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Canada

Sugar

Anti-Dumping Duties on U.S. Refined Sugar

Continue

2000

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Report Highlights: On November 3, 2000 Canada's International Trade Tribunal (CITT) announced the continuation of the findings with respect to the dumping of refined sugar from the United States, Denmark, Germany, the Netherlands and the United Kingdom, and the subsidizing of refined sugar from the European Union. The margins of dumping for refined sugar from the United States (expressed as a percentage of normal value) will remain in place and range from 41-46%.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
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ANTI-DUMPING FINDING ON REFINED SUGAR TO CONTINUE: On November 3, 2000 Canada's International Trade Tribunal (CITT) announced the continuation of the findings with respect to the dumping of refined sugar from the United States, Denmark, Germany, the Netherlands and the United Kingdom, and the subsidizing of refined sugar from the European Union. The margins of dumping for refined sugar from the United States (expressed as a percentage of normal value) will remain in place and range from 41-46%.

BACKGROUND: Canada imposed anti-dumping duties on certain U.S. refined sugars on July 7, 1995. Under Canada's Special Import Measures Act, injury findings and the anti-dumping or countervailing duties associated with those findings expire after five years unless a review is initiated by the CITT. On March 9, 2000, the CITT announced that it would review its 1995 findings concerning the dumping in Canada of refined sugar, refined from sugar cane or sugar beets, in granulated, liquid and powdered form, originating in or exported from the United States, Denmark, the Federal Republic of Germany, the Netherlands and the United Kingdom, and the subsidizing of refined sugar, refined from sugar cane or sugar beets, in granulated, liquid or powdered form, originating in or exported from the European Union.

DECISION TO CONTINUE FINDINGS WITH RESPECT TO DUMPING: With regard to the analysis concerning the decision on U.S. sugar, the Tribunal finds that, "if the finding with respect to the United States were rescinded, there would be a resumption of dumping of refined sugar from the United States." What follows are excerpts from the Tribunal's finding:

"The Tribunal acknowledges the U.S. efforts this year, through the CCC's purchase of refined sugar, loan forfeitures and the PIK Program, to remove surplus refined sugar from the U.S. market and return the stocks-to-use ration back to more normal levels. However, the Tribunal also observes that a one-time removal of the surplus is not sufficient to rebalance the U.S. market. In the Tribunal's opinion, the U.S. market for refined sugar will remain in a surplus position for the foreseeable future. CCC sugar purchases and forfeitures do not get rid of a problem, they only delay it, as plantings are unlikely to decline. A market equilibrium can only be re-established if the CCC stocks are dealt with at some point.

"Should the findings be rescinded, there is little doubt in the Tribunal's mind, that the Canadian market would act as a safety valve in order to return the U.S. market to an equilibrium and help maintain the integrity of the sugar program...Canada represents an attractive outlet to dispose of surplus stocks, due to its close proximity, refining margins that are higher than world prices have to offer and the familiarity that U.S. refiners have with Canadian sugar companies."

On the issue of likely volumes of subject imports, "In the Tribunal's opinion, the Canadian market is even more attractive today for EU and U.S. exporters of refined sugar than at the time of the original inquiry. Both subject sources now have larger exportable surpluses and fewer alternative markets where these surpluses can be sold, and refining margins in Canada are better today than they were during the period covered by the original inquiry."

On the issue of injury to the domestic market, "...the Tribunal is of the view that the circumstances

created by the EU surplus and the imbalance in the U.S. sugar program are likely, if the findings are rescinded, to lead to volumes and prices of imports from the subject countries that would cause injury...For these reasons, the Tribunal is convinced that the dumping from and subsidizing by the subject countries are likely to materially injure the domestic industry, if the findings are rescinded.”

Exclusions: The CITT excluded certain specialty sugars from the findings on refined sugar: organic sugar, pre-cut specialty shaped sugar pieces, floc-free beet sugar, golden, pouring and other table sugars imported in retail packaging, and sugar cubes made from non-white sugar. (For a complete listing, see the CITT website: www.citt.gc.ca)

Report Number	Report Title	Date
CA0036	Anti-Dumping Finding on Refined Sugar to be Reviewed	3/22/00
CA0017	Review of Anti-Dumping Case on U.S. Potatoes	2/14/00
CA0011	Canada Rescinds Anti-Dumping Duty on U.S. Apples	2/16/00

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