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PETERSON PLEASED WITH WTO ARBITRATION DECISION ON U.S. BYRD AMENDMENT

International Trade Minister Jim Peterson is pleased that World Trade Organization (WTO) arbitrators accepted Canada's request to link the level of retaliation to the amount of payments made to United States producers under the Byrd Amendment in a given year. Canada will continue to assess its options; any decision on whether to move forward with retaliatory measures against the U.S. would be preceded by public consultations.

"Canada's retaliation rights are fully protected," said Minister Peterson. "We continue to urge the U.S. to live up to its WTO obligations and to repeal the Byrd Amendment."

Today's decision means that Canada's authorized level of retaliation would fluctuate from year to year, depending on the annual amount of countervailing and anti-dumping duties on Canadian goods disbursed by the U.S. government. Canada is authorized to retaliate by up to 72% of the annual level of disbursement. This percentage is based on an economic model developed by the arbitrators to measure the trade effect of the Byrd Amendment. To date, U.S. producers have received between US\$2 million and US\$5 million annually in countervailing and anti-dumping duties paid on imports from Canada.

The Byrd Amendment allows the U.S. government to distribute anti-dumping and/or countervailing duties collected every year to U.S. producers who requested or supported the imposition of those duties. The WTO previously determined that the Byrd Amendment is inconsistent with U.S. international trade obligations.

In order to protect its WTO rights, Canada, along with seven other WTO members, requested retaliation authorization from the WTO as a result of the U.S. failure to repeal the Byrd Amendment. The retaliation authorization provided by the WTO arbitrators applies to all co-complainants, which are Brazil, Chile, the European Union, India, Japan, Mexico and South Korea.

Canada's authorization request identified, as possible retaliatory options, tariff measures on imports from the U.S. and the suspension of the injury test in Canadian anti-dumping and countervailing duty investigations against imports from the United States.



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