

Canadian
Construction
Association



Association
canadienne de
la construction

October 10, 2016

The Honourable Bill Morneau, P.C., M.P.
Minister of Finance
Office of the Minister of Finance
90 Elgin Street
Ottawa, Ontario
K1A 0G5

Re: Imports of Gypsum Board into Canada

Dear Minister:

I am writing on behalf of the Canadian Construction Association (CCA) to bring to your attention the impact the recent imposition of preliminary duties on US and international imports of gypsum board is having on our members operating under fixed-price contracts.

As you may know, the vast majority of drywall and insulation trade contractors are micro and small businesses. Statistics Canada estimates that there are approximately 1,890 of these firms in existence in Manitoba, Saskatchewan, Alberta and British Columbia. These firms typically operate under fixed-price contracts with no escalator clauses, and as such, any unforeseen increase in the price of materials can be catastrophic and jeopardize the financial viability of these employers.

Since the introduction of the preliminary duties in September, the cost of gypsum board in Western Canada has risen by more than 30 per cent. In addition, many are now being charged by suppliers a transportation surcharge of \$150 per thousand board feet to bring gypsum board in from Central Canada. These price increases could jeopardize several ongoing commercial, institutional and residential construction projects across Western Canada at a time when the regional economy can least afford such disruptions. Simply put, firms working under fixed-price contracts cannot absorb these price increases and need immediate relief to avoid incurring further financial hardship.

CCA members appreciate the need to protect Canadian industry from dumping, however, we do not believe that CBSA fully appreciated the impact the imposition of these duties would have on firms working under fixed-price contracts. In such instances, we believe there should be some transitional measures available to help moderate the impact of these types of decisions on Canadian consumers and industry. To that end, we would strongly recommend the government review the current decision with a view to providing those contractors operating under fixed-price contracts immediate relief.

At your earliest convenience, we would be pleased to meet with you and your staff to review the matter further. We look forward to your reply and thank you for your consideration of the issue.

Sincerely,

Michael Atkinson
President and Chief Executive Officer