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Advocacy Bulletin: Gypsum Tariffs

Dear Members:

August 24, 2022

The saga of gypsum tariffs US imports into Western Canada continues.

For context, the Canada Border Services Agency (CBSA) is the authority tasked with determining if product dumping is occurring. When such a finding is made, the Canadian International Trade Tribunal (CITT) then must conclude whether dumping will result in injury.

Five years ago, CBSA ruled that dumping was occurring, and CITT determined that there could be injury, and therefore import tariffs were levied. Note that tariff duties collected go to the central revenues of the government.

In late 2021, almost five years after these tariffs came into effect, the CITT launched an "expiry review" of its findings. CBSA once again determined last May that dumping is still occurring, and now the CITT is undertaking hearings to determine if injury is again likely to occur.

Border Services noted the following in its *Statement of Reasons: Expiry Review Determination*:

"Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping of certain gypsum board originating in or exported from the US, imported into Canada for use or consumption in Western Canada, should the CITT's finding be rescinded."

This analysis relied upon the following factors:

- Dumping of subject goods during the period of review
- Substantial imports of subject goods during the period of review
- Western Canada remains an important market for US exporters
- Significant excess capacity in the US
- US market demand
- Differences between the price of exports to Western and Eastern Canada ([Gypsum board 2021 Statement of Reasons: Expiry review determination \(cbsa-asfc.gc.ca\)](#))



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The CITT expiry review is now underway, and a decision is to be rendered by October 19, 2022. Here is an explanation of the two potential outcomes, as noted by the CITT.

[146] If the CITT determines that the expiry of the finding with respect to the goods is likely to result in injury, the finding will be continued in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping tariffs on dumped importations of the subject goods.

[147] If the CITT determines that the expiry of the finding with respect to the goods is not likely to result in injury, the finding will be rescinded in respect of those goods. Anti-dumping duties would then no longer be levied on importations of the subject goods, and any anti-dumping duties paid in respect of goods that were released after the date that the finding was scheduled to expire will be returned to the importer.

On **July 4th**, the CITT issued its list of participants and on **August 15th**, a public hearing was held. Finally, the CITT will release its order relevant to this case, and the reasons behind it on **October 19**.

The WRLA will continue to follow the situation and ensure that we are keeping our members informed.

Best regards,

Liz Kovach
WRLA President
Director of Prairie Provinces, Building Materials Council of Canada

Cc: WRLA board