

- while some natural specialization, in sub-grades produced, is available to the mills; the limited market entails their being "too many things to all people".
- interruptions in supply from labour disputes is a cause for concern to many Canadian boxmakers.
- The domestic container market is under strong competitive price pressure from U.S.-based container producers, particularly in containers used for liquid dairy products.

b) Trade Related Factors

- solid bleached boxboard tariff into Canada has been reduced due to a Canada/U.S. agreement in the Tokyo Round, to reach 6.5 per cent on 1 January 1987.
- all other grades of boxboard will reach 9.2 per cent on 1 January 1987.
- as in the case of linerboard, the tariff on solid bleached boxboard will be of lesser importance than the protection from the exchange rate vis-à-vis the U.S.
- at the mill and the converter level, the U.S. has heavy price advantages over Canadian counterparts.
- 65-70 per cent of domestic demand is created by non-integrated converters who, it is expected, would source much of their board requirements in the U.S., given nearer par currencies.

EXEMPT
15 (1)

c) Technological Factors

- Technological leaders in this grade are the U.S., Sweden and to some extent W. Germany - economies of scale are not available to Canadian mills in the subsector nor are they likely to be in the long term.
- Canadian mill facilities range from modern to old and are generally below the level of U.S. and European counterparts.
- some major converters, notably suppliers to the tobacco products industry, claim that quality (hence "runability" of the board over high speed presses) is the cause of increased imports of solid bleached boxboard.

d) Other Factors

- the mill product is the raw material for the folding carton and setup box domestic industry.
- almost 70 per cent of the domestic demand arises from independent i.e. non-integrated converters.
- a claimed lack of response by mills to converter problems, of quality, price etc., is, according to converters, the cause of the rise in imports.