



RB3 2020 IN

OTTAWA, February 19, 2021

STATEMENT OF REASONS

Concerning the preliminary 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 subsection 38(1) of the *Special Import Measures Act*, the Canada Border Services Agency made a preliminary determination on February 4, 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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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.¹

[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.²

[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.

¹ EXH 2 (NC) – Rebar 3 Complaint

² 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.

PERIOD OF INVESTIGATION

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

PROFITABILITY ANALYSIS PERIOD

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

INTERESTED PARTIES

Complainants

[12] 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

[13] 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.³

³ EXH 2 (NC) – Rebar 3 Complaint, page 6

[14] ArcelorMittal Long Products Canada, G.P. (AMLPC) is the largest rebar producer in Canada and has three rebar producing facilities in Québec.⁴ 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.

[15] 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.⁵

Other Producers

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

[17] 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.

[18] 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.

[19] Both MANA and IRM filed letters in support of the complaint and provided certain rebar production and sales information with their letter of support.

Trade Union

[20] 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

[21] 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.⁶ Three companies provided responses to the Importer RFI.

⁴ EXH 2 (NC) – Rebar 3 Complaint, pages 3-5

⁵ EXH 2 (NC) – Rebar 3 Complaint, page 5

⁶ EXH 23 (NC) – RFI sent to importers

Exporters

[22] The CBSA identified 60 potential exporters, vendors and 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 RFI.⁷

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

[24] Of the responses received, four were considered substantially complete submissions for purposes of a preliminary determination. These submissions and results have been summarized in the *Preliminary Results of the Dumping Investigation* section, found below.

[25] Post initiation, the complainant, Gerdau, made allegations that a particular market situation (PMS) exists in Vietnam.⁸ 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 state-owned enterprises (SOE).⁹ Questions pertaining to PMS were sent to producers of rebar and steel billets in Vietnam.¹⁰ One response was provided to the PMS RFI.¹¹

[26] Respondents who have not provided complete submissions have been informed that their information may be used for the purposes of a final determination only if a complete response is provided in a timely fashion, bearing in mind the time limits of the investigation.

Governments

[27] 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.

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

⁷ EXH 22 (NC) – Dumping RFI

⁸ EXH 50 (NC) - PMS from Gerdau

⁹ EXH 81 & 82 (NC) – PMS RFI

¹⁰ EXH 100 (NC) – PMS RFI

¹¹ 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)

PRODUCT INFORMATION

Product Definition¹²

[29] 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 from 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 Information¹³

[30] 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.

[31] 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.

[32] 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.

[33] 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.

¹² EXH 2 (NC) – Rebar 3 Complaint, page 9

¹³ *Ibid.*

[34] 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.

[35] 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.

[36] 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.

[37] 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 Process¹⁴

[38] 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.

[39] 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.

¹⁴ EXH 2 (NC) – Rebar 3 Complaint, page 11

Product Use¹⁵

[40] 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

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

7213.10.00.00 7214.20.00.00

[42] 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

[43] 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 SINGLE CLASS OF GOODS

[44] 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.

[45] 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.

[46] 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.

¹⁵ EXH 2 (NC) – Rebar 3 Complaint, page 12

[47] 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*¹⁶ for the 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

[48] The domestic industry is comprised of five producers, the complainants, AltaSteel, AMLPC and Gerdau, as well as MANA and IRM, whom support the complaint.¹⁷ 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

[49] During the preliminary phase of the investigation, 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.

[50] The following table presents the CBSA's analysis of imports of rebar for the purposes of the preliminary determination:

Imports of Certain Concrete Reinforcing Bar
(POI : June 1, 2019 – June 30, 2020)

Country of origin or export	Estimated % of Total Imports (by Volume)
Algeria	9.4%
Egypt	4.4%
Indonesia	9.0%
Italy	21.9%
Malaysia	3.5%
Singapore	11.5%
Vietnam	9.2%
All Other Countries	31.1%
Total Imports	100%

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

¹⁷ EXH 2 (NC) – Rebar 3 Complaint, pages 3-9

REPRESENTATIONS

[51] During the preliminary phase of the investigation, representations were made concerning the complainant's allegations of a particular market situation in Vietnam. Representations were also made with respect to various exhibits on the administrative record, including certain RFI responses. These representations concern the completeness of information provided, the relationships between certain parties, identity of the exporter/importer, and various other factors. Counsel for the complainants also addressed the accuracy and completeness of the reported cost of production information and other missing or unclear information provided in the various RFI responses.¹⁸

[52] The CBSA has noted the arguments submitted in the representations and will take them into consideration in the course of verifying and analyzing information for the purposes of final decisions.

INVESTIGATION PROCESS

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

[54] 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.

[55] Several parties requested an extension to respond to their respective RFIs. The CBSA reviewed all requests and determined that the basis for these requests represented unforeseen circumstances and unusual burdens and therefore granted an extension of time that allowed the CBSA adequate time to review the responses for purposes of the preliminary determination of the investigation.

[56] 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.

¹⁸ EXH 93, 95, 102, 104, 106, 109, 108, 115, 140, 144, 148, 178 (NC) – Various comments submitted by counsel for complainant as well as counsel for HPDQ

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

[58] The preliminary determination is based on the information available to the CBSA at the time of the preliminary determination. During the final phase of the investigation, additional information may be obtained and responding parties information may be verified, the results of which will be incorporated into the CBSA's final decision, which must be made by May 5, 2021.

PRELIMINARY RESULTS OF THE DUMPING INVESTIGATION

[59] The following presents the preliminary results of the investigation into the dumping of rebar from the named countries.

Normal Value

[60] 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 which relies on domestic prices, or one of the methodologies of section 19. Where the methodology of subsection 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

[61] 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.

[62] 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.

Particular Market Situation (PMS)

[63] Paragraph 16(2)(c) is a provision of SIMA that may be applied when the CBSA 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.

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

[65] In such cases, the CBSA would not estimate 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.

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

[67] The CBSA is investigating allegations, made post initiation by the complainant, Gerdau, that a PMS exists with respect to the rebar market in Vietnam. A PMS may be found to exist where normal market conditions or patterns of supply and demand do not prevail, and these circumstances have had a significant impact on the domestic sales of like goods in the country of export. Factors causing such conditions may include government regulations, government support programs, taxation policies, distorted input costs or, any other circumstances. Gerdau alleged that a combination of these factors point towards the existence of a PMS in the Vietnamese rebar market.

[68] 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.¹⁹ The CBSA considered the evidence supplied in the complaint to be sufficient to examine whether a PMS exists in Vietnam.

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

¹⁹ EXH 50 (NC) – Response to request for information – PMT from Gerdau

[70] Counsel for the complainants submitted representations regarding PMS during the preliminary phase of the CBSA's investigation. Additionally, 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 and made additional representations on this matter. The Vietnam Steel Association (VSA) and the GOV provided a response to the PMS RFI.²⁰

[71] The CBSA has considered the evidence on the administrative record. For the purposes of the preliminary determination, the CBSA has not at this time, formed the opinion as to whether a PMS exists.

[72] In the final phase of the investigation, the CBSA will continue to review and analyze the information available and will seek to gather additional information to facilitate forming an opinion as to whether a PMS, pursuant to paragraph 16(2)(c) of SIMA, exists.

Margin of Dumping

[73] 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 margins 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.

[74] The CBSA received Dumping RFI responses from exporters in Algeria, Egypt, Indonesia, Malaysia, Singapore and Vietnam, of which four were considered substantially complete for the purposes of preliminary determination. Requests to provide the required information have been sent out to the other respondents where submissions were not deemed to be substantially complete for purposes of preliminary determination. The CBSA's letters to these respondents noted the deficiencies in their submissions and advised that they provide a revised RFI response to ensure that the CBSA has sufficient time to review, analyze and verify the information provided. For the purposes of the preliminary determination, sufficient information has not been furnished by those respondents to enable the CBSA to estimate normal values and export prices in accordance with the methodologies provided in sections 15 to 28 of SIMA. As such, the information provided by the respondents, whose submission were not complete, has not been used for the purposes of the preliminary determination of dumping.

[75] Further information regarding each respondent who did submit a complete response is detailed below.

²⁰ EXH 191 (NC) - RFI - PMS from VSA & EXH 183 (NC) – Response to PMS RFI from the GOV

Algeria

Spa Tosyali Iron Steel Industry Algeria²¹

[76] Spa Tosyali Iron Steel Industry Algeria (Tosyali) is a private joint stock company. Tosyali started manufacturing rebar 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. The company headquarters is also located in Béthioua wilaya of Oran, Algeria. Exports of subject goods by Tosyali represents 100% of the volume of subject goods exported from Algeria during the POI.

[77] Tosyali provided a substantially complete response to the CBSA's Dumping RFI, including a database of domestic sales of rebar during the PAP. There were sufficient profitable sales of like goods to estimate normal values in accordance with the methodology of section 15 of SIMA, using the exporter's domestic prices of rebar in Algeria.

[78] During the POI, all of Tosyali's subject goods sold to Canada were sold through an unrelated trading company. The CBSA examined a number of relevant factors to identify the true principal for the export sales. It was found that Tosyali is the true principal and is therefore the exporter for purposes of SIMA.

[79] Export prices were estimated using the methodology of 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.

[80] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 4.5% for Tosyali, expressed as a percentage of the export price.

Egypt

Al Ezz Dekheila Steel Company– Alexandria²²

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

²¹ EXH 64 (NC) – Response to Dumping RFI – Tosyali

²² EXH 58 (NC) – Response to Dumping RFI – EZDK

[82] EZDK provided a substantially complete response to the CBSA's Dumping RFI, including a database of domestic sales of rebar during the PAP. However, there were insufficient domestic sales of like goods that met the requirements of SIMA to estimate normal values based on the methodology of section 15. Therefore, normal values were estimated based on a methodology similar to that described in paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits. The cost of production was estimated in accordance with paragraph 11(1)(a) of the SIMR; however the amount for profits could not be determined under section 11(b). Therefore the amount for profits was estimated using the average of the profits found in the other substantially complete responses from exporters and producers in the named countries.

[83] During the POI, all of the subject goods exported to Canada by EZDK were sold to an unrelated importer. Export prices were estimated using the methodology of 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.

[84] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 22.0% for EZDK expressed as a percentage of the export price.

All Other Exporters - Egypt

[85] For exporters of subject goods originating in or exported from Egypt that did not provide a response to the Dumping RFI or did not furnish sufficient information, the normal values and export prices were estimated on the basis of facts available.

[86] 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 and information submitted by exporters of rebar from the named countries.

[87] The CBSA decided that the normal values and export prices estimated for EZDK, the exporter whose submission was substantially complete for the preliminary determination, would be used to establish the methodology for estimating normal values for all other exporters in Egypt. The information submitted by EZDK, rather than the information provided in the complaint or estimated at initiation, was considered to better reflect the other exporters' actual trading practices during the POI.

[88] The CBSA examined the difference between the estimated normal value and the estimated export price for each individual export transaction from Egypt, and considered that the highest amount (expressed as a percentage of the export price), was an appropriate basis for estimating normal values. 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 originated in Egypt 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.

[89] As a result, based on the facts available, for exporters that did not provide a response or provided an incomplete response to the Dumping RFI, normal values of subject goods originating in or exported from Egypt were estimated based on the highest amount by which an estimated normal value exceeded the estimated export price, on an individual transaction for EZDK during the POI.

[90] Using the above methodologies, for the preliminary determination, the estimated margin of dumping for all other exporters in Egypt is 22.0%, expressed as a percentage of the export price.

Indonesia

PT Putra Baja Deli²³

[91] PT Putra Baja Deli (Putra Baja Deli) was established in 2004. All of the subject goods shipped to Canada by Putra Baja Deli were produced at its production facility, located in Serang, Indonesia. The company headquarters is located in Jakarta, Indonesia. Exports of subject goods by Putra Baja Deli represent 100% of the volume of subject goods exported from Indonesia during the POI.

[92] Putra Baja Deli provided a substantially complete response to the CBSA's Dumping RFI, including a database of domestic sales of rebar during the PAP. Where there were sufficient sales, normal values were estimated based on the methodology of section 15 of SIMA based on domestic selling prices of like goods. Where there were no domestic sales of the like goods, normal values were estimated based on the methodology of paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Putra Baja Deli's sales of rebar in their domestic market, during the POI, of the same general category as the subject goods sold to Canada.

²³ EXH 99 (NC) – Response to Dumping RFI – Putra Baja Deli

[93] During the POI, all of the subject goods exported to Canada by Putra Baja Deli were sold to an unrelated importer. Export prices were estimated using the methodology of 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.

[94] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 11.3% for Putra Baja Deli, expressed as a percentage of the export price.

Vietnam

Hoa Phat Dung Quat Steel Joint Stock Company²⁴

[95] 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. The company headquarters is also located in Binh Dong, Vietnam. Exports of subject goods by HPDQ represents 100% of the volume of subject goods exported from Vietnam during the POI.

[96] HPDQ provided a substantially complete response to the CBSA's Dumping RFI, including a database of domestic sales of rebar during the PAP. Where there were sufficient sales, normal values were estimated based on the methodology of section 15 of SIMA, using the provisions of section 16(1)(c). Where the provisions of paragraph 16(1)(c) were not applicable, normal values were estimated in accordance with paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.

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

[98] During the POI, all of the subject goods exported to Canada by HPDQ were sold to unrelated importers.

[99] Export prices were estimated using the methodology of 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.

[100] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 3.7% for HPDQ, expressed as a percentage of the export price.

²⁴ EXH 54 & 56 (NC) – Response to Dumping RFI – HPDQ

All Other Exporters – Italy, Malaysia and Singapore

[101] As previously stated, the CBSA did not receive substantially complete responses to the Dumping RFI from any exporters in the remaining named countries. As a result, the normal values and export prices for all exporters in Italy, Malaysia and Singapore were estimated on the basis of facts available.

[102] 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.

[103] The CBSA decided that the normal values and export prices estimated for the exporters whose submissions were substantially complete for the preliminary determination, rather than the information provided in the complaint or estimated at initiation, would be used to establish the methodology for estimating normal values since these values better reflect exporters' actual trading practices during the POI.

[104] The CBSA would normally first consider whether information from an exporter of rebar from the applicable country, who provided substantially complete information, would be appropriate to use as the basis for estimating the margin of dumping for all other exporters in each respective country. However, as no exporters in Italy, Malaysia or Singapore provided a substantially complete response to the CBSA's Dumping RFI, the CBSA instead considered whether information from exporters of rebar from the named countries who provided substantially complete information, would be appropriate to use as the basis for estimating the margin of dumping.

[105] The CBSA examined the difference between the estimated normal value and the estimated export price for each individual transaction of each of the exporters that provided a substantially complete response, and considered that the highest amount (expressed as a percentage of the export price), was an appropriate basis for estimating normal values. 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.

[106] Using the above methodology, for exporters that did not provide a response or provided an incomplete response to the Dumping RFI, and for purposes of the preliminary determination, the margin of dumping of subject goods originating in or exported from Italy, Malaysia and Singapore were estimated based on the highest amount by which an estimated normal value exceeded the estimated export price, on an individual transaction, during the POI.

[107] Using the above methodologies, for the preliminary determination, the estimated margin of dumping for all other exporters in Italy, Malaysia and Singapore is 28.4%, expressed as a percentage of the export price.

Summary of Preliminary Results

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

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

Country of origin or export	Estimated % Volume of Subject Goods as a Percentage of Total Imports	Estimated Margin of Dumping (as % of Export Price)
Algeria	9.4%	N/A
Spa Tosyali Iron Steel Industry Algerie		4.5%
Egypt	4.4%	N/A
Al Ezz Dekheila Steel Company – Alexandria		22.0%
All Other Exporters		22.0%
Indonesia	9.0%	N/A
PT Putra Baja Deli		11.3%
Italy – All Exporters	21.9%	28.4%
Malaysia – All Exporters	3.5%	28.4%
Singapore – All Exporters	11.5%	28.4%
Vietnam	9.2%	N/A
Hoa Phat Dung Quat Steel Joint Stock Company		3.7%
All Other Countries	31.1%	N/A
All Countries	100%	N/A

[109] Under section 35 of SIMA, if at any time before making a preliminary determination the CBSA is satisfied that the actual and potential volume of goods of a country is negligible, the CBSA is required to terminate the investigation with respect to goods of that country.

[110] 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 goods that are released into Canada from all countries that are of the same description as the goods.

[111] The volume of subject goods from each of the named countries are above 3% of the total volume of goods released into Canada from all countries. Based on the definition above, the volumes of subject goods from these countries are therefore not negligible.

[112] If, in making a preliminary determination, the CBSA determines that the margin of dumping of the goods of a particular exporter is insignificant pursuant to section 38 of SIMA, the investigation will continue in respect of those goods but provisional duties will not be imposed on goods of the same description imported during the provisional period.

[113] 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. The margins of dumping, estimated for exporters in each of the named countries, are greater than the threshold of 2% and are therefore not considered insignificant.

[114] A summary of the estimated margins of dumping and provisional duties by exporter is presented in **Appendix 1**.

DECISION

[115] On February 4, 2021, pursuant to subsection 38(1) of SIMA, the CBSA made a preliminary determination of dumping respecting rebar originating in or exported from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam.

PROVISIONAL DUTY

[116] Pursuant to subsection 8(1) of SIMA, provisional duty payable by the importer in Canada will be applied to dumped imports of rebar that are released from the CBSA during the period commencing on the day the preliminary determination is made and ending on the earlier of the day on which the CBSA causes the investigation 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 duty is needed to prevent injury. As noted in the CITT's preliminary determination, there is evidence that discloses a reasonable indication that the dumping of rebar has caused injury or is threatening to cause injury to the domestic industry.

[117] Imports of rebar from the named countries released by the CBSA on or after February 4, 2021, will be subject to provisional duties equal to the estimated margin of dumping, expressed as a percentage of the export price of the goods per exporter. **Appendix 1** contains the estimated margins of dumping and the rates of provisional duty.

[118] Importers are required to pay provisional duty 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 duty 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.

[119] As noted above, there is only one exporter of subject goods from each of Algeria, Indonesia and Vietnam. In the event that goods from an exporter, other than Tosyali in Algeria, Putra Baja Deli in Indonesia and HPDQ in Vietnam, are released from customs after February 4, 2021, a provisional anti-dumping duty will be assessed at a rate of 13.7% for Algeria, 28.4% for Indonesia and 15.4% 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 for a substantially complete exporter from each country during the POI.

FUTURE ACTION

The Canada Border Services Agency

[120] The CBSA will continue its investigation and will make final decisions by May 5, 2021.

[121] If the CBSA is satisfied that the goods were dumped, and that the margins of dumping were not found to be insignificant, a final determination will be made. Otherwise, the CBSA will terminate the investigation in respect of those goods and any provisional duty paid or security posted will be refunded to importers, as appropriate.

The Canadian International Trade Tribunal

[122] The CITT has begun its inquiry into the question of injury to the Canadian industry. The CITT is expected to issue its finding by June 4, 2021.

[123] 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.

[124] 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 rebar that are of the same description as goods described in the CITT's finding.

[125] For purposes of the preliminary determination of dumping, the CBSA has responsibility for determining whether the actual and potential volume of goods is negligible. After a preliminary determination of dumping, 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 goods from a country is negligible.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

[126] 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.

UNDERTAKINGS

[127] After a preliminary determination of dumping by the CBSA, 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. An acceptable undertaking must account for all or substantially all of the exports to Canada of the dumped goods.

[128] 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 determination of dumping. Further details regarding undertakings can be found in the CBSA's Memorandum D14-1-9, available online at:
www.cbsa-asfc.gc.ca/publications/dm-md/d14/d14-1-9-eng.html.

[129] 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 and fax numbers, mailing address and e-mail address to one of the officers identified in the "Information" section of this document.

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

PUBLICATION

[131] A notice of this preliminary determination of dumping will be published in the *Canada Gazette* pursuant to paragraph 38(3)(a) of SIMA.

INFORMATION

[132] 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, 11th floor
Ottawa, Ontario K1A 0L8
Canada

Telephone: Lindsay Kyne 343-553-1587
Valerie Ngai 343-553-1635

E-mail: simaregistry@cbsa-asfc.gc.ca

Web site: www.cbsa-asfc.gc.ca/sima-lmsi

Doug Band
Director General
Trade and Anti-dumping Programs Directorate

ATTACHMENT

Appendix 1: Summary of Estimated Margins of Dumping and Provisional Duties Payable

APPENDIX 1 – SUMMARY OF ESTIMATED MARGINS OF DUMPING AND PROVISIONAL DUTIES PAYABLE

The following table lists the estimated margins of dumping and the provisional duty by exporter as a result of the decision mentioned above. Imports of subject goods released from the Canada Border Services Agency on or after February 4, 2021, will be subject to provisional duties at the rates specified below.

Country of origin or export	Estimated Margin of Dumping*	Total Provisional Duty Payable*
Algeria		
Spa Tosityali Iron Steel Industry Algerie	4.5%	4.5%
All other Exporters	N/A	13.7%
Egypt		
Al Ezz Dekheila Steel Company - Alexandria	22.0%	22.0%
All Other Exporters	22.0%	22.0%
Indonesia		
PT Putra Baja Deli	11.3%	11.3%
All Other Exporters	N/A	28.4%
Italy – All Exporters	28.4%	28.4%
Malaysia – All Exporters	28.4%	28.4%
Singapore – All Exporters	28.4%	28.4%
Vietnam		
Hoa Phat Dung Quat Steel Joint Stock Company	3.7%	3.7%
All other Exporters	N/A	15.4%

* As a percentage of export price.