



OTTAWA, May 20, 2021

## STATEMENT OF REASONS

Concerning the final determination with respect to the dumping of

**CERTAIN CONCRETE REINFORCING BAR ORIGINATING IN OR  
EXPORTED FROM ALGERIA, EGYPT, INDONESIA, ITALY,  
MALAYSIA, SINGAPORE AND VIETNAM**

### DECISION

Pursuant to paragraph 41(1)(b) of the *Special Import Measures Act*, the Canada Border Services Agency made a final determination on May 5, 2021 respecting the dumping of certain concrete reinforcing bar originating in or exported from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam.

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

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## TABLE OF CONTENTS

<b>SUMMARY OF EVENTS</b> .....	<b>1</b>
<b>PERIOD OF INVESTIGATION</b> .....	<b>2</b>
<b>PROFITABILITY ANALYSIS PERIOD</b> .....	<b>2</b>
<b>INTERESTED PARTIES</b> .....	<b>2</b>
COMPLAINANT.....	2
OTHER PRODUCERS.....	3
TRADE UNION.....	4
IMPORTERS.....	4
EXPORTERS .....	4
GOVERNMENTS.....	5
<b>PRODUCT INFORMATION</b> .....	<b>5</b>
<b>LIKE GOODS AND SINGLE CLASS OF GOODS</b> .....	<b>8</b>
<b>THE CANADIAN INDUSTRY</b> .....	<b>8</b>
<b>IMPORTS INTO CANADA</b> .....	<b>8</b>
<b>INVESTIGATION PROCESS</b> .....	<b>9</b>
<b>RESULTS OF THE DUMPING INVESTIGATION</b> .....	<b>10</b>
NORMAL VALUE.....	10
EXPORT PRICE .....	10
MARGIN OF DUMPING .....	11
ALGERIA .....	11
EGYPT.....	12
INDONESIA .....	14
MALAYSIA.....	15
SINGAPORE.....	16
VIETNAM.....	17
ALL OTHER EXPORTERS – EGYPT, ITALY, MALAYSIA AND SINGAPORE.....	20
SUMMARY OF RESULTS .....	22
<b>DECISION</b> .....	<b>23</b>
<b>FUTURE ACTION</b> .....	<b>23</b>
<b>RETROACTIVE DUTY ON MASSIVE IMPORTATIONS</b> .....	<b>24</b>
<b>PUBLICATION</b> .....	<b>24</b>
<b>INFORMATION</b> .....	<b>25</b>
<b>APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING</b> .....	<b>26</b>
<b>APPENDIX 2 – REPRESENTATIONS</b> .....	<b>27</b>

## **SUMMARY OF EVENTS**

[1] On August 4, 2020, the Canada Border Services Agency (CBSA) received a written complaint from AltaSteel Inc., ArcelorMittal Long Products Canada, G.P., and Gerdau Ameristeel Corporation (hereinafter, “complainants”) alleging that imports of certain concrete reinforcing bar (rebar) originating in or exported from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam (hereinafter “named countries” and “subject goods”) have been dumped, have caused injury and are threatening to cause injury to Canadian producers of rebar.<sup>1</sup>

[2] On August 25, 2020, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainants that the complaint was properly documented. The CBSA also notified the governments of the named countries that a properly documented complaint had been filed with the CBSA.

[3] The complainants provided evidence to support the allegations that subject goods have been dumped and that this dumping has caused injury and is threatening to cause injury to the domestic industry producing like goods.

[4] On September 22, 2020, pursuant to subsection 31(1) of SIMA, the CBSA initiated an investigation respecting the dumping of rebar from the named countries.

[5] Upon receiving notice of the initiation of the investigation, 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 alleged dumping of the above-mentioned goods has caused injury or retardation or is threatening to cause injury to the Canadian industry producing the like goods.

[6] On November 23, 2020, 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 of rebar from the named countries has caused injury or retardation or is threatening to cause injury to the domestic industry.<sup>2</sup>

[7] On December 14, 2020 the CBSA notified interested parties that the preliminary stage of the investigation will be extended pursuant to subsection 39(1) of SIMA.

[8] On February 4, 2021, as a result of the CBSA’s preliminary investigation and pursuant to subsection 38(1) of SIMA, the CBSA made a preliminary determination of dumping of rebar from the named countries.

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<sup>1</sup> EXH 2 (NC) – Rebar 3 Complaint

<sup>2</sup> Canadian International Trade Tribunal; Concrete Reinforcing Bar Determination and Reasons (November 23, 2020), PI-2020-004

[9] On February 4, 2021, pursuant to subsection 8(1) of SIMA, provisional duty was imposed on imports of dumped goods that are of the same description as any goods to which the preliminary determination applies, and that are released during the period commencing on the day the preliminary determination was made and ending on the earlier of the day on which the CBSA causes the investigation 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.

[10] On February 5, 2021, the CITT initiated an inquiry pursuant to section 42 of SIMA to determine whether the dumping of the above-mentioned goods has caused injury or retardation or is threatening to cause injury to the Canadian industry.

[11] Based on the available evidence, the CBSA is satisfied that rebar originating in or exported from the named countries has been dumped. Therefore, on May 5, 2021 the CBSA made a final determination of dumping pursuant to paragraph 41(1)(b) of SIMA in respect of those goods.

[12] The CITT's inquiry into the question of injury to the Canadian industry is continuing, and it will issue its decision by June 4, 2021. Provisional duty will continue to be imposed on the subject goods from the named countries until the CITT renders its decision.

### **PERIOD OF INVESTIGATION**

[13] The Period of Investigation (POI) is June 1, 2019 to June 30, 2020.

### **PROFITABILITY ANALYSIS PERIOD**

[14] The Profitability Analysis Period (PAP) is April 1, 2019 to June 30, 2020.

### **INTERESTED PARTIES**

#### **Complainant**

[15] The contact information of the complainants are as follows:

AltaSteel Inc.  
9401 34 Street  
Edmonton, AB  
T6B 2X6

ArcelorMittal Long Products Canada, G.P.  
4000 Routes des Aciéries  
Contrecoeur, QC  
J0L 1C0

Gerdau Ameristeel Corporation  
1 Gerdau Court  
Whitby, ON  
L1N 5T1

[16] AltaSteel Inc. (AltaSteel) was founded in 1955. It has undergone various ownership changes and is now owned by Kyoei Steel Ltd. AltaSteel is a scrap-based mini-mill with melting and casting manufacturing facilities in Edmonton, Alberta.<sup>3</sup>

[17] ArcelorMittal Long Products Canada, G.P. (AMLPC) is the largest rebar producer in Canada and has three rebar producing facilities in Québec.<sup>4</sup> AMLPC is part of the ArcelorMittal family of companies, which is the largest steel producer in the world and has operations in more than 60 countries.

[18] Gerdau Ameristeel Corporation (Gerdau) has manufacturing facilities in Whitby and Cambridge, Ontario and in Selkirk, Manitoba. Gerdau's three Canadian rebar-producing operations are capable of producing the full range of sizes and grades of rebar. The parent company of Gerdau is Gerdau S.A of Brazil.<sup>5</sup>

### **Other Producers**

[19] There are two other domestic producers of rebar in Canada, Max Aicher North America Ltd. (MANA) and Ivaco Rolling Mills 2004 LP (IRM).

[20] MANA is a wholly owned subsidiary of the Max Aicher Group of Companies in Germany. In 2010, MANA acquired the bar mill and certain other assets of the former Stelco Inc. in Hamilton, Ontario from US Steel Canada. MANA's bar mill produces both hot-rolled bar coils and cut bar lengths.

[21] IRM is a producer of wire rod in L'Orignal, Ontario. IRM was first established in the 1970s and was acquired by Heico Holdings Inc. in 2004. IRM primarily produces wire rod, but will produce rebar occasionally.

[22] Both MANA and IRM filed letters in support of the complaint, in which they provided certain rebar production and sales information.

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<sup>3</sup> EXH 2 (NC) – Rebar 3 Complaint, page 6

<sup>4</sup> EXH 2 (NC) – Rebar 3 Complaint, pages 3-5

<sup>5</sup> EXH 2 (NC) – Rebar 3 Complaint, page 5

## **Trade Union**

[23] The complainants identified one trade union, the United Steel Workers (with its various locals) that represents persons employed in the production of rebar in Canada.

## **Importers**

[24] The CBSA identified 18 potential importers of the subject goods from CBSA import documentation and from information submitted in the complaint. The CBSA sent an Importer Request for Information (RFI) to all potential importers of the goods.<sup>6</sup> Three companies provided responses to the Importer RFI.

## **Exporters**

[25] At the initiation of the investigation, the CBSA identified 60 potential exporters, vendors and producers of the subject goods from information provided by the complainant and CBSA import entry documentation. All of the potential exporters were asked to respond to the CBSA's Dumping RFI.<sup>7</sup>

[26] Six companies provided responses to the CBSA's Dumping RFI, as well as six responses from associated suppliers.

[27] Of the responses received, three were considered complete submissions for purposes of a final determination. These submissions and results have been summarized in the *Results of the Dumping Investigation* section, found below.

[28] Respondents who have not provided complete submissions have been informed that their information could not be used for the purposes of the final determination as it was not found to be complete and/or reliable.

[29] Post initiation, the complainant, Gerdau, made allegations that a particular market situation (PMS) exists in Vietnam.<sup>8</sup> The CBSA considered evidence supplied by the complainant to be sufficient to examine whether a PMS exists in Vietnam. Consequently, the CBSA sent RFIs pertaining to the alleged PMS to the Government of Vietnam (GOV) as well as to rebar and steel billet producers in Vietnam.<sup>9</sup> One producer provided a response PMS RFI<sup>10</sup>, while the Vietnam Steel Association also provided a response on behalf of its members.<sup>11</sup>

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<sup>6</sup> EXH 23 (NC) – RFI sent to importers

<sup>7</sup> EXH 22 (NC) – Dumping RFI

<sup>8</sup> EXH 50 (NC) – PMS from Gerdau

<sup>9</sup> EXH 81, 82 & 100 (NC) – PMS RFI

<sup>10</sup> EXH 157 (NC) – Response to RFI - PMS from Hoa Phat Dung Quat Steel Joint Stock Company, Hoa Phat Hai Duong Steel Joint Stock Company and Hoa Phat Hung Yen Steel Limited Liability Company (subsidiaries of the Hoa Phat Group)

<sup>11</sup> EXH 191 (NC) – Response to RFI – PMS from Vietnam Steel Association

## **Governments**

[30] For the purposes of this investigation, the “Government”, 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.

[31] As stated above, the GOV was sent a Government PMS RFI, to which they provided a response.

## **PRODUCT INFORMATION**

### **Product Definition<sup>12</sup>**

[32] For the purpose of this investigation, subject goods are defined as:

*Hot rolled deformed steel concrete reinforcing bar in straight lengths or coils, commonly identified as rebar, in various diameters up to and including 56.4 millimeters, in various finishes, excluding plain round bar and fabricated rebar products, originating in or exported the People’s Democratic Republic of Algeria, the Arab Republic of Egypt, the Republic of Indonesia, the Italian Republic, the Federation of Malaysia, the Republic of Singapore, and the Socialist Republic of Vietnam.*

*Also excluded is 10 mm diameter (10M) rebar produced to meet the requirements of CSA G30 18.09 (or equivalent standards) that is coated to meet the requirements of epoxy standard ASTM A775/A 775M 04a (or equivalent standards) in lengths from 1 foot (30.48 cm) up to and including 8 feet (243.84 cm).*

### **Additional Product Information<sup>13</sup>**

[33] For greater clarity, the rebar considered to be subject goods includes all hot-rolled deformed bar, rolled from billet steel, rail steel, axle steel, low alloy-steel and other alloy steel that does not comply with the definition of stainless steel.

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<sup>12</sup> EXH 2 (NC) – Rebar 3 Complaint, page 9

<sup>13</sup> *Ibid.*

[34] Uncoated rebar, sometimes referred to as black rebar, is generally used for projects in non-corrosive environments where anti-corrosion coatings are not required. On the other hand, anti-corrosion coated rebar is used in concrete projects that are subjected to corrosive environments, such as road salt. Examples of anti-corrosion coated rebar are epoxy or hot-dip galvanized rebar. The subject goods include uncoated rebar and rebar that has a coating or finish applied.

[35] Fabricated rebar products are generally engineered using Computer Automated Design programs and are made to the customer's unique project requirements. The fabricated rebar products are normally finished with either a protective or corrosion resistant coating. Rebar that is simply cut-to-length is not considered to be a fabricated rebar product excluded from the definition of subject goods.

[36] Rebar is produced in Canada in accordance with the National Standard of Canada CAN/CSA-G30.18-09(R2019) - Carbon Steel Bars for Concrete Reinforcement, (the "National Standard") published by the CSA Group and approved by the Standards Council of Canada.

[37] The following are the most common bar designation numbers for the subject goods in Canada, with the corresponding diameter in millimeters in brackets: 10 (11.3), 15 (16.0), 20 (19.5), 25 (25.2), 30 (29.9), 35 (35.7). Rebar sizes are commonly referred to as the bar designation number combined with the letter "M". For example, 10M rebar is rebar with a bar designation number of 10 and a diameter of 11.3 millimeters. Other diameters may also be demanded, and other measurement systems employed. For example, Imperial measure #7 bar (approximately 22 millimeters) is a common designation used in the mine roofing industry.

[38] The National Standard identifies two grades of rebar, namely regular or "R" and weldable or "W". R grades are intended for general applications while W grades are used where welding, bending or ductility is of special concern. Welded rebar was a premium product for the domestic industry, reflecting the higher cost of alloy steel; however, since all imports have been weldable product, Canadian production has shifted to weldable as a standard product. Weldable rebar is substitutable for regular rebar in all applications, though the reverse does not hold.

[39] The National Standard also identifies yield strength levels of 300, 400, 500 and 600. This number refers to the minimum yield strength and is measured in megapascal ("MPa"). The grade and yield strength of rebar is identified by combining yield strength number with grade. Regular rebar with a yield strength of 400 MPa is 400R and 400W is weldable rebar with a yield strength of 400 MPa. Yield strength is measured with an extensometer in accordance with the requirements of section 9 of the National Standard.

[40] The standard lengths for rebar are 6 metres (20 feet), 12 metres (40 feet) and 18 metres (60 feet); although rebar can be cut and sold in other lengths as specified by customers or sold in coils.



## **Production Process<sup>14</sup>**

[41] Deformed steel concrete reinforcing bar can be produced in an integrated steel production facility or using ferrous scrap metal as the principal raw material. Scrap metal is melted in an electric arc furnace and is further processed in a ladle arc-refining unit. The molten steel is then continuously cast into rectangular billets of steel that are cut-to-length. An integrated facility would also produce billets from molten steel. The billets are then rolled into various sizes of rebar which are cut to various lengths depending on the customers' requirements.

[42] Deformed rebar is rolled with deformations on the bar which provides gripping power so that concrete adheres to the bar and provides reinforcing value. The deformations must conform to requirements set out in national standards.

## **Product Use<sup>15</sup>**

[43] Rebar is used in a number of applications, the most common of which is construction. Rebar is most commonly used to reinforce concrete and masonry structures. It enhances the compressional and tensional strength of concrete and helps prevent the concrete from cracking during curing or following changes in temperature. Rebar is also known as "reinforcing steel bar".

## **Classification of Imports**

[44] Subject goods are normally classified under the following tariff classification numbers:

7213.10.00.00            7214.20.00.00

[45] In some instances, imports of subject goods may also be classified under the following tariff classification numbers:

7215.90.00.90            7227.90.00.90

[46] 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.

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<sup>14</sup> EXH 2 (NC) – Rebar 3 Complaint, page 11

<sup>15</sup> EXH 2 (NC) – Rebar 3 Complaint, page 12

## **LIKE GOODS AND SINGLE CLASS OF GOODS**

[47] Subsection 2(1) of SIMA defines “like goods” in relation to any other goods as goods that are identical in all respects to the other goods, or in the absence of any identical goods, goods the uses and other characteristics of which closely resemble those of the other goods.

[48] In considering the issue of like goods, the CITT typically looks at a number of factors, including the physical characteristics of the goods (such as composition and appearance), their market characteristics (such as substitutability, pricing, distribution channels and end uses) and whether the domestic goods fulfill the same customer needs as the subject goods.

[49] In making both the Rebar 1 and Rebar 2 findings, the CITT determined that domestically produced rebar were like goods to the goods at issue in those inquiries. The complainants maintained that there had been no change of circumstances with respect to the criteria identified by the CITT in the previous proceedings. After considering questions of use, physical characteristics and all other relevant factors, the CBSA initiated its investigation under the premise that domestically produced rebar are like goods to the subject goods and constitute only one class of goods.

[50] In its preliminary injury inquiry for this investigation, the CITT further reviewed the matter of like goods and classes of goods. On December 7, 2020, the CITT issued its preliminary inquiry *Statement of Reasons*<sup>16</sup> for this investigation, indicating that it considered that domestically produced rebar are like goods to the subject goods and that there is one class of goods.

## **THE CANADIAN INDUSTRY**

[51] The domestic industry is comprised of five producers, the complainants, AltaSteel, AMLPC and Gerdau, as well as MANA and IRM, whom support the complaint. Based on the available evidence, the CBSA is satisfied that the complainants’ production represents almost all of the like goods produced in Canada, with the remainder being attributable to MANA and IRM.

## **IMPORTS INTO CANADA**

[52] During the final phase of the investigation, the CBSA refined the estimated volume and value of imports based on information received from exporters and importers.

[53] The following table presents the CBSA’s analysis of imports of rebar for the purposes of the final determination:

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<sup>16</sup> Canadian International Trade Tribunal; Concrete Reinforcing Bar Determination and Reasons (November 23, 2020), PI 2020-004

**Imports of Certain Concrete Reinforcing Bar**  
(% of Volume)

Country of origin or export	POI (June 1, 2019 to June 30, 2020)
<b>Algeria</b>	<b>9.4%</b>
<b>Egypt</b>	<b>4.4%</b>
<b>Indonesia</b>	<b>9.0%</b>
<b>Italy</b>	<b>21.9%</b>
<b>Malaysia</b>	<b>3.5%</b>
<b>Singapore</b>	<b>11.5%</b>
<b>Vietnam</b>	<b>9.2%</b>
<b>All Other Countries</b>	<b>31.1%</b>
<b>Total Imports</b>	<b>100%</b>

**INVESTIGATION PROCESS**

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

[55] The governments and the exporters/producers were 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 may result in the margins of dumping and the assessment of anti-dumping duties on subject goods being based on facts available to the CBSA. Further, they were notified that a determination on the basis of facts available could be less favorable to them than if complete, verifiable information was made available.

[56] Several parties requested an extension to respond to their respective RFIs. The CBSA reviewed all requests and all exporters and governments that requested an extension were granted an extension of time that still provided CBSA adequate time to review their responses for purposes of the preliminary determination of the investigation.

[57] After reviewing the RFI responses, supplemental RFIs (SRFIs) were sent to respondents who submitted complete submissions in order to clarify information provided in the responses and request additional information, where necessary.

[58] Verifications were conducted by way of SRFIs for the three exporters, who had submitted complete information.

[59] For responding parties that did not provide complete information, deficiency letters or a correspondence were sent to them directly in order to notify the parties that information was missing and that without the missing information being furnished, preliminary and/or final determinations would be made on the basis of facts available.

[60] Details pertaining to the information submitted by the exporters in response to the Dumping RFI as well as the results of the CBSA's dumping investigation, including the PMS, are provided in the *Results of the Dumping Investigation* section of this document.

[61] As part of the final phase of the investigation, case arguments were received in the form case briefs/reply submissions from counsel representing the following parties: the complainants, the exporters, Hoa Phat Dung Quat Steel Joint Stock Company and Spa Tosyali Iron Steel Industry Algeria and the government of Vietnam. Details of the representations are provided in **Appendix 2**.

## **RESULTS OF THE DUMPING INVESTIGATION**

### **Normal Value**

[62] Normal values are generally determined based on the domestic selling prices of like goods in the country of export, in accordance with the methodology of section 15 of SIMA which relies on domestic prices, or one of the methodologies of section 19. Where the methodology of paragraph 19(b) is used, it is based 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.

### **Export Price**

[63] The export price of goods sold to importers in Canada is generally determined 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.

[64] Where there are sales between associated persons and/or a compensatory arrangement exists, the export price may be determined under paragraphs 25(1)(c) and 25(1)(d) of SIMA 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.

### **Margin of Dumping**

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

[66] Although the CBSA received Dumping RFI responses from exporters in each of the named countries except Italy, a number of the responses were not complete and/or reliable and therefore could not be used for the purposes of determining normal values and export prices.

### **Algeria**

[67] The CBSA received a complete and reliable response to the Dumping RFI from one respondent in Algeria, Spa Tosyali Iron Steel Industry Algerie.

#### ***Spa Tosyali Iron Steel Industry Algeria***<sup>17</sup>

[68] Spa Tosyali Iron Steel Industry Algerie (Tosyali) is a private joint stock company. Tosyali started producing concrete reinforcing bars in 2013. All of the subject goods shipped to Canada by Tosyali were produced at its production facilities, located in Béthioua wilaya of Oran, Algeria.

[69] Tosyali provided a response to the CBSA's Dumping RFI, including a database of domestic sales of rebar during the PAP. Four Supplemental RFIs (SRFIs) were sent to Tosyali to gather additional information and to seek clarification.<sup>18</sup> There were sufficient profitable sales of like goods to determine normal values in accordance with section 15 of SIMA, using the exporter's domestic prices of rebar in Algeria.

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<sup>17</sup> EXH 63 (PRO) & 64 (NC) – Response to request for information (RFI) from Spa Tosyali Iron Steel Industrie Algerie (Tosyali)

<sup>18</sup> EXH 164 (PRO) & 165 (NC) – Response to SRFI #1 from Tosyali, EXH 226 (PRO) & 227 (NC) – Response to SRFI #2 from Tosyali, EXH 239 (PRO) & 240 (NC) – Response to SRFI #3 from Tosyali, EXH 259 (PRO) & 260 (NC) – Response to SRFI #4 from Tosyali

[70] During the POI, all of Tosyali's subject goods sold to Canada were sold through an unrelated trading company. The CBSA has examined the information on the record and determined that Tosyali is the principal in all transactions, is located in the country of export, knowingly places the goods for transport to Canada, that it maintains the ownership of the subject goods when they are sent to Canada. The CBSA considers Tosyali to be the exporter for SIMA purposes. Export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

[71] For the final determination, the total normal value compared to the total export price results in a margin of dumping of 4.8% for Tosyali, expressed as a percentage of the export price.

#### ***All Other Exporters – Algeria***

[72] Based on the information on the record, 100% of the subject goods originating in or exported to Canada from Algeria during the POI, were from Tosyali. Therefore, no "all other exporters" margin of dumping has been determined as Tosyali is the only exporter.

#### **Egypt**

[73] The CBSA received a two responses to the Dumping RFI from two respondents in Egypt, Al Ezz Dekheila Steel Company– Alexandria and El Marakby for Metallic Industries.

#### ***Al Ezz Dekheila Steel Company– Alexandria*<sup>19</sup>**

[74] Al Ezz Dekheila Steel Company– Alexandria (EZDK) is a joint stock company. All of the subject goods shipped to Canada by EZDK were produced at its production facility, located in Alexandria, Egypt.

[75] EZDK provided a response to the Dumping RFI, which was used to estimate normal values and export prices for the purposes of the preliminary determination.

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<sup>19</sup> EXH 57 (PRO) & 58 (NC) – Response to request for information (RFI) from EZDK 201111

[76] On December 16, 2020, the CBSA sent an SRFI to EZDK with responses due on December 28, 2020. The CBSA granted an extension to the deadline to the SRFI to January 11, 2021. The SRFI requested clarification to numerous discrepancies, such as further information needed regarding domestic sales. EZDK did not provide a response to the SRFI on the requested due date. On February 24, 2021 the CBSA notified EZDK that it had not received a response to the SRFI and that the CBSA could not guarantee that information received after the initial deadline of January 11, 2021 would be used for the purposes of the investigation, as the CBSA requires sufficient time to issue further SRFIs or request supporting information.<sup>20</sup> On March 2, 2021, the CBSA received EZDK's response to the SRFI, less than two weeks before the close of record.<sup>21</sup> The SRFI response included a substantial amount of new and revised information. The provision of late information did not allow the CBSA sufficient time to verify the new information by way of further SRFIs and the CBSA was not able to determine the veracity of the SRFI response. As a result, EZDK's submissions were considered to be unreliable and were not taken into account for the purposes of the final determination.

[77] For the final determination, the margin of dumping for EZDK is based on the "All Other Exporters - Egypt, Italy, Malaysia and Singapore" normal value and export price methodologies which are described later in this document.

### *El Marakby for Metallic Industries*<sup>22</sup>

[78] El Marakby for Metallic Industries (El Marakby), is a joint stock company headquartered in Giza, Egypt. All of the subject goods shipped to Canada by El Marakby were produced at its production facility in Giza, Egypt.

[79] El Marakby's response to the Dumping RFI was considered incomplete due to deficiencies in the information concerning the domestic sales of like goods, the costs of subject goods, the costs of like goods and the purchases of inputs that are a significant factor in production, as information was not provided for all months of the PAP. A deficiency letter was sent to El Marakby to address these deficiencies, to which El Marakby provided a response.<sup>23</sup> However, the deficiencies were not sufficiently addressed as El Markaby did not provide the additional sales and costing information for the whole PAP. As such, the CBSA could not use El Marakby's submission to determine normal values and export prices.

[80] For the final determination, the margin of dumping for El Marakby is based on the "All Other Exporters - Egypt, Italy, Malaysia and Singapore" normal value and export price methodologies which are described later in this document.

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<sup>20</sup> EXH PRO (241) – Correspondence sent to AlEzz Dekheila Steel Company – Alexandria (EZDK), regarding SRFI #1

<sup>21</sup> EXH 245 (PRO) & 246 (NC) – Response to SRFI #1 from EZDK

<sup>22</sup> EXH 88 (PRO) & 89 (NC) – Response to RFI from El Marakby for Metallic Industries (El Marakby)

<sup>23</sup> EXH 159 (PRO) & 160 (NC) – Response to deficiency letter - dumping from El Marakby

## **Indonesia**

[81] The CBSA received one responses to the Dumping RFI from one respondent in Indonesia, PT Putra Baja Deli.

### ***PT Putra Baja Deli***<sup>24</sup>

[82] PT Putra Baja Deli (Putra Baja Deli), is a producer and exporter of subject goods that was established in 2004 as a private corporation. All of the subject goods shipped to Canada by Putra Baja Deli were produced at its production facility, located in Serang, Indonesia. During the POI, Putra Baja Deli exported subject goods to Canada directly.

[83] Putra Baja Deli provided a response to the CBSA's Dumping RFI, including a database of domestic sales of rebar during the PAP. Two SRFIs were sent to Putra Baja Deli to gather additional information and seek clarification.<sup>25</sup>

[84] Putra Baja Deli had domestic sales of like goods during the PAP. Where applicable, normal values were either determined in accordance with section 15 of SIMA, based on domestic selling prices of like goods or in accordance with paragraph 19(b) of SIMA, based on the aggregate of cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.

[85] In this regard, the amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the *Special Import Measures Regulations* (SIMR) by using Putra Baja Deli's profitable domestic sales of goods that were of the same general category as the subject goods exported to Canada during the POI.

[86] For the subject goods exported from Putra Baja Deli to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on the exporter's selling price less all costs, charges and expenses resulting from the exportation of the goods.

[87] For the final determination, the total normal value compared to the total export price results in a margin of dumping of 3.3% for Putra Baja Deli, expressed as a percentage of the export price.

### ***All Other Exporters – Indonesia***

[88] Based on the information on the record, 100% of the subject goods originating in or exported to Canada from Indonesia during the POI, were from Putra Baja Deli. Therefore, no "all other exporters" margin of dumping has been determined as Putra Baja Deli is the only exporter.

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<sup>24</sup> EXH 98 (PRO) & 99 (NC) – Response to RFI - dumping from PT Putra Baja Deli (Putra Baja Deli)

<sup>25</sup> EXH 231 (PRO) & 232 (NC) – Response to SRFI #1 from Putra Baja Deli; and EXH 271 (PRO) & 272 (NC) – Response to SRFI #2 from Putra Baja Deli



## **Malaysia**

[89] The CBSA received one response to the Dumping RFI from one respondent in Malaysia, Southern Steel Berhad.

### ***Southern Steel Berhad***<sup>26</sup>

[90] Southern Steel Berhad (SSB) is a publicly listed company in Malaysia. All of the subject goods shipped to Canada by SSB were produced at its production facility, located in Pulau Pinang, Malaysia.

[91] SSB provided a deficient response to the Dumping RFI. As such, the CBSA sent SSB two deficiency letters. Both deficiency letters were sent to SSB to address inconsistencies and discrepancies in the sales and costing information pertaining to subject goods and domestically sold rebar, and to address the fact that information requested for significant factor inputs had not been provided to the CBSA.

[92] SSB did not provide a complete response to the CBSA's second deficiency letter, which listed the details of nine significant deficiencies uncovered from their response to the Dumping RFI and their response to the first deficiency letter.<sup>27</sup> These significant deficiencies were further addressed by the CBSA in the exporter letter sent to SSB for the preliminary determination.<sup>28</sup> At the date of the close of record, SSB had only provided their response to one of the nine deficiencies.<sup>29</sup>

[93] As of the close of record, SSB had not resolved the significant inconsistencies and discrepancies in the sales and costing information pertaining to subject goods and domestically sold rebar. In addition, the information requested for significant factor inputs had not been provided to the CBSA for this investigation. As such, the CBSA could not use SSB's submission to determine normal values and export prices.

[94] For the final determination, the margin of dumping for SSB is based on the "All Other Exporters - Egypt, Italy, Malaysia and Singapore" normal value and export price methodologies which are described later in this document.

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<sup>26</sup> EXH 90 (PRO) & 91 (NC) – Response to RFI from Southern Steel Berhad (SSB)

<sup>27</sup> EXH 137 (PRO) & 138 (NC) – Response to deficiency letter from SSB; and EXH 145 (PRO) & 146 (NC) – Supplemental response to deficiency letter from SSB

<sup>28</sup> EXH 215 (PRO) – Notice of preliminary determination sent to exporters

<sup>29</sup> EXH 229 (PRO) & 230 (NC) – Response to deficiency number 1 of 9 of the second deficiency letter - dumping sent to SSB

## Singapore

[95] The CBSA received one response to the Dumping RFI from one respondent in Singapore, NatSteel Holdings Pte. Ltd.

### *NatSteel Holdings Pte. Ltd.*<sup>30</sup>

[96] NatSteel Holdings Pte. Ltd. (NatSteel) is a private company incorporated in Singapore. All of the subject goods shipped to Canada by NatSteel were produced at its production facility in Singapore.

[97] NatSteel's response to the Dumping RFI was considered incomplete due to issues with the identify the manufacturer of the like goods sold domestically, and blended acquisition and production costs of imported rebar. A deficiency letter was sent to NatSteel to address these deficiencies, to which NatSteel provided a response.<sup>31</sup> However, the deficiencies were not sufficiently addressed as NatSteel was unable to separately submit their own cost of production.

[98] As such, the CBSA sent an additional correspondence to NatSteel reminding them that their RFI response would still be considered deficient if they were unable to rectify the issue.<sup>32</sup> On March 9, 2021, less than one week prior to the close of record for the investigation, NatSteel resubmitted their costs noting they had attempted to separate their own costs of production from the acquisition cost of imported rebar.<sup>33</sup> The CBSA had insufficient time prior to the close of record to review and verify the new information by way of further SRFIs or supporting information. As a result, NatSteel's submissions were considered to be unreliable and were not taken into account for the purposes of the final determination.

[99] For the final determination, the margin of dumping for NatSteel is based on the "All Other Exporters - Egypt, Italy, Malaysia and Singapore" normal value and export price methodologies which are described later in this document.

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<sup>30</sup> EXH 67 (PRO) & 68 (NC) – Response to RFI - dumping from NatSteel Holdings Pte. Ltd. (NatSteel)

<sup>31</sup> EXH 161 (PRO) & 162 (NC) – Response to SRFI #1 - dumping from NatSteel

<sup>32</sup> EXH 176 (PRO) – Correspondence to NatSteel regarding the response to SRFI #1

<sup>33</sup> EXH 180 (PRO) & 181 (NC) – Response to SRFI #1 from NatSteel

## Vietnam

### *Particular Market Situation (PMS)*

[100] The CBSA may form the opinion that a PMS exists, which does not permit a proper comparison with the sale of the goods to the importer in Canada, if one or more of the following factors have had a significant impact on the domestic sales of like goods in the country of export:

- government regulations such as price floors, price ceilings, production quotas, import and export controls;
- taxation policies;
- government support programs (financial or otherwise);
- the presence and activities of state-owned or state-controlled enterprises in the domestic market as suppliers or purchasers of the like goods (also including other state-owned or state-controlled enterprises such as financial institutions);
- the acquisition of production inputs or processing services that do not reflect market-based costs because they are acquired from suppliers which are state-owned or state-controlled or that are affected by government influence or control;
- significant volatility in economic conditions in the home market of the exporter;
- evidence of distorted input costs; and,
- any other circumstances which may or may not be the result of government intervention, in which normal market conditions or patterns of supply and demand do not prevail.

[101] Paragraph 16(2)(c) is a provision of SIMA that may be applied when the President is of the opinion that domestic sales of like goods in the country of export do not permit a proper comparison with the sales of the goods to the importer in Canada because a PMS prevails.

[102] Pursuant to subsection 16(2.1), the President may form the opinion that a PMS exists in respect of any goods of a particular exporter or of a particular country.

[103] In such cases, the CBSA would not determine normal values using the methodology of section 15 of SIMA, which relies on domestic prices. Accordingly, and where such information is available, the CBSA would look to use one of the methodologies of section 19 to determine normal values.

[104] Where the methodology of paragraph 19(b) has been applied, and the President is of the opinion that a PMS also distorts the cost of inputs that are significant in the production of the goods, the President will use information in accordance with subsection 11.2(2) of the SIMR, that best represents the actual cost of the input to permit a proper comparison.

[105] Post initiation, Gerdau submitted that the significant presence of Chinese rebar in Vietnam suppresses the prices of Vietnamese produced rebar sold domestically and that the presence of Vietnamese and Chinese state-owned or controlled enterprises in the Vietnamese steel sector generally and in the rebar market more specifically, distorts input costs and further suppresses Vietnamese rebar prices. Gerdau stated that this prevents the CBSA from making a proper comparison between the prices of subject goods and like goods.<sup>34</sup> The CBSA considered the evidence supplied in the complaint to be sufficient to examine whether a PMS exists in Vietnam.

[106] Consequently, the CBSA sent RFIs pertaining to the alleged PMS to the GOV and to all known producers of rebar and steel billet in Vietnam.

[107] The CBSA received a response to the Dumping RFI from the sole exporter of subject goods from Vietnam, which contained questions concerning the alleged PMS. This respondent also provided a response to the PMS RFI.<sup>35</sup> The Vietnam Steel Association (VSA) also provided information in response to the PMS RFI on behalf of its members.<sup>36</sup> Furthermore, the GOV provided a response to the Government PMS RFI.<sup>37</sup> These parties also filed comments and representations relating to the alleged PMS throughout the course of the investigation.

[108] On the basis of its estimate of the apparent domestic market for rebar in Vietnam, the CBSA determined that Gerdau had overstated the presence of Chinese imports of rebar in Vietnam, as well as the presence and influence of SOEs in that market. In this regard, it was determined that Chinese imports accounted for only 2% of the Vietnam market and that import prices were higher than domestic prices. Furthermore, the presence of SOEs was also overstated, as the combination of state-owned rebar producers and all companies operating as joint ventures with an SOE, accounted for a much smaller proportion of the market than what was alleged, at no more than 28% of the market. An estimate of the Herfindahl–Hirschman Index (HHI) score, a measure of the size of firms in relation to the industry and an indicator of the amount of competition among them, also suggested that the industry was not concentrated. Further, the CBSA’s analysis revealed that there were approximately 17 private rebar producers as opposed to a single company as alleged by Gerdau. Furthermore, the CBSA compared domestic prices with benchmark prices and determined that prices in Vietnam were higher.<sup>38</sup> For these reasons, the CBSA believes that the allegations that prices in Vietnam are being suppressed by Chinese imports of rebar and by the presence of SOEs are not supported.

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<sup>34</sup> EXH 50 (NC) – PMS Allegations submitted by from Gerdau

<sup>35</sup> EXH 157 (NC) – Response to RFI - PMS from Hoa Phat Dung Quat Steel Joint Stock Company, Hoa Phat Hai Duong Steel Joint Stock Company and Hoa Phat Hung Yen Steel Limited Liability Company (subsidiaries of the Hoa Phat Group)

<sup>36</sup> EXH 191 (NC) – Response to RFI - PMS from Vietnam Steel Association

<sup>37</sup> EXH 183 (NC) – Response to RFI - PMS from the Government of Socialist Republic of Vietnam

<sup>38</sup> For this purpose, the CBSA selected India as an appropriate basis as both Vietnam and India are listed by the United Nations Country Classification as lower middle income countries, located in Asia. The two countries were therefore considered as having similar economies.

[109] The CBSA also estimated the apparent domestic market for steel billet in Vietnam, which is the principle substrate in the production of rebar. The CBSA determined that Chinese imports were insignificant and that the presence and influence of SOEs in that market was also overstated, with a market share of approximately 31% and an HHI score pointing to a competitive, unconcentrated industry. The information on the record did not support allegations that SOEs are suppressing domestic selling prices of billet, not to mention that prices of rebar do not appear to be suppressed, as suggested by the pricing analysis mentioned above.

[110] While there was an apparent distortion in the domestic prices of iron ore in Vietnam, an important input into the production of steel, the CBSA's analysis indicated that this apparent price distortion would have minimal impact on the total cost of the subject and like goods, and no significant impact on the prices of rebar. Accordingly, the CBSA did not find that the apparent distortion in the domestic input prices resulted in a PMS.

[111] Based on the information on the administrative record, the CBSA has not formed the opinion that a PMS exists under paragraph 16(2)(c) in the rebar market in Vietnam that affects the domestic sales such that they do not permit a proper comparison with the sales to the importers in Canada.

#### ***Hoa Phat Dung Quat Steel Joint Stock Company***<sup>39</sup>

[112] The CBSA received one response to the Dumping RFI from one respondent in Vietnam, Hoa Phat Dung Quat Steel Joint Stock Company.

[113] Hoa Phat Dung Quat Steel Joint Stock Company (HPDQ) was established in 2017 as a private corporation. All of the subject goods shipped to Canada by HPDQ were produced at its production facility, located in Binh Dong, Vietnam. During the POI, HPDQ exported subject goods to Canada directly.

[114] HPDQ provided a response to the CBSA's Dumping RFI. Three SRFI's were sent to HPDQ to gather additional information and seek clarification.<sup>40</sup>

[115] HPDQ did not have domestic sales of rebar to unrelated customers during the PAP. As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on the aggregate of cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.

[116] In this regard, the amount for profits was determined in accordance with subparagraph 11(1)(b)(iii) of the SIMR.

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<sup>39</sup> EXH 53 (PRO) & 54 (NC) – Response to RFI - dumping from Hoa Phat Dung Quat Steel Joint Stock Company (HPDQ)

<sup>40</sup> EXH 200 (PRO) & 201 (NC) – Response to SRFI #1 from HPDQ; EXH 249 (PRO) & 250 (NC) – Response to SRFI #2 HPDQ; and EXH 269 (PRO) & 270 (NC) – Response to SRFI #3 from HPDQ

[117] For the subject goods exported from HPDQ to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on the exporter's selling price less all costs, charges and expenses resulting from the exportation of the goods.

[118] For the final determination, the total normal value compared to the total export price results in a margin of dumping of 10.5% for HPDQ, expressed as a percentage of the export price.

#### ***All Other Exporters – Vietnam***

[119] Based on the information on the record, 100% of the subject goods originating in or exported to Canada from Vietnam during the POI, were from HPDQ. Therefore, no "all other exporters" margin of dumping has been determined as HPDQ is the only exporter.

#### **All Other Exporters – Egypt, Italy, Malaysia and Singapore**

[120] As previously stated, the CBSA did not receive complete and reliable responses to the Dumping RFI from any exporters in Egypt, Italy, Malaysia and Singapore, so as a result, the normal values and export prices for all exporters in Egypt, Italy, Malaysia and Singapore were determined on the basis of facts available.

[121] In establishing the methodology for estimating normal values and export prices, the CBSA analyzed all the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the initiation of the investigation, information submitted by exporters of rebar from the named countries and customs documentation.

[122] The CBSA decided that the normal values and export prices determined for the exporters whose submissions were complete and reliable for the final determination, rather than the information provided in the complaint or estimated at initiation, would be used to establish the methodology for determining normal values since it reflects exporters' actual trading practices during the POI.

[123] The CBSA would normally first consider whether information from an exporter of rebar from the applicable country, who provided complete and reliable information, would be appropriate to use as the basis for determining normal values for all other exporters in each respective country. However, as no exporters in Egypt, Italy, Malaysia and Singapore provided a complete and reliable response to the CBSA's Dumping RFI, the CBSA instead considered whether information from exporters of rebar from the named countries who provided complete and reliable information, would be appropriate to use as the basis for determining normal values.

[124] Normal values for all exporters from Egypt, Italy, Malaysia and Singapore, have been determined based on the highest amount by which a normal value exceed an export price on an individual transaction of the exporters that provided a complete and reliable response for the final determination (expressed as a percentage of the export price).

[125] The transactions were examined to ensure that no anomalies were considered, such as very low volume and value, effects of seasonality or other business factors. No such anomalies were identified. This methodology relies on information related to goods that were shipped to Canada during the POI and limits the advantage that an exporter may gain from not providing necessary information requested in a dumping investigation as compared to an exporter that did provide the necessary information.

[126] Export prices were based on the declared selling prices on customs entry documentation. The CBSA considers this the best available information on which to base the export prices for all other exporters as it reflects actual import data.

[127] Using the above methodology, the margin of dumping for all exporters in Egypt, Italy, Malaysia and Singapore is determined to be 23.1%, expressed as a percentage of the export price.

## Summary of Results

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

### **Summary of Results** Period of Investigation (June 1, 2019 – June 30, 2020)

<b>Country of origin or export</b>	<b>Volume of Subject Goods as a Percentage of Total Imports</b>	<b>Margin of Dumping (as % of Export Price)</b>
<b>Algeria</b>	<b>9.4%</b>	<b>N/A</b>
Spa Tosyali Iron Steel Industry Algerie		4.8%
<b>Egypt – All Exporters</b>	<b>4.4%</b>	<b>23.1%</b>
<b>Indonesia</b>	<b>9.0%</b>	<b>N/A</b>
PT Putra Baja Deli		3.3%
<b>Italy – All Exporters</b>	<b>21.9%</b>	<b>23.1%</b>
<b>Malaysia – All Exporters</b>	<b>3.5%</b>	<b>23.1%</b>
<b>Singapore – All Exporters</b>	<b>11.5%</b>	<b>23.1%</b>
<b>Vietnam</b>	<b>9.2%</b>	<b>N/A</b>
Hoa Phat Dung Quat Steel Joint Stock Company		10.5%
<b>All Other Countries</b>	<b>31.1%</b>	<b>N/A</b>
<b>All Countries</b>	<b>100%</b>	<b>N/A</b>

[129] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of the goods of an exporter if the CBSA is satisfied that the goods have not been dumped or the margin of dumping of the goods of that exporter is insignificant, meaning a margin of dumping that is less than 2% of the export price of the goods.

[130] The goods under investigation have been dumped and the margins of dumping on the goods are greater than the threshold of 2% and are therefore not considered insignificant. As a result, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made a final determination of dumping respecting rebar originating in or exported from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam.



## **DECISION**

[131] On May 5, 2021, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made a final determination of dumping respecting rebar originating in or exported from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam.

## **FUTURE ACTION**

[132] The provisional period began on February 4, 2021, and will end on the date the CITT issues its finding. The CITT is expected to issue its decision by June 4, 2021. Provisional anti-dumping duty will continue to apply until this date on imports of subject goods from the named countries. For further details on the application of provisional duty, refer to the *Statement of Reasons* issued for the preliminary determination, which is available through the CBSA's website at: [www.cbsa-asfc.gc.ca/sima-lmsi/menu-eng.html](http://www.cbsa-asfc.gc.ca/sima-lmsi/menu-eng.html).

[133] If the CITT finds that the dumped goods have not caused injury and do not threaten to cause injury, all proceedings will be terminated. In this situation, all provisional duty paid or security posted by importers will be returned.

[134] If the CITT finds that the dumped goods have caused injury, the anti-dumping duty payable on subject goods released by the CBSA during the provisional period will be finalized pursuant to section 55 of SIMA. Imports released by the CBSA after the date of the CITT's finding will be subject to anti-dumping duty equal to the margin of dumping.

[135] The importer in Canada shall pay all applicable duties. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the customs documents, an administrative monetary penalty could be imposed. The provisions of the *Customs Act* apply with respect to the payment, collection or refund of any duty collected under SIMA. As a result, failure to pay duty within the prescribed time will result in the application of interest.

[136] As previously noted, Tosyali, Putra Baja Deli and HPDQ were the only exporters of the subject goods from Algeria, Indonesia and Vietnam during the POI. In the event of an injury finding by the CITT, new exporters may contact the CBSA to explore appropriate mechanisms for obtaining specific normal values and export prices before the exportation of goods. In the event that subject goods from an exporter, other than Tosyali, Putra Baja Deli and HPDQ, are released from customs after a finding of injury by the CITT, an anti-dumping duty will be assessed at a rate of 20.3% for Algeria; 21.8% for Indonesia; and 23.1% for Vietnam, of the export price of the goods. This amount represents the highest amount by which the normal value exceeded the export price on an individual transaction from a substantially complete exporter response from each country during the POI.

[137] The transactions for the above methodology were examined to ensure that no anomalies were considered, such as very low volume and value, effects of seasonality or other business factors. No such anomalies were identified.

### **RETROACTIVE DUTY ON MASSIVE IMPORTATIONS**

[138] Under certain circumstances, anti-dumping 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 goods that were imported close to or after the initiation of the investigation 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 goods that caused injury, imports of subject goods released by the CBSA in the 90 days preceding the day of the preliminary determination could be subject to anti-dumping duty.

### **PUBLICATION**

[139] A notice of this final determination of dumping will be published in the *Canada Gazette* pursuant to paragraph 41(3)(a) of SIMA.

## **INFORMATION**

[140] This *Statement of Reasons* is posted on the CBSA's website at the address below. For further information, please contact the officers identified as follows:

**Mail:** SIMA Registry and Disclosure Unit  
Trade and Anti-dumping Programs Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> floor  
Ottawa, Ontario K1A 0L8 Canada

**Telephone:** Lindsay Kyne 343-553-1587  
Robert Wright 343-553-1729

**E-mail:** [simaregistry@cbsa-asfc.gc.ca](mailto:simaregistry@cbsa-asfc.gc.ca)

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

Doug Band  
Director General  
Trade and Anti-dumping Programs Directorate

## **ATTACHMENTS**

**Appendix 1: Summary of Margins of Dumping**  
**Appendix 2: Dumping Representations**

## APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING

Country of origin or export	Margin of Dumping (% of Export Price)
<b>Algeria</b>	N/A
Spa Tosyali Iron Steel Industry Algerie	4.8%
<b>Egypt – All Exporters</b>	<b>23.1%</b>
<b>Indonesia</b>	N/A
PT Putra Baja Deli	3.3%
<b>Italy – All Exporters</b>	<b>23.1%</b>
<b>Malaysia – All Exporters</b>	<b>23.1%</b>
<b>Singapore – All Exporters</b>	<b>23.1%</b>
<b>Vietnam</b>	N/A
Hoa Phat Dung Quat Steel Joint Stock Company	10.5%

**NOTE:** The margins of dumping reported in this table were determined by the Canada Border Services Agency (CBSA) for the purposes of the final determination of dumping. These margins may not reflect the amount of anti-dumping duty to be levied on future importations of dumped goods. In the event of an injury finding by Canadian International Trade Tribunal, normal values for future shipments to Canada have been provided to the exporters who provided sufficient information to the CBSA, as appropriate. These normal values would come into effect the day after an injury finding. Information regarding normal values of the subject goods should be obtained from the exporters. Normal values for all other exporters will be determined in accordance with a Ministerial specification pursuant to subsection 29(1) of SIMA. The application of the Ministerial specification will result in anti-dumping duty rates equivalent to the margins of dumping found for “all other exporters” at the final determination. Please consult the [SIMA Self-Assessment Guide](#) for more detailed information explaining how to determine the amount of *Special Import Measures Act* (SIMA) duties owing.

Normally, normal values will not be applied retroactively. However, normal values may be applied retroactively in cases where the parties have not advised the CBSA in a timely manner of substantial changes that affect values for SIMA purposes. Therefore, where substantial changes occur in prices, market conditions, costs associated with production and sales of the goods, the onus is on the concerned parties to advise the CBSA.

## APPENDIX 2 – REPRESENTATIONS

Following the March 15, 2021, closing of the record, case briefs were received on behalf of the complainants, AltaSteel Inc. (AltaSteel), ArcelorMittal Long Products Canada G.P (AMLPC),<sup>41</sup> Gerdau Ameristeel Corporation (Gerdau),<sup>42</sup> Hoa Phat Group,<sup>43</sup> Spa Tosyali Iron Steel Industry Algerie (Tosyali)<sup>44</sup> and the Government of Vietnam (GOV).<sup>45</sup>

The CBSA received a reply submission on behalf of the AltaSteel, AMLPC,<sup>46</sup> Gerdau,<sup>47</sup> Hoa Phat Dung Quat Steel Joint Stock Company,<sup>48</sup> Tosyali<sup>49</sup> and the GOV.<sup>50</sup>

Certain details provided in case briefs and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions.

The CBSA has provided responses below to representations that relate to the final determination of dumping. The CBSA will not address representations pertaining to future enforcement in this *Statement of Reasons*.

The material issues raised by the parties are summarized as follows:

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<sup>41</sup> EXH 287 (PRO) & 283 (NC) – Case brief filed on behalf of ArcelorMittal Long Products Canada G.P. (AMLPC) and AltaSteel Inc. (AltaSteel)

<sup>42</sup> EXH 282 (PRO) & 283 (NC) – Case brief filed on behalf of Gerdau Ameristeel Corporation (Gerdau)

<sup>43</sup> EXH 284 (NC) – Case brief filed on behalf of Hoa Phat Dung Quat Steel Joint Stock Company (HPDQ), Hoa Phat Hai Duong Steel Joint Stock Company (HPHD), and Hoa Phat Hung Yen Steel Limited Liability Company (HPHY) (collectively the Hoa Phat Group)

<sup>44</sup> EXH 285 (PRO) & 286 (NC) – Case brief filed on behalf of Spa Tosyali Iron Steel Industry Algerie (Tosyali)

<sup>45</sup> EXH 289 (PRO) & 290 (NC) – Case brief filed on behalf of the Government of Vietnam (GOV)

<sup>46</sup> EXH 297 (PRO) & 298 (NC) – Reply submission filed on behalf of AMLPC and AltaSteel

<sup>47</sup> EXH 293 (PRO) & 294 (NC) – Reply submission filed on behalf of Gerdau

<sup>48</sup> EXH 299 (PRO) & 300 (NC) – Reply submission filed on behalf of HPDQ and Affiliated Companies

<sup>49</sup> EXH 295 (PRO) & 296 (NC) – Reply submission filed on behalf of Tosyali

<sup>50</sup> EXH 291 (NC) – Reply submission filed on behalf of the GOV

## **Particular Market Situation (PMS)**

### **Case Arguments**

The GOV and the Hoa Phat Group submitted representations that a PMS does not exist in Vietnam's rebar market. The GOV argued that the PMS allegations made by Gerdau in its submission to CBSA were based on dated, speculative and inaccurate information and that the CBSA relied on this imperfect evidence to launch the PMS Inquiry. In this connection, the GOV argued, the CBSA did not respect the requirements of WTO Anti-dumping Agreement Article 5.3 which requires that "The authorities shall examine the accuracy and adequacy of the evidence provided in the application to determine whether there is sufficient evidence to justify the initiation of an investigation."<sup>51</sup> Furthermore, the GOV argued that the rebar market is dominated by privately owned/controlled firms.<sup>52</sup>

### **CBSA's Position**

As discussed in the body of this *Statement of Reasons* under 'Particular Market Situation', using information available on the administrative record, the CBSA investigated allegations that a particular market situation exists in the rebar market in Vietnam. Based on the information on the administrative record, the CBSA has not formed the opinion that a PMS exists under SIMA paragraph 16(2)(c) in the rebar market in Vietnam that affects the domestic sales such that they do not permit a proper comparison with the sales to the importers in Canada.

Further, the CBSA notes that the dumping investigation was initiated pursuant to subsection 31(1) of SIMA on the basis of the evidence submitted in the complaint, which supported the allegations that the subject goods have been dumped and that this dumping has caused injury and is threatening to cause injury to the domestic industry producing like goods. Allegations that a particular market situation existed in the rebar market in Vietnam were made subsequent to the initiation of the investigation.<sup>53</sup>

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<sup>51</sup> EXH 289 (PRO) & 290 (NC) – Case brief filed on behalf of the GOV, paras. 2-3

<sup>52</sup> EXH 289 (PRO) & 290 (NC) – Case brief filed on behalf of the GOV

<sup>53</sup> EXH 49 (PRO) & 50 (NC) – Representations filed by Gerdau

## **Accuracy and Completeness of Submissions**

### **Case Arguments**

Counsels for the complainants made representations regarding the accuracy and completeness of information submitted by Al EZZ Dekhelia Steel Company (EZDK), El Marakby for Metallic Industries (El Marakby), Feralpi Siderurgica S.p.A (Feralpi), Hoa Phat Dung Quat Steel Joint Stock Company (HPDQ) and its affiliated companies (“the Hoa Phat Group”), NatSteel Holdings Pte Ltd. (NatSteel), PT Putra Baja Deli (Putra Baja Deli), Spa Tosyali Iron Steel Industry Algerie (Tosyali), and Southern Steel Berhad (SSB) in response to the Dumping RFI, supplemental RFIs and/or Deficiency letters. Counsels submitted that the normal value and export price be determined pursuant to a ministerial specification or adjustments be performed to rectify the stated deficiencies for HPDQ and Tosyali.<sup>54</sup>

The counsels made specific representations regarding exporter’s responses with regards to the accuracy and reliability of the data pertaining to the cost of production, domestic sales and export sales.<sup>55</sup>

The GOV made representations that they had provided a detailed response to the CBSA’s PMS request for information.<sup>56</sup>

### **Reply Submissions**

Counsel for Tosyali and Hoa Phat Group both responded to the complainant’s arguments, stating that they provided all information required by the CBSA in order to calculate normal values and export prices.<sup>57</sup>

The CBSA did not receive reply submissions from EZDK, El Marakby, NatSteel, Putra Baja Deli and SSB with respect to the case arguments submitted by counsels for complainants on the accuracy and completeness of the submissions.

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<sup>54</sup> EXH 282 (PRO) & 283 (NC) – Case brief filed on behalf of Gerdau, pages 2-26 & 29-34; and EXH 287 (PRO) & 288 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, Pages 5-37

<sup>55</sup> EXH 282 (PRO) & 283 (NC) – Case brief filed on behalf of Gerdau, pages 6-7 & 12-26; EXH 287 (PRO) & 288 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, pages 6-15 & 19-37; EXH 293 (PRO) & 294 (NC) – Reply submission filed on behalf of Gerdau, pages 1-10; and EXH 297 (PRO) & 298 (NC) – Reply submission filed on behalf of AMLPC and AltaSteel, pages 1-6

<sup>56</sup> EXH 289 (PRO) & 290 (NC) – Case Brief filed on behalf of the GOV

<sup>57</sup> EXH 299 (PRO) & 300 (NC) – Reply submission filed on behalf of HPDQ and Affiliated Companies; EXH 285 (PRO) & 286 (NC) – Case brief filed on behalf of Tosyali; and EXH 295 (PRO) & 296 (NC) – Reply submission filed on behalf of Tosyali

## **CBSA's Response**

The CBSA has reviewed the responses to the RFIs and supplemental RFIs from Putra Baja Deli, Tosyali, HPDQ and its affiliated companies. Taking materiality into consideration, the exporter's and certain affiliated companies' submissions were considered complete and reliable for the purposes of the final determination and the CBSA determined normal values, export prices and the margins of dumping on the basis of the submissions.

The CBSA considered all of the information provided by EZDK, El Marakby, Feralpi, NatSteel and SSB. The CBSA finds that their submissions cannot be used to determine normal values and export prices. The CBSA has determined normal values and export prices for the above exporter's based on the "All Other Exporters - Egypt, Italy, Malaysia and Singapore" normal value and export price methodologies.

## **The Ministerial Specification Rate**

### **Case Arguments**

In their case brief, counsel for the complainant, Gerdau, submitted that for purposes of the final determination, the CBSA should use the higher of the results produced from either the methodology from the "all other exporter's rate" at preliminary determination or the methodology used in the investigation of *Certain Corrosion Resistant Steel Sheet*.<sup>58</sup>

Counsel argued that using the higher of the two methodologies would result in a larger difference in the dumping margins of cooperative and non-cooperative exporters, and thus incentivize exporters to fully cooperate in future investigations.<sup>59</sup>

### **CBSA's Position**

As discussed in the relevant "all other exporters" sections of this document, the CBSA decided that the normal values and export prices determined for the exporters whose submissions were complete and reliable for the final determination, rather than the information provided in the complaint or estimated at initiation, would be used to establish the methodology for determining normal values since it reflects exporters' actual trading practices during the POI.

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<sup>58</sup> EXH 282 (PRO) & 283 (NC) – Case brief filed on behalf of Gerdau, pages 26-29

<sup>59</sup> EXH 282 (PRO) & 283 (NC) – Case brief filed on behalf of Gerdau, pages 29



## **Determination of The Exporter**

### **Case Arguments**

In their case brief, counsel for the complainants, AMLPC and AltaSteel, submitted that the CBSA must look at the function of each entity within the transaction to determine the exporter. Furthermore, they submitted that associated entities should complete an exporter RFI and all entities cost, revenues and profit need to be properly accounted for when determining normal values.<sup>60</sup>

### **CBSA's Position**

The CBSA examined the all information on the record for exporters whose submissions were considered to be complete and reliable for purposes of the final determination. Based on that analysis, the CBSA determined the identity of the exporter as per the *Special Import Measures Act (SIMA)*, as discussed in the body of this *Statement of Reasons* under 'Results of the Dumping Investigation'.

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<sup>60</sup> EXH 287 (PRO) & 289 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, page 3