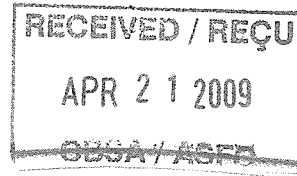




Canada Border
Services Agency

Agence des services
frontaliers du Canada

OTTAWA, April 21, 2009



4366-24
AD1190

STATEMENT OF REASONS

Concerning the termination of an undertaking by the President of the
Canada Border Services Agency under subsection 52(1.2)
of the *Special Import Measures Act*
respecting

**FILTER-TIPPED CIGARETTE TUBES, EXCLUDING THOSE WHICH BEAR
THE TRADEMARK OR BRAND NAME OF A FINISHED OR READY-MADE
CIGARETTE, ORIGINATING IN OR EXPORTED FROM FRANCE**

DECISION

On April 6, 2009, pursuant to subsection 52(1.2) of the *Special Import Measures Act*, the President of the Canada Border Services Agency determined that the condition described in paragraph 49(1)(b) of SIMA, under which the undertaking was accepted, would no longer exist in the absence of the undertaking. Accordingly, the undertaking was terminated in accordance with subsection 52(1.2) of SIMA.

Cet *Énoncé des motifs* est également disponible en français. Veuillez consulter la section Information.
This *Statement of Reasons* is also available in French. Please refer to the "Information" section.

Canada

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SUMMARY

[1] On January 5, 2009, the President of the Canada Border Services Agency (CBSA) (President) issued a notice and initiated a review, pursuant to subsection 53(1) of the *Special Import Measures Act* (SIMA) (see Legislative Requirements section)¹, of the undertaking with respect to filter-tipped cigarette tubes, excluding those which bear the trademark or brand name of a finished or ready-made cigarette, originating in or exported from France. The undertaking expires on April 7, 2009.

[2] The President must review the undertaking before the expiry of five years after the date on which the undertaking was last renewed. If, on review, the President is satisfied that the undertaking continues to serve the purpose for which it was intended and that he is not required to terminate the undertaking, the President is required to renew the undertaking for a further period of not more than five years.

[3] At the time of its acceptance, the undertaking subject to this review accounted for all or substantially all of the dumped goods and eliminated the injury caused by the dumping.² The undertaking provided that the prices of the imported goods would increase to a level sufficient to eliminate the injury caused to the domestic industry by the dumping, but not sufficient to eliminate the dumping. That is, the prices agreed to in the undertaking were below the estimated normal values. Since its acceptance, and subsequent renewal, the undertaking has not been violated.

[4] An analysis of the information obtained during the course of this undertaking review indicates that conditions under which the undertaking was originally accepted (elimination of injury caused by the dumping), would no longer exist if the undertaking were terminated as there is no longer any production in Canada of like goods.

[5] For the foregoing reasons, the President, having considered the relevant information on the record, terminated the undertaking on April 6, 2009, pursuant to subsection 52(1.2) of SIMA, as the condition in paragraph 49(1)(b) would no longer exist if the undertaking was terminated. Pursuant to subsection 52(1.3), such determination terminated all proceedings under SIMA respecting the dumping of the goods subject to the undertaking.

¹ *Special Import Measures Act*, R.S., 1985, c. S-15, s. 2; R.S., 1985, c. 23 (1st Supp.), s. 1, c. 1 (2nd Supp.), ss. 197, 213, c. 47 (4th Supp.), s. 52; 1988, c. 65, s. 23; 1993, c. 44, s. 201; 1994, c. 13, s. 7, c. 47, ss. 144, 185.

² Exhibit 10: Exporter – Non-Confidential version of the undertaking submitted to the Deputy Minister of National Revenue.

LEGISLATIVE REQUIREMENTS

[6] On April 15, 2000, certain provisions of SIMA were amended by the implementation of Bill C-35, "*An Act to amend the Special Import Measures Act and the Canadian International Trade Tribunal Act*". Transitional measures provide that where the original investigation has been put on hold upon acceptance of the undertaking, legislation which was in force at the time of the acceptance of the properly documented complaint continues to apply to subsequent reviews. As such, the SIMA legislation applicable to this action is that which was brought into force on January 1, 1995. That SIMA legislation contains references to the Deputy Minister of National Revenue (Deputy Minister). Upon creation of the Canada Customs and Revenue Agency on November 1, 1999, the position of Deputy Minister was changed to Commissioner. Then, on December 12, 2003, upon creation of the CBSA, the position of Commissioner was changed to President.

BACKGROUND

[7] On October 19, 1998, the Deputy Minister (now the President of the CBSA) initiated an investigation respecting the alleged injurious dumping of filter-tipped cigarette tubes, excluding those which bear the trademark or brand name of a finished or ready-made cigarette, originating in or exported from France and the Federal Republic of Germany.³

[8] The investigation was initiated in response to a complaint filed by CTC Tube Company of Canada Inc. (CTC Tube) of Montréal-Nord, Quebec.⁴

[9] On January 18, 1999, the Deputy Minister terminated the proceedings with respect to the subject goods originating in or exported from the Federal Republic of Germany in accordance with paragraph 35(1)(c) of SIMA as the actual and potential volumes of dumped goods from that country were negligible.⁵

[10] On the same date, the Deputy Minister made a preliminary determination of dumping with respect to the subject goods originating in or exported from France, in accordance with subsection 38(1) of SIMA and determined that there was evidence that disclosed a reasonable indication that the dumping had caused injury.⁶

³ Exhibit 3: CBSA - Statement of Reasons - Initiation of an investigation respecting the alleged injurious dumping of certain filter-tipped cigarette tubes originating in or exported from France and the Federal Republic of Germany.

⁴ Exhibit 2: CTC Tube Company of Canada Inc. – Non-Confidential version of the dumping complaint on cigarette tubes from France and the Federal Republic of Germany.

⁵ Exhibit 7: CBSA - Statement of Reasons - Preliminary Determination of an investigation respecting the dumping of certain filter-tipped cigarette tubes originating in or exported from France and Termination of an investigation respecting the dumping of certain filter tipped cigarette tubes originating in or exported from the Federal Republic of Germany.

⁶ *Ibid.*

[11] On April 12, 1999, the Deputy Minister accepted an undertaking from both the exporter Alpací S.a.r.l. (Alpací) of France and the vendor Gizeh Raucherbedarf GmbH & Co. KG (Gizeh) of the Federal Republic of Germany (hereinafter collectively referred to as the “undertaking”), and suspended the investigation.⁷ Alpací is the producer of the subject goods and only sells in its domestic market while Gizeh is the vendor and sells Alpací’s product to the Canadian market. Both companies are related and are part of a larger corporation.⁸ For sales to Canada, Alpací is considered by the CBSA to be the exporter of the subject goods, while Gizeh is considered to be the vendor.

[12] The undertaking covered substantially all of the dumped goods and provided that the prices of the imported goods would increase to a level sufficient to eliminate the injury caused to the complainant by the dumping. The undertaking was accepted pursuant to subsection 49(1) of SIMA and the investigation was suspended in accordance with section 50 of SIMA.⁹

[13] On January 19, 2004, the President of the CBSA issued a notice and initiated a review of the undertaking prior to its five-year expiry date. On April 8, 2004, in light of the evidence placed before him during the course of the undertaking review, the President of the CBSA, pursuant to paragraph 53 of SIMA, renewed the undertaking for a further period of five years.¹⁰

[14] Pursuant to subsection 53(1) of SIMA, the President of the CBSA must again review the undertaking before the expiry of five years from the date on which the undertaking was last renewed. Therefore, on January 5, 2009, the CBSA initiated a review of the undertaking.

PRODUCT INFORMATION

Product Definition

[15] The goods subject to the undertaking are defined as:

Filter-tipped cigarette tubes, excluding those which bear the trademark or brand name of a finished or ready-made cigarette, originating in or exported from France.

⁷ Exhibit 10: Exporter – Non-confidential version of the undertaking submitted to the Deputy Minister of National Revenue.

⁸ Exhibit 31: GIZEH Raucherbedarf GmbH – Non-Confidential version of Exporter Response to Request for Information.

⁹ Exhibit 11: CBSA - Statement of Reasons - Acceptance of an Undertaking and suspension of the dumping investigation respecting certain filter-tipped cigarette tubes originating in or exported from France.

¹⁰ Exhibit 12: CBSA Statement of Reasons - Review of an Undertaking respecting certain filter-tipped cigarette tubes originating in or exported from France.

Product Description

[16] Cigarette tubes are used by consumers to make finished cigarettes by inserting fine cut tobacco into the tubes, usually with the aid of a small machine or injector. The industry standard in Canada for regular length filter-tipped cigarette tubes is 74 mm, while the standard for king size filter-tipped cigarette tubes is 84 mm.

[17] Filter-tipped cigarette tubes are usually sold in boxes of 200 tubes under various brand names. The boxes are generally packaged for wholesale distribution in cases containing 10,000 tubes in configurations of 50 boxes of 200 tubes.

[18] The filter consists of a plug of crimped acetate tow and a filter wrap made from paper. The cigarette paper may be treated with a chemical to facilitate either a fast or slow burn rate. The cigarette tubes generally appear white in colour, although the portion covering the filter may be made from paper, which is either white or tan hue (solid or speckled).

CLASSIFICATION OF IMPORTS

[19] Filter-tipped cigarette tubes are properly classified in Schedule I of the Customs Tariff under tariff item number 4813.10.00.00 of the Harmonized System (HS). This HS code is for convenience of reference only. Reference to the product definition should be made for the authoritative details on the subject goods.

PERIOD OF REVIEW

[20] The period of review (POR) for this undertaking is from April 7, 2004 to February 18, 2009 (closing of the record date).

CANADIAN INDUSTRY

[21] CTC Tube, the complainant in the original investigation and sole participant in the last review, previously accounted for the majority of domestic production of like goods.

[22] At the initiation of the current review of the undertaking, the CBSA, through its research of public records, could not find contacts, addresses or confirm the continuing operation of CTC Tubes. This lack of current public information on the company has led the CBSA to conclude that CTC Tube has ceased operation as a separate legal entity.

[23] Van Nelle Canada Limited (Van Nelle), identified in the last review under the name Efka Canada Limited, and Top Tubes Canada (Top Tubes) were identified as two remaining potential Canadian producers of cigarette tubes.

[24] Requests for Information (RFI) were sent to both companies. Top Tubes submitted a letter to the CBSA in which it confirmed its non-involvement in the like goods as it only now produces goods bearing the brand name of a ready-made cigarette.¹¹ Van Nelle did not respond to the RFI for this review.

[25] Based on the information placed on the record during the course of the present review of the undertaking, the CBSA cannot confirm the existence of Canadian production of the like goods.

CANADIAN MARKET

[26] The lack of cooperation from exporters, importers and Canadian producers created difficulties in establishing the size of the Canadian market for filter-tipped cigarette tubes. Furthermore, the Customs tariff item number encompasses filter-tipped cigarette tubes as well as other tobacco paper products, making it difficult to accurately estimate importations of filter-tipped cigarette tubes, using this information. The only party to provide any information to the CBSA concerning the Canadian market for the filter-tipped cigarette tubes was Gizeh, the German vendor for Alpaci products.

[27] The Canadian market for filter-tipped cigarette tubes can, therefore, not be estimated accurately without sales information from the Canadian producers and importers. Importation statistics obtained from the CBSA's Customs Commercial System (CCS), corroborated with the information provided by Gizeh, were nevertheless used to estimate the importation trends for the subject goods.

Table 1

ESTIMATED IMPORTS OF SUBJECT GOODS¹²					
Certain Filter-tipped Cigarette Tubes Originating in or Exported from France					
	2004	2005	2006	2007	2008
Volume (in mille)*	19,700	18,500	0	0	0
Value (in Canadian dollars)	63,040	59,200	0	0	0

* 1 Mille equals 1,000 cigarette tubes

¹¹ Exhibit 29: Response from producer confirming it does not produce like goods.

¹² Exhibit 32: Finalized CBSA Import Statistics, 2004-2008

UNDERTAKING

[28] As previously mentioned, on April 12, 1999, the Deputy Minister accepted an undertaking from the exporter and vendor, suspending the investigation regarding the subject goods. The undertaking prices agreed upon between the exporter, vendor and the Deputy Minister were set at a level to eliminate the injury caused by the dumping, but not to eliminate the dumping entirely. This undertaking price allowed the exporter to sell subject goods to Canada at a lower price than their respective estimated normal value.

COMPLIANCE

[29] Compliance reviews were conducted by the CBSA in order to ensure that Gizeh was abiding by the requirements of the undertaking. These compliance reviews found that Gizeh ceased, as of 2006, to sell subject goods to Canadian importers, giving up its presence in the marketplace.

[30] The CBSA determined that Gizeh had not violated the undertaking agreement, as when it sold the goods to Canada prior to 2006, it did so at a price equal to or above the undertaking price agreed to in 1999.

PARTICIPANTS IN THE REVIEW OF THE UNDERTAKING

[31] The CBSA's notices concerning the review and relevant Requests for Information (RFI) were sent to two potential Canadian producers of filter-tipped cigarette tubes as well as to potential exporters, vendors and importers of the subject goods.

[32] None of the Canadian producers responded to the CBSA's RFI. However, Top Tubes provided a statement in which it explained its non involvement by the fact that it now only produces cigarette tubes bearing the brand name of a ready-made cigarette (i.e., non-like goods). As such, Top Tubes is not considered a Canadian producer for purposes of this undertaking review.

[33] Gizeh, the German vendor for Alpaci products and a signatory to the undertaking, was the sole respondent to the CBSA's RFIs. It provided a partial reply on both Alpaci's and its own behalf. The two companies are related as they form part of a larger conglomerate. Gizeh has exclusive rights over exports of Alpaci products.

[34] No responses to the RFI were received from any Canadian importers of filter-tipped cigarette tubes.

[35] No case arguments or reply submissions were submitted to the CBSA.

INFORMATION USED BY THE PRESIDENT

Administrative Record

[36] The information used and considered by the President for purposes of this undertaking review proceeding is contained on the administrative record. The administrative record includes the exhibits listed on the CBSA's Exhibit Listing, which is comprised of CBSA exhibits and information submitted by interested persons, including information which they feel is relevant to the decision. This information may consist of expert analysts' reports, excerpts from trade magazines and newspapers, orders and findings issued by authorities of Canada or of a country other than Canada, documents from international trade organizations such as the World Trade Organization or responses to the RFIs submitted by Canadian producers, importers and exporters. In this case, very little information was available from these sources.

[37] For purposes of an undertaking review, the CBSA sets a date after which no "new" information may be placed on the administrative record. This is referred to as the "closing of the record date". This allows participants time to prepare their case arguments and reply submissions based on the information that is on the administrative record as of the closing of the record date. For this undertaking review, the administrative record closed on February 18, 2009.

PROCEDURAL ISSUES

[38] There were no procedural issues during the course of this undertaking review proceeding.

POSITION OF THE PARTIES

[39] As indicated earlier, the CBSA received only one partial response to its RFI from Gizeh, a signatory to the undertaking.

GIZEH Raucherbedarf GmbH¹³

[40] Gizeh is the German vendor of the subject goods. In its response to the CBSA's RFI, Gizeh presented arguments in favour of the undertaking not being renewed.

¹³ Exhibit 31: Gizeh Raucherbedarf GmbH – Non-Confidential Version of Exporter Response to Request for Information.

[41] Gizeh stated that demand for cigarette tubes in the Canadian market peaked in 2004, when the industry was utilizing full capacity to respond to an exceeding demand. Gizeh further asserts that the market contracted in 2005 with changes in Canadian legislation which made the subject and like goods less attractive to consumers. The current demand is comparable to 2005 levels, however excess production capacity from previous years ensures that global prices for the subject goods remain low.

[42] Gizeh's response to the RFI indicates that importations of subject goods from France ceased, starting in 2006. Gizeh explained this situation with the following reasons:

- the undertaking imposed price levels;
- the unfavourable exchange rate between the Canadian dollar and the Euro; and,
- the increasing market share of contraband tobacco products in Canada.

[43] Gizeh does not foresee the future Canadian market for the subject goods changing, regardless of the undertaking being renewed or allowed to expire. Gizeh considers that the subject goods in Canada have lost appeal due to changes in Canadian excise legislation which rendered "make-your-own" cigarettes uncompetitive with ready-made cigarettes. Gizeh also presented an opinion regarding an allegedly growing Canadian contraband market for tobacco products, which it considers has overtaken the legal market for the subject goods and other products. The unfavourable exchange rates affecting the Canadian dollar and the Euro are also unlikely to change, states Gizeh, leading to very little foreseeable variation in the import trends of subject goods in Canada for the years to come.

[44] Gizeh states that its Canadian market would neither grow in actual volume nor would it gain strategic importance should the undertaking be terminated or allowed to expire, and concludes in stating that the undertaking should not be renewed as it simply does not make economical sense for the company to sell to Canada under existing market conditions.

CONSIDERATION AND ANALYSIS

[45] Pursuant to the review process of section 53 of SIMA, the President must review the undertaking before the expiry of five years from the date on which the undertaking was accepted. If, on review, the President is satisfied that the undertaking continues to serve the purpose for which it was intended, and that he is not required to terminate it pursuant to section 52, the President is required to renew the undertaking for a further period of not more than five years.

[46] In assessing whether the undertaking continues to serve the purpose for which it was intended, the President must be satisfied that the undertaking continues to protect the domestic industry from injurious dumping as per paragraphs 49(1)(a), elimination of margin of dumping and (b), elimination of injury caused by the dumping. Therefore, the President must be satisfied that there is a likelihood of continuation or resumption of dumping and that the continuation or resumption of dumping will likely cause or threaten to cause injury to the domestic industry.

Likelihood of Continuation or Resumption of Dumping

[47] In its response to the CBSA’s RFI, Gizeh makes reference to low world prices for the subject goods caused by excess capacity and supply which was brought about by peak demand in 2005. The CBSA has confirmed this trend in world pricing of the subject goods.

[48] Both the CBSA’s CCS data and Gizeh’s response to the RFI indicate that exports of the subject goods by Gizeh ceased in 2006. CBSA enforcement data has not revealed the presence of any other exporter of subject goods from France since that time. While Gizeh still mentioned T&R Tubes as its importer in Canada, Gizeh has not had a market presence in Canada for over three years.¹⁴

[49] The Euro to Canadian dollar exchange rate has fluctuated significantly since 2004. Exchange rates were unfavorable to Gizeh in 2004 however, starting in 2005 through to 2007, the trend reversed. In spite of this trend, Gizeh stopped shipping to Canada during this time period. The exchange rate between the Euro and dollar is now back to 2004 levels and this trend does not show any indication of reversing. Given that Gizeh did not take advantage of the favorable exchange rate in years 2006 and 2007, very little inference can be drawn as to the impact of exchange rates on Gizeh’s sales to Canada.

Table 2

EURO TO CANADIAN DOLLAR RATE ¹⁵					
2004	2005	2006	2007	2008	2009 (ytd)
1.6169	1.5095	1.4235	1.4691	1.5603	1.6087

[50] There is no information on the administrative record that addresses Gizeh’s contention that the Canadian illicit cigarette trade is displacing legal tobacco products in the market.

[51] Cigarette tubes are not charged any duties under the provisions of the *Excise Act, 2001*. Only the manufactured tobacco used in the assembly of the “make-your-own” cigarette incur excise duty.

¹⁴ Exhibit 32: Finalized CBSA Import Statistics, 2004-2008.

¹⁵ Bank of Canada Annual Average Rates www.bankofcanada.ca, February 2009.

Table 3

EXCISE DUTY RATES				
Effective Date (dd/mm/yyyy)	Cigarettes		Manufactured tobacco other than cigarettes and tobacco sticks	
	Rate (per 5 cigarettes)	% Increase	Rate	% Increase
01/01/2008	0.4250	3.60%	57.8500	3.49%
01/07/2006	0.4103	3.53%	55.9000	3.55%
01/07/2003	0.3963	0%	53.9810	0%

[52] As indicated in the above table, Gizeh's contention that changes in excise legislation have put "make your own" cigarettes at a disadvantage is not supported by the facts as the excise duty increases involving manufactured tobacco have followed those applied to ready-made cigarettes. The subject goods are mostly intended for use with manufactured tobacco and an injector.

[53] Based on the information presented above, the low world market prices for the subject goods as well as on information which was presented by Gizeh in its confidential response to the RFI, the CBSA is of the opinion that there is sufficient information to conclude to the likelihood of continuation or resumption of dumping.

Likelihood of Injury to the Domestic Industry

[54] If the President is satisfied that there exists a likelihood of a continuation or resumption of dumping were the undertaking terminated or allowed to expire, then the President must address whether such a continuation or resumption of dumping is likely to cause injury to the domestic industry.

[55] At the time of acceptance of the undertaking in 1999, the complainant, CTC Tube, had indicated that it was suffering material injury due to the dumping of the subject goods from France mainly in the form of price erosion, lost sales, reduced profitability, reduced capacity utilization, reduced cash flow and a decline in return on investments.

[56] In 2004, the review of the undertaking conducted by the CBSA concluded to the likelihood of resumption or continuation of injury to the domestic industry should the undertaking be allowed to expire.

[57] As stated earlier, the CBSA was unable to locate or confirm the continuing operation of CTC Tube through research of public records during the course of the current review of the undertaking. As such, the CBSA concludes that CTC Tube has ceased operations as a separate legal entity.

[58] Top Tubes, identified as a potential Canadian producer, stated in its reply to the CBSA that its production now consists entirely of cigarette tubes bearing the name of a ready-made cigarette. As such, Top Tubes is not considered a Canadian producer of the like goods for the purposes of this undertaking review. Van Nelle, the only other potential Canadian producer did not respond to the CBSA's RFI.

[59] Given the current circumstances, the CBSA is unable to confirm the existence of Canadian production for the like goods.

Termination

[60] Section 53 of SIMA¹⁶ directs that the President must review the undertaking before the expiry of five years from the date on which the undertaking was accepted or renewed. If, on review, the President is satisfied that the undertaking continues to serve the purpose for which it was intended, and that he is not required to terminate the undertaking for the reasons stipulated in section 52 of SIMA, the President is required to renew the undertaking for a further period of not more than five years.

[61] The wording of section 53 of SIMA states:

53. (1) Except where the Tribunal has made an order or finding under subsection 43(1) that the dumping or subsidizing of the goods to which the preliminary determination applies has caused injury or retardation or is threatening to cause injury and that order or finding has not been rescinded under subsection 76(4), (4.1) or (4.11) or 76.1(2), the Deputy Minister shall review the undertaking before the expiration of five years from the date on which it was accepted and before the expiration of each subsequent period, if any, for which it is renewed pursuant to this section and if, on any such review, the Deputy Minister is satisfied

(a) that the undertaking continues to serve the purpose for which it was intended, and

(b) that the Deputy Minister is not required to terminate it under section 52,

the Deputy Minister shall renew the undertaking for a further period of not more than five years.

¹⁶ *Supra* Note 1

[62] Paragraph 53(1)(b) provides that the Deputy Minister (now the President of the CBSA) must consider the provisions of section 52 prior to making a decision whether to renew an undertaking. Subsection 52(1.2) requires the termination of an undertaking where the conditions in paragraph 49(1)(a) (elimination of margin of dumping) or (b) (elimination of injury caused by the dumping) no longer exist. In addition, subsection 52(1.3) states that the termination of an undertaking under subsection 52(1.2) terminates all proceedings under the SIMA.

[63] Subsections 52(1.2) and 52(1.3) state:

52(1.2) Except where the Tribunal has made an order or finding under subsection 43(1) that the dumping or subsidizing of the goods to which the preliminary determination applies has caused injury or retardation or is threatening to cause injury, and that order or finding has not been rescinded under subsection 76(4), (4.1) or (4.11) or 76.1(2), the Deputy Minister shall terminate the undertaking or undertakings where, at any time after accepting the undertaking or undertakings, the Deputy Minister is satisfied that, notwithstanding the termination of the undertaking or undertakings, the condition in paragraph 49(1)(a) or (b), as the case may be, would no longer exist.

52(1.3) A termination of an undertaking under subsection (1.2) terminates all proceedings under this Act respecting the dumping or subsidizing of the goods to which the undertaking relates, unless, in any case where the Deputy Minister has accepted two or more undertakings, the Deputy Minister, for good reason, otherwise directs.

[64] There is no longer a likelihood of injury to the domestic industry should the undertaking not be renewed. As such, if the President is satisfied that the condition described in paragraph 49(1)(b) of SIMA, under which the undertaking was accepted, would no longer exist in the absence of the undertaking, the undertaking must be terminated pursuant to subsection 52(1.2) and all proceedings must be terminated forthwith pursuant to subsection 52(1.3) of SIMA. Therefore, a decision pursuant to subsection 52(1.2) precludes a decision whether to renew the undertaking pursuant to section 53.

CONCLUSION

[65] Despite the likelihood of continuation or resumption of dumping should the undertaking be terminated, the fact that no Canadian production of like goods could be confirmed in this review of the undertaking provides sufficient grounds to conclude that the injury caused by the dumping, under which the undertaking was accepted, would no longer exist in the absence of the undertaking.

[66] Based on the foregoing reasons and having considered the relevant information on the record, the President has determined that the condition described in paragraph 49(1)(b) of SIMA, under which the undertaking was accepted, would no longer exist in the absence of the undertaking. Accordingly, the President has terminated the undertaking in accordance with subsection 52(1.2) of SIMA.

FUTURE ACTION

[67] As per subsection 52(1.3) of SIMA, a termination of the undertaking under subsection 52(1.2) terminates all proceedings under the Act respecting the dumping of filter-tipped cigarette tubes, excluding those which bear the trademark or brand name of a finished or ready-made cigarette, originating in or exported from France.

INFORMATION

[68] For further information, please contact the officer listed below:

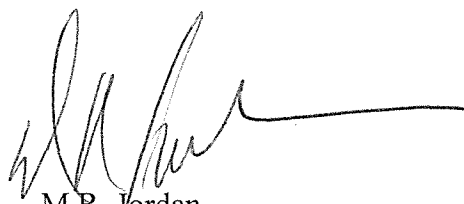
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