

THE TRADE CONNECTION

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Possible Free Trade With Ukraine

Foreign Affairs and International Trade Canada is seeking the views of the public on a possible free trade agreement between Canada and Ukraine. The government requests advice and views on priorities, objectives and concerns to help outline the parameters of the initiative. The launch of talks about a free trade agreement was announced on September 22, 2009, by the governments of both countries. Ukraine is the largest country in Europe with a highly educated population, diversified industrial base, with substantial resources and is a new WTO member as of May 2008. Key export sectors for Canada to Ukraine include machinery, fish and seafood, pharmaceuticals, aerospace, plastics, vehicles and agricultural products. The majority of imports from Ukraine include iron, steel and related products, fertilizers and railway/locomotive components. The government of Canada needs to be fully aware of the interests and potential sensitivities of
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Trade Tips

10 Reasons Trade Compliance Programs Are Not Necessary (new series): *Companies of all sizes in all industries struggle with trade compliance programs and the trade compliance role. There are many reasons why a compliance program is controversial. Here is one of the 10 reasons why a trade compliance program is truly an unnecessary waste of resources: (1) Trade compliance is a cost center with no financial benefit to the company. Except for avoiding audits, penalties and border delays. Except for avoiding duty under special programs such as the North American Free Trade Agreement, the Lesser Developed Country Program, the General Preferential Tariff, and the duty exemptions in Chapter 98 of the Tariff. Except for tariff engineering, broker management, supplier management.*

Imports of Wood Products

The Canadian Food Inspection Agency has revised its directive concerning import requirements for non-processed wood and other non-propagative wood products, except solid wood packaging material, from all areas other than the continental United States, directive number D-02-12. This directive covers the phytosanitary import requirements for logs, non-tropical lumber, tropical lumber, wood with bark attached, wood chips, bark chips, bamboo products, decorative wood items and dry cones from areas around the world other than the United States. The directive has been revised to clarify the treatment requirement for non-tropical lumber and the import requirements for lumber products and decorative wood items and dry cones. The revision also includes CITES Identification Guide for Tropical Woods. The revised directive can be found at the following link:
<http://www.inspection.gc.ca/english/plaveg/protect/dir/d-02-12e.shtml> .
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Re-Investigation – Certain Copper Pipe Fittings

The CBSA has announced the initiation of a re-investigation of normal values and export prices of certain copper pipe fittings originating in or exported from the United States, the Republic of Korea and the People's Republic of China. The CBSA is not at this time initiating a re-investigation of the amount of subsidy respecting certain copper pipe fittings from the People's Republic of China. Exporters that wish to cooperate are required to provide a complete and accurate submission by December 21, 2009. When insufficient information is available to determine normal values then the anti-dumping duty applicable is 242% of the export price.

China's New Canola Import Rule

Canada, being the world's largest exporter of canola, requested that China delay for six months its implementation of a new rule on imports of canola that they be certified free from blackleg disease. China has rejected the request. The Canadian Food Inspection Agency will not certify exports from Canada as free from blackleg because it is a common plant disease among canola in Canada. The disease causes significant yield loss in susceptible varieties. Canada exported over 10 million metric tons of canola to China in the last 10 years.

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Canadians during the negotiation process. In particular, input is being requested on the following: products that would benefit from the early removal of tariffs; whether immediate or phased in tariff removal is best for imports from Ukraine by products of interest; views on trade in services; non-tariff barriers and technical barriers to trade; rules of origin; trade facilitation issues; customs procedures in Ukraine; investment barriers; priority government procurement markets in Ukraine; barriers to selling to the Ukraine government; protection of intellectual property rights; competition policy matters; sustainable development, environmental protection and conservation; worker's rights and human rights; trade remedies, etc. Although submissions were requested by November 23, 2009, the government will continue to accept submissions following that date. Full details of the government's notice can be found at the following link: <http://canadagazette.gc.ca/rp-pr/p1/2009/2009-10-31/html/notice-avis-eng.html#d114> or contact Tracon for assistance.

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This directive does not cover wood packaging materials which are covered in directive number D-98-08 or firewood outlined in D-01-12.

CBSA Advance Rulings for Tariff Classification – New/Updated Rulings

The CBSA has published the following rulings on its web site. These can be found at the following link: <http://cbsa-asfc.gc.ca/import/ar-da/recent-eng.html>. It is important to note that these rulings are to be used as a guide only. The tariff classification of any goods are subject to challenge where for example an importer does not agree with the ruling issued by CBSA.

- arbours, steel
- boxing "gloves", video game accessories
- box, wood, wine
- case, portable media player
- chlorhexidine acetate
- dress, communion, girls
- elliptical trainers
- film, polypropylene
- grease cap, part for trailer brakes
- light, solar
- mill, salt and pepper
- plastic sheets, printed
- pool covers, vinyl
- printed circuit assembly, digital camera
- prism box unit
- rack, clothes, metal with hooks
- skirt, "fairy" costume
- speaker system
- splicer, butt, automatic
- spurs
- statuette, polyresin angel
- surveillance system
- wash stall, emergency
- wind chime, ceramic