



OTTAWA, September 25, 2025

**TPR 2025 IN**

## **STATEMENT OF REASONS**

**Concerning the preliminary determinations with respect to the dumping and subsidizing of**

### **THERMAL PAPER ROLLS ORIGINATING IN OR EXPORTED FROM CHINA**

## **DECISION**

Pursuant to subsection 38(1) of the *Special Import Measures Act*, the Canada Border Services Agency made preliminary determinations on September 10, 2025, respecting the dumping and subsidizing of thermal paper rolls originating in or exported from the People's Republic of China.

Cet *Énoncé des motifs* est également disponible en français.  
This *Statement of Reasons* is also available in French.

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## SUMMARY

[1] On April 22, 2025, the Canada Border Services Agency (CBSA) received a written complaint from McDermid Paper Converters Limited (McDermid), Media Cash Register Inc. (Media), and Custom Paper Ltd. (Custom Paper) (hereinafter collectively referred to as the complainants) alleging that imports of thermal paper rolls originating in or exported from the People's Republic of China (China) are being injuriously dumped and subsidized.

[2] On May 13, 2025, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainants that the complaint was properly documented. On May 23, 2025, the CBSA informed the Government of China that a properly documented complaint had been filed. At that time, the Government of China was provided with a non-confidential version of the subsidy complaint and was invited for consultations pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*, prior to the initiation of the subsidy investigation. The CBSA did not receive any request for consultations.

[3] The complainants provided evidence to support the allegations that thermal paper rolls from China have been dumped and subsidized, as well as evidence that discloses a reasonable indication that the dumping and subsidizing have caused injury or are threatening to cause injury to the Canadian industry producing like goods.

[4] On June 12, 2025, pursuant to subsection 31(1) of SIMA, the CBSA initiated investigations respecting the dumping and subsidizing of thermal paper rolls from China.

[5] Upon receiving notice of the initiation of the investigations, the Canadian International Trade Tribunal (CITT) commenced a preliminary injury inquiry, pursuant to subsection 34(2) of SIMA, into whether the evidence discloses a reasonable indication that the dumping and subsidizing of the above-mentioned goods have caused injury or are threatening to cause injury to the Canadian industry producing the like goods.

[6] On August 11, 2025, pursuant to subsection 37.1(1) of SIMA, the CITT made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping and subsidizing of thermal paper rolls from China have caused injury to the domestic industry.

[7] On September 10, 2025, as a result of the CBSA's preliminary investigations and pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing of thermal paper rolls originating in or exported from China.

[8] On the same date, pursuant to subsection 8(1) of SIMA, provisional duties were imposed on imports of dumped and/or subsidized goods that are of the same description as any goods to which the preliminary determinations apply, and that are released during the period commencing on the day the preliminary determinations were made and ending on the earlier of the day on which the CBSA causes the investigations in respect of any goods to be terminated pursuant to subsection 41(1) of SIMA or the day the CITT makes an order or finding pursuant to subsection 43(1) of SIMA.

### **PERIOD OF INVESTIGATION**

[9] The Period of Investigation (POI) for the investigations is January 1, 2024 to December 31, 2024.

### **PROFITABILITY ANALYSIS PERIOD**

[10] The Profitability Analysis Period (PAP) for the investigations is October 1, 2023 to December 31, 2024.

### **INTERESTED PARTIES**

#### **Complainant**

[11] The name and address of the complainant is as follows:

McDermid Paper Converters Limited  
400 Cochrane Drive, Unit 1  
Markham, Ontario  
L3R 8E3

Media Cash Register Inc.  
6161 Rue Cypihot  
Saint Laurent (Québec)  
H4S 1R3

Custom Paper Ltd.  
Unit 120 - 5900 No 2 Rd.  
Richmond, British Columbia  
V7C 4R9

## **Other Producers**

[12] The complainants stated that only one other Canadian producer manufactures goods meeting the product definition of subject goods, Western Diazo (Calgary, Alberta)<sup>1</sup>. The complainants also identified one other Canadian producer who produces goods which do not meet the product definition of subject goods as they produce thermal paper rolls with a paper weight exceeding 70 grams per square metre (gsm), Data Communications Management Corp. (Brampton, Ontario)<sup>2</sup>.

[13] The CBSA also conducted its own supplementary research and did not find any other thermal paper roll producers in Canada.

## **Trade Union**

[14] The complainants stated that McDermid employees are unionized through the “Corpap Employees Association”, Custom Paper employees are unionized under Unifor Local 433, and Media employees are not unionized.<sup>3</sup>

## **Exporters**

[15] At the initiation of the investigations, the CBSA identified 103 potential exporters and/or producers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential exporters were asked to respond to the CBSA’s Dumping Request for Information (RFI), Subsidy RFI, and Section 20 RFI.

[16] Two exporters, Shenzhen Likexin Industrial Co., Ltd. and Jinan Greatshine Paper Co., Ltd. provided a response to the dumping, subsidy and section 20 RFI<sup>4</sup>. However, their responses were found to be deficient for the purposes of the preliminary determinations.

## **Importers**

[17] At the initiation of the investigations, The CBSA identified 132 potential importers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential importers were asked to respond to the CBSA’s Importer RFI.

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<sup>1</sup> Exhibit 2 – TPR Complaint (NC), para 45

<sup>2</sup> Exhibit 2 – TPR Complaint (NC), para 46

<sup>3</sup> Exhibit 2 – TPR Complaint (NC), paras 47-49

<sup>4</sup> Exhibit 70 - Response to RFI - section 20 from Shenzhen Likexin Industrial Co., Ltd. (NC); Exhibit 78 - Response to RFI - dumping from Shenzhen Likexin Industry Co., Ltd. (NC); Exhibit 80 - Response to RFI - subsidy from Shenzhen Likexin Industrial Co., Ltd. (NC); Exhibit 96 - Response to RFI - subsidy from Jinan Greatshine Paper Co., Ltd. (NC); Exhibit 98 - Response to RFI - dumping from Jinan Greatshine Paper Co., Ltd. (NC); Exhibit 100 – Response to RFI - section 20 from Jinan Greatshine Paper Co., Ltd. (NC)

[18] Eight importers provided a response to the importer RFI: Custom Paper, Media, PaperTec International Inc., Buckingham Holdings 2010 Inc, Multi-Tact Inc, JL Inc., BMS Sanitation and Safety Inc. and Goodness Distributors Ltd..<sup>5</sup>

## **Government**

[19] Upon initiation of the investigations, the Government of China was sent the CBSA's Government Subsidy RFI and the Government Section 20 RFI. The Government of China did not respond to both the government subsidy RFI and the government section 20 RFI.

[20] For the purposes of these investigations, the Government of China refers to all levels of government, i.e., federal, central, provincial/state, regional, municipal, city, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

## **PRODUCT INFORMATION**

### **DEFINITION**

[21] For the purpose of these investigations, subject goods are defined as:

Thermal paper rolls in nominal widths up to and including 15 centimeters, with a nominal paper weight of 70 grams per square meter ("gsm") or less and a thermal active coating on one or both sides comprised of a dye and a developer that react and form an image when heat is applied, excluding thermal paper rolls with an adhesive backing, originating in or exported from the People's Republic of China.

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<sup>5</sup> Exhibit 37 - Response to RFI from Custom Paper (NC); Exhibit 43 - Response to RFI from Media (NC); Exhibit 50 - Response to RFI from PaperTec International Inc.(NC); Exhibit 54 - Response to RFI from Buckingham Holdings 2010 Inc. (NC); Exhibit 56 - Response to RFI from Multi-Tact Inc. (NC); Exhibit 61 - Response to RFI from JL Inc.(NC); Exhibit 63 - Response to RFI from BMS Sanitation and Safety Inc. (NC); Exhibit 68 – Response to RFI from Goodness Distributors Ltd. (NC)

## **ADDITIONAL PRODUCT INFORMATION<sup>6</sup>**

[22] Thermal paper rolls are a specialty paper product manufactured for use in printers that employ direct thermal print heads. The thermal coating applied to the paper is a mixture of chemicals that reacts to form an image when heat is applied. Thermal print heads consist of arrays of tiny heating elements that alternately heat up and cool down during printing. As thermal paper passes between the print head and the platen roller in a thermal print head, the alternating heating and cooling of the heating elements in the print head form images on the paper. In this way, thermal printers function without consumables other than the paper (i.e., thermal printers do not require toner, liquid ink, or solid ink).

[23] The subject goods include all thermal paper rolls with widths up to and including 15 centimeters and are typically used in point-of-sale applications and similar end uses, including but not limited to retail store and restaurant receipts, debit/credit card receipts, ATM receipts, and gas pump receipts.

[24] For greater certainty, thermal paper rolls are considered subject goods regardless of whether they are imported with or without a core, have a base coat applied on one or both sides, have printing on one or both sides, and/or have an additional top coating.

[25] For further clarity, the following goods are not considered subject goods and are excluded from the product definition:

- thermal paper jumbo rolls, which are inputs used in the production of the subject goods and consist of rolls generally in widths of 50 inches or larger and
- thermal paper rolls with an adhesive backing, which is used primarily for label applications (e.g., shipping labels, food packaging labels, etc.)

## **PRODUCTION PROCESS<sup>7</sup>**

[26] In general, the production process for thermal paper rolls involves three primary steps: (1) manufacturing the base paper; (2) coating; and (3) converting. In Canada, production of thermal paper rolls involves the third step, converting jumbo thermal paper rolls into finished thermal paper rolls.

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<sup>6</sup> Exhibit 2 - TPR Complaint (NC), paras. 11-14

<sup>7</sup> Exhibit 2 - TPR Complaint (NC), paras. 15-20

[27] Thermal paper is first produced in jumbo rolls, which typically have three layers of coating: a base coat, the thermal active coating, and a topcoat. A base coat is typically made of clay and/or latex and like materials, and is intended to cover the rough surface of the paper substrate and to provide insulating value. The thermal active coating is typically made of colour formers or sensitizers, dyes, and co-reactants. Colour formers define the printing colour, usually black. Co-reactants or developers in turn enable the colour formers to generate a colour. Sensitizers enable the chemical reaction between the colour former and developer to take place at a prescribed temperature. Other additives in the thermal coating serve as binders, or offer degrees of water resistance, texture, stability, durability, and/or other attributes to the print image or paper. A top coat, when applied, is typically made of polyvinyl acetone, polyvinyl alcohol, and/or like materials and is intended to provide environmental protection, an improved surface for press printing, and/or wear protection for the thermal print head.

[28] Where a customer requires backside printing of customer-specific content (such as advertising, a return policy, or terms of sale, etc.), the thermal paper converter will first run the jumbo roll through its printing press to print the desired content and then rewind the paper into a printed thermal paper jumbo roll.

[29] The jumbo roll, printed or unprinted, is then loaded onto a slitting machine and for the paper web to be fed into the slitter machine's rewinder. The next step in the production of thermal paper rolls is for the slitter rewinder to pull the web from the jumbo roll into the machine and to slit the unrolling web of paper into several narrower strips. This is accomplished by a series of circular knives that are set in the proper position across the width of the machine to slit the web of paper to the correct width for the finished receipt rolls to be produced. These strips are then rewound into rolls of lengths ranging between 30 feet to over 200 feet. The slit rolls typically have plastic or fiber cores, although rolls may be produced without cores. In addition, prior to any strip being rewound onto a core, a signal ink is applied to the beginning of the strip (to mark the end of the roll once it is rewound again through the end application), and a tab or sticker is applied to the other end of the strip to ensure that the completed roll does not unravel.

[30] The finished rolls are then discharged from the thermal paper producer's slitting machine and flipped on their sides to be passed through a hydraulic press that presses both core and paper flush. The flipped rolls are then fed into an automated case packer where the rolls are inserted into an open corrugated box for packaging. Rolls may also be packed manually.

## **CLASSIFICATION OF IMPORTS**

[31] The subject goods are normally imported under the following tariff classification numbers:

4811.90.00.90

[32] The listing of tariff classification numbers is for convenience of reference only. The tariff classification numbers include non-subject goods. Also, subject goods may fall under tariff classification numbers that are not listed. Refer to the product definition for authoritative details regarding the subject goods.

### LIKE GOODS AND CLASS OF GOODS<sup>8</sup>

[33] Subsection 2(1) of SIMA defines “like goods” in relation to any other goods as “... (a) goods that are identical in all respects to the other goods, or (b) in the absence of any such goods..., goods the uses and other characteristics of which closely resemble those of the other goods.” In considering the issue of like goods, the CITT typically looks at a number of factors, including the physical characteristics of the goods, their market characteristics, and whether the domestic goods fulfill the same customer needs as the subject goods.

[34] With respect to the definition of like goods, the complainants stated that the like and subject goods are made from the same raw materials (i.e. thermal paper jumbo rolls), essentially follow the same production process, and possess the same characteristics and end uses. The complainants also noted that the subject and like goods are fully interchangeable with respect to key considerations including width, length, caliper, paper basis weight, coating, and core and that the both goods are sold through the same channels of distribution. As a result, purchasing decisions are made primarily on the basis of price.

[35] For the purposes of these investigations, like goods consist of domestically produced thermal paper rolls described in the product definition for subject goods.

[36] After considering questions of use, physical characteristics and all other relevant factors, the CBSA is of the opinion that subject goods and like goods constitute only one class of goods.

[37] In its preliminary injury inquiry for these investigations, the CITT further reviewed the matter of like goods and classes of goods. On August 26, 2025 the CITT issued its preliminary inquiry *Statement of Reasons*, indicating that:

“The Tribunal is of the view that blank and printed thermal paper rolls are very similar in terms of physical characteristics, and market characteristics including channels of distribution, and end uses. The Tribunal will therefore conduct its analysis on the basis of a single class of goods.”<sup>9</sup>

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<sup>8</sup> Exhibit 2 - TPR Complaint (NC), paras. 38-41

<sup>9</sup> Canadian International Trade Tribunal; Preliminary Injury Inquiry – Thermal Paper Rolls – *Statement of Reasons* (August, 2025), PI-2025-003, para. 28

## THE CANADIAN INDUSTRY

### DOMESTIC PRODUCERS

[38] Based on the information supplied in the complaint, the domestic industry is comprised of only four Canadian producers: the three complainants (i.e. McDermid, Media, Custom Paper) and Western Diazo<sup>10</sup>. As previously noted, the CBSA also conducted its own supplementary research but did not identify any other thermal paper roll producers in Canada.

### IMPORTS INTO CANADA

[39] During the preliminary phase of the investigations, the CBSA refined the estimated volume and value of imports based on information from CBSA import entry documentation and other information received from exporters and importers.

[40] The following table presents the CBSA's analysis of imports of thermal paper rolls for the purposes of the preliminary determinations:

**Table 1:**  
**Import volume of Thermal paper rolls**  
(January 1, 2024 to December 31, 2024)

Country	% of total import volume <sup>11</sup>
China	44.7%
Other	55.3%
<b>Total</b>	<b>100%</b>

### INVESTIGATIONS PROCESS

[41] Regarding the dumping investigation, information was requested from all known and potential exporters, producers, vendors and importers, concerning shipments of thermal paper rolls released into Canada during the POI.

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<sup>10</sup> Exhibit 2 – TPR Complaint (NC), para 44

<sup>11</sup> The CBSA's import documentation was used to estimate the imports of subject goods during the POI. Since import volume information on the customs documentation was reported in various units of measure (i.e. each, count, dozen, pieces, square meters, sets, boxes, etc.), it was not feasible to estimate the imports of subject goods by volume. As a result, import value was used as the unit of measure for estimating imports of certain thermal paper rolls.

[42] Regarding the subsidy investigation, information related to potential actionable subsidies was requested from all known and potential exporters and producers in China. Information was also requested from the Government of China concerning financial contributions made to exporters or producers of thermal paper rolls released into Canada during the POI. The Government of China was also requested to forward the RFIs to all subordinate levels of government that had jurisdiction over the exporters.

[43] The Government of China and the exporters/producers were also notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits or the desk audits may result in the margin of dumping, the amount of subsidy and the assessment of dumping and/or countervailing duties on subject goods being based on facts available to the CBSA. Further, they were notified that determinations on the basis of facts available could be less favorable to them than if complete, verifiable information was made available.

[44] For the responding parties that did not provide complete information, deficiency letters were sent, in order to notify them that information was missing and that without the missing information, preliminary determinations would be made on the basis of facts available.<sup>12</sup>

[45] Preliminary determinations are based on the information available to the CBSA at the time of the preliminary determinations. During the final phase of the investigations, the CBSA will continue to collect and verify information, the results of which will be incorporated into the CBSA's final decisions, which must be made by December 9, 2025.

## **DUMPING INVESTIGATION**

### **NORMAL VALUE**

[46] Normal values are generally estimated based on the domestic selling prices of like goods in the country of export, in accordance with the methodology of section 15 of SIMA, or on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits, in accordance with the methodology of paragraph 19(b) of SIMA.

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<sup>12</sup> Exhibit 92 - Deficiency letter - dumping #1 sent to Dongguan Likexin Printing Co., Ltd. (PRO); Exhibit 104 - Deficiency letter - dumping, subsidy, and section 20 #1 sent to Jinan Greatshine Paper Co., Ltd. (PRO); Exhibit 107 - Deficiency letter - section 20 sent to Shenzhen Likexin Industry Co., Ltd. (PRO).

## **EXPORT PRICE**

[47] The export price of goods sold to importers in Canada is generally estimated in accordance with the methodology of section 24 of SIMA based on the lesser of the adjusted exporter's sale price for the goods or the adjusted importer's purchase price. These prices are adjusted where necessary by deducting the costs, charges, expenses, duties and taxes resulting from the exportation of the goods as provided for in subparagraphs 24(a)(i) to 24(a)(iii) of SIMA.

[48] Where there are sales between associated persons and/or a compensatory arrangement exists, the export price is estimated based on the importer's resale price of the imported goods in Canada to unrelated purchasers, less deductions for all costs incurred in preparing, shipping and exporting the goods to Canada that are additional to those incurred on the sales of like goods for use in the country of export, all costs included in the resale price that are incurred in reselling the goods (including duties and taxes) or associated with the assembly of the goods in Canada and an amount representative of the average industry profit in Canada as provided for in paragraphs 25(1)(c) and 25(1)(d) of SIMA.

## **MARGIN OF DUMPING**

[49] The estimated margin of dumping by exporter is equal to the amount by which the total estimated normal value exceeds the total estimated export price of the goods, expressed as a percentage of the total estimated export price. All subject goods imported into Canada during the POI are included in the estimation of the margin of dumping of the goods. Where the total estimated normal value of the goods does not exceed the total estimated export price of the goods, the margin of dumping is zero.

## **BACKGROUND OF SECTION 20 INQUIRY**

[50] Section 20 is a provision of SIMA that may be applied to determine the normal value of goods in a dumping investigation where certain conditions prevail in the domestic market of the exporting country. In the case of a prescribed country under paragraph 20(1)(a) of SIMA, it is applied where, in the opinion of the CBSA, the government of that country substantially determines domestic prices and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.<sup>13</sup>

[51] The CBSA initiates dumping investigations on the presumption that section 20 is not applicable to the sector under investigation unless there is information that suggests otherwise.

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<sup>13</sup> China is a prescribed country under Section 17.1 of the *Special Import Measures Regulations*.

[52] A section 20 inquiry refers to the process whereby the CBSA collects information from various sources in order to form an opinion as to whether the conditions described under subsection 20(1) of SIMA exist with respect to the sector under investigation. Before initiating an inquiry under section 20, the CBSA must first analyze the information submitted in the complaint and the evidence it has gathered independently to determine if it is sufficient to warrant the initiation of an inquiry.

[53] The complainants alleged that the conditions described in section 20 of SIMA prevail in the thermal paper sector in China. That is, the complainants alleged that this industry sector in China does not operate under competitive market conditions and consequently, the domestic prices of thermal paper rolls established in China, would not be reliable for determining normal values.

[54] The complainants provided a variety of evidence to support the claim that the Government of China substantially determines domestic prices of thermal paper rolls and that the prices are substantially different than they would be in a competitive market. Specifically, the complainants cited specific policies implemented by the Government of China, provided evidence of state-ownership and control, and noted the extent of the subsidization in the wood, pulp, paper products, chemicals and thermal paper sectors in China. The complaints alleged that the market distortions and cost advantages provided to Chinese producers of wood, pulp, paper products, chemicals and thermal paper translate directly into distortions to finished thermal paper roll prices in China.

[55] At the initiation of the investigation, the CBSA had reviewed the information provided in the complaint and conducted its own research. Based on this information, the CBSA believed that there was reasonable evidence to support an inquiry into the allegations that the measures taken by the Government of China substantially influence prices in the thermal paper sector in China.

[56] Consequently, on June 12, 2025, the CBSA included in its investigation, a section 20 inquiry in order to determine whether the conditions set forth in paragraph 20(1)(a) of SIMA prevail in the thermal paper sector in China.

[57] As part of this section 20 inquiry, the CBSA sent section 20 RFIs to all potential producers and exporters of thermal paper rolls in China, as well as to the Government of China, requesting detailed information related to the thermal paper sector in China.

[58] In cases where conditions of section 20 exist, pursuant to paragraph 20(1)(c), the normal value can be determined based on profitable selling prices or full costs of production and an amount for profit on goods sold domestically in a surrogate country, to which the conditions described in section 20 of SIMA are not applicable.

[59] For the purposes of obtaining information necessary to calculate normal values pursuant to subparagraph 20(1)(c) of SIMA, the CBSA requested information from producers in surrogate countries. As such, the CBSA has selected South Korea and Thailand as potential surrogate countries and has sent questionnaires to known producers of thermal paper rolls in these countries.

[60] In the event that the CBSA does not receive sufficient information from producers and exporters of subject goods in South Korea or Thailand for the purposes of determining normal values pursuant to section 20, the CBSA may identify other surrogate countries at a later date.

[61] Importers will be requested to provide information on sales of like goods produced in the surrogate countries, in the event that normal values must be determined under paragraph 20(1)(d) of SIMA.

[62] In the event that the CBSA forms an opinion that domestic prices of thermal paper rolls in China are substantially determined by the government, and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be if they were determined in a competitive market, the normal values of the goods under investigation will be determined, pursuant to paragraph 20(1)(c) of SIMA, where such information is available, on the basis of the domestic selling prices or the aggregate of the cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits of like goods sold by producers in any country designated by the CBSA and adjusted for price comparability; or, pursuant to paragraph 20(1)(d) of SIMA, where such information is available, on the basis of the selling price in Canada of like goods produced and imported from any country designated by the CBSA and adjusted for price comparability.

#### **SUMMARY OF CHINESE EXPORTER RESPONSES**

[63] The CBSA received responses to the CBSA's Dumping RFI and Section 20 RFI from two exporters, Shenzhen Likexin Industrial Co., Ltd. and Jinan Greatshine Paper Co., Ltd., of thermal paper rolls in China.<sup>14</sup> However, the responses from the two exporters were found to be deficient and therefore were not considered for the purposes of the preliminary determination.

#### **GOVERNMENT OF CHINA RESPONSE**

[64] An RFI was sent to the Government of China requesting information for the purposes of the section 20 inquiry. No response was received from the Government of China as of the date of the preliminary determination of dumping.

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<sup>14</sup> Exhibits 70 - Response to RFI - section 20 from Shenzhen Likexin Industrial Co., Ltd. (NC); Exhibit, 78 - Response to RFI - dumping from Shenzhen Likexin Industry Co., Ltd. (NC); Exhibit 98 - Response to RFI - dumping from Jinan Greatshine Paper Co., Ltd. (NC); Exhibit 100 - Response to RFI - section 20 from Jinan Greatshine Paper Co., Ltd.

## **SURROGATE COUNTRY RESPONSES**

[65] The CBSA did not receive any responses to the surrogate RFI from producers of thermal paper rolls in South Korea or Thailand.

## **REPRESENTATIONS**

[66] During the preliminary phase of the investigation, counsel for the complainants submitted supplemental information related to the section 20 inquiry.<sup>15</sup> This submission included additional information to further support the allegations that the measures taken by the Government of China substantially influence prices in the thermal paper sector in China. It also contained pricing data intended to demonstrate that prices of thermal paper rolls in China are distorted. This information is available to interested parties for representations for the final phase of the investigation, but was not considered for the purposes of the preliminary determination. During the final phase of the investigation, the CBSA will review and analyze all information on the administrative record, including this submission.

## **PRELIMINARY RESULTS OF THE SECTION 20 INQUIRY**

[67] For the purposes of the preliminary determinations, the CBSA did not receive complete responses to the Dumping RFI and Section 20 RFI from exporters and producers in China. The Government of China also did not provide a response to the Section 20 RFI. Nonetheless, the CBSA examined and considered the information currently available on the administrative record with respect to section 20. The main elements of the information are summarized below.

[68] The information in the complaint included the European Union's sectoral analysis of economy in China; various government policies at different levels of government; indications of state-owned entities (SOEs) in the thermal paper sector and in upstream industries that supply inputs such as wood, pulp and chemicals; a variety of government subsidy programs for thermal paper rolls producers in China.

[69] While this information suggests some degree of government influence in industries related to thermal paper sector, most of the government policies identified in the complaint pertain to sectors that are upstream to the thermal paper sector; such as, forestry, wood and pulp and chemical. The evidence directly relating to the paper-making sector, specifically the thermal paper sector, is limited and remains largely broad and generalized in nature. Furthermore, there is insufficient information establishing how, or to what extent, government measures in the upstream sectors or the existence of SOEs, result in the Government of China directly or indirectly determining the price of thermal paper rolls in China.

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<sup>15</sup> Exhibits 101 (PRO) and 102 (NC) - Comments submitted by counsel for McDermid Paper Converters Ltd., Media Cash Register Inc., and Custom Paper Ltd. ("the Complainants") regarding the application of section 20

[70] As a result, there was insufficient information for the CBSA to form an opinion with respect to section 20 of SIMA for the purposes of the preliminary determination. During the final phase of the dumping investigation, the CBSA will continue the section 20 inquiry and further analyze all information on the administrative record.

[71] Consequently, the normal values and the export prices for all exporters in China were estimated, based on the methodology explained in the section below entitled “All Exporters - China”.

## **PRELIMINARY RESULTS OF THE DUMPING INVESTIGATION**

[72] For the purposes of the preliminary determination, the CBSA did not receive any complete responses to the Dumping RFI. As such, for all exporters in China, the normal values and export prices were estimated on the basis of the facts available.

### **ALL EXPORTERS – CHINA**

[73] The CBSA did not receive any complete dumping RFI responses from exporters of thermal paper rolls located in China. The CBSA estimated the normal values and export prices for China on the basis of facts available. In establishing the methodology for estimating normal values and export prices, the CBSA considered all the information on the administrative record, including the complaint filed by the domestic industry and the CBSA’s estimates at the initiation of the investigation.

[74] As a result, based on the facts available, for all exporters and for purposes of the preliminary determination, normal values and export prices of subject goods originating in or exported from China were based on the CBSA’s initiation estimates of normal values and export prices. The CBSA examined the difference between the estimated normal value and the estimated export price for each quarter, and considered that the average amount during the POI (expressed as a percentage of the export price), was an appropriate basis for estimating normal values.

[75] Using the above methodology, for the preliminary determination, the estimated margin of dumping for all exporters in China is 55.2%, expressed as a percentage of the export price.

## SUMMARY OF PRELIMINARY RESULTS – DUMPING

[76] A summary of the preliminary results of the dumping investigation respecting all subject goods released into Canada during the POI are as follows:

**Table 2: Summary of Preliminary Results - Dumping  
Period of Investigation (January 1, 2024 to December 31, 2024)**

<b>Country of Origin or Export</b>	<b>Estimated Margin of Dumping (% of Export Price)</b>	<b>Estimated % of Total Imports (by Volume)<sup>16</sup></b>
All Exporters - China	55.2%	44.7%
<b>Total China</b>	<b>N/A</b>	<b>44.7%</b>
All Other Countries	N/A	55.3%
<b>All Countries</b>	<b>N/A</b>	<b>100%</b>

## NEGLIGENCE

[77] Under section 35 of SIMA, the CBSA is required to terminate an investigation prior to the preliminary determination if the volume of goods of a country is negligible.

[78] Pursuant to subsection 2(1) of SIMA, the volume of goods of a country is considered negligible if it accounts for less than 3% of the total volume of all goods of the same description that are released into Canada from all countries.

[79] The table above confirms that the volume of imports from China are above 3% of the total volume of goods released into Canada. Based on the definition above, the volume of imports from China are not negligible.

## INSIGNIFICANCE

[80] If, in making a preliminary determination, the CBSA determines that the margin of dumping of the goods of an exporter is insignificant pursuant to section 38 of SIMA, the investigation will continue in respect of those goods but provisional anti-dumping duties will not be imposed on goods of the same description imported during the provisional period. Pursuant to subsection 2(1) of SIMA, a margin of dumping of less than 2% of the export price of the goods is defined as insignificant.

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<sup>16</sup> The CBSA's import documentation was used to estimate the imports of subject goods during the POI. Since import volume information on the customs documentation was reported in various units of measure (i.e. each, count, dozen, pieces, square meters, sets, boxes, etc.), it was not feasible to estimate the imports of subject goods by volume. As a result, import value was used as the unit of measure for estimating imports of certain thermal paper rolls.

[81] For all exporters, the estimated margin of dumping, expressed as a percentage of the export price, is above 2% and is, therefore, not insignificant. In respect of these goods, provisional anti-dumping duties will be imposed on goods of the same description imported during the provisional period.

[82] A summary of the estimated margin of dumping and provisional duties is presented in **Appendix 1**.

## **SUBSIDY INVESTIGATION**

[83] In accordance with section 2 of SIMA, a subsidy exists where there is a financial contribution by a government of a country other than Canada that confers a benefit on persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods. A subsidy also exists in respect of any form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade, 1994, being part of Annex 1A to the World Trade Organization (WTO) Agreement that confers a benefit.

[84] Pursuant to subsection 2(1.6) of SIMA, a financial contribution exists where:

- a. practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities;
- b. amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected;
- c. the government provides goods or services, other than general governmental infrastructure, or purchases goods; or
- d. the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) above where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ in a meaningful way from the manner in which the government would do it.

[85] A state-owned enterprise (SOE) may be considered to constitute “government” for the purposes of subsection 2(1.6) of SIMA if it possesses, exercises, or is vested with, governmental authority. Without limiting the generality of the foregoing, the CBSA may consider the following factors as indicative of whether the SOE meets this standard: 1) the SOE is granted or vested with authority by statute; 2) the SOE is performing a government function; 3) the SOE is meaningfully controlled by the government; or 4) some combination thereof.

[86] If a subsidy is found to exist, it may be subject to countervailing measures if it is specific. A subsidy is considered to be specific when it is limited, in law or in fact, to a particular enterprise or is a prohibited subsidy. An “enterprise” is defined under SIMA as also including a “group of enterprises, an industry and a group of industries”. Any subsidy which is contingent, in whole or in part, on export performance or on the use of goods that are produced or that originate in the country of export is considered to be a prohibited subsidy and is, therefore, specific according to subsection 2(7.2) of SIMA for the purposes of a subsidy investigation.

[87] In accordance with subsection 2(7.3) of SIMA, notwithstanding that a subsidy is not specific in law, a subsidy may also be considered specific in fact, having regard as to whether:

- there is exclusive use of the subsidy by a limited number of enterprises;
- there is predominant use of the subsidy by a particular enterprise;
- disproportionately large amounts of the subsidy are granted to a limited number of enterprises; and
- the manner in which discretion is exercised by the granting authority indicates that the subsidy is not generally available.

[88] For purposes of a subsidy investigation, the CBSA refers to a subsidy that has been found to be specific as an “actionable subsidy”, meaning that it is countervailable.

## **PRELIMINARY RESULTS OF THE SUBSIDY INVESTIGATION**

[89] At the initiation of the subsidy investigation, the CBSA sent subsidy RFIs to the Government of China, as well as to all known exporters/producers of thermal paper rolls in China.

[90] The Government of China was also requested to forward the subsidy RFI to all subordinate levels of government that had jurisdiction over the exporters. The exporters/producers were requested to forward a portion of the subsidy RFI to their input suppliers, who were asked to respond to questions pertaining to their legal characterization as SOEs.

[91] The Government of China did not respond to the CBSA’s government subsidy RFI. The lack of response from the Government of China limited the CBSA’s ability to estimate the amount of subsidy in the prescribed manner as the required information relating to financial contribution, benefit and specificity was not provided. It also limited the CBSA’s ability to determine whether producers, or other suppliers of goods and services, are public bodies.

[92] In conducting its investigation, the CBSA requested information respecting 25 potential subsidy programs. The total list of programs can be found in the *Statement of reasons – Initiation of investigations*.

[93] The CBSA will continue to analyze the information on the administrative record during the final phase of the investigation. The CBSA may also consider any other potential subsidy programs that have not yet been identified.

[94] For the purposes of the preliminary determination, the CBSA received no responses to the Subsidy RFI. As such, the amount of subsidy for all exporters in China were estimated as described below.

#### **ALL EXPORTERS – CHINA**

[95] The CBSA received one complete subsidy RFI response from exporters of thermal paper rolls located in China. The CBSA did not receive a response from the Government of China to the government subsidy RFI.

[96] In establishing the methodology for estimating the amount of subsidy for all exporters from China, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, and the CBSA's estimates at the initiation of the investigation. Due to the absence of sufficient responses from the Government of China and exporters in China, for all exporters, the amount of subsidy of subject goods originating in or exported from China were based on the CBSA's initiation estimates of the amount of subsidy.

[97] Using the above methodology, for the preliminary determination, the estimated amount of subsidy for all exporters in China is 43.8% expressed as a percentage of the export price.

## SUMMARY OF PRELIMINARY RESULTS – SUBSIDY

[98] A summary of the preliminary results of the subsidy investigation respecting all subject goods released into Canada during the POI follows:

**Table 3:  
Summary of Preliminary Results - Subsidy  
Period of Investigation (January 1, 2024 to December 31, 2024)**

<b>Country of Origin or Export</b>	<b>Estimated Amount of Subsidy (% of Export Price)</b>	<b>Estimated % of Total Imports (by Volume)<sup>17</sup></b>
All Exporters - China	43.8%	44.7%
<b>Total China</b>	<b>N/A</b>	<b>44.7%</b>
All Other Countries	N/A	55.3%
<b>Total</b>	<b>N/A</b>	<b>100%</b>

## NEGLIGENCE

[99] Under section 35 of SIMA, the CBSA is required to terminate an investigation prior to the preliminary determination if the volume of goods of a country is negligible. Pursuant to subsection 2(1) of SIMA, a volume of goods of a country is considered negligible if it accounts for less than 3% of the total volume of all goods of the same description that are released into Canada from all countries.

[100] The table above confirms that the volume of imports from China is above 3% of the total volume of goods released into Canada. Based on the definition above, the volume of imports from China is not negligible.

## INSIGNIFICANCE

[101] If, in making a preliminary determination, the CBSA determines that the amount of subsidy of the goods of an exporter is insignificant pursuant to section 38 of SIMA, the investigation will continue in respect of those goods but provisional countervailing duties will not be imposed on goods of the same description imported during the provisional period. Pursuant to subsection 2(1) of SIMA, an amount of subsidy of less than 1% of the export price of the goods is defined as insignificant.

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<sup>17</sup> The CBSA's import documentation was used to estimate the imports of subject goods during the POI. Since import volume information on the customs documentation was reported in various units of measure (i.e. each, count, dozen, pieces, square meters, sets, boxes, etc.), it was not feasible to estimate the imports of subject goods by volume. As a result, import value was used as the unit of measure for estimating imports of certain thermal paper rolls.

[102] For all exporters, the estimated amount of subsidy, expressed as a percentage of the export price, is above 1% and is, therefore, not insignificant. In respect of these goods, provisional countervailing duties will be imposed on goods of the same description imported during the provisional period.

## **DECISIONS**

[103] On September 10, 2025, pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing respecting thermal paper rolls from China.

## **PROVISIONAL DUTY**

[104] Pursuant to subsection 8(1) of SIMA, provisional duties payable by the importer in Canada will be applied to dumped and/or subsidized imports of thermal paper rolls that are released from the CBSA during the period commencing on the day the preliminary determinations are made and ending on the earlier of the day on which the CBSA causes the investigations in respect of any goods to be terminated, in accordance with subsection 41(1), or the day on which the CITT makes an order or finding. The CBSA considers that the imposition of provisional duties is needed to prevent injury. As noted in the CITT's preliminary determination, there is evidence that discloses a reasonable indication that the dumping and subsidizing of thermal paper rolls have caused injury to the domestic industry.

[105] Imports of thermal paper rolls originating in or exported from China, and released by the CBSA on or after September 10, 2025, will be subject to provisional duties equal to the sum of the estimated margin of dumping and the estimated amount of subsidy, expressed as a percentage of the export price of the goods. **Appendix 1** contains the estimated margins of dumping, estimated amount of subsidy and the rates of provisional duties.

[106] Importers are required to pay provisional duties in cash or by certified cheque. Alternatively, they may post security equal to the amount payable. Importers should contact their CBSA regional office if they require further information on the payment of provisional duties or the posting of security. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the import documents, an administrative monetary penalty could be imposed. The imported goods are also subject to the *Customs Act*. As a result, failure to pay duties within the specified time will result in the application of the provisions of the *Customs Act* regarding interest.

## **FUTURE ACTION**

### **THE CANADA BORDER SERVICES AGENCY**

[107] The CBSA will continue its investigations of the dumping and subsidizing and will make final decisions by December 9, 2025.

[108] If the margin of dumping or amount of subsidy of any exporter are found to be insignificant, the CBSA will terminate the investigation in respect of goods of that exporter and any provisional duties paid or security posted will be refunded to importers, as appropriate. If the CBSA is satisfied that the goods were dumped and/or subsidized, final determinations will be made.

#### **THE CANADIAN INTERNATIONAL TRADE TRIBUNAL**

[109] The CITT has begun its inquiry into the question of injury to the Canadian industry. The CITT is expected to issue its finding by January 8, 2026.

[110] If the CITT finds that the dumping has not caused injury, retardation or is not threatening to cause injury, the proceedings will be terminated and all provisional anti-dumping duty collected or security posted will be refunded.

[111] If the CITT makes a finding that the dumping has caused injury, retardation or is threatening to cause injury, anti-dumping duty in an amount equal to the margin of dumping will be levied, collected and paid on imports of thermal paper rolls that are of the same description as goods described in the CITT's finding.

[112] If the CITT finds that the subsidizing has not caused injury, retardation or is not threatening to cause injury, the proceedings will be terminated and all provisional countervailing duty collected or security posted will be refunded.

[113] If the CITT makes a finding that the subsidizing has caused injury, retardation or is threatening to cause injury, countervailing duty in the amount equal to the amount of subsidy on the imported goods will be levied, collected and paid on imports of thermal paper rolls that are of the same description as goods described in the CITT's finding.

[114] For purposes of the preliminary determinations of dumping or subsidizing, the CBSA has responsibility for determining whether the actual and potential volume of goods is negligible. After preliminary determinations of dumping or subsidizing, the CITT assumes this responsibility. In accordance with subsection 42(4.1) of SIMA, the CITT is required to terminate its inquiry in respect of any goods if the CITT determines that the volume of dumped or subsidized goods from a country is negligible.

## **RETROACTIVE DUTY ON MASSIVE IMPORTATIONS**

[115] Under certain circumstances, anti-dumping and/or countervailing duty can be imposed retroactively on subject goods imported into Canada. When the CITT conducts its inquiry on material injury to the Canadian industry, it may consider if dumped and/or subsidized goods that were imported close to or after the initiation of the investigations constitute massive importations over a relatively short period of time and have caused injury to the Canadian industry. Should the CITT issue a finding that there were recent massive importations of dumped and/or subsidized goods that caused injury, imports of subject goods released by the CBSA in the 90 days preceding the day of the preliminary determinations could be subject to anti-dumping and/or countervailing duty.

[116] In respect of importations of subsidized goods that have caused injury, this provision is only applicable where the CBSA has determined that the whole or any part of the subsidy on the goods is a prohibited subsidy. In such a case, the amount of countervailing duty applied on a retroactive basis will equal the amount of subsidy on the goods that is a prohibited subsidy. An export subsidy is a prohibited subsidy according to subsection 2(1) of SIMA.

## **UNDERTAKINGS**

[117] After a preliminary determination of dumping by the CBSA, other than a preliminary determination in which a determination was made that the margin of dumping of the goods is insignificant, an exporter may submit a written undertaking to revise selling prices to Canada so that the margin of dumping or the injury caused by the dumping is eliminated.

[118] Similarly, after the CBSA has rendered a preliminary determination of subsidizing, a foreign government may submit a written undertaking to eliminate the subsidy on the goods exported or to eliminate the injurious effect of the subsidy, by limiting the amount of the subsidy or the quantity of goods exported to Canada. Alternatively, exporters with the written consent of their government may undertake to revise their selling prices so that the amount of the subsidy or the injurious effect of the subsidy is eliminated.

[119] In view of the time needed for consideration of undertakings, written undertaking proposals should be made as early as possible, and no later than 60 days after the preliminary determinations of dumping and subsidizing. Further details regarding undertakings can be found in the [CBSA's Memorandum D14-1-9](#).

[120] Interested parties may provide comments regarding the acceptability of undertakings within nine days of the receipt of an undertaking by the CBSA. The CBSA will maintain a list of parties who wish to be notified should an undertaking proposal be received. Those who are interested in being notified should provide their name, telephone, mailing address and email address to one of the officers identified in the "*Information*" section of this document.

[121] If undertakings were to be accepted, the investigations and the collection of provisional duties would be suspended. Notwithstanding the acceptance of an undertaking, an exporter may request that the CBSA's investigations be completed and that the CITT complete its injury inquiry.

### **PUBLICATION**

[122] A notice of these preliminary determinations of dumping and subsidizing will be published in the *Canada Gazette* pursuant to paragraph 38(3)(a) of SIMA.

## **INFORMATION**

[123] This *Statement of Reasons* is available through the CBSA's website at the address below. For further information, please contact the email address identified below:

**Email:** [simaregistry-depotlmsi@cbsa-asfc.gc.ca](mailto:simaregistry-depotlmsi@cbsa-asfc.gc.ca)

**Website:** [www.cbsa-asfc.gc.ca/sima-lmsi](http://www.cbsa-asfc.gc.ca/sima-lmsi)



Sean Borg  
a/Executive Director  
Trade and Anti-dumping Programs Directorate

## **ATTACHMENTS**

**Appendix 1: Summary of Estimated Margin of Dumping, Estimated Amount of Subsidy and Provisional Duty Payable**

**APPENDIX 1 – SUMMARY OF ESTIMATED MARGIN OF DUMPING,  
ESTIMATED AMOUNT OF SUBSIDY AND PROVISIONAL DUTIES PAYABLE**

The following table lists the estimated margin of dumping, the estimated amount of subsidy, and the provisional duty by exporter as a result of the decisions mentioned above. Imports of subject goods released from the Canada Border Services Agency on or after September 10, 2025, will be subject to provisional duty at the rate specified below.

<b>Exporter</b>	<b>Estimated Margin of Dumping (% of Export Price)</b>	<b>Estimated Amount of Subsidy (% of Export Price)</b>	<b>Provisional Duties (% of Export Price)</b>
All Exporters - China	55.2%	43.8%	99.0%