



OTTAWA, May 17, 2024

**RB5 2024 IN**

## **STATEMENT OF REASONS**

**Concerning the initiation of an investigation into the dumping of**

### **CONCRETE REINFORCING BAR ORIGINATING IN OR EXPORTED FROM BULGARIA, THAILAND, AND THE UNITED ARAB EMIRATES**

## **DECISION**

Pursuant to subsection 31(1) of the *Special Import Measures Act*, the Canada Border Services Agency initiated an investigation on May 3, 2024, respecting the alleged injurious dumping of certain concrete reinforcing bar originating in or exported from the Republic of Bulgaria, the Kingdom of Thailand, and the United Arab Emirates.

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

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## **SUMMARY**

[1] On March 13, 2024, the Canada Border Services Agency (CBSA) received a written complaint from ArcelorMittal Long Products Canada, G.P. (AMLPC), Gerdau Ameristeel Corporation (Gerdau), and AltaSteel Inc. (AltaSteel) (hereinafter, “complainants”) alleging that imports of certain concrete reinforcing bar (commonly known as rebar) originating in or exported from the Republic of Bulgaria (Bulgaria), the Kingdom of Thailand (Thailand), and the United Arab Emirates (UAE) (hereinafter “subject countries” and “subject goods”) have been dumped, have caused injury, and are threatening to cause injury to Canadian producers of rebar.

[2] On April 3, 2024, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainants that the complaint was properly documented. On April 26, 2024, the CBSA informed the Governments of Bulgaria, Thailand, and the UAE that a properly documented complaint had been filed.

[3] The complainants provided evidence to support the allegations that the subject goods have been dumped as well as evidence that discloses a reasonable indication that the dumping has caused injury or is threatening to cause injury to the Canadian industry producing like goods.

[4] On May 3, 2024, pursuant to subsection 31(1) of SIMA, the CBSA initiated an investigation respecting the dumping of certain concrete reinforcing bar from Bulgaria, Thailand, and the UAE.

## **INTERESTED PARTIES**

### **COMPLAINANTS**

[5] The names and addresses of the complainants is as follows:

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

Gerdau Ameristeel Corporation  
1 Gerdau Court  
PO Main 615  
Whitby, ON L1N 5T1

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

ArcelorMittal Long Products Canada, G.P.<sup>1</sup>

[6] ArcelorMittal Long Products Canada, G.P. (AMLPC) is the largest rebar producer in Canada and has three rebar producing facilities in Québec. The Contrecoeur East facility produces rebar in coil form while the Contrecoeur West and Longueuil facilities produce cut-to-length rebar. AMLPC employs approximately 2,200 people and produces a range of products including rebar, billets, flat bars, and wire rod.

Gerdau Ameristeel Corporation<sup>2</sup>

[7] 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 a full range of sizes and grades of rebar. It also produces merchant bar quality (MBQ) and special bar quality (SBQ) in rounds, squares, flats, channels and angles. The parent company of Gerdau is Gerdau S.A of Brazil.

AltaSteel Inc.<sup>3</sup>

[8] The company now known as 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. AltaSteel employs approximately 360 people and makes a variety of round, flat, and square bar steel products for use by downstream remanufacturers in the mining, oil and gas, automotive, construction, agriculture and OEM industries.

**OTHER PRODUCERS**

[9] There are two other domestic producers of rebar in Canada, Max Aicher (North America) Ltd. (MANA)<sup>4</sup> and Ivaco Rolling Mills 2004 LP (IRM)<sup>5</sup>.

[10] MANA is a rebar producer located in Hamilton, Ontario. It 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 rebar in coils and cut bar lengths.

[11] IRM is a producer of wire rod and other long products located in L'Original, 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.

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<sup>1</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, pages 3-4.

<sup>2</sup> *Ibid.*, pages 6-7.

<sup>3</sup> *Ibid.*, pages 5-6.

<sup>4</sup> *Ibid.*, page 7.

<sup>5</sup> *Ibid.*, page 8.

[12] Both MANA and IRM filed letters in support of the complaint and provided certain rebar production and sales information with their letter of support.<sup>6</sup>

## **TRADE UNION**

[13] The complaint identifies United Steel Workers with its respective locals (5220, 5328, 5442, 6571, 6586, 6951, 8897, and 8918) as the trade union that represents AMLPC's, Gerdau's, and AltaSteel's employees.

## **EXPORTERS**

[14] The CBSA identified five potential exporters and/or producers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential exporters were asked to respond to the CBSA's Dumping Request for Information (RFI).

## **IMPORTERS**

[15] The CBSA identified five potential importers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential importers were asked to respond to the CBSA's Importer RFI.

## **PRODUCT INFORMATION**

### **DEFINITION<sup>7</sup>**

[16] 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 Republic of Bulgaria, Kingdom of Thailand, and the United Arab Emirates.*

*Also excluded is 10-mm-diameter (10M) rebar produced to meet the requirements of CSA G30 18.09 (or equivalent standards) and 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).*

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<sup>6</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, Attachment 2 and Attachment 48.

<sup>7</sup> *Ibid.*, page 10.

## **ADDITIONAL PRODUCT INFORMATION<sup>8</sup>**

[17] For further clarity, the subject goods include 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.

[18] 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.

[19] Fabricated rebar products are generally engineered using Computer Automated Design (“CAD”) 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.

[20] Rebar is produced in Canada in accordance with the National Standard of Canada CSAG30.18:21 for Carbon Steel Bars for Concrete Reinforcement (the “National Standard”) prepared by the Standards Association and approved by the Standards Council of Canada (or the most updated revision of this standard).

[21] The following are the most common bar designation numbers 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), 45 (43.7) and 55 (56.4). 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 mm) is a common designation used in the mine roofing industry.

[22] 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 has historically been a premium product for the Canadian industry, reflecting the higher cost of alloy steel; however, since all imports have been weldable product, Canadian producers have shifted to treating weldable as a standard product offering that commands no premium. Weldable rebar is substitutable for regular rebar in all applications, though the reverse does not hold.

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<sup>8</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, pages 10-12.

[23] The National Standard also identifies yield strength levels of 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. Note that the latest edition of the National Standard (published in 2021) eliminated 500R due to a lack of market demand and added a new high strength grade (600W).

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

### **MANUFACTURING PROCESS<sup>9</sup>**

[25] 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 is cut to various lengths depending on the customers’ requirements.

[26] 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>10</sup>**

[27] 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”.

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<sup>9</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, page 12.

<sup>10</sup> *Ibid.*, page 13.



## CLASSIFICATION OF IMPORTS

[28] Beginning January 1, 2022, under the revised customs tariff schedule, imports into Canada of the subject goods are normally classified under the following tariff classification numbers:

7213.10.00.11	7214.20.00.13	7214.20.00.31	7215.90.00.30
7213.10.00.12	7214.20.00.14	7214.20.00.32	7227.90.00.50
7213.10.00.13	7214.20.00.21	7214.20.00.33	7228.30.00.51
7213.10.00.90	7214.20.00.22	7214.20.00.34	7228.30.00.52
7214.20.00.11	7214.20.00.23	7214.20.00.90	7228.30.00.53
7214.20.00.12	7214.20.00.24	7215.90.00.20	

[29] These tariff classification numbers may also include non-subject goods, and subject goods may also fall under additional tariff classification numbers.

## PERIOD OF INVESTIGATION

[30] The complainants submit that an appropriate period of investigation (POI) for the CBSA to investigate the alleged dumping of subject imports is from January 1, 2023 to December 31, 2023.<sup>11</sup>

[31] The CBSA typically selects a POI that covers a twelve-month period that ends within three months of the date of initiation of an investigation. The complainants' suggested POI ending December 31, 2023, does not fall within three months of the date of initiation of the investigation. The CBSA has, therefore, selected a POI for the investigation of April 1, 2023 to March 31, 2024.

## LIKE GOODS AND SINGLE CLASS OF GOODS

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

[33] In its past inquiries involving rebar, the CITT determined that domestically produced rebar constituted like goods to the goods at issue. In making the Rebar 1<sup>12</sup>, Rebar 2<sup>13</sup>, Rebar 3<sup>14</sup>, and Rebar 4<sup>15</sup> findings, the CITT determined that domestically produced rebar were like goods to the goods at issue in those inquiries.

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<sup>11</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, page 14.

<sup>12</sup> Canadian International Trade Tribunal: Rebar I Finding, NQ-2014-001, paras. 83-85.

<sup>13</sup> Canadian International Trade Tribunal: Rebar II Finding, NQ-2016-003, para. 45.

<sup>14</sup> Canadian International Trade Tribunal: Rebar III Finding, NQ-2020-004, para. 31.

<sup>15</sup> Canadian International Trade Tribunal: Rebar IV Finding, NQ-2020-005, para. 35.

[34] The CBSA is satisfied that the like goods and subject goods are commodity products that compete with one another in the Canadian market place, and are fully interchangeable. After considering questions of use, physical characteristics and all other relevant factors, the CBSA is of the opinion that domestically produced rebar products are like goods to the subject goods and constitute only one class of goods.

## **THE CANADIAN INDUSTRY**

### **DOMESTIC PRODUCERS**

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

### **ESTIMATES OF DOMESTIC PRODUCTION**

[36] The complaint includes the annual production of like goods from January 1, 2023 through December 31, 2023 for the complainants and supporting producers.<sup>16</sup>

[37] The complainants, together with the supporting producers, accounted for all of the production of rebar in Canada in 2023.<sup>17</sup>

### **STANDING**

[38] Pursuant to subsection 31(2) of SIMA, the following conditions must be met in order for an investigation to be initiated:

- (a) The complaint is supported by domestic producers whose production represents more than 50% of the total production of like goods by those domestic producers who express either support for or opposition to the complaint, and
- (b) The production of the domestic producers who support the complaint represents 25% or more of the total production of like goods by the domestic industry.

[39] Based on an analysis of information provided in the complaint, as well as the information gathered by the CBSA, the CBSA is satisfied that the standing requirements of subsection 31(2) of SIMA have been met.

## **THE CANADIAN MARKET**

[40] The complainants, using data from Statistics Canada<sup>18</sup>, estimated the total value of imports of rebar from Bulgaria, Thailand, and the UAE, and all other countries from January 1, 2020 to December 31, 2023.

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<sup>16</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, page 7.

<sup>17</sup> *Ibid.*

<sup>18</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, Table 4.

[41] The complainants noted that Statistics Canada import data and GAC permit data for rebar were missing 206,289 MT of subject goods from the UAE. They allege this volume was misclassified as steel “squares” under HS 7214.99.00.30 between April and November 2023 and provided detailed evidence of this misclassification. The complainants, in their complaint, adjusted the import data of Statistics Canada to include the 206,289 MT of steel “squares” from the UAE as subject rebar.

[42] The CBSA conducted its own independent review of import data from the CBSA’s Facility Information Retrieval Management (FIRM) database and tariff classification numbers under which rebar is normally imported as well as HS 7214.99.00.30. In addition, CBSA customs entry documentations were reviewed for certain transactions of subject goods during the period being reviewed.

[43] Detailed information regarding the sales from domestic production by the complainants and the volume of imports of subject goods cannot be divulged for confidentiality reasons. The CBSA, however, has prepared the following tables to show the estimated import share of subject goods in Canada as well as the Canadian market as a whole from January 1, 2021 to March 31, 2024.

**Table 1: CBSA’s Estimate of Imports**  
(expressed as % of the value in CAD and volume in MT)

	2021		2022		2023		POI (April 2023 to March 2024)	
Country	Value	Volume	Value	Volume	Value	Volume	Value	Volume
Bulgaria	0.0	0.0	0.0	0.0	9.5	11.0	10.3	11.8
Thailand	2.7	2.7	11.4	11.4	7.2	8.4	9.1	10.6
UAE	9.9	11.0	16.8	16.3	28.6	29.4	27.4	27.8
<b>Total Imports from Subject Countries</b>	<b>12.6</b>	<b>13.8</b>	<b>28.2</b>	<b>27.7</b>	<b>45.3</b>	<b>48.9</b>	<b>46.7</b>	<b>50.1</b>
Rebar 1 Countries <sup>19</sup>	35.4	38.1	29.3	33.5	3.3	3.0	3.6	3.3
Rebar 2 Countries <sup>20</sup>	0.1	0.1	1.1	1.1	0.1	0.1	0.1	0.1
Rebar 3 Countries <sup>21</sup>	17.3	18.4	12.7	14.6	4.6	5.1	4.3	4.8
Rebar 4 Countries <sup>22</sup>	1.9	2.6	0.0	0.0	4.4	5.2	4.2	4.9
USA	26.5	22.1	21.5	17.0	32.2	27.2	30.8	26.3
All Other Countries	0.3	5.1	7.1	6.0	10.2	10.6	10.2	10.5
<b>Total Imports</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Some percent totals may not add to 100% due to rounding

<sup>19</sup> Rebar from China, South Korea, and Turkey

<sup>20</sup> Rebar from Belarus, Chinese Taipei, Hong Kong, Japan, Portugal, and Spain

<sup>21</sup> Rebar from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore, and Vietnam

<sup>22</sup> Rebar from Oman and Russia

[44] The CBSA will continue to gather and analyze information on the volume of imports during the POI of April 1, 2023 to March 31, 2024 as part of the preliminary phase of the dumping investigation and will refine these estimates.

## **EVIDENCE OF DUMPING**

[45] The complainants alleged that the subject goods from Bulgaria, Thailand, and the UAE have been injuriously dumped into Canada. Dumping occurs when the normal value of the goods exceeds the export price to importers in Canada.

[46] Normal values are generally based on the domestic selling price of like goods in the country of export where competitive market conditions exist or as 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.

[47] The export price of goods sold to importers in Canada is generally the lesser of the exporter's selling price and the importer's purchase price, less all costs, charges and expenses resulting from the exportation of the goods.

[48] Estimates of normal values and export prices by the complainants and the CBSA are discussed below.

### **NORMAL VALUE**

#### **Complainants' Estimates of Normal Value**

##### *Section 15*

[49] The complaint included available home market pricing for rebar in both Bulgaria and the UAE. The complainants were unable to locate any home market pricing information for rebar in Thailand.

[50] For Bulgaria, the complainants provided publication articles with references to rebar prices in Bulgaria from both SteelOrbis and Argus Media, which cover various steel products in Europe and world markets. The complainants submitted that this information was not reliable for estimating normal values because it was periodic in nature and was not available for the entire POI; was from two different sources of information with unclear pricing methodologies; the prices were delivered prices instead of on an "ex-works" basis; and the prices appeared to be for a single day reporting period instead of for a longer weekly or monthly average period.<sup>23</sup>

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<sup>23</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, para. 82.

[51] For the UAE, the complainants provided domestic market pricing information from Fastmarkets (MetalBulletin), CRU Group (CRU) and MEPS International (MEPS). However, the complainants submitted that the domestic rebar market in the UAE is fragmented and shows significant price differentials between local rebar markets in the UAE and the market price leader, Emirates Steel (Emsteel) Arkan. In the complainants' view, this fragmentation casts significant doubt on the reliability of the published domestic pricing information, as it may not be reflective of the relevant domestic prices of rebar in the UAE for the exporters shipping subject goods to Canada. The complaint further showed that these regional price differentials do not always respond to changing market conditions in the same manner, with prices moving in different directions or to differing degrees. The complainants allege this may have, at times, caused smaller rebar producers in the UAE to sell below their cost of production. As such, the complainants submit the domestic price information available for the UAE should not be considered for the purposes of estimating normal values pursuant to section 15 of SIMA.<sup>24</sup>

*Paragraph 19(b)*

[52] The complainants estimated normal values for Bulgaria, Thailand and the UAE using a constructed cost approach based on the methodology in paragraph 19(b) of SIMA, calculated based on the aggregate of an estimate of the cost of production of the subject goods, an estimate for a reasonable amount for administrative selling and other costs, and an estimate of a reasonable amount for profits. The complainants stated that information with respect to the costs of production for producers of rebar from subject countries was not available. Instead, the complainants estimated the cost of production of the subject goods from subject countries based on the following methodology.

[53] For raw material costs, the complainants used available steel billet or ferrous scrap pricing published by Fastmarkets. For Bulgaria, since Fastmarkets billet and scrap pricing information was not available, the complainants used an average billet export price from Turkey, a geographic neighbor of Bulgaria.<sup>25</sup> For Thailand, since Fastmarkets billet and scrap pricing information was not available, the complainants used an average of scrap prices for scrap imported into Pakistan and Bangladesh, two nearby regional countries to Thailand.<sup>26</sup> The complainants submit that these countries are appropriate surrogates given their geographic proximity and similar levels of development. For the UAE, the complainants used the Fastmarkets billet import price into the UAE.<sup>27</sup> In all instances, the complainants calculated a quarterly average price based on the Fastmarkets information for each country for the purposes of estimating normal values.

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<sup>24</sup> *Ibid.*, paras. 86-98.

<sup>25</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, para. 103.

<sup>26</sup> *Ibid.*, para. 104.

<sup>27</sup> *Ibid.*, para. 105.

[54] For the cost of labour, the complainants used their own labour costs of the four main Canadian rebar producers (AMLPC, AltaSteel, Gerdau, and MANA), adjusted based on the country wage rate for “manufacturer worker salary” reported by the Economic Research Institute in March 2024 for each subject country. The adjustment was made by calculating a ratio based on the difference between comparable Canadian and subject country labour or wage rates, resulting in a downward adjustment to the domestic industry’s labour costs.<sup>28</sup>

[55] Overhead costs were based on the same four Canadian rebar producers’ factory overhead costs, with an adjustment applied to the portion of overhead relating to indirect labour. The adjustment was made by applying the subject country labour adjustment to the Canadian producers’ indirect labour costs that are attributable to the cost of overhead for the production of like goods.<sup>29</sup>

[56] To estimate a reasonable amount for administrative, selling, and other costs, financial expenses, and a reasonable amount for profit for rebar from each of the subject countries, the complainants relied on publicly available financial reports of steel companies in each of the subject countries. For Bulgaria, the complainants used the 2022 financial statements for SIDMA Bulgaria S.A., a Bulgarian steel service centre and trader of rebar and long steel products.<sup>30</sup> For Thailand, the complainants used 2022 and 2023 financial statements for three Thailand rebar producers: Milcon Steel Co., Tycoons Worldwide Group Thailand, and Tata Steel.<sup>31</sup> Where any negative expenses or losses occurred, the complainants removed these amounts. For the UAE, the complainants used the 2023 annual report for Emirates Steel (Emsteel) Arkan.<sup>32</sup>

[57] Using this information, the complainants estimated a reasonable amount for administrative, selling and other costs, financial expenses, and a reasonable amount for profit for each subject country. The table below includes the specific amounts for each subject country.

**TABLE 5  
COMPLAINANTS’ ESTIMATES OF EXPENSES  
AND PROFITS BY SUBJECT COUNTRY**

	Bulgaria	Thailand	UAE
<b>SG&amp;A</b>	3.9%	3.7%	5.7%
<b>Financial Expense</b>	0.9%	0.1%	0.7%
<b>Amount for Profit</b>	4.7%	1.0%	6.8%

<sup>28</sup> *Ibid.*, para. 106.

<sup>29</sup> *Ibid.*, para. 107.

<sup>30</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, para. 109.

<sup>31</sup> *Ibid.*, para. 110.

<sup>32</sup> *Ibid.*, para. 111.

[58] Based on the methodology described above, the complainants estimated quarterly normal values for subject goods based on paragraph 19(b) of SIMA, for the period of October 1, 2022 to September 30, 2023, which are lagged one quarter from the arrival of subject imports. The complainants note that imported rebar is typically produced to order and then shipped to Canada, and as a result, there is a lag of three months between when a purchase is made and when it arrives in Canada.

#### CBSA's Estimate of Normal Value

[59] The CBSA considered the available domestic pricing information provided in the complaint for both Bulgaria and the UAE for the purposes of estimating normal values on the basis of section 15 of SIMA. For Bulgaria, the CBSA finds the price information available insufficient to provide reliable and representative pricing data throughout the period being reviewed. For the UAE, the CBSA finds that there is sufficient evidence of regional and trade level price differentials within the UAE rebar market. For those reasons, the CBSA finds the available pricing information not suitable for the purposes of estimating normal values pursuant to section 15 of SIMA.

[60] For the purposes of initiation, the CBSA estimated normal values using a constructed cost approach based on the methodology in paragraph 19(b) of SIMA, calculated based on the aggregate of an estimate of the cost of production of the subject goods, an estimate for a reasonable amount for administrative selling and other costs and an estimate for a reasonable amount for profits. Based on the information available, the CBSA found the section 19 normal value estimates provided in the complaint to be reasonable and representative.

[61] The CBSA notes that the specificity of the complainants' estimated normal values is limited. The complainants provided one single normal value for rebar for each quarter during the period. This normal value does not account for other characteristics, such as rebar tensile/yield strength, or product dimensions. However, this normal value was calculated based on the costs associated with the complainants' production of all rebar during the period. As such, this single normal value reflects a mix of various rebar products.

[62] Based on the CBSA's experience in conducting previous rebar investigations, there may be some small differences in the cost and/or price of the various models of subject rebar. However, the CBSA finds that it is reasonable to assume that the subject goods shipped to Canada during the POI would reflect a product mix similar to the complainants' production for that period. As such, the CBSA finds that the normal value calculated for each quarter may reasonably represent the subject goods shipped to Canada during that period.

[63] The CBSA reviewed the available information in the complaint and conducted its own research into other possible sources of raw material, labour, other expenses and profit information. The CBSA found that the information provided in the complaint was the best information available. The CBSA found the raw material input information provided by the complainants was reasonable for purposes of initiation. The CBSA also accepted the adjustments for labour rates made by the complainants for the subject countries to be reasonable for purposes of initiation and consistent with approaches used by the CBSA in recent investigations. The CBSA also found the ratios used by the complainants to estimate a reasonable amount for administrative, selling and other costs, financial expenses, and a reasonable amount for profit for each subject country to be reasonable, and used the same amounts shown in Table 5 above for the purposes of estimating normal values for initiation.

## **EXPORT PRICE**

### Complainants' Estimates of Export Price

[64] The export price of goods sold to an importer in Canada is generally determined in accordance with section 24 of SIMA as being an amount equal to the lesser of the exporter's sale price for the goods and the price at which the importer has purchased or agreed to purchase the goods adjusted by deducting all costs, charges, expenses, and duties and taxes resulting from the exportation of the goods.

[65] The complainants estimated export prices of subject rebar from Statistics Canada import data for the applicable HS codes and from Global Affairs Canada's steel import permit data for rebar, for the period of January 1, 2023 to December 31, 2023 for all subject countries.<sup>33</sup>

### CBSA's Estimates of Export Price

[66] The CBSA reviewed customs entry documentation respecting the subject goods imported into Canada from the subject countries. The CBSA adjusted the FIRM data to correct any errors respecting quantity and value based on the customs documents reviewed.

[67] In estimating export prices for the subject countries, the CBSA used the declared value for duty (VFD) average price per transaction reported in FIRM for each individual shipment imported during the POI, except for goods exported from the UAE. During the CBSA's review of customs documentation for the subject goods from the UAE, the documents revealed that all of the shipments reviewed had a declared VFD that was freight inclusive, CFR delivered price on the commercial invoice. The provided documentation did not indicate the actual amount of ocean freight for any of these shipments. However, information in the complaint provided a range of estimated amounts of ocean freight from each of the subject countries to relevant ports in Canada during the POI.<sup>34</sup>

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<sup>33</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, Attachments 3 and 15.

<sup>34</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, Attachment 9.



[68] The CBSA used the information in the complaint, as the best information available, to estimate the amount of ocean freight that should be deducted from the CFR delivered price to more accurately estimate export prices for subject goods from the UAE. The CBSA used the lowest amount of ocean freight provided in the range given by the complainants, to Eastern and Western Canadian ports, as a conservative amount of freight to deduct.

#### **ESTIMATED MARGINS OF DUMPING**

[69] The CBSA estimated normal values on the basis of paragraph 19(b) of SIMA for all of the subject countries using the information provided by the complainants. The CBSA agrees that the complainants' explanation of the need for a one quarter lag between normal values and export prices is reasonable for estimating margins of dumping for initiation purposes. The CBSA estimated the margin of dumping for subject goods from the subject countries by comparing the estimated quarterly export price with estimated normal value from the previous quarter for the period reviewed (January 1, 2023 to December 31, 2023). Based on these estimates, the CBSA arrived at margins of dumping of 18.7% from Bulgaria, 31.2% from Thailand, and 13.9% from the UAE, expressed as a percentage of the export price for subject goods from each subject country respectively.

#### **EVIDENCE OF INJURY**

[70] The complainants allege that the subject goods have been dumped and that such dumping has caused and is threatening to cause material injury to the rebar industry in Canada.

[71] In support of their allegations, the complainants have provided evidence of:

- Increased subject imports and loss of market share;
- Price undercutting;
- Price depression and price suppression;
- Reduced profitability;
- Lost sales, reduced production volumes & capacity utilization; and
- Adverse impact on investment and ability to raise capital.<sup>35</sup>

#### **INCREASED SUBJECT IMPORTS AND LOSS OF MARKET SHARE**

[72] Given concerns with respect to the confidentiality of the information of the domestic producers, the CBSA is limited in its ability to discuss certain information contained in the complaint concerning the relative changes in the volume of subject imports when compared to domestic production and changes in market share. However, the complaint alleges that the volume of subject good imports has increased significantly in recent years in both absolute and relative terms and this increase has had an adverse impact on the market share of the domestic industry.

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<sup>35</sup> *Ibid.*, section IV.

[73] The CBSA's analysis of import data supports the allegation of an increase of the volume of imports of the allegedly dumped goods from 2021 to 2023. Based on the CBSA's estimate, the total volume of imports from the subject countries increased by 262.1% from 2021 to 2023. The volume of imports from each of the three subject countries also increased from 2021 to 2023. At the same time, imports of rebar from all other countries decreased by 39.5%.

[74] On a relative basis, the volume of imports of rebar from the subject countries have also increased relative to the domestic production and sales of rebar. In 2021, the volume of imports from the subject countries had only a 6.6% share of the apparent Canadian market. By 2023, the total volume of imports of rebar from the subject countries had captured a 27.1% share of the apparent Canadian market. Imports from each of the three subject countries also captured an increased market share from 2021 to 2023. At the same time, CBSA estimates of the apparent Canadian market show that the market share of domestic producers decreased from 2021 to 2023.

[75] Based on the CBSA's estimates and analysis of import volumes, the CBSA finds that the injury factors of increased volume of imports of subject goods and the adverse impact on the market share of the domestic producers are sufficiently supported and linked to the allegedly dumped goods.

#### **PRICE UNDERCUTTING**

[76] The complainants state that the allegedly dumped goods have captured market share at the expense of the domestic industry by undercutting the prices of the domestic producers. Even with the expense of shipping rebar long distances, rebar from the named countries is still priced below the prices offered by the Canadian producers.

[77] The evidence of price undercutting provided by the complainants compares the average unit import value of the subject goods, as calculated based on Statistics Canada data, against the complainants' weighted average unit price, as calculated by the complainants, for the years 2021 to 2023. The result of this comparison demonstrates significant and increasing price undercutting from all subject countries on both an individual and cumulated basis.<sup>36</sup>

[78] In addition to the evidence discussed above, the complaint provided account of specific examples of prices of subject goods well below that of the complainants. The complainants summarized numerous instances where their selling prices were undercut by pricing on imports from the subject countries, resulting in either lost sales, price reductions or pricing pressure from their customers.<sup>37</sup>

[79] Based on the CBSA's analysis of the information contained in the complaint, the CBSA finds the claim of price undercutting to be supported and sufficiently linked to the allegedly dumped goods.

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<sup>36</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 129-130.

<sup>37</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, Table 19.

## **Price Depression and Price Suppression**

[80] The complainants submit that the price undercutting discussed above has resulted in price depression and price suppression during the period of review. While the complaint does show that the domestic industry's weighted average selling prices increased between 2021 and 2022, the complainants argue that they were forced to begin lowering prices in the second half of 2022 when imports of subject goods became the largest source of imports in the Canadian market.<sup>38</sup>

[81] To support the allegations of price depression, the complainants provided domestic industry pricing data from H1 2022 to H2 2023. The complainants emphasize that this price depression occurred while the import volumes of subject goods and their market share were significantly increasing. During the same period, the prices of subject goods were lower than the average prices of domestically produced rebar. The complainants allege that this was the cause of the resulting price depression to their domestic sales of rebar.<sup>39</sup>

[82] To support the allegations of price suppression, the complaint provided information which suggests that while the domestic industry was able to increase selling prices from 2021 to 2022, these increases were less than the corresponding cost increases that were incurred, resulting in a decline in the industry's gross margin results. Further, the complaint shows that as domestic industry prices for rebar fell from 2022 to 2023, costs of production remained relatively stable and remained above 2021 cost levels, resulting in a further decline in gross margin results due to price suppression. The complainants submit that they were unable to increase prices to keep pace with increasing costs due to pricing pressure in the market from the subject goods.<sup>40</sup>

[83] To further support the allegations of price depression and price suppression the complainants provided specific evidence of instances where they were forced to reduce prices in response to pricing pressure by their customers in light of lower available prices on imports of subject goods.<sup>41</sup>

[84] Based on the information contained in the complaint, as well as the CBSA's analysis, the CBSA finds the claims of price depression and price suppression to be well supported and sufficiently linked to the allegedly dumped goods.

## **Reduced Profitability**

[85] The complaint alleges that the injurious impact of the dumped goods is demonstrated by the financial results of the complainants. Specifically, the complainants argue that competition from subject imports has had an adverse impact on the profitability of the domestic producers through lost sales, price suppression and price depression. To support this allegation, the complaint provided financial results for the complainants for 2020 through 2023.

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<sup>38</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, para. 130.

<sup>39</sup> *Ibid.*

<sup>40</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 136-140.

<sup>41</sup> *Ibid.*, Table 19.

[86] The complainants acknowledge that the domestic industry did demonstrate some improved financial results from 2021 to 2022. However, they allege that these improved financial results were due to the measures imposed as a result of the CITT findings for Rebar 3 and Rebar 4, and also due to overall steel market trends during this time.<sup>42</sup> The complainants emphasize and demonstrate that their financial results became negatively impacted as they lost market share and were forced to begin lowering prices in the second half of 2022 when imports of subject goods increased in the Canadian market. The complaint then demonstrates significant reductions in both gross margin and net income from 2022 to 2023.

[87] The CBSA has reviewed the financial information contained in the complaint and finds that there is a trend of the deterioration of the financial situation, thereby supporting the complainants' allegations of impacted financial results and reduced profitability. The CBSA finds it reasonable to assume that the presence of the other injury factors would have some impact on the financial results of the domestic industry and that the information in the complaint has sufficiently linked the allegedly dumped goods to the domestic industry's impacted financial results.

#### **LOST SALES, REDUCED PRODUCTION VOLUMES & CAPACITY UTILIZATION**

[88] With respect to lost sales, the complainants submit that the information in the complaint demonstrates that the domestic producers have lost significant volumes of sales as the volume of imports from the subject countries has increased. While the complaint shows that total market demand in Canada for rebar also dropped during this period, the complainants point to evidence that domestic producers lost market share to subject imports as demand decreased. The complaint also provided numerous examples of specific lost sales to customers during this period.<sup>43</sup>

[89] The complaint includes data with respect to the capacity utilization and production volumes of the domestic producers of rebar. This information suggests a worsening trend in regards to capacity utilization and excess production capacity. The complainants stress that their declining capacity utilization rates and increasing excess production capacity occurred during the same timeframe that the volume of imports of subject goods significantly increased.

[90] Based on the CBSA's analysis of information concerning the consolidated sales and capacity utilization of the domestic producers, as well as the CBSA's estimate of imports and market share, the CBSA finds the complainants' claim of an adverse impact on sales volumes, production volumes, and capacity utilization, to be reasonable and well supported. As such, the CBSA is of the opinion that this injury factor is sufficiently supported and linked to the allegedly dumped goods.

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<sup>42</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, para. 142.

<sup>43</sup> *Ibid.*, Table 19.

## **ADVERSE IMPACT ON INVESTMENT AND ABILITY TO RAISE CAPITAL**

[91] The complaint includes allegations that the allegedly dumped goods have had an adverse impact on investment and ability to raise capital. The complainants have provided confidential information to support this allegation.<sup>44</sup>

[92] After reviewing the information provided in the complaint, and in consideration of the presence of the other injury factors discussed above, the CBSA finds that this injury factor is sufficiently supported and linked to the allegedly dumped goods.

## **CBSA'S CONCLUSION—INJURY**

[93] Overall, based on the evidence provided in the complaint, and supplementary data available to the CBSA through its own research and customs documentation, the CBSA finds that the evidence discloses a reasonable indication that the dumping of the subject goods from Bulgaria, Thailand, and the UAE has caused injury to the rebar industry in Canada in the form of:

- Increased subject imports and loss of market share;
- Price undercutting;
- Price depression and price suppression;
- Reduced profitability;
- Lost sales, reduced production volumes & capacity utilization; and
- Adverse impact on investment and ability to raise capital.

## **THREAT OF INJURY**

[94] The complainants allege that the dumped goods threaten to cause further material injury to the domestic producers of rebar. The complainants have listed several factors as indications that the alleged dumping of subject goods threatens to injure the domestic industry. These factors are:

- International Market Conditions;
- Subject Country Market Conditions;
- Trade Measures Against the Subject Countries;
- Canadian Market Conditions;
- Product Shifting;
- Commodity Nature of Rebar and the Production Imperative;
- Increase in Subject Goods Imports; and
- Domestic Price Depression

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<sup>44</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 152-156.

## INTERNATIONAL MARKET CONDITIONS<sup>45</sup>

[95] According to the complainants, international market conditions are expected to drive significant rebar exports from the subject countries to Canada over the next 12 to 24 months. The steel industry, particularly in respect to rebar, faces excess capacity, motivating producers to increase production for export. This strategy helps distribute high fixed costs across more produced tonnes. Despite the volatility in global markets, weak demand is anticipated to persist, sustaining the excess capacity crisis and production incentives. The complainants list the following global market conditions:

- Economic conditions;
- Steel market;
- Excess capacity;
- Weak global demand for rebar; and
- Rebar price decreases

[96] The CBSA has reviewed the extensive information contained in the complaint with respect to international market conditions and the potential impact on demand for rebar globally and in Canada. With respect to the information in the complaint concerning global economic conditions, the CBSA found this to be general and not sufficiently linked to rebar, the demand for rebar in Canada, or the attractiveness of the Canadian market for rebar.

[97] The CBSA finds that certain other international market conditions outlined in the complaint do reasonably support the allegation that producers and exporters of rebar may view Canada as an attractive market for future exports. The CBSA recognizes that uncertainty in the global steel markets and, in parallel, excess steel capacity are having a negative effect on rebar demand and pricing, causing both to decline in recent years. This could lead to increased competition in the global markets, incentivizing exporters to export subject goods to Canada.

## SUBJECT COUNTRY MARKET CONDITIONS

[98] The complaint includes information with respect to market conditions in each subject country and notes how these conditions may encourage greater exports of subject goods to Canada.

### Bulgaria<sup>46</sup>

[99] The complaint includes a significant volume of information related to market conditions in Bulgaria. The factors stated by the complainants include a decline in GDP growth and political instability, excess rebar capacity, reduced demand for rebar in downstream industries (primarily construction), soft pricing (compared to US prices), and the likelihood of increased export volumes due to decreased demand.

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<sup>45</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 160-184.

<sup>46</sup> *Ibid.*, paras. 185-229.

## Thailand<sup>47</sup>

[100] The complaint includes a significant volume of information related to market conditions in Thailand. The factors stated by the complainants include excess rebar production capacity due to low utilization rates, an expected decrease in demand for rebar particularly in downstream industries such as construction, and an expected increase in exports due to the export orientation of Thailand steel producers.

## UAE<sup>48</sup>

[101] The complaint includes a significant volume of information related to market conditions in the UAE. The relevant factors stated by the complainants include excess rebar production capacity due to low utilization rates, decreasing prices, and an expected increase in exports due to the export orientation of UAE steel producers, particularly to the Gulf Cooperation Council (GCC) countries.

[102] The CBSA has reviewed the complainants' documentation of the market conditions of the subject countries and found it to be reasonable and well supported. The CBSA found that factors related to rebar market conditions in each country to be reasonable, particularly excess capacity and softening demand, which could become an incentive for the subject countries to increase exports to Canada.

## **TRADE MEASURES AGAINST THE SUBJECT COUNTRIES**<sup>49</sup>

[103] The complainants submit that producers in the three subject countries have been found to be dumping rebar and other steel products in other countries and are currently subject to trade remedies and other restrictions. The countries with rebar trade measures in force are: the United States (on Bulgaria, Thailand, and the UAE), the United Kingdom (on Bulgaria), the European Union (on the UAE), Australia (on Thailand), and Vietnam (on the UAE). The complainants then describe the measures imposed on the subject countries by the United States, the European Union, and the United Kingdom and state that the presence of such restrictions on rebar increases the likelihood of producers in the subject countries to continue exporting significant volumes of dumped rebar into Canada.

[104] The CBSA finds the complainants' allegations to be well presented and supported. The conclusion that trade measures applied by other countries against the subject countries could lead them to increase exports to Canada is a fair prediction of threat towards the domestic industry.

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<sup>47</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 230-255.

<sup>48</sup> *Ibid.*, paras. 256-284.

<sup>49</sup> *Ibid.*, paras. 290-294.

## **CANADIAN MARKET CONDITIONS<sup>50</sup>**

[105] The complainants state that the general economic conditions of the Canadian market, described as being in a period of weak growth and currently in or entering a recession, reduced rebar demand, and attractiveness of the Canadian market due to higher prices and antidumping measures in force in Canada are all factors that would cause a threat of injury to the domestic market.

[106] The CBSA believes these allegations to be too general to be a threat of injury to the domestic rebar market. The CBSA also believes that, due to the commodity nature of rebar, should Canadian economic conditions be causing a recession and leading to lower rebar demand, this would negatively impact imports as well due to the decreased demand for rebar in general, rather than a decrease in demand for only locally produced rebar.

## **PRODUCT SHIFTING<sup>51</sup>**

[107] The complainants submit that the subject countries could shift their production to rebar if a finding is not imposed, especially given the trade restrictive measures in place on other bar products by other jurisdictions. The complainants also quote the Tribunal's findings on Rebar 1 stating that the potential for product shifting cannot be ignored in the circumstances of that case.

[108] The CBSA finds this to be a reasonable allegation considering the ease of product shifting and potential for increase in rebar export to Canada.

## **COMMODITY NATURE OF REBAR AND THE PRODUCTION IMPERATIVE<sup>52</sup>**

[109] The complainants state that rebar is a commodity product and that price is the primary factor for purchasing decisions made by its customers. The complainants also highlight the need for rebar producers to maintain high levels of production and capacity utilization in order to achieve economies of scale. Findings from Rebar 1 by the CITT are used to support these statements.

[110] The CBSA finds these statements factual and relevant. The commodity nature of rebar, coupled with lower prices, could lead customers to gravitate towards the lowest priced rebar offerings in the market. Exporters, on the other hand, could be required to increase their production to meet their financial targets.

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<sup>50</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 295-307.

<sup>51</sup> *Ibid.*, paras. 308-310.

<sup>52</sup> *Ibid.*, paras. 311-314.



### **INCREASE IN SUBJECT GOODS IMPORTS<sup>53</sup>**

[111] The complainants submit, in reference to paragraph 37.1(2)(b) of the *Special Import Measures Regulations* (SIMR), that a factor to be considered in determining threat of injury is whether there has been a significant rate of increase of dumped or subsidized goods imported into Canada, which rate of increase indicates a likelihood of substantially increased imports into Canada of the dumped or subsidized goods. The complainants then state that rebar imports from subject countries had increased from 0% of total imports in 2020 to 49% of total imports in 2023. The complainants allege that this increase in the volume of imports of subject goods will lead to a further substantial increase of the volume of imports subject goods into Canada over the next 12 to 24 months.

[112] The CBSA finds this allegation reasonable and well supported. The trend of increased volume of imports of subject goods could lead to further increases.

### **DOMESTIC PRICE DEPRESSION<sup>54</sup>**

[113] The complaint submits, in reference to paragraph 37.1(2)(e) of the SIMR, that a factor to be considered in determining threat of injury is whether the goods are entering the domestic market at prices that are likely to have a significant depressing or suppressing effect on the price of like goods and are likely to increase demand for further imports of the goods. The complainants state that prices of subject goods have consistently remained among the lowest prices in the Canadian market from 2021 to 2023. The complainants then provide evidence of subject goods prices undercutting the domestic industry prices from 2021 to 2023. The complainants allege that this price gap will continue to depress prices of the Canadian producers if a finding is not imposed.

[114] The CBSA finds this allegation reasonable and well supported. The difference in price between the like goods and subject goods, and given rebar's commodity nature, could cause injury to the domestic producers through reduced market share of domestic products and price suppression.

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<sup>53</sup> Exhibit 2 (PUBLIC) - Rebar 5 Complaint, paras. 315-317.

<sup>54</sup> *Ibid.*, paras. 318-321.

## **CBSA'S CONCLUSION—THREAT OF INJURY**

[115] The complaint contains evidence that discloses a reasonable indication that there is a threat of injury to the rebar industry in Canada. The information provided by the complainants indicates that the following factors are collectively posing a threat to the Canadian industry:

- International Market Conditions;
- Subject Country Market Conditions;
- Trade Measures Against the Subject Countries;
- Product Shifting;
- Commodity Nature of Rebar and the Production Imperative;
- Increase in Subject Goods Imports; and
- Domestic Price Depression

## **CAUSAL LINK—DUMPING AND INJURY/THREAT OF INJURY**

[116] The CBSA finds that the complaint has sufficiently linked the injury suffered by the domestic industry to the alleged dumping of subject goods imported into Canada. The injury includes increased subject imports and loss of market share, price undercutting, price depression and price suppression, reduced profitability, lost sales, production volumes & capacity utilization, and an adverse impact on investment and ability to raise capital.

[117] This injury relates directly to the price advantage the apparent dumping has produced between the imports of subject goods from the subject countries and the like goods produced in Canada. Evidence has been provided to establish this link in the form of price quotes, market data, production figures and financial information related to the complainants production and sales of like goods in Canada. The complainants have indicated that the continued alleged dumping of the subject goods would cause further injury in the future. In summary, the information provided in the complaint has established a reasonable indication that the alleged dumping has caused injury and is threatening to cause injury.

## **SCOPE OF THE INVESTIGATION**

[118] The CBSA is conducting an investigation to determine whether the subject goods have been dumped.

[119] The CBSA has requested information from all potential exporters and importers to determine whether or not subject goods imported into Canada during the POI of April 1, 2023 to March 31, 2024 were dumped. The information requested will be used to determine the normal values, export prices and margins of dumping, if any.

[120] All parties have been clearly advised of the CBSA's information requirements and the time frames for providing their responses.

## **FUTURE ACTION**

[121] The CITT will conduct a preliminary inquiry to determine whether the evidence discloses a reasonable indication that the alleged dumping of the goods has caused or is threatening to cause injury to the Canadian industry. The CITT must make its decision on or before the 60<sup>th</sup> day after the date of the initiation of the investigation. If the CITT concludes that the evidence does not disclose a reasonable indication of injury to the Canadian industry, the investigation will be terminated.

[122] If the CITT finds that the evidence discloses a reasonable indication of injury to the Canadian industry and the CBSA's preliminary investigation reveals that the goods have been dumped, the CBSA will make a preliminary determination of dumping within 90 days after the date of the initiation of the investigation, by August 1, 2024. Where circumstances warrant, this period may be extended to 135 days from the date of the initiation of the investigation.

[123] Under section 35 of SIMA, if, at any time before making a preliminary determination, the CBSA is satisfied that the volume of goods of a country is negligible, the investigation will be terminated with respect to goods of that country.

[124] Imports of subject goods released by the CBSA on and after the date of a preliminary determination of dumping, other than goods of the same description as goods in respect of which a determination was made that the margin of dumping of the goods is insignificant, may be subject to provisional duty in an amount not greater than the estimated margin of dumping on the imported goods.

[125] Should the CBSA make a preliminary determination of dumping, the investigation will be continued for the purpose of making a final decision within 90 days after the date of the preliminary determination.

[126] After the preliminary determination, if, in respect of goods of a particular exporter, the CBSA's investigation reveals that imports of the subject goods from that exporter have not been dumped, or that the margin of dumping is insignificant, the investigation will be terminated in respect of those goods.

[127] If a final determination of dumping is made, the CITT will continue its inquiry and hold public hearings into the question of material injury to the Canadian industry. The CITT is required to make a finding with respect to the goods to which the final determination of dumping applies, not later than 120 days after the CBSA's preliminary determination.

[128] In the event of an injury finding by the CITT, imports of subject goods released by the CBSA after that date will be subject to anti-dumping duty equal to the applicable margin of dumping on the imported goods.

## **RETROACTIVE DUTY ON MASSIVE IMPORTATIONS**

[129] When the CITT conducts an inquiry concerning injury to the Canadian industry, it may consider if dumped goods that were imported close to or after the initiation of the investigation constitutes massive importations over a relatively short period of time and have caused injury to the Canadian industry.

[130] Should the CITT issue such a finding, anti-dumping duties may be imposed retroactively on subject goods imported into Canada and released by the CBSA during the period of 90 days preceding the day of the CBSA making a preliminary determination of dumping.

## **UNDERTAKINGS**

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

[132] An acceptable undertaking must account for all or substantially all of the exports to Canada of the dumped goods. 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 number, mailing address and email address to one of the officers identified in the “Information” section of this document.

[133] If an undertaking 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**

[134] Notice of the initiation of this investigation is being published in the Canada Gazette pursuant to subparagraph 34(1)(a)(ii) of SIMA.

## **INFORMATION**

[135] Interested parties are invited to file written submissions presenting facts, arguments, and evidence that they feel are relevant to the alleged dumping. Written submissions should be forwarded to the attention of the SIMA Registry and Disclosure Unit.

[136] To be given consideration in this investigation, all information should be received by the CBSA by September 9, 2024, at noon ET.

[137] Any information submitted to the CBSA by interested parties concerning this investigation is considered to be public information unless clearly marked “confidential”. Where the submission by an interested party is confidential, a non-confidential version of the submission must be provided at the same time. This non-confidential version will be made available to other interested parties upon request.

[138] Confidential information submitted to the CBSA will be disclosed on written request to independent counsel for parties to these proceedings, subject to conditions to protect the confidentiality of the information. Confidential information may also be released to the CITT, any court in Canada, or a WTO or Canada-United States-Mexico Agreement (CUSMA) dispute settlement panel. Additional information respecting the CBSA’s policy on the disclosure of information under SIMA may be obtained by contacting one of the officers identified below or by visiting the CBSA’s website.

[139] The schedule of the investigation and a complete listing of all exhibits and information are available at: [www.cbsa-asfc.gc.ca/sima-lmsi/i-e/menu-eng.html](http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/menu-eng.html). The exhibit listing will be updated as new exhibits and information are made available.

[140] This *Statement of Reasons* is available through 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, ON K1A 0L8  
Canada

**Telephone:** Robert Wright 343-553-1729  
Elie Haddad 343-573-3110

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

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



Doug Band  
Director General  
Trade and Anti-dumping Programs Directorate