



THE SCHOOL OF PUBLIC POLICY

Protectionism from the U.S. is just getting worse – next up? Newsprint, and that will have a major impact on BC. New report from The School of Public Policy

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Vancouver – The U.S. has hit Canadian newsprint exports with punishing tariffs based on unjustified claims that the Canadian industry is both subsidized and dumping product below fair-market value into the U.S. President Trump has already instigated trade challenges to Canadian exports of softwood lumber and aircraft, while Washington's initial threats to levy duties on Canadian aluminum and steel is on hold. Although Canadians are used to long, drawn-out trade disputes in the softwood lumber industry, this is an unprecedented and concerning direction for the newsprint industry and should be of major concern to the government, industry and the communities where newsprint is produced.

Today, The School of Public Policy with author Dr. Eugene Beaulieu released a report that examines the potential impacts of trade action on Canadian mills, paper production, the newsprint industry, and on the BC communities most affected.

According to Beaulieu, "While newsprint sales have been declining everywhere, Canadian producers have nevertheless been able to gain a larger share of the shrinking market, having grown from controlling **60 per cent** of combined U.S. and Canadian production in 1990 to **69 per cent in 2016**, while developing new products and innovating to maintain a sustainable industry. Complaints about subsidies and dumping from U.S. competitors are plainly intended to halt and possibly reverse that trend. But in addition to hurting Canadian paper producers, including **21 mills in Canada** and impacting thousands of workers, also punished in the process will be already struggling American newspaper publishers who will have to pay more for newsprint."

The signals are as unmissable as they are distressing. The U.S. government has begun using new laws that have never been tried and dusting off old laws that have not been used in decades to erect protectionist barriers. There was a **62-per-cent** jump in the number of anti-dumping and countervailing-duty investigations initiated in the first year of the Trump administration compared to the previous year. The U.S. is leading the world in enacting discriminatory trade measures and its pace is speeding up. Canada's government must mobilize to fight off these attacks against the country's exports through the use of NAFTA's Chapter 19 dispute-resolution panel mechanism, while ensuring it retains that mechanism in whatever form of NAFTA emerges from renegotiations. What is happening to the newsprint industry today could be happening to many more Canadian exporters soon.

The paper can be downloaded at <https://www.policyschool.ca/publications/>

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