

THE TRADE CONNECTION

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Canada – India FTA

The Government of Canada is requesting submissions from interested parties concerning a potential Economic Partnership Agreement with India including a Free Trade Agreement. Submissions are due by April 6, 2009. The government of Canada has been working towards a closer relationship with India recently with an agreement on science and technology cooperation, extension of the air services agreement, the negotiation of a foreign investment protection and promotion agreement, and a joint statement to create the Canada-India Forum for Environment Cooperation. Bilateral trade with India reached a record high of \$4.6 billion in 2008, with exports at \$2.4 billion and imports \$2.2 billion. It is the Government of Canada's goal to triple trade with India over the next five years. Submissions should provide views on the following topics: products that would benefit from the removal of tariffs in India and those in Canada sensitive to the removal of tariffs on goods from India; (continued on page 2)



Trade Tips

*The Government of Canada has enacted regulations extending sanctions against **Somalia** in regards to exports of arms and related material, freezing of assets and a travel ban for certain persons. See the Foreign Affairs and International Trade notice: <http://www.international.gc.ca/sanctions/somalia-somalie.aspx>*

*The Canada Border Services Agency has announced the initiation of an anti-dumping investigation concerning imports of certain **waterproof rubber footwear** originating in or exported from the People's Republic of China and certain waterproof rubber and/or plastic footwear originating in or exported from Vietnam. The complainant is the Shoe Manufacturers' Association of Canada.*

Classification – Disc Brake Calipers

The Canadian International Trade Tribunal has issued a decision in an appeal by Fenwick Automotive Products Ltd. on the tariff classification of disc brake calipers. Fenwick asked for the brake calipers to be classified in tariff code 9961 as hydraulic control assemblies or parts thereof. The Tribunal denied the appeal. Fenwick indicated the hydraulic control assembly includes the plunger (which is pushed by the brake pedal into the master cylinder), the pistons found inside the goods in issue and all other components in between these start and end points. In its analysis the Tribunal considered whether this description could be considered “hydraulic”, for “control”, or an “assembly” and that if it didn't meet any one of these terms then it would not be considered a hydraulic control assembly and therefore the subject goods could not be considered parts of a hydraulic control assembly. As the calipers react to hydraulic pressure the Tribunal (continued on page 2)

Canada – India FTA (continued from page 1)

India; trade in services; non-tariff barriers; rules of origin; trade remedies; and various other trade and investment issues. The Canada Gazette Notice detailing the consultations can be found at the following link:

<http://www.gazette.gc.ca/rp-pr/p1/2009/2009-03-07/html/notice-avis-eng.html#d103>.

New Requirements For Wood Packaging Material from China

The Canada Border Services Agency and Canadian Food Inspection Agency have given notice of a change to the wood packaging policy. Effective September 1, 2009, phytosanitary certificates for wood packaging from China will no longer be accepted in Canada due to high rates of non-compliance. A valid International Plant Protection Convention (IPPC) mark will be the only acceptable treatment certification method. Effective June 1, for a three month period, imports with a phytosanitary certificate will be allowed subject to a verification of the certificate's authenticity by the CFIA and China's General Administration of Quality Supervision, Inspection and Quarantine. The CBSA's notice can be found at the following web page: <http://cbsa-asfc.gc.ca/publications/cn-ad/cn09-002-eng.html> and the CFIA policy on wood packaging which explains the acceptable

marking methods can be found at the following link:

<http://www.inspection.gc.ca/english/plaveg/protect/dir/d-98-08e.shtml>.

CBSA Advance Rulings for Tariff Classification

The Canada Border Services Agency has published a summary guide explaining the process of requesting an advance ruling for tariff classification. A ruling provides the importer with certainty of how the goods will be treated by CBSA upon importation. Classification will affect duty rates, permit requirements, and can affect NAFTA eligibility. There is a specific list of information that is required to be submitted with an advance ruling request. The CBSA standard for processing requests is 120 days however it attempts to respond in a shorter period of time. See the following link for additional details: <http://cbsa-asfc.gc.ca/import/ar-da/menu-eng.html>. Contact Tracon for advice on proper tariff classification of goods, NAFTA considerations, and for assistance with ruling requests.

Aluminum Extrusions from China

The Canadian International Trade Tribunal has made a finding of injury in regards to the dumping and subsidization of aluminum extrusions originating in or exported from the People's Republic of China. The finding refers to custom-shaped and standard-shaped aluminum

extrusions. The official product description is very specific and the finding provides for a number of exclusions. See the following link for further details:

http://www.citt.gc.ca/dumping/inquiry/findings/nq2i003_e.asp.

Contact Tracon for advice and assistance regarding anti-dumping and countervail findings, normal values, and determining which goods are subject goods.

Disc Brake Calipers – Classification (continued from page 1)

accepted they could be described as “hydraulic”. However, the Tribunal found that the goods in issue did not control either the hydraulic pressure or the brake system and therefore could not meet the term “control”. Also, although there was evidence the goods were part of a disk brake assembly, there was not evidence that depicted the goods with master cylinder etc. as a complete assembly. Therefore, the Tribunal found it could not be a “hydraulic control assembly” nor parts thereof. See the following link for a copy of the decision:

http://www.citt.gc.ca/appeals/decision/ap2g063_e.asp. Contact

Tracon for any questions or for further analysis.

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