | 5516.42.00.00      | --Dyed  |
|                   |                    | -Other:   |
|                   | 5516.92.00.00      | --Dyed  |
| 5516.93           |                    | --Of yarns of different colours   |
|                   | 5516.93.90.00      | ---Other  |
| <b>Chapter 56</b> |                    | <b>Wadding, Felt and Nonwovens, Special Yarns, Twine, Cordage, Ropes and Cables and Articles Thereof</b>  |
| 56.02             |                    | Felt, whether or not impregnated, coated, covered or laminated.   |
|                   |                    | -Other felt, not impregnated, coated, covered or laminated:   |
| 5602.21           |                    | --Of wool or fine animal hair   |
|                   | 5602.21.90.00      | ---Other  |

| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods  |
|-------------------|--------------------|--|
| 56.03             |                    | Nonwovens, whether or not impregnated, coated, covered or laminated.<br>-Other:  |
| 5603.92           |                    | --Weighing more than 25 g/m <sup>2</sup> but not more than 70 g/m <sup>2</sup>   |
| 5603.92.90        |                    | ---Other   |
|                   | 5603.92.90.20      | ----Impregnated, coated or covered   |
|                   | 5603.92.90.30      | ----Other, of polyesters   |
|                   | 5603.92.90.40      | ----Other, of polypropylene  |
|                   | 5603.92.90.50      | ----Other, of nylon or other polyamides  |
|                   | 5603.92.90.90      | ----Other  |
| 5603.93           |                    | --Weighing more than 70 g/m <sup>2</sup> but not more than 150 g/m <sup>2</sup>  |
| 5603.93.90        |                    | ---Other   |
|                   | 5603.93.90.30      | ----Other, of polyesters   |
|                   | 5603.93.90.40      | ----Other, of polypropylene  |
|                   | 5603.93.90.90      | ----Other  |
| <b>Chapter 58</b> |                    | <b>Special Woven Fabrics, Tufted Textile Fabrics; Lace; Tapestries; Trimmings; Embroidery</b>  |
| 58.01             |                    | Woven pile fabrics and chenille fabrics, other than fabrics of heading 58.02 or 58.06.<br>-Of cotton:  |
| 5801.22           |                    | --Cut corduroy   |
| 5801.22.29        |                    | ---Solely of cotton:   |
|                   | 5801.22.29.90      | ----Other  |
|                   | 5801.22.90.00      | ---Other   |
| 58.04             |                    | Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of headings 60.02 to 60.06.<br>-Mechanically made lace: |
| 5804.21.00        |                    | --Of man-made fibres   |
|                   | 5804.21.00.10      | ----Of a width not exceeding 30 cm   |
|                   | 5804.21.00.20      | ----Of a width exceeding 30 cm   |
| 5804.29.00        |                    | --Of other textile materials   |
|                   | 5804.29.00.10      | -----Of a width not exceeding 30 cm  |
|                   | 5804.29.00.20      | -----Of a width exceeding 30 cm  |
| 5804.30           |                    | -Hand-made lace  |
|                   | 5804.30.90.00      | --Other  |
| 58.06             |                    | Narrow woven fabrics, other than goods of heading 58.07; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs).   |
| 5806.10           |                    | -Woven pile fabrics (including terry towelling and similar terry fabrics) and chenille fabrics   |
| 5806.10.90        |                    | ---Other   |
|                   | 5806.10.90.90      | ----Other  |
| <b>Chapter 59</b> |                    | <b>Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a kind suitable for Industrial Use</b>   |
| 59.03             |                    | Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02.  |
| 5903.90           |                    | -Other   |
| 5903.90.10        |                    | ---Textile fabrics not containing man-made fibres  |
|                   | 5903.90.10.10      | ----Of cotton  |
|                   | 5903.90.10.90      | ----Other  |
|                   | 5903.90.29.00      | ---Textile fabrics containing man-made fibres:   |
|                   |                    | ----Other  |

| 2004 HS Code      | Inputs to Consider | 2004 Description of Goods   |
|-------------------|--------------------|---|
| <b>Chapter 60</b> |                    | <b>Knitted or Crocheted Fabrics</b>   |
| 60.01             |                    | Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or   |
|                   |                    | -Other:   |
| 6001.92           |                    | --Of man-made fibres  |
| 6001.92.90        |                    | ---Other  |
|                   | 6001.92.90.10      | ----Of a width exceeding 30 cm, not impregnated, coated, covered or laminated   |
| 60.02             |                    | Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01. |
| 6002.40           |                    | -Containing by weight 5% or more of elastomeric yarn but not containing rubber thread   |
| 6002.40.90        |                    | --Other   |
|                   |                    | ----Of cotton:  |
|                   | 6002.40.90.11      | -----Lace   |
|                   | 6002.40.90.19      | -----Other  |
|                   |                    | ----Of other textile materials:   |
|                   | 6002.40.90.91      | -----Lace   |
|                   | 6002.40.90.99      | -----Other  |
| 6002.90           |                    | -Other  |
| 6002.90.90        |                    | ---Other  |
|                   |                    | ----Of other textile materials:   |
|                   | 6002.90.90.91      | -----Lace   |
| 60.04             |                    | Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01.     |
| 6004.10           |                    | -Containing by weight 5% or more of elastomeric yarn but not containing rubber thread   |
| 6004.10.90        |                    | ---Other  |
|                   | 6004.10.90.10      | ----Lace  |
|                   | 6004.10.90.90      | ----Other   |
| 60.05             |                    | Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 60.01 to 60.04.   |
|                   |                    | -Of cotton:   |
| 6005.22           |                    | --Dyed  |
| 6005.22.90        |                    | ---Other  |
|                   | 6005.22.90.90      | ----Other   |
|                   |                    | -Of synthetic fibres:   |
| 6005.31           |                    | --Unbleached or bleached  |
| 6005.31.90        |                    | ---Other  |
|                   |                    | ----Other, for apparel:   |
|                   | 6005.31.90.23      | -----Containing 85% or more by weight of polyesters   |
| 6005.32           |                    | --Dyed  |
| 6005.32.90        |                    | ---Other  |
|                   |                    | ----Other, for apparel:   |
|                   | 6005.32.90.21      | -----Containing 85% or more by weight of nylon or other polyamides  |
|                   | 6005.32.90.23      | -----Containing 85% or more by weight of polyesters   |
|                   | 6005.32.90.24      | -----Other, of polyesters, mixed mainly or solely with acrylic or modacrylic  |
|                   | 6005.32.90.29      | -----Of other synthetic fibres  |

| 2004 HS Code | Inputs to Consider | 2004 Description of Goods  |
|--------------|--------------------|--|
| 6005.34      |                    | --Printed  |
| 6005.34.90   |                    | ---Other   |
|              |                    | ----Other, for apparel:  |
| 60.06        | 6005.34.90.23      | -----Containing 85% or more by weight of polyesters<br>Other knitted or crocheted fabrics. |
|              |                    | -Of synthetic fibres:  |
| 6006.31      |                    | --Unbleached or bleached   |
| 6006.31.90   |                    | ---Other   |
|              |                    | ----For apparel:   |
| 6006.32      | 6006.31.90.19      | -----Other   |
| 6006.32.90   |                    | --Dyed   |
|              |                    | ---Other   |
|              |                    | ----For apparel:   |
|              | 6006.32.90.11      | -----Single knit, containing 85% or more by weight of<br>polyesters                        |
|              | 6006.32.90.14      | -----Double knit (including interlock)   |
|              | 6006.32.90.19      | -----Other   |
| 6006.33      |                    | --Of yarns of different colours  |
| 6006.33.90   |                    | ---Other   |
|              |                    | ----For apparel:   |
|              | 6006.33.90.19      | -----Other   |
| 6006.34      |                    | --Printed  |
| 6006.34.90   |                    | ---Other   |
|              |                    | ----For apparel:   |
|              | 6006.34.90.19      | -----Other   |
|              |                    | -Of artificial fibres:   |
| 6006.42      |                    | --Dyed   |
| 6006.42.90   |                    | ---Other   |
|              |                    | ----For apparel:   |
|              | 6006.42.90.19      | -----Other   |

Appendix II - Textile Inputs Subject to the Inquiry<sup>1</sup>

## Chapter 51

**WOOL, FINE OR COARSE ANIMAL HAIR;  
HORSEHAIR YARN AND WOVEN FABRIC**

| Tariff Item       | SS        | Description of Goods  | Unit of Meas. | MFN Tariff                             | Applicable Preferential Tariffs   |
|-------------------|-----------|---|---------------|--|---|
| 51.11             |           | Woven fabrics of carded wool or of carded fine animal hair.       |               |  |   |
|                   |           | -Containing 85% or more by weight of wool or of fine animal hair: |               |  |   |
| 5111.11           |           | --Of a weight not exceeding 300 g/m <sup>2</sup>                  |               |  |   |
| 5111.11.90        |           | ---Other  |               | 14% but not to exceed \$5.40/kg        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% but not to exceed \$2.86/kg         |
|                   | <b>10</b> | <b>----For apparel</b>  | <b>KGM</b>    |  |   |
| 5111.20           |           | -Other, mixed mainly or solely with man-made filaments            |               |  |   |
|                   |           | ---Other:   |               |  |   |
| <b>5111.20.92</b> | <b>00</b> | <b>----Of a weight exceeding 300 g/m<sup>2</sup></b>              | <b>KGM</b>    | <b>14%</b>                             | <b>UST, LDCT, MT, CIAT, CT: Free<br/>GPT: 12%<br/>CRT: 10%</b>                |
| 5111.30           |           | -Other, mixed mainly or solely with man-made staple fibres        |               |  |   |
|                   |           | ---Other:   |               |  |   |
| <b>5111.30.91</b> | <b>00</b> | <b>----Of a weight not exceeding 300 g/m<sup>2</sup></b>          | <b>KGM</b>    | <b>14% but not to exceed \$5.40/kg</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 10% but not to exceed \$2.86/kg</b> |
| <b>5111.30.92</b> | <b>00</b> | <b>----Of a weight exceeding 300 g/m<sup>2</sup></b>              | <b>KGM</b>    | <b>14%</b>                             | <b>UST, LDCT, MT, CIAT, CT: Free<br/>GPT: 12%<br/>CRT: 10%</b>                |
| 51.12             |           | Woven fabrics of combed wool or of combed fine animal hair.       |               |  |   |
|                   |           | -Containing 85% or more by weight of wool or of fine animal hair: |               |  |   |
| 5112.11           |           | --Of a weight not exceeding 200 g/m <sup>2</sup>                  |               |  |   |
| 5112.11.90        |           | ---Other  |               | 14% but not to exceed \$5.40/kg        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 16% but not to exceed \$4.56/kg         |
|                   | <b>10</b> | <b>----For apparel</b>  | <b>KGM</b>    |  |   |

1. Subject textile inputs are in **bold type**.



| Tariff Item       | SS        | Description of Goods                                       | Unit of Meas. | MFN Tariff                             | Applicable Preferential Tariffs   |
|-------------------|-----------|--|---------------|--|---|
| 5112.19           |           | --Other  |               |  |   |
|                   |           | ---Other:  |               |  |   |
| 5112.19.91        |           | ----Of a weight not exceeding 300 g/m <sup>2</sup>         |               | 14% but not to exceed \$5.40/kg        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 16% but not to exceed \$4.56/kg         |
|                   | <b>10</b> | ----- <i>For apparel</i>                                   | <b>KGM</b>    |  |   |
| 5112.19.92        |           | ----Of a weight exceeding 300 g/m <sup>2</sup>             |               | 14%                                    | UST, LDCT, MT, CIAT, CT: Free<br>GPT: 12%<br>CRT: 14%                         |
|                   | <b>10</b> | ----- <i>For apparel</i>                                   | <b>KGM</b>    |  |   |
| 5112.20           |           | -Other, mixed mainly or solely with man-made filaments     |               |  |   |
|                   |           | ---Other:  |               |  |   |
| <b>5112.20.91</b> | <b>00</b> | ----Of a weight not exceeding 300 g/m <sup>2</sup>         | <b>KGM</b>    | <b>14% but not to exceed \$5.40/kg</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 16% but not to exceed \$4.56/kg</b> |
| 5112.30           |           | -Other, mixed mainly or solely with man-made staple fibres |               |  |   |
|                   |           | ---Other:  |               |  |   |
| <b>5112.30.91</b> | <b>00</b> | ----Of a weight not exceeding 300 g/m <sup>2</sup>         | <b>KGM</b>    | <b>14% but not to exceed \$5.40/kg</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 16% but not to exceed \$4.56/kg</b> |
| 5112.90           |           | -Other   |               |  |   |
|                   |           | ---Other:  |               |  |   |
| <b>5112.90.91</b> | <b>00</b> | ----Of a weight not exceeding 300 g/m <sup>2</sup>         | <b>KGM</b>    | <b>14% but not to exceed \$5.40/kg</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 16% but not to exceed \$4.56/kg</b> |

## Chapter 52

## COTTON

| Tariff Item | SS        | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs            |
|-------------|-----------|---|---------------|------------|--|
| 52.05       |           | Cotton yarn (other than sewing thread), containing 85% or more by weight of cotton, not put up for retail sale.                       |               |            |  |
|             |           | -Single yarn, of combed fibres:   |               |            |  |
| 5205.22     |           | --Measuring less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number) |               |            |  |
| 5205.22.90  |           | ---Other  |               | 8%         | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 5.5% |
|             | <b>90</b> | <b>-----Other</b>   | <b>KGM</b>    |            |  |
| 5205.23     |           | --Measuring less than 232.56 decitex but not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number) |               |            |  |
| 5205.23.90  |           | ---Other  |               | 8%         | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 5.5% |
|             | <b>90</b> | <b>-----Other</b>   | <b>KGM</b>    |            |  |
| 52.08       |           | Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200 g/m <sup>2</sup> .                    |               |            |  |
|             |           | -Unbleached:  |               |            |  |
| 5208.12     |           | --Plain weave, weighing more than 100 g/m <sup>2</sup>  |               |            |  |
| 5208.12.30  |           | ---Other, for use in the production of apparel  |               | 8%         | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 5%   |
|             | <b>20</b> | <b>-----Printcloths and sheetings (not napped or brushed)</b>   | <b>KGM</b>    |            |  |
| 5208.19     |           | --Other fabrics   |               |            |  |
| 5208.19.20  |           | ---Other, for use in the production of apparel  |               | 8%         | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 5%   |
|             | <b>90</b> | <b>-----Other</b>   | <b>KGM</b>    |            |  |
|             |           | -Dyed:  |               |            |  |
| 5208.32     |           | --Plain weave, weighing more than 100 g/m <sup>2</sup>  |               |            |  |
| 5208.32.90  |           | ---Other  |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5% |
|             | <b>10</b> | <b>-----Poplins and broadcloths</b>   | <b>KGM</b>    |            |  |
|             | <b>20</b> | <b>-----Printcloths and sheetings (not napped or brushed)</b>   | <b>KGM</b>    |            |  |
|             | <b>90</b> | <b>-----Other</b>   | <b>KGM</b>    |            |  |

| Tariff Item       | SS        | Description of Goods   | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                    |
|-------------------|-----------|--|---------------|------------|--|
| 5208.33           |           | --3-thread or 4-thread twill, including cross twill              |               |            |  |
| <b>5208.33.90</b> | <b>00</b> | <b>---Other</b>  | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 8.5%</b> |
| 5208.39           |           | --Other fabrics  |               |            |  |
| 5208.39.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
|                   |           | -Of yarns of different colours:                                  |               |            |  |
| 5208.41           |           | --Plain weave, weighing not more than 100 g/m <sup>2</sup>       |               |            |  |
| <b>5208.41.90</b> | <b>00</b> | <b>---Other</b>  | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 8.5%</b> |
| 5208.42           |           | --Plain weave, weighing more than 100 g/m <sup>2</sup>           |               |            |  |
| 5208.42.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>10</b> | <b>-----Poplins and broadcloths</b>                              | <b>KGM</b>    |            |  |
|                   | <b>20</b> | <b>-----Printcloths and sheetings (not napped or brushed)</b>    | <b>KGM</b>    |            |  |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
| 5208.43           |           | --3-thread or 4-thread twill, including cross twill              |               |            |  |
| <b>5208.43.90</b> | <b>00</b> | <b>---Other</b>  | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 8.5%</b> |
| 5208.49           |           | --Other fabrics  |               |            |  |
| 5208.49.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
|                   |           | -Printed:  |               |            |  |
| <b>5208.51.00</b> | <b>00</b> | <b>--Plain weave, weighing not more than 100 g/m<sup>2</sup></b> | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 8.5%</b> |
| 5208.52           |           | --Plain weave, weighing more than 100 g/m <sup>2</sup>           |               |            |  |
| 5208.52.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>20</b> | <b>-----Printcloths and sheetings (not napped or brushed)</b>    | <b>KGM</b>    |            |  |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
| 5208.59           |           | --Other fabrics  |               |            |  |
| 5208.59.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |

| Tariff Item       | SS        | Description of Goods   | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                    |
|-------------------|-----------|--|---------------|------------|--|
| 52.09             |           | Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing more than 200 g/m <sup>2</sup> . |               |            |  |
|                   |           | -Unbleached:   |               |            |  |
| 5209.12           |           | --3-thread or 4-thread twill, including cross twill  |               |            |  |
| <b>5209.12.10</b> | <b>00</b> | <b>---For use in the production of apparel</b>   | <b>KGM</b>    | <b>8%</b>  | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 5%</b>   |
| 5209.19           |           | --Other fabrics  |               |            |  |
| 5209.19.20        |           | ---Other, for use in the production of apparel   |               | 8%         | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 5%           |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
|                   |           | -Dyed:   |               |            |  |
| 5209.31           |           | --Plain weave  |               |            |  |
| 5209.31.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
| 5209.32           |           | --3-thread or 4-thread twill, including cross twill  |               |            |  |
| <b>5209.32.90</b> | <b>00</b> | <b>---Other</b>  | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 8.5%</b> |
| 5209.39           |           | --Other fabrics  |               |            |  |
| 5209.39.90        |           | ---Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>10</b> | <b>-----Satin weave</b>  | <b>KGM</b>    |            |  |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
|                   |           | -Of yarns of different colours:  |               |            |  |
| 5209.41           |           | --Plain weave  |               |            |  |
| <b>5209.41.90</b> | <b>00</b> | <b>---Other</b>  | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT, CRT: Free</b>          |
| 5209.43           |           | --Other fabrics of 3-thread or 4-thread twill, including cross twill   |               |            |  |
| <b>5209.43.90</b> | <b>00</b> | <b>---Other</b>  | <b>KGM</b>    | <b>12%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 8.5%</b> |
| 5209.49.00        |           | --Other fabrics  |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |
|                   |           | -Printed:  |               |            |  |
| 5209.51.00        |           | --Plain weave  |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%         |
|                   | <b>90</b> | <b>-----Other</b>  | <b>KGM</b>    |            |  |

| Tariff Item | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs            |
|-------------|----|---|---------------|------------|--|
| 5209.52.00  | 00 | --3-thread or 4-thread twill, including cross twill   | KGM           | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5% |
| 5209.59.90  |    | --Other fabrics   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5% |
|             | 10 | ----- <i>Satin weave</i>  | KGM           |            |  |
|             | 90 | ----- <i>Other</i>  | KGM           |            |  |
| 52.10       |    | Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200 g/m <sup>2</sup> . |               |            |  |
|             |    | -Bleached:  |               |            |  |
| 5210.29.00  |    | --Other fabrics   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%  |
|             |    | ----- <i>Mixed mainly or solely with polyester filaments:</i>   |               |            |  |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |  |
|             |    | -Dyed:  |               |            |  |
| 5210.32.00  |    | --3-thread or 4-thread twill, including cross twill   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%  |
|             |    | ----- <i>Mixed mainly or solely with polyester filaments:</i>   |               |            |  |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |  |
|             | 90 | ----- <i>Other</i>  | KGM           |            |  |
| 5210.39.00  |    | --Other fabrics   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%  |
|             |    | ----- <i>Mixed mainly or solely with polyester filaments:</i>   |               |            |  |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |  |
|             | 90 | ----- <i>Other</i>  | KGM           |            |  |
|             |    | -Of yarns of different colours:   |               |            |  |
| 5210.41.00  |    | --Plain weave   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%  |
|             |    | ----- <i>Mixed mainly or solely with polyester filaments:</i>   |               |            |  |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |  |
|             | 90 | ----- <i>Other</i>  | KGM           |            |  |
| 5210.49.00  |    | --Other fabrics   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%  |
|             |    | ----- <i>Mixed mainly or solely with polyester filaments:</i>   |               |            |  |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |  |
|             | 90 | ----- <i>Other</i>  | KGM           |            |  |
|             |    | -Printed:   |               |            |  |

| Tariff Item | SS        | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                                    |
|-------------|-----------|---|---------------|------------|--|
| 5210.51.00  |           | --Plain weave   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>NZT: 8%<br>AUT: 8%<br>CRT: 10% |
|             |           | -----Mixed mainly or solely with polyester filaments:   |               |            |  |
|             | <b>11</b> | -----For apparel  | <b>KGM</b>    |            |  |
|             | <b>90</b> | -----Other  | <b>KGM</b>    |            |  |
| 52.11       |           | Woven fabrics of cotton, containing less than 85% by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200 g/m <sup>2</sup> . |               |            |  |
|             |           | -Dyed:  |               |            |  |
| 5211.32.00  |           | --3-thread or 4-thread twill, including cross twill   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 10%                       |
|             |           | -----Mixed mainly or solely with polyester filaments:   |               |            |  |
|             | <b>11</b> | -----For apparel  | <b>KGM</b>    |            |  |
| 5211.39.00  |           | --Other fabrics   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 10%                       |
|             |           | -----Mixed mainly or solely with polyester filaments:   |               |            |  |
|             | <b>11</b> | -----For apparel  | <b>KGM</b>    |            |  |
|             |           | -Of yarns of different colours:   |               |            |  |
| 5211.41.00  |           | --Plain weave   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 10%                       |
|             | <b>90</b> | -----Other  | <b>KGM</b>    |            |  |
| 5211.43.00  |           | --Other fabrics of 3-thread or 4-thread twill, including cross twill  |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 10%                       |
|             |           | -----Mixed mainly or solely with polyester filaments:   |               |            |  |
|             | <b>11</b> | -----For apparel  | <b>KGM</b>    |            |  |
|             | <b>90</b> | -----Other  | <b>KGM</b>    |            |  |
| 5211.49.00  |           | --Other fabrics   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 10%                       |
|             |           | -----Mixed mainly or solely with polyester filaments:   |               |            |  |
|             | <b>11</b> | -----For apparel  | <b>KGM</b>    |            |  |
|             | <b>90</b> | -----Other  | <b>KGM</b>    |            |  |
| 52.12       |           | Other woven fabrics of cotton.  |               |            |  |
|             |           | -Weighing not more than 200 g/m <sup>2</sup> :  |               |            |  |
| 5212.11     |           | --Unbleached  |               |            |  |

| Tariff Item | SS | Description of Goods                       | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                          |
|-------------|----|--|---------------|------------|--|
| 5212.11.90  | 00 | ---Other                                   | KGM           | 13%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>GPT: 10%<br>CRT: 10% |
| 5212.14     |    | --Of yarns of different colours            |               |            |  |
| 5212.14.90  | 00 | ---Other                                   | KGM           | 13%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>GPT: 10%<br>CRT: 10% |
|             |    | -Weighing more than 200 g/m <sup>2</sup> : |               |            |  |
| 5212.23     |    | --Dyed                                     |               |            |  |
| 5212.23.90  | 00 | ---Other                                   | KGM           | 13%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>GPT: 10%<br>CRT: 10% |
| 5212.24     |    | --Of yarns of different colours            |               |            |  |
| 5212.24.90  | 00 | ---Other                                   | KGM           | 13%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>GPT: 10%<br>CRT: 10% |

## Chapter 53

**OTHER VEGETABLE TEXTILE FIBRES, PAPER  
YARN AND WOVEN FABRICS OF PAPER YARN**

| <b>Tariff Item</b> | <b>SS</b> | <b>Description of Goods</b>     | <b>Unit of Meas.</b> | <b>MFN Tariff</b> | <b>Applicable Preferential Tariffs</b>                             |
|--------------------|-----------|---------------------------------|----------------------|-------------------|--|
| <b>53.09</b>       |           | <b>Woven fabrics of flax.</b>   |                      |                   |  |
| <b>5309.21.00</b>  | <b>00</b> | <b>--Unbleached or bleached</b> | <b>KGM</b>           | <b>14%</b>        | <b>UST, LDCT, MT,<br/>CIAT, CT: Free<br/>GPT: 14%<br/>CRT: 10%</b> |
| 5309.29            |           | --Other                         |                      |                   |  |
| <b>5309.29.90</b>  | <b>00</b> | <b>---Other</b>                 | <b>KGM</b>           | <b>14%</b>        | <b>UST, LDCT, MT,<br/>CIAT, CT: Free<br/>GPT: 14%<br/>CRT: 10%</b> |



## Chapter 54

## MAN-MADE FILAMENTS

| Tariff Item | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|-------------|----|---|---------------|------------|---|
| 54.07       |    | Woven fabrics of synthetic filament yarn, including woven fabrics obtained from materials of heading 54.04. |               |            |   |
| 5407.20     |    | -Woven fabrics obtained from strip or the like  |               |            |   |
| 5407.20.90  | 00 | ---Other  | KGM           | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -Other woven fabrics, containing 85% or more by weight of filaments of nylon or other polyamides:           |               |            |   |
| 5407.42     |    | --Dyed  |               |            |   |
| 5407.42.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----For apparel:   |               |            |   |
|             | 11 | -----Of a weight not exceeding 170 g/m <sup>2</sup>   | KGM           |            |   |
|             | 12 | -----Of a weight exceeding 170 g/m <sup>2</sup>   | KGM           |            |   |
|             |    | -Other woven fabrics, containing 85% or more by weight of textured polyester filaments:                     |               |            |   |
| 5407.52     |    | --Dyed  |               |            |   |
| 5407.52.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----For apparel:   |               |            |   |
|             | 11 | -----Of a weight not exceeding 50 g/m <sup>2</sup>  | KGM           |            |   |
|             | 12 | -----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup>                       | KGM           |            |   |
|             | 13 | -----Of a weight exceeding 170 g/m <sup>2</sup>   | KGM           |            |   |
| 5407.54.00  |    | --Printed   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----For apparel:   |               |            |   |
|             | 12 | -----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup>                       | KGM           |            |   |
|             |    | -Other woven fabrics, containing 85% or more by weight of polyester filaments:                              |               |            |   |
| 5407.61     |    | --Containing 85% or more by weight of non-textured polyester filaments                                      |               |            |   |
|             |    | ---Other:   |               |            |   |

| Tariff Item | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|-------------|----|---|---------------|------------|---|
| 5407.61.99  |    | ----Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----Dyed, for apparel:   |               |            |   |
|             | 31 | -----Of a weight not exceeding 50 g/m <sup>2</sup>                                    | KGM           |            |   |
|             | 32 | -----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup> | KGM           |            |   |
|             | 33 | -----Of a weight exceeding 170 g/m <sup>2</sup>                                       | KGM           |            |   |
|             |    | -----Printed, for apparel:  |               |            |   |
|             | 72 | -----Of a weight exceeding 50 g/m <sup>2</sup> but not exceeding 170 g/m <sup>2</sup> | KGM           |            |   |
|             | 73 | -----Of a weight exceeding 170 g/m <sup>2</sup>                                       | KGM           |            |   |
|             |    | -Other woven fabrics, containing 85% or more by weight of synthetic filaments:        |               |            |   |
| 5407.72.00  |    | --Dyed  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----For apparel:   |               |            |   |
|             | 11 | -----Of a weight not exceeding 170 g/m <sup>2</sup>                                   | KGM           |            |   |
|             | 12 | -----Of a weight exceeding 170 g/m <sup>2</sup>                                       | KGM           |            |   |
|             |    | -Other woven fabrics:   |               |            |   |
| 5407.92     |    | --Dyed  |               |            |   |
| 5407.92.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----Mixed mainly or solely with artificial filaments, for apparel:                   |               |            |   |
|             | 31 | -----Of a weight not exceeding 170 g/m <sup>2</sup>                                   | KGM           |            |   |
|             | 32 | -----Of a weight exceeding 170 g/m <sup>2</sup>                                       | KGM           |            |   |
|             |    | -----Other, for apparel:  |               |            |   |
|             | 81 | -----Of a weight not exceeding 170 g/m <sup>2</sup>                                   | KGM           |            |   |
|             | 82 | -----Of a weight exceeding 170 g/m <sup>2</sup>                                       | KGM           |            |   |
| 5407.93     |    | --Of yarns of different colours   |               |            |   |
| 5407.93.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -----Mixed mainly or solely with artificial filaments, for apparel:                   |               |            |   |
|             | 32 | -----Of a weight exceeding 170 g/m <sup>2</sup>                                       | KGM           |            |   |

## Chapter 55

## MAN-MADE STAPLE FIBRES

| Tariff Item | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|-------------|----|---|---------------|------------|---|
| 55.12       |    | Woven fabrics of synthetic staple fibres, containing 85% or more by weight of synthetic staple fibres.  |               |            |   |
|             |    | -Containing 85% or more by weight of polyester staple fibres:   |               |            |   |
| 5512.19     |    | --Other   |               |            |   |
| 5512.19.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | ---- <i>Dyed:</i>   |               |            |   |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |   |
|             |    | ---- <i>Printed:</i>  |               |            |   |
|             | 31 | ----- <i>For apparel</i>  | KGM           |            |   |
|             |    | -Containing 85% or more by weight of acrylic or modacrylic staple fibres:   |               |            |   |
| 5512.29     |    | --Other   |               |            |   |
| 5512.29.90  | 00 | ---Other  | KGM           | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
| 55.13       |    | Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170 g/m <sup>2</sup> . |               |            |   |
|             |    | -Unbleached or bleached:  |               |            |   |
| 5513.11     |    | --Of polyester staple fibres, plain weave   |               |            |   |
| 5513.11.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | ---- <i>Unbleached:</i>   |               |            |   |
|             | 11 | ----- <i>For apparel</i>  | KGM           |            |   |
|             |    | ---- <i>Bleached:</i>   |               |            |   |
|             | 21 | ----- <i>For apparel</i>  | KGM           |            |   |
| 5513.12     |    | --3-thread or 4-thread twill, including cross twill, of polyester staple fibres   |               |            |   |
| 5513.12.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT, CRT: Free        |
|             | 10 | ----- <i>For apparel</i>  | KGM           |            |   |
|             |    | -Dyed:  |               |            |   |
| 5513.21.00  |    | --Of polyester staple fibres, plain weave   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             | 10 | ----- <i>For apparel</i>  | KGM           |            |   |

| Tariff Item       | SS        | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                                 |
|-------------------|-----------|---|---------------|------------|---|
| 5513.22           |           | --3-thread or 4-thread twill, including cross twill, of polyester staple fibres   |               |            |   |
| 5513.22.90        |           | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14%                       |
|                   | <b>10</b> | <b>-----For apparel</b>   | <b>KGM</b>    |            |   |
|                   |           | -Of yarns of different colours:   |               |            |   |
| 5513.31           |           | --Of polyester staple fibres, plain weave   |               |            |   |
| <b>5513.31.90</b> | <b>00</b> | <b>---Other</b>   | <b>KGM</b>    | <b>14%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 14%</b>               |
|                   |           | -Printed:   |               |            |   |
| 5513.41           |           | --Of polyester staple fibres, plain weave   |               |            |   |
| 5513.41.90        |           | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>NZE: 8%<br>AUT: 8%<br>CRT: 14% |
|                   | <b>10</b> | <b>-----For apparel</b>   | <b>KGM</b>    |            |   |
| 55.14             |           | Woven fabrics of synthetic staple fibres, containing less than 85% by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170 g/m <sup>2</sup> . |               |            |   |
|                   |           | -Dyed:  |               |            |   |
| 5514.21.00        |           | --Of polyester staple fibres, plain weave   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14%                       |
|                   | <b>10</b> | <b>-----For apparel</b>   | <b>KGM</b>    |            |   |
| 5514.22           |           | --3-thread or 4-thread twill, including cross twill, of polyester staple fibres   |               |            |   |
| 5514.22.90        |           | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14%                       |
|                   | <b>10</b> | <b>-----For apparel</b>   | <b>KGM</b>    |            |   |
| 55.15             |           | Other woven fabrics of synthetic staple fibres.   |               |            |   |
|                   |           | -Of polyester staple fibres:  |               |            |   |
| 5515.11           |           | --Mixed mainly or solely with viscose rayon staple fibres   |               |            |   |
| <b>5515.11.90</b> | <b>00</b> | <b>---Other</b>   | <b>KGM</b>    | <b>14%</b> | <b>UST, LDCT, MT, CIAT, CT: Free<br/>CRT: 14%</b>               |
| 5515.13           |           | --Mixed mainly or solely with wool or fine animal hair  |               |            |   |

| Tariff Item | SS | Description of Goods   | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                          |
|-------------|----|--|---------------|------------|--|
| 5515.13.90  |    | ---Other   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>GPT: 14%<br>CRT: 14% |
|             |    | -----Mixed mainly or solely with carded wool or carded animal hair:  |               |            |  |
|             | 11 | -----Of a weight not exceeding 300 g/m <sup>2</sup>  | KGM           |            |  |
|             | 20 | -----Mixed mainly or solely with combed wool or combed fine animal hair  | KGM           |            |  |
| 55.16       |    | Woven fabrics of artificial staple fibres.   |               |            |  |
|             |    | -Containing 85% or more by weight of artificial staple fibres:   |               |            |  |
| 5516.12.00  |    | --Dyed   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 14%             |
|             | 10 | -----Of viscose rayon  | KGM           |            |  |
| 5516.14     |    | --Printed  |               |            |  |
| 5516.14.90  |    | ---Other   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 14%             |
|             | 10 | -----Of viscose rayon  | KGM           |            |  |
|             |    | -Containing less than 85% by weight of artificial staple fibres, mixed mainly or solely with man-made filaments:       |               |            |  |
| 5516.22.00  |    | --Dyed   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 14%             |
|             |    | -----Mixed mainly or solely with polyester filaments:  |               |            |  |
|             | 11 | -----For apparel   | KGM           |            |  |
|             | 90 | -----Other   | KGM           |            |  |
| 5516.23     |    | --Of yarns of different colours  |               |            |  |
| 5516.23.90  |    | ---Other   |               | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>CRT: 14%             |
|             | 90 | -----Other   | KGM           |            |  |
|             |    | -Containing less than 85% by weight of artificial staple fibres, mixed mainly or solely with wool or fine animal hair: |               |            |  |
| 5516.32.00  | 00 | --Dyed   | KGM           | 14%        | UST, LDCT, MT,<br>CIAT, CT: Free<br>GPT: 14%<br>CRT: 14% |
|             |    | -Containing less than 85% by weight of artificial staple fibres, mixed mainly or solely with cotton:                   |               |            |  |

| Tariff Item | SS | Description of Goods            | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|-------------|----|---------------------------------|---------------|------------|---|
| 5516.42.00  | 00 | --Dyed                          | KGM           | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |
|             |    | -Other:                         |               |            |   |
| 5516.92.00  | 00 | --Dyed                          | KGM           | 14%        | UST, LDCT, MT, CIAT: Free<br>CRT: 14%     |
| 5516.93     |    | --Of yarns of different colours |               |            |   |
| 5516.93.90  | 00 | ---Other                        | KGM           | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 14% |

## Chapter 56

**WADDING, FELT AND NONWOVENS; SPECIAL  
YARNS; TWINE, CORDAGE, ROPES AND CABLES  
AND ARTICLES THEREOF**

| Tariff Item | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                        |
|-------------|----|---|---------------|------------|--|
| 56.02       |    | Felt, whether or not impregnated, coated, covered or laminated.                 |               |            |  |
|             |    | -Other felt, not impregnated, coated, covered or laminated:                     |               |            |  |
| 5602.21     |    | --Of wool or fine animal hair   |               |            |  |
| 5602.21.90  | 00 | ---Other  | KGM           | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>GPT: 10%<br>CRT: 8.5% |
| 56.03       |    | Nonwovens, whether or not impregnated, coated, covered or laminated.            |               |            |  |
|             |    | -Other:   |               |            |  |
| 5603.92     |    | --Weighing more than 25 g/m <sup>2</sup> but not more than 70 g/m <sup>2</sup>  |               |            |  |
| 5603.92.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%              |
|             | 20 | ---- <i>Impregnated, coated or covered</i>                                      | KGM           |            |  |
|             | 30 | ---- <i>Other, of polyesters</i>  | KGM           |            |  |
|             | 40 | ---- <i>Other, of polypropylene</i>   | KGM           |            |  |
|             | 50 | ---- <i>Other, of nylon or other polyamides</i>                                 | KGM           |            |  |
|             | 90 | ---- <i>Other</i>   | KGM           |            |  |
| 5603.93     |    | --Weighing more than 70 g/m <sup>2</sup> but not more than 150 g/m <sup>2</sup> |               |            |  |
| 5603.93.90  |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%              |
|             | 30 | ---- <i>Other, of polyesters</i>  | KGM           |            |  |
|             | 40 | ---- <i>Other, of polypropylene</i>   | KGM           |            |  |
|             | 90 | ---- <i>Other</i>   | KGM           |            |  |

## Chapter 58

**SPECIAL WOVEN FABRICS; TUFTED TEXTILE  
FABRICS; LACE; TAPESTRIES; TRIMMINGS;  
EMBROIDERY**

| Tariff Item       | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                       |
|-------------------|----|---|---------------|------------|---|
| <b>58.01</b>      |    | <b>Woven pile fabrics and chenille fabrics, other than fabrics of heading 58.02 or 58.06.</b>   |               |            |   |
|                   |    | <b>-Of cotton:</b>  |               |            |   |
| <b>5801.22</b>    |    | <b>--Cut corduroy</b>   |               |            |   |
|                   |    | ---Solely of cotton:  |               |            |   |
| 5801.22.29        |    | ----Other   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8%              |
|                   | 90 | -----Other  | KGM           |            |   |
| 5801.22.90        | 00 | ---Other  | KGM           | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>GPT: 14%<br>CRT: 10% |
| <b>58.04</b>      |    | <b>Tulles and other net fabrics, not including woven, knitted or crocheted fabrics; lace in the piece, in strips or in motifs, other than fabrics of headings 60.02 to 60.06.</b> |               |            |   |
|                   |    | <b>-Mechanically made lace:</b>   |               |            |   |
| <b>5804.21.00</b> |    | <b>--Of man-made fibres</b>   |               | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 8.5%            |
|                   | 10 | -----Of a width not exceeding 30 cm   | KGM           |            |   |
|                   | 20 | -----Of a width exceeding 30 cm   | KGM           |            |   |
| <b>5804.29.00</b> |    | <b>--Of other textile materials</b>   |               | 7%         | UST, LDCT, MT, CIAT, CT: Free<br>GPT: 5%<br>CRT: 5%   |
|                   | 10 | -----Of a width not exceeding 30 cm   | KGM           |            |   |
|                   | 20 | -----Of a width exceeding 30 cm   | KGM           |            |   |
| <b>5804.30</b>    |    | <b>-Hand-made lace</b>  |               |            |   |
| 5804.30.90        | 00 | ---Other  | KGM           | 12%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 9%              |
| <b>58.06</b>      |    | <b>Narrow woven fabrics, other than goods of heading 58.07; narrow fabrics consisting of warp without weft assembled by means of an adhesive (bolducs).</b>                       |               |            |   |
| <b>5806.10</b>    |    | <b>-Woven pile fabrics (including terry towelling and similar terry fabrics) and chenille fabrics</b>   |               |            |   |
| 5806.10.90        |    | ---Other  |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10%             |
|                   | 90 | -----Other  | KGM           |            |   |



## Chapter 59

**IMPREGNATED, COATED, COVERED OR LAMINATED  
TEXTILE FABRICS; TEXTILE ARTICLES OF A KIND  
SUITABLE FOR INDUSTRIAL USE**

| Tariff Item | SS | Description of Goods  | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs                       |
|-------------|----|---|---------------|------------|---|
| 59.03       |    | Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading 59.02. |               |            |   |
| 5903.90     |    | -Other  |               |            |   |
| 5903.90.10  |    | ---Textile fabrics not containing man-made fibres   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>GPT: 10%<br>CRT: 10% |
|             | 10 | -----Of cotton  | KGM           |            |   |
|             | 90 | -----Other  | KGM           |            |   |
|             |    | ---Textile fabrics containing man-made fibres:  |               |            |   |
| 5903.90.29  | 00 | ----Other   | KGM           | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>GPT: 10%<br>CRT: 10% |

## Chapter 60

## KNITTED OR CROCHETED FABRICS

| Tariff Item    | SS | Description of Goods   | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|----------------|----|--|---------------|------------|---|
| <b>60.01</b>   |    | <b>Pile fabrics, including "long pile" fabrics and terry fabrics, knitted or crocheted.</b>  |               |            |   |
|                |    | <b>-Other:</b>   |               |            |   |
| <b>6001.92</b> |    | <b>--Of man-made fibres</b>  |               |            |   |
| 6001.92.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                | 10 | -----Of a width exceeding 30 cm, not impregnated, coated, covered or laminated   | KGM           |            |   |
| <b>60.02</b>   |    | <b>Knitted or crocheted fabrics of a width not exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01.</b> |               |            |   |
| <b>6002.40</b> |    | <b>-Containing by weight 5% or more of elastomeric yarn but not containing rubber thread</b>   |               |            |   |
| 6002.40.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----Of cotton:  |               |            |   |
|                | 11 | -----Lace  | KGM           |            |   |
|                | 19 | -----Other   | KGM           |            |   |
|                |    | -----Of other textile materials:   |               |            |   |
|                | 91 | -----Lace  | KGM           |            |   |
|                | 99 | -----Other   | KGM           |            |   |
| <b>6002.90</b> |    | <b>-Other</b>  |               |            |   |
| 6002.90.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----Of other textile materials:   |               |            |   |
|                | 91 | -----Lace  | KGM           |            |   |
| <b>60.04</b>   |    | <b>Knitted or crocheted fabrics of a width exceeding 30 cm, containing by weight 5% or more of elastomeric yarn or rubber thread, other than those of heading 60.01.</b>     |               |            |   |
| <b>6004.10</b> |    | <b>-Containing by weight 5% or more of elastomeric yarn but not containing rubber thread</b>   |               |            |   |
| 6004.10.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                | 10 | -----Lace  | KGM           |            |   |
|                | 90 | -----Other   | KGM           |            |   |

| Tariff Item    | SS | Description of Goods   | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|----------------|----|--|---------------|------------|---|
| <b>60.05</b>   |    | <b>Warp knit fabrics (including those made on galloon knitting machines), other than those of headings 60.01 to 60.04.</b> |               |            |   |
|                |    | <b>-Of cotton:</b>   |               |            |   |
| <b>6005.22</b> |    | <b>--Dyed</b>  |               |            |   |
| 6005.22.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                | 90 | -----Other   | KGM           |            |   |
|                |    | <b>-Of synthetic fibres:</b>   |               |            |   |
| <b>6005.31</b> |    | <b>--Unbleached or bleached</b>  |               |            |   |
| 6005.31.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----Other, for apparel:   |               |            |   |
|                | 23 | -----Containing 85% or more by weight of polyesters  | KGM           |            |   |
| <b>6005.32</b> |    | <b>--Dyed</b>  |               |            |   |
| 6005.32.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----Other, for apparel:   |               |            |   |
|                | 21 | -----Containing 85% or more by weight of nylon or other polyamides   | KGM           |            |   |
|                | 23 | -----Containing 85% or more by weight of polyesters  | KGM           |            |   |
|                | 24 | -----Other, of polyesters, mixed mainly or solely with acrylic or modacrylic   | KGM           |            |   |
|                | 29 | -----Of other synthetic fibres   | KGM           |            |   |
| <b>6005.34</b> |    | <b>--Printed</b>   |               |            |   |
| 6005.34.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----Other, for apparel:   |               |            |   |
|                | 23 | -----Containing 85% or more by weight of polyesters  | KGM           |            |   |
| <b>60.06</b>   |    | <b>Other knitted or crocheted fabrics.</b>   |               |            |   |
|                |    | <b>-Of synthetic fibres:</b>   |               |            |   |
| <b>6006.31</b> |    | <b>--Unbleached or bleached</b>  |               |            |   |
| 6006.31.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----For apparel:  |               |            |   |
|                | 19 | -----Other   | KGM           |            |   |

| Tariff Item    | SS | Description of Goods   | Unit of Meas. | MFN Tariff | Applicable Preferential Tariffs           |
|----------------|----|--|---------------|------------|---|
| <b>6006.32</b> |    | <b>--Dyed</b>  |               |            |   |
| 6006.32.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----For apparel:  |               |            |   |
|                | 11 | -----Single knit, containing 85% or more by weight of polyesters | KGM           |            |   |
|                | 14 | -----Double knit (including interlock)                           | KGM           |            |   |
|                | 19 | -----Other   | KGM           |            |   |
| <b>6006.33</b> |    | <b>--Of yarns of different colours</b>                           |               |            |   |
| 6006.33.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----For apparel:  |               |            |   |
|                | 19 | -----Other   | KGM           |            |   |
| <b>6006.34</b> |    | <b>--Printed</b>   |               |            |   |
| 6006.34.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----For apparel:  |               |            |   |
|                | 19 | -----Other   | KGM           |            |   |
|                |    | <b>-Of artificial fibres:</b>                                    |               |            |   |
| <b>6006.42</b> |    | <b>--Dyed</b>  |               |            |   |
| 6006.42.90     |    | ---Other   |               | 14%        | UST, LDCT, MT, CIAT, CT: Free<br>CRT: 10% |
|                |    | -----For apparel:  |               |            |   |
|                | 19 | -----Other   | KGM           |            |   |

### Appendix III - Textile Manufacturers Surveyed

On June 9, 2003 the Tribunal sent a Producers' Questionnaire to the following firms.

|                                      |                                    |                                    |
|--------------------------------------|------------------------------------|------------------------------------|
| 3M Canada Company                    | Gentry Knitting Mills Limited      | Rentex Mills Inc.                  |
| Albarrie Canada Limited              | Great Lakes Knitting Mills         | Sunshine Mills Inc.                |
| Atlantic Fine Yarns Inc.             | Hafner Inc.                        | Swift Denim                        |
| Barrday Inc.                         | Huntingdon Mills (Canada) Ltd.     | Richelieu Knitting Mills Inc.      |
| Beckwith Bemis Inc.                  | J.B. Martin Ltée                   | Roopa Sales and Trading Ltd.       |
| Bennett Fleet Inc.                   | Kute Knit Manufacturing            | Rubyco (1987) Inc.                 |
| Bermatex Inc.                        | Lagran Canada Inc.                 | Siltex Mills Ltd.                  |
| Calko (Canada) Inc.                  | Lanatex Yarns Ltd.                 | Sonatex Laminating Canada Inc.     |
| Canada Hair Cloth Company            | Lenrod Industries                  | St.Lawrence Textiles               |
| Canada Pad Linings Inc.              | Les Lainages Victor Ltée           | Stedfast Inc.                      |
| Cannon Knitting Mills Limited        | Les Textiles Du-Ré                 | Tandem Fabrics Inc.                |
| Cleyn and Tinker Inc.                | Lincoln Fabrics Ltd.               | Tek-Knit Industries                |
| Consoltex Inc.                       | Loominations                       | Texel Inc.                         |
| Cookshiretex Inc.                    | Manoir Inc.                        | Textiles 3A Ltée                   |
| Coraltex, Teinture et Finition       | Martintek                          | Texturon Inc.                      |
| CVT Knitting Mills Inc.              | Matador Converters Co. Ltd.        | The Rumpel Felt Co. Ltd.           |
| De Ball, J.L. Canada                 | Monterey Textiles 1996 Inc.        | Three Rivers Knit Printers Inc.    |
| DIFCO Performance Fabrics Inc.       | Nalpac Company (The)               | Tissus Knitrama Inc.               |
| Doubletex Inc.                       | Natpro Inc.                        | Tobelle Textiles Inc.              |
| DuPont Canada Inc.                   | Nova Scotia Textiles Ltd.          | Tricots Canada, U.S. Knitting Inc. |
| Edward Textile Inc.                  | Parapad Inc.                       | Tricots Liesse (1983) Inc.         |
| Entoilages Interforme Inc.           | Paris Star Knitting Mills Inc.     | Tri-Star Textiles Ltd.             |
| Filatures J.A. Duval Inc.            | Parisian Knitting Mills            | Union Felt Products                |
| FilSpec                              | Parker Brothers Textile Mills Ltd. | Vintex Inc.                        |
| Fine Cotton Factory, Inc.            | Quebectex Canada Inc.              | Waterloo Textiles Limited          |
| Fraser & Kirkbright Weaving Co. Ltd. | Rayonese Textile Co. Ltd.          | Whk Woven Labels Ltd.              |
| Gants Laurentide Ltée                | Régitex Inc.                       | Worldbest (Canada) Industries Inc. |

**Appendix IV - Textile Inputs Reported by the Domestic Textile Manufacturers to be Available from Domestic Production**

| Chapter  | Subject Statistical Codes | Company Name                   |
|--|---------------------------|--------------------------------|
| <b>51 / Wool, Fine or Coarse Animal Hair; Horsehair Yarn and Woven Fabrics</b> |                           |                                |
|  | <b>5111</b>               | <i>Lainages Victor</i>         |
|  |                           | <i>Parker Brothers Ltd.</i>    |
|  |                           | <i>Tricots Liesse</i>          |
|  | <b>5111.11.90</b>         | <i>Fraser &amp; KirkBright</i> |
|  | 5111.11.90.10             | Canada Hair Cloth              |
|  | 5111.20.92.00             | Canada Hair Cloth              |
|  | 5111.30.91.00             | Canada Hair Cloth              |
|  | 5111.30.92.00             | Canada Hair Cloth              |
|  | <b>5112</b>               | <i>Lainages Victor</i>         |
|  |                           | <i>Parker Brothers Ltd.</i>    |
|  |                           | <i>Tricots Liesse</i>          |
|  | <b>5112.11.90</b>         | <i>Fraser &amp; KirkBright</i> |
|  | 5112.11.90.10             | Canada Hair Cloth              |
|  |                           | Cleyn & Tinker                 |
|  | 5112.19.91.10             | Canada Hair Cloth              |
|  |                           | Cleyn & Tinker                 |
|  | 5112.19.92.10             | Canada Hair Cloth              |
|  |                           | Cleyn & Tinker                 |
|  | 5112.20.91.00             | Canada Hair Cloth              |
|  |                           | Cleyn & Tinker                 |
|  | 5112.30.91.00             | Canada Hair Cloth              |
|  |                           | Cleyn & Tinker                 |
|  | 5112.90.91.00             | Canada Hair Cloth              |
|  |                           | Cleyn & Tinker                 |
| <b>52 / Cotton</b>   |                           |                                |
|  | <b>52</b>                 | <i>DIFCO</i>                   |
|  | <b>5205</b>               | <i>Tricots Liesse</i>          |
|  | 5205.22.90.90             | Atlantic Fine Yarn             |
|  |                           | FilSpec                        |
|  | 5205.23.90.90             | FilSpec                        |
|  | <b>5208</b>               | <i>Doubletex</i>               |
|  |                           | <i>Tricots Liesse</i>          |
|  | 5208.12.30.20             | Canada Hair Cloth              |
|  | 5208.19.20.90             | Canada Hair Cloth              |
|  | 5208.32.90.10             |                                |
|  | 5208.32.90.20             |                                |
|  | 5208.32.90.90             | Canada Hair Cloth              |
|  | 5208.33.90.00             | Canada Hair Cloth              |
|  | 5208.39.90.90             | Canada Hair Cloth              |
|  | 5208.41.90.00             |                                |
|  | 5208.42.90.10             |                                |
|  | 5208.42.90.20             |                                |
|  | 5208.42.90.90             | Canada Hair Cloth              |

| Chapter | Subject Statistical Codes | Company Name          |
|---------|---------------------------|-----------------------|
|         | 5208.43.90.00             |                       |
|         | 5208.49.90.90             | Canada Hair Cloth     |
|         | 5208.51.00.00             | Canada Hair Cloth     |
|         | 5208.52.90.20             |                       |
|         | 5208.52.90.90             | Canada Hair Cloth     |
|         | 5208.59.90.90             | Canada Hair Cloth     |
|         | <b>5209</b>               | <i>Doubletex</i>      |
|         |                           | <i>Tricots Liesse</i> |
|         | 5209.12.10.00             | Canada Hair Cloth     |
|         | 5209.19.20.90             | Canada Hair Cloth     |
|         | 5209.31.90.90             | Canada Hair Cloth     |
|         | 5209.32.90.00             | Canada Hair Cloth     |
|         | 5209.39.90.10             |                       |
|         | 5209.39.90.90             | Canada Hair Cloth     |
|         | 5209.41.90.00             | Canada Hair Cloth     |
|         | 5209.43.90.00             | Canada Hair Cloth     |
|         | 5209.49.00.90             | Canada Hair Cloth     |
|         | 5209.51.00.90             | Canada Hair Cloth     |
|         | 5209.52.00.00             |                       |
|         | 5209.59.00.10             |                       |
|         | 5209.59.00.90             | Canada Hair Cloth     |
|         | <b>5210</b>               | <i>Doubletex</i>      |
|         |                           | <i>Tricots Liesse</i> |
|         | 5210.29.00.11             | Canada Hair Cloth     |
|         | 5210.32.00.11             | Canada Hair Cloth     |
|         | 5210.32.00.90             |                       |
|         | 5210.39.00.11             |                       |
|         | 5210.39.00.90             |                       |
|         | 5210.41.00.11             | Canada Hair Cloth     |
|         | 5210.41.00.90             |                       |
|         | 5210.49.00.11             | Canada Hair Cloth     |
|         | 5210.49.00.90             |                       |
|         | 5210.51.00.11             |                       |
|         | 5210.51.00.90             |                       |
|         | <b>5211</b>               | <i>Doubletex</i>      |
|         |                           | <i>Tricots Liesse</i> |
|         | 5211.32.00.11             | Canada Hair Cloth     |
|         | 5211.39.00.11             | Canada Hair Cloth     |
|         | 5211.41.00.90             | Canada Hair Cloth     |
|         | 5211.43.00.11             | Canada Hair Cloth     |
|         | 5211.43.00.90             |                       |
|         | 5211.49.00.11             | Canada Hair Cloth     |
|         | 5211.49.00.90             |                       |
|         | <b>5212</b>               | <i>Doubletex</i>      |
|         | 5212.11.90.00             | Canada Hair Cloth     |
|         | 5212.14.90.00             | Canada Hair Cloth     |
|         | 5212.23.90.00             | Canada Hair Cloth     |
|         | 5212.24.90.00             | Canada Hair Cloth     |

| Chapter  | Subject Statistical Codes | Company Name             |
|--|---------------------------|--------------------------|
| <b>53 / Other Vegetable Textile Fibres, Paper Yarn and Woven Fabrics of Paper Yarn</b> |                           |                          |
|  | <b>5309</b>               | <i>Tricots Liesse</i>    |
|  | 5309.11.90.00*            |                          |
|  | 5309.19.90.00*            |                          |
|  | 5309.21.00.00             |                          |
|  | 5309.29.90.00             |                          |
| <b>54 / Man-Made Filaments</b>   |                           |                          |
|  | <b>5407</b>               | <i>Barrday</i>           |
|  |                           | <i>Tricots Liesse</i>    |
|  |                           | <i>Doubletex</i>         |
|  | 5407.20.90.00             | Canada Hair Cloth        |
|  | <b>5407.42.90</b>         | <i>Monterey Textiles</i> |
|  | 5407.42.90.11             | Canada Hair Cloth        |
|  | 5407.42.90.12             | Canada Hair Cloth        |
|  | <b>5407.52.90</b>         | <i>Monterey Textiles</i> |
|  |                           |                          |
|  | 5407.52.90.11             | Canada Hair Cloth        |
|  | 5407.52.90.12             | Canada Hair Cloth        |
|  | 5407.52.90.13             | Canada Hair Cloth        |
|  | 5407.54.00.12             | Canada Hair Cloth        |
|  | <b>5407.61.99</b>         | <i>Monterey Textiles</i> |
|  | 5407.61.99.31             | Canada Hair Cloth        |
|  | 5407.61.99.32             | Canada Hair Cloth        |
|  | 5407.61.99.33             | Canada Hair Cloth        |
|  | 5407.61.99.72             |                          |
|  | 5407.61.99.73             | Canada Hair Cloth        |
|  | 5407.72.00.11             | Canada Hair Cloth        |
|  | 5407.72.00.12             | Canada Hair Cloth        |
|  | 5407.92.90.31             | Canada Hair Cloth        |
|  | 5407.92.90.32             | Canada Hair Cloth        |
|  | 5407.92.90.81             | Canada Hair Cloth        |
|  | 5407.92.90.82             | Canada Hair Cloth        |
|  | 5407.93.90.32             | Canada Hair Cloth        |
| <b>55 / Man-Made Staple Fibres</b>   |                           |                          |
|  | <b>55</b>                 | <i>DIFCO</i>             |
|  | <b>5512</b>               | <i>Doubletex</i>         |
|  |                           | <i>Tricots Liesse</i>    |
|  | 5512.19.90.11             | Canada Hair Cloth        |
|  | 5512.19.90.31             | Canada Hair Cloth        |
|  | 5512.29.90.00             | Canada Hair Cloth        |
|  | <b>5513</b>               | <i>Doubletex</i>         |
|  |                           | <i>Tricots Liesse</i>    |
|  | 5513.11.90.11             | Canada Hair Cloth        |
|  | 5513.11.90.21             |                          |
|  | 5513.12.90.10             | Canada Hair Cloth        |
|  | 5513.21.00.10             | Canada Hair Cloth        |
|  | 5513.22.90.10             | Canada Hair Cloth        |
|  | 5513.31.90.00             | Canada Hair Cloth        |



| Chapter  | Subject Statistical Codes | Company Name                |
|--|---------------------------|-----------------------------|
|  | 5513.41.90.10             | Canada Hair Cloth           |
|  | <b>5514</b>               | <i>Doubletex</i>            |
|  |                           | <i>Tricots Liesse</i>       |
|  | 5514.21.00.10             |                             |
|  | 5514.22.90.10             | Canada Hair Cloth           |
|  | <b>5515</b>               | <i>Doubletex</i>            |
|  | 5515.11.90.00             | Canada Hair Cloth           |
|  | 5515.13.90.11             | Canada Hair Cloth           |
|  | 5515.13.90.20             |                             |
|  | <b>5516</b>               | <i>Doubletex</i>            |
|  |                           | <i>Tricots Liesse</i>       |
|  | 5516.12.00.10             | Canada Hair Cloth           |
|  | 5516.14.90.10             | Canada Hair Cloth           |
|  | 5516.22.00.11             | Canada Hair Cloth           |
|  | 5516.22.00.90             |                             |
|  | 5516.23.90.90             | Canada Hair Cloth           |
|  | 5516.32.00.00             |                             |
|  | 5516.42.00.00             |                             |
|  | 5516.92.00.00             | Canada Hair Cloth           |
|  | 5516.93.90.00             | Canada Hair Cloth           |
| <b>56/ Wadding, Felt and Nonwovens; Special Yarns; Twine, Cordage, Ropes and Cables and Articles Thereof</b> |                           |                             |
|  | <b>5602</b>               | <i>Doubletex</i>            |
|  |                           | <i>Stedfast Inc.</i>        |
|  |                           | <i>Stedfast Inc.</i>        |
|  | 5602.21.90.00             | Canada Hair Cloth           |
|  |                           | Matador Converters Co. Ltd. |
|  | <b>5603</b>               | <i>Doubletex</i>            |
|  |                           | <i>Stedfast Inc.</i>        |
|  |                           | <i>Tricots Liesse</i>       |
|  | 5603.92.90.20             | Matador Converters Co. Ltd. |
|  | 5603.92.90.30             | Matador Converters Co. Ltd. |
|  | 5603.92.90.40             | Matador Converters Co. Ltd. |
|  | 5603.92.90.50             |                             |
|  | 5603.92.90.90             | Matador Converters Co. Ltd. |
|  | 5603.93.90.30             | Matador Converters Co. Ltd. |
|  |                           | Texel Inc.                  |
|  | 5603.93.90.40             | Matador Converters Co. Ltd. |
|  |                           | Texel Inc.                  |
|  | 5603.93.90.90             | Matador Converters Co. Ltd. |
|  |                           | Texel Inc.                  |
| <b>58 / Special Woven Fabrics; Tufted Textile Fabrics; Lace; Tapestries; Trimings; Embroidery</b>            |                           |                             |
|  | <b>5801</b>               | <i>Tricots Liesse</i>       |
|  | 5801.22.29.90             |                             |
|  | 5801.22.90.00             |                             |
|  | <b>5804</b>               | <i>Tricots Liesse</i>       |
|  | 5804.21.00.10             |                             |
|  | 5804.21.00.20             |                             |

| Chapter   | Subject Statistical Codes | Company Name                              |
|---|---------------------------|---|
|   | 5804.29.00.10             |   |
|   | 5804.29.00.20             |   |
|   | 5804.30.90.00             |   |
|   | <b>5806</b>               | <i>Tricots Liesse</i>                     |
|   | 5806.10.90.90             |   |
| <b>59 / Impregnated, Coated, Covered or Laminated Textile Fabrics; Textile Articles of a Kind Suitable for Industrial Use</b> |                           |   |
|   | <b>5903</b>               | <i>Barrday</i>                            |
|   |                           | <i>Stedfast Inc.</i>                      |
|   |                           | <i>Tricots Liesse</i>                     |
|   | 5903.90.10.10             | Canada Hair Cloth                         |
|   | 5903.90.10.90             | Canada Hair Cloth                         |
|   |                           | Matador Converters Co. Ltd.               |
|   | 5903.90.29.00             | Canada Hair Cloth                         |
|   |                           | Matador Converters Co.Ltd.                |
| <b>60 / Knitted or Crocheted Fabrics</b>  |                           |   |
|   | <b>6001</b>               | <i>Gentry Knitting Mills Limited</i>      |
|   |                           | <i>Tricots Canada U.S. Inc.</i>           |
|   | 6001.92.90.10             | Roopa Sales & Trading Ltd.                |
|   |                           | Tri-Star Textile Ltd.                     |
|   | <b>6002</b>               | <i>Tricots Liesse</i>                     |
|   | 6002.40.90.11             |   |
|   | 6002.40.90.19             |   |
|   | 6002.40.90.91             |   |
|   | 6002.40.90.99             |   |
|   | 6002.90.90.91             |   |
|   | <b>6004</b>               | <i>Gentry Knitting Mills Limited</i>      |
|   |                           | <i>Rentex Inc.</i>                        |
|   |                           | <i>Tricots Canada U.S. Inc.</i>           |
|   |                           | <i>Tricots Liesse</i>                     |
|   | <b>6004.10</b>            | <i>Roopa Sales &amp; Trading Ltd.</i>     |
|   | <b>6004.10.90</b>         | <i>Worldbest (Canada) Industries Inc.</i> |
|   | 6004.10.90.10             | Cannon Knitting Mills Limited             |
|   |                           | Tri-Star Textile Ltd.                     |
|   | 6004.10.90.90             | Cannon Knitting Mills Limited             |
|   |                           | Great Lakes Knitting                      |
|   |                           | Tri-Star Textile Ltd.                     |
|   | <b>6005</b>               | <i>Doubletex</i>                          |
|   |                           | <i>Tek-Knit Industries</i>                |
|   |                           | <i>Tricots Liesse</i>                     |
|   | 6005.22.90.90             |   |
|   | 6005.31.90.23             | Rentex Inc.                               |
|   | 6005.32.90.21             | Rentex Inc.                               |
|   | 6005.32.90.23             | Rentex Inc.                               |
|   | 6005.32.90.24             | Rentex Inc.                               |
|   |                           | <i>Tricots Liesse</i>                     |
|   | 6005.32.90.29             |   |

| Chapter  | Subject Statistical Codes | Company Name                              |
|--|---------------------------|---|
|  | 6005.34.90.23             | Rentex Inc.                               |
|  | <b>6006</b>               | <i>Gentry Knitting Mills Limited</i>      |
|  |                           | <i>Manoir Inc.</i>                        |
|  |                           | <i>Tek-Knit Industries</i>                |
|  |                           | <i>Tricots Canada U.S. Inc.</i>           |
|  |                           | <i>Tricots Liesse</i>                     |
|  | <b>6006.31.90</b>         | <i>Worldbest (Canada) Industries Inc.</i> |
|  | 6006.31.90.19             | Cannon Knitting Mills Limited             |
|  |                           | Tri-Star Textile Ltd.                     |
|  | <b>6006.32</b>            | <i>Roopa Sales &amp; Trading Ltd.</i>     |
|  | <b>6006.30.90</b>         | <i>Worldbest (Canada) Industries Inc.</i> |
| <b>Note:</b> No Codes were given by - Hafner, Huntingdon Mills (Canada) Ltd, Lenrod Industries, Lincoln Fabrics, Consoltex and Tricots Richelieu |                           |   |

**Appendix V - Sample Letter to the Tribunal from Textile Manufacturers**

June 22, 2004

Dear Ms. Grimes:

Consoltex has received the "Textile manufacturers Questionnaire", which we are being asked to complete in the context of the CITT *Inquiry into the Availability of Textile Inputs Produced in Canada*.

Consoltex produces in Canada a large amount of textile products that fall within the 150 commodity codes that are on your list and for which this inquiry is all about. Actually, we roughly identified from that list as much as 57 commodity codes where our products are classified in. All our fabrics are produced in Canada in our plants located in Cowansville (a weaving and a dyeing/finishing plants), Montmagny (a weaving plant), and Montreal (head office and warehouse), where we currently employ 750 people. Early on this year, the company has announced the closure of its dyeing and finishing plant located in Alexandria, laying off around 160 people in a community of roughly 3,000 citizens. We sell these fabrics to customers in Canada and in export markets. More than 80% of our overall production goes to apparel end uses as defined in your questionnaire (i.e. goods of HS Chapters 61 and 62).

However, we will not be completing the questionnaire you sent us. A brief summary of our reasons and concerns follows.

It is our understanding that the purpose of the Tribunal's Inquiry is to collect data on which textiles are produced in Canada so as to provide the Minister of Finance with information that will be used as a basis for reducing and/or eliminating duties on textiles not produced in Canada. We have serious concerns about the approach to this so-called "fact finding" exercise, which fails to recognize:

1. That sales - for the period covering January 1, 2003 to March 31, 2004 - are not representative of Consoltex's ability to produce and supply all type of fabrics to actual and future customers. In other words, the data you are requesting in the questionnaire will not provide the Minister with the answer to the question: What textiles are or are not available from Canadian production?

First, market conditions during this time period were bad, with many of our clients reducing or stopping their purchases due to lack of demand for their products or successful access to duty free fabric through CITT. This had adverse repercussions on our business (i.e. lower-than-average capacity utilization and sales), hence reducing the range of fabrics sold to a smaller number of customers. Second, the prescribed 18-month period represents a "moment in time". Our product lines are constantly changing to meet the needs of our customers. What we make today is different from what we made two, three or five years ago. It is different from what we will be making in the future to satisfy market demand. This is the nature of our business. Your questionnaire asks for data for a very narrow time period, and if the Minister's intention is to reduce or eliminate tariffs

on goods that are not available from domestic production based on what respondents report for this period, the decision to do so will have serious (if not unintended) consequences for Consoltex and for most if not all textile manufacturers.

Third, what we produce and sell in any given time period is illustrative, not definitive, of our full capabilities. In fact, Consoltex has invested heavily in the last decade in versatile and productive equipments to enable us to produce the variety of products the apparel industry needs. The reason we produce some fabrics and not others is because we have customers for the ones we do make. There are no technical or capacity-related impediments to stop us from making a much broader range of fabrics should the market require them.

Unfortunately, it has been our experience through our involvement in numerous CITT Textile Reference cases that the Tribunal has consistently ignored this reality of the textile industry to the detriment of Consoltex's Fashion Apparel Fabrics business. In 1994, we sold \$34 million worth of fashion fabrics to customers in Canada. Thanks to the Tribunal's conclusions and resulting duty-free items created by Finance, our Fashion Apparel business has dwindled dramatically over the past 10 years as our customers have shifted from buying our fabrics to buying competing, duty-free imported fabrics. The consequences on our operations have been dire, mainly due to the refusal of the Tribunal to look at the cumulative effect of its recommendations on Canadian textile manufacturers such as ourselves. Again today in this inquiry, the Tribunal will only be looking at a limited period of time that does not represent the potential of the textile industry. If a decision is made as to what fabrics should be duty-free on the basis of what was produced or sold during the past year or so, there will be no opportunities to produce and sell fabrics to customers and any future development of new fabrics will be severely impaired.

2. That the issue of what is and is not made by our company and the Canadian textile industry is a complex one and several key factors are missing from your consideration. Creating a list of what is supposedly "not made" on the basis of a survey of the industry's production and sales at a given point in time is inadequate to evaluate the "availability of Canadian textile inputs". As mentioned above, current sales to a particular market segment do not equate to Canadian availability.

The underlying assumption that tariffs can be eliminated on some products without affecting sales of other products is invalid, and proved to be damaging to Consoltex (downfall of its Fashion business) and indubitably to other textile manufacturers.

3. That the approach you are taking is flawed in terms of assessing what tariffs might be removed with minimal impact on Canadian textile manufacturers. The Tribunal is taking the same narrow view it has taken in all the inquiries made under the Textile Reference. If no one in Canada has sold fabrics classified under a particular HS commodity code from January 1, 2003 to March 31, 2004, it does not mean that eliminating the tariff from that HS code will not have an adverse

- effect on a Canadian textile producer or producers. Many - in fact, most - fabrics compete with one another in the marketplace, and creating an advantage for one against another (especially when it involves a price break) will cause our customers to shift or consider shifting their purchasing from our fabrics to the newly-duty-free imports.
4. That the survey involves tariff lines that are broadly define and fit the definition of a large variety of products and that reducing or eliminating duties on some portion of the goods that we make in Canada has implications for our overall business, even if the specified products do not necessarily represent 100% of our production. Losing sales affects our bottom line, as every fabric we make contributes to our overhead and our viability.
  5. That the information you are requesting in the form you are requesting it is simply impossible to provide within the time frame specified. If, as you say in the accompanying material, the lack of a response will be interpreted as the absence of Canadian production, the results of your survey and the conclusions drawn will be lacking because it is unlikely that many companies can meet the requirements.

To then formulate textile tariff policy on the basis of the results of your survey - given the problems listed above - would jeopardize textile industry jobs and investment.

Moreover, under the Textile Reference, the Tribunal consistently recommended tariff eliminations on a variety of imported textile fabrics for apparel end-uses, which has contributed to the erosion of employment at Consoltex. From 5 plants and 1,100 employees in 2001, the company closed one plant in 2002 and came down to 900 employees and, as stated earlier, closed another plant in 2004 and is now operating 3 plants with 750 employees. The cumulative effects of all those decisions have contributed to the loss of 350 direct jobs and probably some 500 indirect jobs. Each of the direct jobs lost has deprived the regional economies in communities such as Sherbrooke, Cowansville, Alexandria and Montreal, of salaries and benefits of around \$45,000 per year for a total of some \$15M. The indirect jobs related to these lost textile jobs represent an additional \$15 to \$20M in lost revenue.

My questions to you are:

- How many new jobs were created by your decisions?
- What is the benefit to Canada of eliminating well-paid textile jobs in communities where there are few if any alternative employment opportunities?

We, as a company, have seen first-hand the consequences of your recommendations which have affected our business and we are certain others are being similarly negatively affected in other regions. This new inquiry will add to the damage our industry is facing because it is very clear that you are continuing down the same path in terms of addressing what is/is not made and continuing to ignore the extent to which fabrics compete with one another in the marketplace.

In closing, we believe that the Reference you have been given by the Minister of Finance and the process you have undertaken suffer from a number of very serious deficiencies

and our company does not believe it appropriate to complete the questionnaire for the reasons described in this letter.

Sincerely,

Marcel Thibault  
President and CEO

### Appendix VI - Summary of Questionnaire Replies by Purchasers of Domestic Textile Inputs

| Company Name                                | Various Textile Inputs Purchased Domestically  | Domestic Supplier  | Comments   |
|---|--|--|--|
| Alpine Joe Sportswear Ltd.                  | Woven fabrics:<br>100% nylon tricot lining<br>100% nylon mesh<br>100% nylon coated with PU                                 | Consoltex, Doubletex<br>Rentex, Eltes  | Most fabrics required are not available in Canada, such as : cotton/blend 4-way stretch woven fabrics. Certain polyester knits and nylon wovens, certain poly/cotton bottom-weight fabrics.<br>It is becoming increasingly difficult to buy Canadian as they do not manufacture the unique fabrics required. |
| Australian Outback Collection (Canada) Ltd. | Woven 100% cotton headcloth  | Doubletex  | Domestic producers cannot supply wax cotton fabrics.   |
| Ballin Inc.                                 | Various fabrics:<br>100% polyester,<br>Polyester/wool blends<br>poly/viscose blends,<br>cotton/spandex,<br>polyester/rayon | Syd Textiles and Sales<br>Fabtrends Knit,<br>Cannon Knitting<br>J. P. Doumak<br>Bidmark International<br>Consoltex, Cleyn & Tinker |  |
| Behar Hathaway Apparel Ltd.                 | Plain weave<br>60 cotton/40 poly<br>broadcloth   | Doubletex  | Majority of requirements must be imported. Woven fabrics of pure cotton with yarns counts of 90/2 x 100/2 and fabrics of yarn dyed fabrics are not produced in Canada.   |
| Bravado Designs Inc.                        | Knit Fabrics:<br>Cotton/lycra blends<br>Nylon/lycra blends<br>Cotton/spandex blends  | Manoir, Gentry Mills,<br>Narroflex   |  |



| Company Name               | Various Textile Inputs Purchased Domestically                                     | Domestic Supplier   | Comments  |
|----------------------------|---|---|---|
| Canadelle                  | Various knit products<br>Narrow products<br>Narrow woven fabrics                  | Magni-Tex Inc., Nalpac Company, Aikinco, World Best, Narroflex, Britex, Doubletex, Matador, PGI DIFCO, Foamex Canada, Acolam, Tissue Knitrama, Hubbard Fabrics, Les Productions Ranger, Cansew Inc., Hafner, Belding Corticelli, Coats Bell American & Efird CA | Many of the mills that used to supply Canadelle are now closed. Limited availability in Canada. Canadian inputs cost more for the same quality.   |
| Canada Sportswear Corp.    | Nylon linings cotton, poly/cotton blends, knit trims, wool blends, 100% polyester | Superior Quilting, Thermolite Fab Knit, Trim Knit, Consoltex Great Lakes Knitting, Roopa Sales, Calko, Fine Cotton, Siltex, Victor Woolens  | Summer 2004, inquired with 5 different Canadian fabric suppliers with no success. Orders for specific fabrics or specific colours had minimum quantity requirements at prohibitive costs. |
| Chateau Lingerie Mfg. Inc. | Cotton yarns  | Atlantic Yarns  | Two domestic suppliers can supply the type of yarns required, but they are not price competitive with Asian mills.  |
| Cooper Clothing Inc.       | Various polyester/wool blends and 100% wool fabrics                               | Cleyn & Tinker, Doubletex, Consoltex  | Domestic supply is very costly compared to importing the same textiles.   |
| Copley Apparel Group       | Various wools and wool blends   | Cleyn & Tinker  | Other than wool fabrics, has difficulty sourcing the quality fabric required for the upper end of the men's clothing business.  |
| Coquette Lingerie Inc.     | Long-pile fabric<br>Nylon/spandex knits   | Glenoit Corp., Hafner   | Very difficult to purchase fabrics from Canadian producers. Costs are too high. There are very few fabrics available anymore  |

| <b>Company Name</b>                                | <b>Various Textile Inputs Purchased Domestically</b>   | <b>Domestic Supplier</b>   | <b>Comments</b>   |
|--|--|--|---|
| Deux Par Deux by Minimôme                          | Knit fabrics<br>Poly/cotton blend knits<br>100% nylon knits  | Doubletex, Taxitex Knitting,<br>4071336 Canada Inc.  |   |
| Dickies Canada Co.                                 | Woven twill pocketing,<br>bleached, poly/cotton<br>blend   | Doubletex  | Limited selection of Canadian textiles.   |
| Donna Fashions Mfg. Ltd.                           | Knits<br>Nylon/spandex blend<br>Nylon/lycra blend<br>Viscose/spandex blend<br>Micropoly/spandex blend<br>Rayon/polyester blend<br>Cotton/poly blend<br>Rayon/poly Woven fabric | Magni-Tex, Tricots Liesse<br>Nalpac, Manoir<br>Ultra Tek Knitting<br>K & S Knitting, Consoltex | Selection from domestic sources is limited.   |
| Exploits Design Inc.                               | Woven fabric<br>Poly/rayon blend<br>Poly/cotton blend, dyed  | Consoltex<br>Doubletex   | Waxed cotton fabric the company uses is not produced in Canada.   |
| Fersten/Jilly Originals Inc. &<br>Fersten Mode Ltd | 50% Poly/ 50% cotton<br>knits  | Britex   |   |
| Freda's Originals Inc.                             | Woven fabric:<br>Wool,<br>Poly/wool/lycra blends   | Cleyn & Tinker   | Selection is limited. Fabrics are not fashionable enough.   |
| Gemini Fashions of Canada Ltd.                     | Knit fabrics:<br>Only purchase pile and<br>synthetic fleece categories<br>in Canada  | Glenoit Corp.,<br>Huntingdon Mills   | Does not purchase other categories for a number of reasons:<br>1) quality not readily available,<br>2) minimums are too high, 3) development time too long, 4) fabric not available, 5) cost is too high. |

| <b>Company Name</b>                                   | <b>Various Textile Inputs Purchased Domestically</b>   | <b>Domestic Supplier</b>  | <b>Comments</b>   |
|---|--|---|---|
| Hamilton Lingerie 1978 Ltd.                           | Terry knit fabrics:<br>Poly/cotton blend knits<br>100% polyester knits                                 | Tri-Star Textile Ltd.,<br>Northeast Knitting Mills                | Strong competition. It is impossible for domestic textile manufactures to compete for the majority of fabrics.                                      |
| Helly Hansen Canada Ltd.                              | Plain weave<br>polyester/cotton blends<br>and nylon fabrics  | Consoltex   | Has purchased nylon fabrics and polyester/cotton blend fabrics from Consoltex for several years.  |
| Incredible Clothing Co.<br>(Nise N Kosy Incorporated) | Various cotton yarns   | Atlantic Fine Yarns<br>Cavalier Specialty Yarn<br>Laxer Fibre Co. | No supply issues. Product received as requested.  |
| Lac-Mac Limited                                       | Various polyester/cotton<br>woven sheeting fabrics,<br>flannellette, poplins,<br>broadcloth, warp knit | Springs Canada<br>Doubletex<br>Rentex Mills                       |   |
| Lululemon Athletica Inc.                              | Knit fabric:<br>Nylon/lycra blend  | Nalpac  | Buys both synthetic and natural fibre knits & woven fabrics in Canada. Does not have difficulty sourcing fabrics, but price is inhibitive at times. |
| Main Knitting   | Various Cotton Yarns   | Atlantic Fine Yarns   | Purchased yarn from Atlantic Fine Yarns in early 2003 but stopped this practice when it found yarn at lower prices from the U.S. and India.         |
| Maison Bouvrier Inc.                                  | Acrylic/wool blend plain<br>woven fabric   | Cleyn & Tinker  | Very few Canadian firms are able or willing to produce the fabric content, weave, finishes that are required.                                       |

| Company Name                           | Various Textile Inputs Purchased Domestically  | Domestic Supplier  | Comments  |
|--|--|--|---|
| MED-ENG Systems Inc.                   | 5407.42<br>5512.19<br>5514.22<br>5806.10   | J Ennis Fabrics, Consoltex,<br>Specialty Gaskets,<br>Sonatex Laminating Canada,<br>Metro Textiles, Majestic Laces,<br>Velcro Canada,<br>American & Efir Canada,<br>Hansler Smith | Manufactures personal protective systems for explosives, de-mining, body temp control.  |
| Metro Sportswear Ltd.                  | Plain woven,<br>polyester/cotton blends  | Consoltex  | To date, limited textile requirements are met. However, increasing pressures on supply and price have necessitated fabric developments off shore. |
| Mondor Ltée                            | Knit fabrics :<br>Nylon/lycra blends<br>Cotton/lycra blends<br>Cotton/nylon/lycra blends<br>Polyester/lycra blends<br>100% polyester | Hafner Elastique<br>Nalpac<br>Tricots Liesse<br>Huntingdon Mills<br>Roopa Sales  | The costs of fabrics from domestic suppliers is prohibitive.  |
| Pace Setter Sportswear (2001) Inc.     | Knit fabrics:<br>cotton/poly blends<br>100% cotton<br>Wovens:<br>wool/nylon other blends   | Tex Leader<br>Interlock Knitting<br>Victor Woolens<br>Siltex   |   |
| Peerless Garments                      | n/a  | Consoltex  | Manufactures outerwear garments for DND. All products must be domestically made from Canadian fabrics.  |
| Please Mum Children/Elia Fashions Ltd. | Cotton knit and<br>Polyester/wool blend<br>woven fabrics   | Manoir<br>Frazer Kirkbright  | Has moved almost all production offshore to be price competitive. Cost of duty, quota and shipping does not offset the labour cost savings.       |

| Company Name                                  | Various Textile Inputs Purchased Domestically   | Domestic Supplier  | Comments   |
|---|---|--|--|
| Riviera Inc.                                  | Basic worsted wools<br>Cottons and cotton blends<br>Polyester/acrylic blend   | Cleyn & Tinker<br>J.L DeBall<br>Consoltex  | Many attempts to source domestically. Fashion textiles that are commercially successful are not available. Limitations of the marketability of domestic fabrics. Domestix fabrics do not have the “hand” and “drape” required. Other issues: minimum order quantities, production lead-time, price vs quality. |
| S G S Sports Inc./Body Glove Kids             | Knit fabrics:<br>Cotton/nylon/spandex blend<br>Jersey Jacquard:<br>Poly/cotton/spandex, etc   | Nalpac<br>Diaz Tex<br>Con-Trade Textiles   | Good experience purchasing domestically, delivery is good, but the cost is very high.  |
| S. Cohen Inc./S & F Clothing                  | 100% worsted wool   | Cleyn & Tinker   | Cannot obtain the finer, higher qualities of wool domestically, i.e.: less than 18.5 micron.   |
| Standard Knitting Co. Ltd. / Tundra           | Various knit fleece, terry, velour and interlock fabrics  | Tricots Canada U.S.<br>Huntingdon Mills  | Inputs required under Chapters 51 and 52 are not available from domestic production. Has been unable to locate a domestic producer for the yarns they require.   |
| Stanfield's Ltd.                              | 100% single, carded cotton open-end yarns<br>knit fabrics:<br>poly/spandex blends<br>100% polyester fleece<br>cotton/spandex blends | Atlantic Fine Yarns Inc<br>Filspec (Cavalier)<br>Tricots Liesse<br>Elite International<br>Agmont | Open-end yarn is readily available. Ring-spun yarns limited capacity at higher than international prices. Knit fabrics available at higher prices but lower minimum runs.  |
| Sterling Glove Company Ltd./Klondike Holdings | Pile linings  | Huntingdon Mills   | Only buys pile linings domestically.   |

| <b>Company Name</b>                        | <b>Various Textile Inputs Purchased Domestically</b> | <b>Domestic Supplier</b>   | <b>Comments</b>  |
|--|--|--|--|
| Talula Babaton Manufacturing Inc./Aritzia  | Knit nylon/lycra blend                               | N/A  | No difficulties purchasing from domestic producers.  |
| Technofil Inc.                             | 100% polyester fabrics, polyester/cotton blends      | Consoltex, Doubletex   | Delivery times 5-6 weeks.  |
| The Hockey Company/<br>Sport Maska         | 100% polyester knit                                  | Rentex<br>Knitrama   | Has purchased a steady flow of domestic fabric.  |
| Trimark Athletic Supplies Inc.             | Knit fabrics:<br>100% cotton<br>cotton/poly blends   | Fine Cotton Factory  | Long lead times to develop new domestic fabrics.<br>Inconsistent dying lots.   |
| Uniform Unicorp<br>(Logistik Unicorp Inc.) | Various  | Cleyn & Tinker,<br>Lainages Victor,<br>DIFCO, Canavan,<br>Doubletex, Calko,<br>National Dyers,<br>Consoltex, Rentex,<br>Alzintex, Huntingdon Mills<br>Monterey, Tek Knit,<br>Matador, Roopa,<br>Majestic Laces,<br>W.L. Gore, Zinman |  |
| West Coast Apparel Inc.                    | Woven wool fabrics                                   | Cleyn & Tinker   | 99% of fabrics are imported.   |
| Wing Son Garments Ltd.                     | Various knits:<br>Fleece, jersey, interlock          | Meridian Knitting  | Heavy user of knit cotton fabrics. There are Canadian suppliers, however, timely delivery, required volumes within specified times, quality, colour consistency and pricing are non-comparable to the far east supplier. |

## Appendix VII - Firms Reporting That They Did Not Purchase Inputs from Domestic Sources

| Company Name   | Comments  |
|--|---|
| Amerella of Canada Ltd.<br>Apparatex/J. Ennis Fabrics Ltd.   | Does not distribute any Canadian made textiles. Fabric for the Appartex line is all imported.   |
| Arabesque Designs Ltd.<br>Ash City/G.H. Group<br>Atlantex Imaged Wear Ltd.<br>B & L Industries<br>Christine Vancouver  | Cost, quality issues.<br><br>Silks, associated products and high quality laces are not made in Canada.  |
| Copasetic Creative (Unsolicited)<br>Corwik Modes Inc.<br>Danier Leather Inc.   | Imports finished garments from the Orient.<br>Textile inputs required by Danier are not made in Canada. Danier has tried to buy domestic product with no luck.            |
| David E. Rea Dresses Ltd.<br>Do-Gree Fashions Ltd.   | Uses 100% acrylic and 100% wool yarns that are not available in Canada.   |
| Doris Hosiery Mills Ltd.<br>ETO Clothes Ltd./Yumi Eto<br>Fabtends International (Unsolicited)  | Supplies many major manufacturers of ladies garments. Products required are not available in Canada.  |
| Fantastic-T Knitters Inc.<br>Franco Mirabelli Design Inc.<br>Golden Brand Clothing Canada Ltd.<br>Gordon Fabrics Ltd.  | Distributor. Canadian apparel producers request fabrics they cannot obtain from Canadian production.  |
| Groupe J.S. International<br>(3632571 Canada Inc.)<br>Hamil Group/Take 2 Textile Inc.<br>Hemisphere Productions Inc.<br>Honey Fashions Ltd.<br>J.A. Besner International                                   | Does not purchase Canadian inputs due to high prices and antiquated styles.   |
| Jack Spratt Mfg. Co. Inc.  | Denim is no longer made in Canada. In the past bought from Swift Denim, before plant closed.  |
| Keystone Industries (1970) Ltd.  | No mills in Canada produce denim. Did purchase denim from Swift Denim in 2003 and 2004 until the mill closed.   |
| Lasania Sportswear<br>Lida Baday Ltd.  | Requires fabrics for high-end fashion garments that are not available in Canada. Received no solicitations from domestic suppliers.                                       |
| Lingerie Adorable Inc.<br>Lingerie Belimages Inc.<br>Little Princess Children's Wear /<br>Glamour Girls<br>MAC & JAC/Westcoast Contempo<br>Fashions Ltd.<br>Mark Edwards Apparel Inc.<br>Modes Distex Inc. | Never approached to buy Canadian fabric.<br>Quality required is not available in Canada. Has contacted many local knitters in the past, but none could meet requirements. |
| Mondetta Clothing<br>Nancy G. Dress Corp.<br>Neto Enterprises Ltd.   |   |

| Company Name                        | Comments  |
|-------------------------------------|---|
| Nu-Mode Dress Co. Ltd.              |   |
| Nygard International                | Not interested.   |
| Oscardo Inc.                        |   |
| Peerless Clothing Inc.              | Peerless Clothing has not purchases any of the subject textile inputs from Canadian sources.  |
| Phantom Industries Inc.             |   |
| Picadilly Fashions                  |   |
| Ranka Enterprises Inc.              | Prices not competitive.   |
| Redstone Apparel Group Inc.         | Imports finished goods.   |
| Street Sport Manufacturing          |   |
| Splend'Or Industries Inc.           |   |
| T. Lipson & Sons Limited            | Textiles such as high quality 2-ply fabrics, dobbies, fine poplins and twills, jacquards are not made in Canada. Canada does not provide the fashion, quality and flexibility required.                 |
| TAG The Apparel Group Ltd.          |   |
| The John Forsyth Shirt Company Ltd. | Shirting weight fabric and shirting weight yarn-dyed fabric are not made in Canada.   |
| Tribal Sportswear Inc.              | Unable to source the required products domestically.  |
| Universal Manufacturing Inc.        | Most inputs required are not made in Canada: Printed or yarn-dyed 100% cotton flannelette, woven, printed, embossed 65/35 poly/cotton and knitted calendered nylon.                                     |
|                                     | Not available at competitive prices.  |
| Utex Corporation                    |   |
| Venture III Industries Inc.         |   |
| Vêtement Impérial Inc.              |   |
| Western Glove Works Ltd.            | Main textile used is denim, which is no longer produced in Canada. Did not report on purchases from converters. Western Glove considers these goods to be imported and just dyed or finished in Canada. |
| Wing Wing (Unsolicited)             | Customers select fabrics and none are purchased in Canada.  |
| Zenobia Collections                 | Domestic product not available. High-end designer-related fabric.   |
| Zonda Nellis Design Inc.            |   |



### Appendix VIII - Firms That Did Not Reply to The Tribunal's Purchasers' Questionnaire

|  |  |                                  |
|--|--|----------------------------------|
| Abbyshot Clothiers Limited             | Haggar Canada                          | Nova Scotia Textiles Limited     |
| Aero Garment Corporate                 | Hamilton Sportswear Co. Ltd.           | Oceanic Sportswear 1995 Ltd.     |
| Arc'teryx Equipment Inc.               | Harlon Canada Inc.                     | Outdoor Outfits Ltd.             |
| Ardent Sportswear Inc.                 | Hi Fibre Textiles Ltd.                 | PAAT Inc.                        |
|  | Sugoi Athletic Apparel                 |                                  |
| Attraction Inc.                        | Hoax Couture Inc.                      | Pacific Safety Products Inc.     |
| Avon Sportswear/Victory Group          | Hollywood Jeans/Era Clothing Inc.      | Pantalons Star Laurierville Ltée |
| Balfour Clothing Company Ltd.          | Howick Apparel Ltd.                    | Papillon Blanc                   |
| Bombardier Recreational Products       | I.D. Fashions Sportswear Ltd.          | Parasuco Clothing Co.            |
| Braemore Neckwear Co.                  | Imperial Pants Co. Ltd./Pantofino      | Paris Sportswear Ltd             |
| Brightline Sportswear Mfg.             | Industries Troie Inc.                  | Perlimpinpin Inc.                |
| Brunzack Canada Inc.                   | Intimode Canada Inc.                   | Petite Originals Company Limited |
| Brüzer Sportsgear Ltd.                 | Itty Bitty Baby Clothing Co.           | Pimlico Apparel Ltd.             |
| C.J. Grenier Ltée                      | J.M.J. Fashions Inc.                   | Protex Athletics Inc.            |
| Camp Canada Limited                    | Jack Victor Limited                    | Re-Al-Ge Inc.                    |
| Canadian Garment Exporters Ltd.        | Jeno Neuman et Fils                    | Richlu Sportswear Ltd.           |
| Cardinal Clothes Inc.                  | Jones Apparel Group Canada Inc.        | Roots (Greenbud Mfg.)            |
| Caulfeild Apparel Group                | Justina McCaffrey Haute Couture        | Rose E Dee (International) Ltd.  |
| Celsius / Gary Gurmukh Sales           | Kelsey Sportswear Ltd.                 | Ross Mayer Design Inc.           |
| Christina Canada Inc.                  | Kenan Enterprises International Inc.   | Royal Shirt Co. Ltd.             |
| Claudel Lingerie Inc./Lingerie Vanessa | Kovac Mfg. Inc.                        | S.F.I. Apparel Corporation       |
| Codet Inc.                             | Kute-Knit Mfg Corp.                    | S.T.G. Industries                |
|  |  | (Sima Trading Group)             |
| Collection Arianne Inc.                | Le Château Inc.                        | Sally Fourmy & Associates        |
| Confection Azur Inc.                   | Leslie Belle Ltd.                      | Samuelsohn Ltée                  |
| Confections Drolet Inc.                | Linda Lundstrom Inc.                   | Saxon Athletic Mfg. Inc.         |
| Cooper Knitting Mills (Canada) Ltd.    | Ling May Apparel Inc./Modes Identity   | Snug Industries                  |
| Creation Joseph Ribkoff Inc.           | Lingerie Patricia                      | Spring Knitwear Inc.             |
| David Dixon Designer                   | Lori Ann Mfg. Inc.                     | Sterling Trading Inc.            |
| Diana Dolls Fashions Inc.              | Lou Myles Manufacturing                | Teenflo Society/163972 Canada    |
| Kooshies Baby Product                  |  |                                  |
| Dorothea Knitting Mills Ltd.           | Louben Sportswear Inc.                 | Telio & Cie Inc.                 |
| Douek Textiles Inc.                    | Louis Garneau Sports Inc.              | Tiger Brand Knitting Co. Ltd.    |
| Effigi Inc.                            | Mac Mor of Canada Ltd.                 | Tilley Endurables Inc.           |
| Empire Clothing Mfg. Co.               | Maillot Baltex Inc.                    | Unitex N.B. Company Ltd.         |
| Empire Shirt Ltd.                      | Majestic Industries Canada Ltd. /      | Weekenders Int'l Group of        |
|  | Majestic Industries: Luigi Division    | Companies                        |
| Engineered Apparel Ltd.                | Marquis of London                      | Wertex Hosiery Inc.              |
| Essentials Lingerie                    | McGregor Hosiery                       | White House Design Co.           |
| (Div. of Shoreline Inc.)               |  |                                  |
| Fen-nelli Fashions Inc.                | Metro Textiles Inc.                    |                                  |
| Fitzwright Company Ltd.                | Milton Funwear                         |                                  |
| Frou-Frou Designs Ltd.                 | Modes Lana Lee Fashions Inc.           |                                  |
| Gay-Lure Lingerie Co. Ltd.             | Modrobes Saldebus Lounge Clothing Inc. |                                  |
| Golden Thistle Canada Ltd.             | MWG Apparel Corp.                      |                                  |
| Groupe RGR                             | Nationwide Sportswear Corp.            |                                  |
|  | (Tang Apparel Co.)                     |                                  |

### Appendix IX - Questionnaire Responses for Which Classifications Could Not be Made

| Reporting Firm             | Domestic Suppliers   | Types of Products Purchased Domestically  |
|----------------------------|--|---|
| Ballin Inc.                | Cleyn & Tinker, J.P. Doumak Textiles, Syd Textiles and Sale, Fabtrends International, Cannon Knitting Mills, Consoltex Bidmark International Textiles  | Wool/supriya/lycra blend, Polyester/viscose blends, 100% polyesters, Cotton/spandex blends, Polyester/rayon/spandex blend knits, Polyester/rayon blends |
| Cooper Clothing Inc.       | Cleyn & Tinker, Doubletex, Consoltex   | 100% wool, Polyester/wool blends, Polyester/cotton blends, Polyester/acrylic blends   |
| Deux Par Deux/Minimôme Inc | Taxitex Knitting, Doubletex 4071336 Canada Inc.  | 100% nylon, Cotton/polyester knits, Cotton/poly velour knits  |
| Lac Mac Limited            | Springs Canada, Doubletex, Rentex  | Polyester/cotton sheeting fabrics, cotton/polyester flannelette, Polyester/cotton poplin, Polyester/cotton broadcloth, Polyester knits                  |
| Logistik Unicorp Inc.      | Cleyn & Tinker, Lainages Victor DIFCO, Canavan, Doubletex, Calko, National Dyers, Consoltex, Rentex, Alzintex, Huntingdon Mills, Monterey, Roopa, Tek Knit, Matador, Majestic Laces, W.L. Gore, Zinman, American & Efird Canada Inc. | Various   |
| Med-Eng Systems Inc.       | J Ennis Fabrics, Consoltex, Metro Textiles, Specialty Gaskets, Velcro Canada, Majestic Laces, Hansler Smith, American & Efird Canada, Sonatex Laminating Canada  | Various woven fabrics   |
| Peerless Garments Ltd.     | Consoltex  | n/a   |
| Ranpro Inc.                | Huntington Mills, Les Lainages Victor, Stedfast, DIFCO, Consoltex  | Fleece, wool, polyester coated with neoprene, nylon, nomex, nomex coated with polychloroprene & polyurethane, nylon coated with polyurethane            |

**Appendix X - Tribunal Letter to Textile Manufacturers**

June 29, 2004

«Salutation»:

Subject: Reference No. MN-2004-001

An Inquiry into the Availability of Textile Inputs Produced in Canada

This is further to your letter of June XX, 2004, indicating that your company has decided not to complete the Textile Producers' Questionnaire sent to you by the Canadian International Trade Tribunal (the Tribunal) on June 9, 2004, in connection with the above-noted inquiry.

The Tribunal notes your concerns with respect to the research methodology selected to carry out this inquiry and the other issues described in your letter. However, as specified in the Notice of Commencement of Inquiry, the Tribunal is directed by the Minister of Finance (the Minister) to inquire into and report on the availability of certain textile inputs produced by Canadian textile manufacturers for use in the production of apparel, in accordance with the Terms of Reference dated May 19, 2004 and to submit its report to the Minister by October 31, 2004.

Given your decision not to supply the information requested, the Tribunal is considering various alternate methods of obtaining the best possible information on the availability of textile inputs produced in Canada for use by apparel manufacturers in order to meet its legal responsibility to comply with the Minister's direction.

With respect to the concerns expressed in your letter, the Tribunal will consider any specific suggestions you believe may help it in the performance of its mandate. The Tribunal invites you to make any such suggestions, in writing, no later than July 7, 2004.

If you have any questions concerning the above, please contact Mr. Réal Roy, Research Director, at (613) 993-5001 or senior research staff, Mr. Paul Berlinguette, at (613) 993-7161 or Ms. Audrey Chapman at (613) 990-2436.

Yours sincerely,

Hélène Nadeau  
Secretary

Encl.

c.c. Elizabeth Siwicki, Canadian Textiles Institute

## Appendix XI - The Minister's Letter to CTI

08/10/04 FRI 03:51 FAX 613 252 8722

CTI

002

Minister of Finance



Ministre des Finances

**AUG 25 2004**

Ottawa, Canada K1A 0G5

Mr. Harvey Penner  
Chairman  
Canadian Textiles Institute  
222 Somerset Street West  
Suite #500  
Ottawa, Ontario  
K2P 2G3

Dear Mr. Penner:

Thank you for your letters of June 24, 2004 and July 13, 2004, concerning the *Inquiry into the Availability of Textile Inputs Produced in Canada*. As you know, the Government asked the Canadian International Trade Tribunal (CITT) to undertake this *Inquiry* to provide information that will be important in targeting the announced duty relief on textile inputs.

I note from your letters that you consider a 15-month "snapshot" of the Canadian textile industry to be too short a time-frame to provide a true reflection of the industry's capacity and capabilities and that the period chosen (January 1, 2003 to March 31, 2004) was marked by extremely difficult market conditions that affected domestic production and sales. You also suggest that the *Inquiry* will provide information only on the current made-in-Canada status of yarns and fabrics, without reporting on other considerations important to evaluating the implications of duty relief, such as fabric substitutability or the longer-term production plans of individual producers. As a result, you anticipate that using the CITT report as the basis for identifying yarns and fabrics for duty relief could have an adverse affect on domestic textile producers. I would like to take this opportunity to address these concerns.

First, the scope of the *Inquiry* was limited to the most recent 15-month period of production and sales expressly to minimize the burden on participants responding to the CITT request for information. That said, my directions to the CITT allow for consideration of a longer time period in exceptional circumstances where, for example, the data otherwise provided would not be indicative of the production and sale of textile inputs for use in the manufacture of apparel.

.../2

Canada

NO. 3258 P. 2 100

NO. 3258 P. 2 100  
CITT REGISTRY 15TH FLOOR  
SEP 13 2004 3:47PM FAX 613 252 8722

09/10/04 FRI 03:52 FAX 613 232 8722

CTI

003

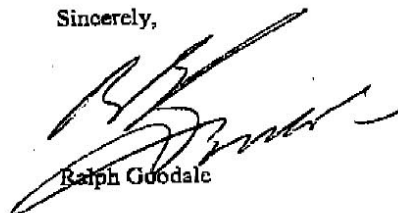
- 2 -

Similarly, my directions to the CITT provide the Tribunal with flexibility to report on any other matter that it determines to be of relevance to the *Inquiry*. I am satisfied, therefore, that there is sufficient provision in the *Terms of Reference* to permit the CITT to report in a complete and balanced manner, not only in terms of its assessment of the current availability of textile inputs from Canadian production, but also in terms of its assessment of other issues of importance to Canadian textile manufacturers. Of course, for the CITT to be in a position to provide such a comprehensive report, it is important for Canadian textile producers to engage fully in the *Inquiry* to ensure that the report the CITT delivers to the Government is as informed as possible. As I indicated earlier, the CITT report will serve as an important basis for our deliberations on how to implement the announced tariff relief on textile inputs used by Canadian apparel manufacturers.

Finally, I must also inform you that, given the quasi-judicial status of CITT proceedings, it would be inappropriate for me to meet with you to discuss evidentiary matters or industry and trade policy issues related to the *Inquiry* prior to the finalization and release of the CITT report. Again, I stress the importance for members of the Canadian Textiles Institute to use the CITT as the forum for such discussions and to ensure that their concerns are thoroughly documented in their written submissions.

In closing, I urge the members of the Canadian Textiles Institute to participate actively in the *Inquiry* and to provide the CITT with their full cooperation. Thank you again for bringing your concerns to my attention.

Sincerely,



Ralph Goodale

NO. 3258 P. 302

SEP 13 2004 3:47PM CITT REGISTRY 16TH FLOOR

## Appendix XII - The Minister's Letter to CAF

AUG 31 2004 4:14 PM FR CAN APPAREL FED.613 231 2305 TO 9902439

P.02



Minister of Finance

Ministre des Finances

Ottawa, Canada K1A 0G5

AUG 25 2004

Mr. Elliot Lifson  
President  
Canadian Apparel Federation  
504-124 O'Connor Street  
Ottawa, Ontario  
K1P 5M9

Dear Mr. Lifson:

Thank you for your letter of July 6, 2004, regarding your support, on behalf of the Canadian Apparel Federation, for the *Inquiry into the Availability of Textile Inputs Produced in Canada* that is being conducted by the Canadian International Trade Tribunal (CITT).

As you know, I directed the CITT to undertake this *Inquiry* to provide the Government with information that will be important in targeting the announced duty relief on imported textile inputs not currently produced in Canada. To this end, the *Inquiry* was expressly structured to ensure that it will result in an objective, detailed report identifying key policy considerations including the availability of textile products from Canadian textile manufacturers, the importance of these textile products to a firm's total production, and the extent to which these products supply the needs of Canadian apparel manufacturers.

I have noted your comments about the criticism that the Canadian Textiles Institute (CTI) has made of the *Inquiry* and the unwillingness of textile firms to submit information to the CITT. In this regard, I have written to the CTI to point out that the *Terms of Reference* establishing the *Inquiry* are sufficiently flexible to

.../2

Canada

AUG 31 2004 4:14 PM FR CAN APPAREL FED.613 231 2305 TO 9902439

P.03

- 2 -

address their concerns. I have also urged the CTI to encourage its members to engage fully in the *Inquiry* and to provide whatever information they deem necessary to ensure that the report the CITT delivers to the Government is as informed as possible.

Thank you for writing to me on this matter.

Sincerely,



Ralph Goodale

\*\* TOTAL PAGE.03 \*\*

### Appendix XIII - Tribunal Letter to the Minister Requesting Time Extension

August 25, 2004

The Honourable Ralph Goodale, P.C., M.P.  
Minister of Finance  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Minister Goodale:

On May 19, 2004, pursuant to section 19 of the *Canadian International Trade Tribunal Act*, you directed the Canadian International Trade Tribunal (the Tribunal) to inquire into and report on the availability of textile inputs produced by Canadian textile manufacturers for use in the production of apparel. The Tribunal was asked to submit its report to you by October 31, 2004. This letter reports on the difficulties encountered by the Tribunal in the conduct of its inquiry and requests an extension of the time granted to the Tribunal to complete its mandate.

After the receipt of the reference, the Tribunal conducted consultations with the Canadian Textiles Institute (CTI) and the Canadian Apparel Federation (CAF) on the questionnaires it intended to use for purposes of the inquiry. The CTI and CAF submitted a number of useful comments and made no objections to the terms of reference. Most of their comments were incorporated into the questionnaires and the Tribunal issued a notice of commencement of inquiry, with the questionnaires, on June 9, 2004.

However, following the commencement of the inquiry, the Tribunal received 26 letters from textile producers, all of them significant producers, indicating that they would not participate in the inquiry. As expressed by the CTI in its letter to you dated June 24, 2004, the producers indicated that, in their view, the terms of reference for the inquiry were fundamentally flawed.

On July 5, 2004, the Tribunal wrote to the textile producers to explain that it is obliged to comply with the mandate you have given us and to request once again their participation in the inquiry. In addition, Tribunal staff met with the CTI on July 8, 2004, to discuss the CTI's concerns and to explore options for mitigating them within the terms of reference. In response, the textile producers reiterated their concerns with the terms of reference.

This situation left the Tribunal with three main options.

The first option was for the Tribunal to compel textile producers to attend a hearing to produce information, by using its *subpoena* powers. While the Tribunal has used these powers on occasion in the past, it has generally done so only as a last recourse and to compel individual companies to provide testimony. In the present instance, a whole industry would need to be subpoenaed. Should there be non-compliance, the



Tribunal would need to undertake court proceedings to enforce the subpoenas. The Tribunal rejected this option.

The second option was to undertake a thorough review of the import data available through Statistics Canada. After identifying firms that import the textile inputs at issue, the Tribunal would do a survey to ascertain the availability of domestic textile inputs in competition with the imports. However, given the expectancy that the results of this review would yield unsatisfactory results in that it would not identify the availability of textile inputs produced in Canada, the Tribunal decided not to pursue this option. The Tribunal can still, however, use some of the import data it has collected in its final report to you.

The third option and the one chosen by the Tribunal is to attempt to get information on the availability of textile inputs produced by Canadian textile manufacturers by surveying Canadian apparel producers. A sample of the 200 hundred largest apparel producers will be sent questionnaires on August 26, 2004, asking that they report their domestic purchases of the subject textile inputs. Consultations with CAF suggest that, although this approach is less than perfect, the domestic apparel manufacturers will co-operate with the Tribunal by completing a Tribunal questionnaire. There are some risks associated with this approach. Principally, it will not cover all domestic purchases and apparel producers may not respond fully. As well, we expect the CTI to contest the findings in keeping with their overall opposition to the inquiry. The Tribunal is, however, of the view that this is the only viable option allowing it to, at least partially, respond to the key questions posed in your reference letter.

Due to the time lost by the events described above, the Tribunal will only be in a position to provide you, by the end of October, with a copy of an interim report prepared by its staff. In order to provide you with a final report encompassing the information from the staff report, subsequent submissions from textile and apparel manufacturers and a possible hearing, the Tribunal requests that the deadline for submitting its report be extended to January 31, 2005.

An early reply to this request for an extension of deadline would be appreciated in order that the Tribunal may organise its work program on this reference for the autumn.

Yours Sincerely,

Pierre Gosselin  
Chairperson

**Appendix XIV - Tribunal Letter to CTI**

September 1, 2004

Mr. Harvey Penner  
Chairman  
Canadian Textile Institute  
222 Somerset Street West  
Suite #500  
Ottawa, Ontario  
K2P 2G3

Dear Mr. Penner:

**Subject: An Inquiry into the Availability of Textile Inputs Produced in Canada  
(Reference No. MN-2004-001)**

This is to inform you that on August 25, 2004, the Canadian International Trade Tribunal (the Tribunal) sent a letter and a Purchasers' Questionnaire to approximately 200 of Canada's largest apparel manufacturers. If Canadian apparel manufacturers have purchased or attempted to purchase subject textile inputs **produced in Canada** for use in the manufacture of apparel, they have been requested, pursuant to subsection 17(2) of the *Canadian International Trade Tribunal Act*, to complete a Purchasers' Questionnaire.

For your information, a copy of the letter and the Purchasers' Questionnaire sent to Canadian apparel manufacturers can be found on the Tribunal Web Site at [www.citt-tcce.gc.ca](http://www.citt-tcce.gc.ca).

Please note that the Tribunal's current schedule of the inquiry is under revision. Once a revised schedule is established, it will be sent to all interested parties. However, you should note that a staff inquiry report will be distributed to parties on or about October 28, 2004.

If you have any questions regarding this inquiry, please contact **Mr. Réal Roy** at (613) 993-5001, **Ms. Audrey Chapman** at (613) 990-2436 or **Mr. Paul Berlinguette** at (613) 993-7161.

Yours sincerely,

**Original signed by**

Hélène Nadeau  
Secretary

cc: Ms. E. Siwicki  
Canadian Textiles Institute

Mr. Bob Kirke  
Canadian Apparel Federation

## Appendix XV - North American Industrial Classification System

The Canadian textile and apparel industries, like their counterparts in the United States and Mexico, are classified according to the North American Industrial Classification System (NAICS). NAICS was jointly adopted in 1997 by Canada, Mexico and the United States against the backdrop of NAFTA. The classification was designed to provide common definitions of the industrial structure of the three countries and a common statistical framework to facilitate the analysis of the three economies. The textile industry and the apparel industry are identified as **Textile Mills (NAICS 313)** and **Apparel producers (NAICS 315)**, respectively.

- **Textile Mills (NAICS 313)** comprise the following establishments:

|   |                |
|---|----------------|
| Fibre, Yarn and Thread Mills                        | (NAICS 313110) |
| Broad-Woven Fabric Mills                            | (NAICS 313210) |
| Narrow Fabric Mills and Schiffli Machine Embroidery | (NAICS 313220) |
| Nonwoven Fabric Mills                               | (NAICS 313230) |
| Knit Fabric Mills                                   | (NAICS 313240) |
| Textile and Fabric Finishing                        | (NAICS 313310) |
| Fabric Coating                                      | (NAICS 313320) |
- **Apparel producers (NAICS 315)** comprise the following establishments:

|  |                |
|--|----------------|
| Hosiery and Sock Mills                                       | (NAICS 315110) |
| Other Clothing Knitting Mills                                | (NAICS 315190) |
| Cut and Sew Clothing Contracting                             | (NAICS 315210) |
| - <b>Men &amp; Boys Apparel covering Cut &amp; Sew:</b>      |                |
| Underwear and Nightwear                                      | (NAICS 315221) |
| Sew Suit, Coat and Overcoat                                  | (NAICS 315222) |
| Shirt  | (NAICS 315226) |
| Trouser, Slack and Jean                                      | (NAICS 315227) |
| Other Clothing   | (NAICS 315229) |
| - <b>Women's &amp; Girls Apparel covering Cut &amp; Sew:</b> |                |
| Lingerie, Loungewear and Nightwear                           | (NAICS 315231) |
| Blouse and Shirt   | (NAICS 315232) |
| Dress Manufacturing  | (NAICS 315233) |
| Suit, Coat, Tailored Jacket and Skirt                        | (NAICS 315234) |
| Other Clothing   | (NAICS 315239) |
| - <b>Other:</b>  |                |
| Infants' Cut and Sew Clothing                                | (NAICS 315291) |
| Fur and Leather Clothing                                     | (NAICS 315292) |
| All Other Cut and Sew Clothing                               | (NAICS 315299) |
| Clothing Accessories and Other Clothing                      | (NAICS 315990) |

**Appendix XVI - Tribunal Research Staff**

John A.(Sandy) Greig .....Director General  
Réal Roy .....Research Director  
Paul Berlinguette .....Research Manager  
Audrey Chapman .....Research Manager  
Pierre Gatto .....Researcher  
Rhonda Heintzman.....Researcher  
Shawn Jeffrey .....Researcher  
Martine Gagnon.....Statistician