WORLD TRADE ORGANIZATION

G/SG/N/7/CAN/3
G/SG/N/11/CAN/3

3 August 2026

(26-5526)

Committee on Safeguards

Original: English

NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS BEFORE TAKING A PROVISIONAL SAFEGUARD MEASURE REFERRED TO IN ARTICLE 6

NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2 OF THE AGREEMENT ON SAFEGUARDS

CANADA

Certain wood goods

The following communication, dated and received on 31 July 2026, is being circulated at the request of the delegation of Canada.

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1. Provide the precise description of the product involved

Certain wood cabinet and vanity goods.

The product covered by this provisional safeguard measure include:

(a) wood cabinets and vanities that are made in whole or in part of wood products and intended for permanent installation; and

(b) subassemblies for wood cabinets or vanities referred to in paragraph (a) that are made in whole or in part of wood products, including frames, boxes, doors, drawers, drawer components, back panels and end panels, and desks, shelves and tables that are attached to or incorporated in wood cabinets or vanities.

Precise description of the products and exclusions can be found below, along with tariff classification numbers under which these products are usually imported. Tariff classification numbers are provided for illustrative purposes only.

HS code(s) : 9403.40.00.10, 9403.60.10.31, 9403.60.10.39, 9403.91.00.90.

2. Specify the proposed provisional safeguard measure

The measure consists of a surtax in the amount of 25% of the value for duty of the product involved, for a period of up to 200 days beginning on the day on which the Certain Wood Cabinet and Vanity Goods Surtax Order came into force. The surtax will not apply to imports from the United States (U.S.), Mexico, Chile, Israel and other Canada-Israel Free Trade Agreement beneficiaries, as well as developing countries benefitting from the General Preferential Tariff under the Customs Tariff outlined in Annex I.

3. Specify the proposed date of introduction of the provisional safeguard measure

31 July 2026.

The date of introduction of the provisional safeguard measure is 31 July 2026.

4. Specify the expected duration of the provisional safeguard measure, if any decision on the duration of the measure has been made

16 February 2027.

The provisional safeguard measure will be in force for up to 200 days. Should the Canadian International Trade Tribunal issue a negative injury finding, the provisional safeguard measure will cease to apply as of the date of that finding.

5 Provide the basis for:

(i) making a preliminary determination, as provided for in Article 6, that increased imports have caused or are threatening to cause serious injury; and

(ii) determining that there are critical circumstances where delay would cause damage which it would be difficult to repair

The Government of Canada's decision to impose provisional safeguard measures on imports of certain wood cabinet and vanity goods is based on a report from the Minister of Finance, as required by Section 55 of the Customs Tariff. The report is a Cabinet document and is therefore confidential. Information included in this notification reflects information contained in that report. The report includes a comprehensive analysis of the period of review (1 January 2023 to 31 December 2025), on the basis of publicly available import data and confidential industry submissions. It is not possible to disclose detailed figures without compromising proprietary information, due to the small size of the Canadian industry and the confidential nature of the information provided by industry. As such, this notification presents a non-confidential summary of this information.

Increase in Imports

Over the period of review, total imports of the product concerned increased in value by 25% from around CA$271 million in 2023 to CA$340 million in 2025. Import by value from all sources, excluding those from the United States (U.S.), Mexico, Chile, Israel, and developing countries, have increased by 31.8% over the period of review.

Unforeseen developments

The increase in imports of wood cabinets and vanities into Canada is the result of unforeseen developments that have altered global market conditions and disrupted trade flows. In particular, the introduction of new tariff measures in major export markets, including tariffs imposed by the U.S. on cabinets and vanities, has reduced market access and increased uncertainty for exporters, resulting in trade diversion. The continued application of anti-dumping and countervailing duties on imports of wood cabinets and vanities has further restricted market access for certain exporters and contributed to trade diversion. At the same time, the prolonged downturn in China's property sector has weakened China's domestic demand and contributed to excess production capacity, increasing export-oriented sales. In addition, trade disruptions arising from sanctions on Russia have affected global supply chains and the availability and pricing of key inputs used in the production of wood products.

Taken together, these developments have increased the likelihood of trade diversion and have contributed to rising imports of wood cabinets and vanities into Canada. Goods that were previously exported to the U.S. market are increasingly being redirected to other markets, including Canada. This situation raises the risk of substantial import surges of wood cabinet and vanity goods into Canada and is likely to exacerbate the increasing import trends observed over the period of review.

Serious injury

The evidence shows that the increase in imports is causing serious injury to domestic manufacturers of wood cabinet and vanity goods in Canada. The domestic industry is experiencing price undercutting leading to shrinking margins and reduced profitability. This results in serious injury to the domestic industry, such as increased lost sales, decreased production, and workforce losses. The evidence demonstrates that additional negative impact for the domestic industry will result from contracts lost within the second half of 2026.

Causation

Increased import volumes have resulted in significant losses of sales and contracts for domestic producers and have exerted downward pressure on domestic prices, requiring producers to reduce prices in order to remain competitive with lower-priced imports. This has directly reduced profitability, weakened financial performance, and contributed to employment declines within the industry.

The relationship between increased imports and serious injury is reflected in the growing presence of imports in the Canadian market. Evidence from domestic producers indicates that imports have displaced domestic sales and contracts, forcing producers to lower prices and absorb reduced margins to retain business. Producers also reported significant revenue losses and increased difficulty maintaining profitability as a result of competition from lower-priced imports. Other factors were considered; however, the evidence indicates that the deterioration in the performance of the domestic industry is primarily attributable to the significant increase in imports and the resulting price effects.

The foregoing analysis thus supports a preliminary determination that there is clear evidence that increased imports are causing serious injury to the domestic industry.

Determining that there are critical circumstances where delay would cause damage which it would be difficult to repair

The report determined that critical circumstances exist, such that delay in imposing safeguard measures would cause damage which would be difficult to repair. This includes pressure to further reduce prices compounded with trade measures taken by the U.S. and other trading partners, creating an imminent risk of diversion and losses of domestic contracts to foreign suppliers. A continued increase in imports would further impair the performance of the domestic industry, which is already in a fragile position.

Overall serious injury from sources other than imports from certain Free Trade Agreement Partners

Pursuant to provisions in certain of Canada's free trade agreements, Canada excludes from the provisional safeguard measure imports from the U.S., Mexico, Chile, Israel and other Canada-Israel Free Trade Agreement beneficiaries. Imports from these FTA partners either do not account for a substantial share of total imports or do not contribute importantly to the serious injury.

The confidential information examined shows that imports from the excluded sources have not contributed importantly to the serious injury suffered by the domestic industry. Thus, the foregoing analysis also supports a preliminary determination that there is clear evidence that increased imports from sources other than Chile, Israel, Mexico, and the U.S. have caused serious injury to the domestic industry.

6. Members are encouraged to provide the following information

Additional information

Members are encouraged to attach, in an electronic form, publicly available document(s) containing the relevant decision(s) made by the competent authority. This document may be in the original language of the Member, even when the language is not one of the official languages of the WTO. The document will neither be translated nor circulated to the Committee, but will be made available by the Secretariat to Members requesting it.

The Government of Canada offers consultations on the provisional safeguard measure.

ANNEX I

LIST OF DEVELOPING COUNTRY MEMBERS

The provisional safeguard measure does not apply to products covered originating in the developing country Members of the WTO listed below.

Afghanistan	Angola
Anguilla	Ascension Island
Bangladesh	Benin
Bhutan	Bolivia
British Indian Ocean Territory	Burkina Faso
Burma	Burundi
Cambodia	Cameroon
Canary Islands	Cape Verde
Central African Republic	Ceuta and Melilla
Chad	Christmas Island
Cocos (Keeling) Islands	Comoros
Congo	Cook Islands
Côte d'Ivoire	Democratic Republic of Congo
Djibouti	Egypt
El Salvador	Eritrea
Ethiopia	Falkland Islands
French Southern and Antarctic Territories	Gambia
Ghana	Guinea
Guinea-Bissau	Haiti
Honduras	Kenya
Kiribati	Kyrgyzstan
Laos	Lebanon
Lesotho	Liberia
Madagascar	Malawi
Mali	Mauritania
Micronesia	Mongolia
Montserrat	Morocco
Mozambique	Nepal
Nicaragua	Niger
Nigeria	Niue
Norfolk Island	Pakistan
Papua New Guinea	Philippines
Pitcairn	Rwanda
Saint Helena and Dependencies	Samoa
Sao Tome and Principe	Senegal
Sierra Leone	Solomon Islands
Somalia	South Sudan
Sri Lanka	Sudan
Swaziland	Syria
Tajikistan	Tanzania
Timor-Leste	Togo
Tokelau Islands	Tristan Da Cunha
Tunisia	Uganda
Ukraine	Uzbekistan
Vanuatu	Yemen
Zambia	Zimbabwe