



Canada Border  
Services Agency

Agence des services  
frontaliers du Canada

COR2 2025 ER

OTTAWA, February 20, 2026

## **STATEMENT OF REASONS**

**Concerning an expiry review determination  
under paragraph 76.03(7)(a) of the *Special Import Measures Act* respecting**

**CERTAIN CORROSION-RESISTANT STEEL SHEET ORIGINATING IN OR  
EXPORTED FROM TÜRKIYE AND VIETNAM**

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## EXECUTIVE SUMMARY

[1] On September 9, 2025, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(1) of the Special Import Measures Act (SIMA), initiated an expiry review of its Finding made on November 16, 2020, in Expiry Review No. NQ-2019-002, of certain corrosion-resistant steel sheet (COR) originating in or exported from the Republic of Türkiye (Türkiye) and the Socialist Republic of Vietnam (Vietnam), and the subsidizing of the aforementioned goods originating in or exported from Türkiye.

[2] As a result of the CITT's expiry review, the Canada Border Services Agency (CBSA) initiated an expiry review investigation to determine, pursuant to paragraph 76.03(7)(a) of SIMA, whether the expiry of the Finding is likely to result in the continuation or resumption of dumping and/or subsidizing of the subject goods.

[3] The CBSA received responses to its Canadian Producer Expiry Review Questionnaire (ERQ) from ArcelorMittal Dofasco G.P.<sup>1</sup> and Stelco Inc. (collectively, the "Canadian producers")<sup>2</sup>.

[4] Close of record documents, as well as case briefs, were also received from AMD<sup>3</sup>, which included information in support of its position that continued or resumed dumping of the subject goods from Türkiye and Vietnam, and the subsidizing of such goods from Türkiye, are likely if the CITT's Finding is allowed to expire.

[5] The CBSA received two responses to its Importer ERQ from Cabot Manufacturing ULC<sup>4</sup> and Cascadia Metals Ltd.<sup>5</sup> No importer filed a case brief or a reply submission.

[6] The CBSA received one response to its Exporter/Foreign Producer ERQ from Nam Kim Steel Joint Stock Co. (Nam Kim Steel)<sup>6</sup>. No exporters or foreign producers filed a case brief or a reply submission.

[7] The CBSA did not receive a response to the Subsidy ERQ from the Government of Türkiye, nor did the Government of Türkiye provide a case brief or reply submission.

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<sup>1</sup> Exhibit 18 (NC) – Response to producer ERQ – AMD

<sup>2</sup> Exhibit 16 (NC) – Response to producer ERQ – Stelco

<sup>3</sup> Exhibit 22 (NC) – Close of Record Attachments from AMD & Exhibit 29 (NC) – Case brief filed on behalf of AMD

<sup>4</sup> Exhibit 20 (NC) – Response to importer ERQ – Cabot Manufacturing ULC

<sup>5</sup> Exhibit 14 (NC) – Response to importer ERQ – Cascadia Metals Ltd.

<sup>6</sup> Exhibit 13 (NC) – Response to exporter ERQ – Nam Kim Steel

[8] Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of certain COR from Türkiye should the CITT's Finding expire. This analysis relied upon the following factors:

- Continued dumping and subsidizing over the period of review
- Global overcapacity and China's slowing economy
- Economic conditions in Türkiye;
- Trade measures in other jurisdictions; and
- International market conditions;

[9] Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of certain COR from Vietnam should the CITT's Finding expire. This analysis relied upon the following factors:

- Continued dumping and subsidizing over the period of review
- Global overcapacity and China's slowing economy
- Economic conditions in Vietnam;
- Trade measures in other jurisdictions; and
- International market conditions;

[10] In addition, analysis of information on the administrative record indicates a likelihood of continued or resumed subsidizing of certain COR originating in or exported from Türkiye should the CITT's finding be rescinded. This analysis relied upon the following factors:

- Tariffs and safeguard measures on steel imports and diversion of COR into Canada
- Continued availability of subsidy programs for COR exporters/producers in Türkiye

## **BACKGROUND**

[11] On November 16, 2020, the CITT issued its findings in Inquiry No. NQ-2019-002. In its injury findings, the CITT found that the dumping of certain corrosion-resistant steel sheet from Türkiye and Vietnam and the subsidizing of such goods from Türkiye have caused injury to the domestic industry.

[12] Since the CITT's findings, this case has been subject to one re-investigation and a normal value review. The CBSA's most recent re-investigation to update the normal values, export prices and amounts of subsidy was concluded on July 17, 2023.

## **PRODUCT DEFINITION**

### **Product Definition**

[13] The goods subject to the Finding under review are defined as:

“Corrosion-resistant flat-rolled steel sheet products of carbon steel including products alloyed with the following elements:

- Boron (B) not more than 0.01%,
- Niobium (Nb) not more than 0.100%,
- Titanium (Ti) not more than 0.08%, or
- Vanadium (V) not more than 0.300%

in coils or cut lengths, in thicknesses up to 0.168 in. (4.267 mm) and widths up to 72 inch (1,828.8 mm) with all dimensions being plus or minus allowable tolerances contained in the applicable standards, with or without passivation and/or anti-fingerprint treatments, originating in or exported from the Republic of Türkiye and the Socialist Republic of Vietnam”

### **Inclusions, Exclusions and Additional Information**

[14] For a full list of inclusions, exclusions and for additional product information please see the [relevant](#) sections on the Measures in Force page.

## **PERIOD OF REVIEW**

[15] The period of review (POR) for the CBSA's expiry review investigation is from January 1, 2022 to June 30, 2025.

**CANADIAN INDUSTRY**

[16] The vast majority of domestic production of certain corrosion-resistant steel sheet is produced by AMD and Stelco. Both producers listed provided a response to the CBSA’s Domestic Producer ERQ.

**ArcelorMittal Dofasco G.P.**

[17] AMD is part of the ArcelorMittal family of companies. The global parent of all ArcelorMittal subsidiaries is ArcelorMittal S.A., which is headquartered in Luxembourg. AMD and its predecessors have been operating for over 50 years and is one of the largest steel producers in Canada. AMD is a fully integrated steel manufacturing facility producing flat-rolled and tubular products.<sup>7</sup>

**Stelco Inc.**

[18] Stelco Inc. is a wholly-owned subsidiary of Cleveland-Cliffs Inc. following Cleveland-Cliffs’ acquisition of Stelco in late 2024. It is home to one of North America’s premier zinc-coating lines, capable of producing 425,000 MTs of product at its Z-Line and another 180,000 MTs at its Hamilton Works facility.<sup>8</sup>

**CANADIAN MARKET**

[19] The Canadian production and the apparent market for COR cannot be disclosed as the total value and volume of Canadian production of COR during the POR was based on confidential information filed by a limited number of Canadian producers. The imports of COR from subject countries are presented in dollars in **Table 1** and **Table 2**.

**Table 1<sup>9</sup>:  
Subject Imports  
Certain Corrosion-Resistant Steel Sheet (Values in CAD)**

Source	2022	2023	2024	Q1-Q2 2025
Türkiye	3,706,063	37,919	2,997,608	308,358
Vietnam	154,028,274	16,166,842	12,723,964	6,790,255
Other Subject Countries (COR1)	122,101,690	33,503,297	52,313,473	11,987,227
<b>Total Subject Imports</b>	<b>279,836,027</b>	<b>49,708,058</b>	<b>68,035,045</b>	<b>19,085,840</b>

\* Totals may vary from row-by-row addition due to rounding.

<sup>7</sup> Exhibit 18 (NC) – ERQ Producer Response AMD

<sup>8</sup> Exhibit 16 (NC) – ERQ Producer Response Stelco

<sup>9</sup> Exhibit 26 (NC) – CBSA compliance statistics – day 50

**Table 2<sup>10</sup>:  
Subject Imports  
Certain Corrosion-Resistant Steel Sheet (Quantities in MTs)**

Source	2022	2023	2024	Q1-Q2 2025
Türkiye	1,864	26	1,654	182
Vietnam	93,429	13,066	12,162	6,458
Other Subject Countries (COR1)	72,934	24,517	42,769	9,643
<b>Total Subject Imports</b>	<b>168,227</b>	<b>37,609</b>	<b>56,585</b>	<b>16,283</b>

[20] As detailed in **Table 1** and **Table 2** above, subject imports of COR declined throughout the POR since 2022 and have stabilized over the last three years in both value and volume.

#### **ENFORCEMENT DATA**

[21] As detailed in **Table 3** below, the enforcement of the CITT’s Finding by the CBSA during the POR has resulted in the assessment of anti-dumping and countervailing duties on imports of subject goods from Türkiye in the amount of \$454,050. In regard to imports of subject goods from Vietnam during the POR, the CBSA assessment of anti-dumping duty was \$2,668,834.

**Table 3:  
Enforcement Data – SIMA Duties Assessed on Imports of Subject Goods  
from Türkiye and Vietnam<sup>11</sup>  
(Value in CAD)**

Source	2022	2023	2024	Q1-Q2 2025
Türkiye	303,319	3,868	65,279	81,584
Vietnam	2,127,561	227,275	157,900	156,098

#### **PARTIES TO THE PROCEEDINGS**

[22] On September 10, 2025, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to known Canadian producers, importers and exporters.

[23] The ERQs requested information relevant to the consideration of the expiry review factors found under subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR).

<sup>10</sup> Exhibit 26 (NC) – CBSA compliance statistics – day 50

<sup>11</sup> Exhibit 26 (NC) – CBSA compliance statistics – day 50

[24] Two domestic producers, AMD and Stelco, provided a response to the CBSA's Domestic Producer ERQ. In addition, AMD provided additional close of the record documents as well as case briefs in support of their position that continued or resumed dumping of COR from Türkiye and Vietnam and subsidizing of such goods from Türkiye are likely, if the CITT's finding is allowed to expire.

[25] Two importers, Cabot Manufacturing Ltd. and Cascadia Metals Ltd., participated in the expiry review investigation by providing a response to the Importer ERQ. No importers filed a case brief or a reply submission.

[26] One exporter/producer, Nam Kim Steel Joint Stock Co., participated in the expiry review investigation by providing a response to the Exporter/Foreign Producer ERQ. No exporters or foreign producers filed a case brief or a reply submission.

[27] The Government of Türkiye did not provide a response to the Subsidy ERQ, nor did it provide a case brief or reply submission.

## **INFORMATION CONSIDERED BY THE CBSA**

### **Administrative Record**

[28] The information considered by the CBSA for purposes of this expiry review investigation is contained on the administrative record. The administrative record includes the information on the CBSA's Exhibit Listing, which is comprised of the CITT's administrative record at initiation of the expiry review, CBSA exhibits, and information submitted by interested persons, including information which parties feel is relevant to the decision as to whether dumping and/or subsidizing is likely to continue or resume if the Finding is rescinded. This information may consist of expert analyst reports, excerpts from trade magazines and newspapers, orders and findings issued by authorities of Canada or of a country other than Canada, documents from international trade organizations and responses to the ERQs, if any, submitted by domestic producers, importers, exporters and foreign producers as well as by the Government of Türkiye.

[29] For purposes of an expiry review investigation, the CBSA sets a date after which no new information submitted by interested parties will be placed on the administrative record or considered as part of the CBSA's expiry review investigation. This is referred to as the "closing of the record date." For this expiry review investigation, the closing of the record date was October 30, 2025. This deadline allows parties time to prepare their case briefs and reply submissions based on the information that is on the administrative record.

## **POSITION OF THE PARTIES - DUMPING**

### **Parties contending that continued or resumed dumping is likely**

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

### **Domestic Producers – AMD and Stelco (Collectively, the Canadian Producers)**

[31] In their ERQ response and case briefs, the Canadian producers argued that continued or resumed dumping is likely should the Finding be allowed to expire. The Canadian producers each provided the CBSA with additional information prior to the close of the record in support of its position. Each party further expanded and elaborated on their position in their respective case briefs. The following section summarizes the arguments of the Canadian producers collectively.

[32] The factors identified by the Canadian producers in support of their position are summarized as follows:

- Continued dumping and subsidizing over the period of review
- Global overcapacity and China's slowing economy
- Economic conditions in Türkiye;
- Economic conditions in Vietnam;
- Trade measures in other jurisdictions; and
- International market conditions;

### **Continued Dumping and Subsidizing over the Period of Review**

[33] The Canadian producers referenced the CBSA's compliance statistics showing that subject goods continued to be sold to Canada during the POR and that SIMA duties were collected from subject goods from both countries. The CBSA's compliance statistics show that COR producers remain interested in the Canadian market and duties were collected every year of the POR. The Canadian producers argue that Vietnamese COR producers exported substantial volumes of COR in 2022 when normal values did not accurately reflect market conditions. When normal values reflected up-to-date market conditions, volumes declined from Vietnam.

[34] Turkish producers exported smaller volumes of COR but SIMA duties as a percentage of value for duty were higher. Some Turkish producers are excluded from the Finding and can continue to sell goods to Canada without concern for SIMA duties. Despite the availability of Turkish COR without SIMA duties, Turkish producers remain interested in the Canadian market and SIMA duties were collected as a result.

[35] Canadian producers argue that without the finding in place, the volume of dumped and subsidized exports to Canada will almost certainly rise and the margin of dumping and subsidizing will also rise as producers compete for market share in Canada.

## **Global overcapacity and China’s slowing economy will limit market opportunities for Subject Countries and incentivize continued or resumed dumping**

[36] The Canadian producers state that when considering COR production in subject countries, the global situation for COR must be stated. The focus of these global conditions are based on three factors. These are the production imperative, the global steel capacity crisis, and China’s steel exports.

[37] The first argument is that producing steel is extremely capital intensive and carries high fixed costs.<sup>12</sup> Blast furnaces cannot be easily shut down and started up. Therefore, to lower its average production costs a steel mill needs to operate near full capacity to spread its high fixed costs across a greater volume of production.<sup>13</sup> As a result, there is an incentive to produce in excess of domestic demand to produce and sell steel at a loss so long as the plant can reduce its total average cost per tonne. There is further incentive to export these goods in Finding to avoid disrupting home market pricing. Integrated mills (who produce substrate like hot-rolled and cold-rolled sheet) as well as re-rollers (mills that purchase substrate and transform it into COR) are affected by the production imperative because selling excess steel is economically advantageous at any price in excess of the marginal cost of production.

[38] The second argument made focuses on the global steel capacity concerns and the specific effects on COR. The OECD reports that the gap between global steel production and capacity was 602 million MT in 2024 and is projected to rise.<sup>14</sup> The OECD forecasts that global production capacity will grow by 165 million MT over the 2024 to 2027 period while demand will only grow 46 million MTs in the same period. The decline in utilization will put enormous pressure on even highly competitive steelmakers which suggests that no producer, regardless of its efficiency, can remain insulated from the systemic effects of the global capacity glut.<sup>15</sup> When considering the productive imperative of the steel industry with the growing excess capacity concerns, the Canadian producers argue that it’s likely that producers in the Subject countries will continue and/or resume exporting COR out of necessity to Canada if the finding is rescinded.

[39] The last argument made in this section focuses on China’s role in excess production capacity for steel. Although China is not a subject country in this case, it is a leading cause of global excess capacity issues and that due to the sheer size of the steel industry, issues that arise in China have a significant impact on the global steel market. For starters, the Canadian producers argue that China’s steel industry is substantially influenced by the government. Inquiries into non-market conditions by the CBSA in past cases have shown that the Government of China substantially influences prices in the domestic market in certain sectors, including flat steel products.<sup>16</sup>

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<sup>12</sup> CITT, *Flat Hot-rolled Carbon and Alloy Steel Sheet and Strip*, RR-2021-001, Statement of Reasons (May 13, 2022) at para 159

<sup>13</sup> Ibid.

<sup>14</sup> Exhibit 22 (NC) Attachment 5: OECD, “OECD Steel Outlook 2025”, pg. 10-16

<sup>15</sup> Ibid., pg. 10-16

<sup>16</sup> *COR 2018 IN – Statement of Reasons*, paras 120-122.

[40] The decline in domestic demand for steel in China has led to the Government of China to exert greater control over the Chinese steel industry by encouraging mergers and acquisitions. The Government set a target for the country's top five steel producers to account for 40% of steel production and its top 10 steel producers to account for 60% of production by the end of 2025. These targets have not been met, as the top 10 steel firms accounted for 44% of steel production in April 2025.<sup>17</sup> Experts predict that this will result in significant restructuring and consolidation in the industry.<sup>18</sup>

[41] China has seen a notable decline in steel consumption and a rapid rise in steel exports. China's domestic consumption of finished steel products has been declining since 2021. The World Steel Association forecasted in October 2025 that steel consumption in China would continue to fall through 2026. This decline represents a 18% decrease over six-years.<sup>19</sup> In response to the declining domestic demand, exports have risen significantly. Finished steel exports have risen from 67.3 million MTs to 117 million MTs in 2024, with the first half of 2025 suggesting that trend is continuing.<sup>20</sup>

[42] These dynamics provide the opportunity for non-integrated steel manufacturers outside China, including Türkiye and Vietnam, to purchase Chinese substrate, transform it into COR, and export that product to another market. Many COR producers in the subject countries purchase Chinese substrate and in Türkiye the inward processing regime has been developed to incentivize the use of Chinese substrate conditionally on those goods being exported to avoid disrupting the domestic COR market.

[43] China's COR exports have been rising both in absolute and relative terms. COR exports rose by 29% in 2023 and 21% in 2024. Chinese COR exports dominate total steel exports, representing 31% of global COR exports in the first half of 2025.<sup>21</sup> Growing Chinese COR exports create challenges for subject good producers domestically and when competing internationally. This has led to a number of recently imposed measures against Chinese COR including both subject countries.<sup>22</sup> However the effectiveness of these measures to date are still uncertain as Chinese COR is still being exported in significant volumes into both subject countries.<sup>23</sup>

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<sup>17</sup> Exhibit 22 (NC) Attachment 8: Bloomberg News, "China Steel Mills Are Facing a Wave of Bankruptcies, BI Says"

<sup>18</sup> Exhibit 22 (NC) Attachment 9: Wood McKenzie, "China's steel industry at critical crossroads of overcapacity and green transition"

<sup>19</sup> Exhibit 22 (NC) Attachment 10 World Steel Association, Short Range Outlook: October 2025 and Attachment 11: World Steel Association, 2025 World Steel in Figures

<sup>20</sup> Exhibit 22 (NC) Attachment 13: Vadim Kolisnichenko, "China exported 90.3 million tons of steel products in 2023" & Attachment 14: Jing Zhang, "China's steel exports on track to exceed 2024 level, despite possible drop in Oct"

<sup>21</sup> Exhibit 22 (NC) Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities

<sup>22</sup> Exhibit 22 (NC) Attachment 38: Hai Yen, "Vietnam imposes temporary anti-dumping tax on galvanized steel from South Korea, China" & Attachment 69: Steel Orbis, "Turkey launches AD probe on CR steel, galvanized steel and painted coil"

<sup>23</sup> Ibid.

[44] As a result of the significant volume of Chinese COR in the global market, Vietnamese and Turkish producers actively seek markets where they can avoid Chinese competition. Given that many countries have trade remedies and other trade measures against Chinese COR, without the finding in place Canada would be a very attractive market for Turkish and Vietnamese producers.

[45] In summary, the Canadian producers argue that the production imperative, global steel excess capacity concerns and China's disruptive impact on the global COR market all provide important context which creates an environment where producers in the subject countries would be incentivized to sell goods to Canada at dumped prices if the finding was rescinded.

## **Position in regards to Türkiye**

### **Economic Conditions in Türkiye**

[46] The Canadian producers argue that current and projected economic conditions in Türkiye support the conclusion that Turkish COR producers and exporters would continue and resume dumping COR in Canada if the finding is rescinded.

[47] According to the Turkish Statistical Institute, the inflation rate in Türkiye in September 2025 was 33.3%, 70% higher than September 2021.<sup>24</sup> Although significant as is, the Canadian producers allege that the true figure is likely much higher as the Turkish Statistical Institute is widely considered unreliable due to its opaque methodology and alleged underreporting.<sup>25</sup> An independent body of Turkish academics and economic researchers, The Inflation Research Group suggests that inflation rates were likely over 63% for September 2025.<sup>26</sup>

[48] The depreciation of the domestic currency, the Turkish Lira, has compounded the weakened economic conditions in Türkiye. Since 2015, the Turkish Lira has lost over 92% of its value against the Canadian dollar in ten years and has depreciated nearly 32% against the Canadian dollar since October 2023.<sup>27</sup> The currency devaluation incentivizes producers to export more products rather than sell in the domestic market.<sup>28</sup> Exporting also allows producers to earn hard currency, which improves liquidity and reduces currency risk.

[49] Turkish COR producers face pressure to maintain production and liquidity despite declining domestic steel demand. This dynamic creates an incentive to secure hard currency revenues through exports.

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<sup>24</sup> Exhibit 22 (NC) Attachment 43: Turkish Statistical Institute, "Index Numbers and Rate of Changes in the Consumer Price Index"

<sup>25</sup> Exhibit 22 (NC) Attachment 44: Turkish Minute, "Independent group to keep announcing inflation rates despite possible sanctions"

<sup>26</sup> Exhibit 22 (NC) Attachment 45: Abdullah Bozkurt, "Turkey's inflation data is deliberately underreported, lawsuit alleges, casting doubts on reliability of official statistics"; Attachment 46: Turkish Minute, "Majority of Turks believe TurkStat understates inflation figures"; Attachment 47: Turkish Minute, "TurkStat raises eyebrows with 'unrealistic' prices it uses to calculate inflation"

<sup>27</sup> Exhibit 22 (NC) Attachment 50: XE.com, "TRY to CAD chart (10Y)"; Attachment 51: XE.com, "TRY to CAD chart (2Y)"

<sup>28</sup> Exhibit 22 (NC) Attachment 52: Adam Hayes, "3 Reasons why Countries devalue their currency"

## **COR Production and Overcapacity in Türkiye**

[50] Türkiye possesses significant excess capacity in COR production, which incentivizes dumping in export markets, the Canadian producers allege.

[51] Türkiye's COR capacity utilization were below global average in 2022-2024 and are forecast to remain low going forward. Türkiye's annual average COR excess production capacity is significantly larger than the Canadian market. When compared with the Canadian market of even a small portion of Türkiye's excess capacity could have a substantial impact on domestic producers and market prices.

[52] The availability of substantial excess capacity, combined with weak COR demand discussed below, increase the likelihood of dumping of COR in the event that the finding is rescinded, according to the Canadian producers.

### **Türkiye's COR Demand**

[53] Steel demand in Türkiye is weakening, with market surveys commenting that some traders are offloading inventory at low prices. Most surveyed market participants expect a limited recovery in both Türkiye and export markets. Further, coil demand in Q2 2025 was so poor that many buyers opted to pay a contract penalty to void orders for prime and non-prime coil.

[54] COR consumption in 2024 fell and is not expected to experience a significant recovery over the forecasted period of 2025-2027. On the other hand, COR production continued to increase and any forecasted increases are masked by significant growth in production, leading to a further disparity between production and consumption.

[55] The demand forecast is backed by structural weaknesses in COR-consuming sectors of the economy like the manufacturing, construction and real estate, and consumer household appliance sectors, which are expected to experience declines in the coming years.

[56] In the manufacturing sector, capacity utilization experienced a drop in August 2025, signalling a moderation in production activity across key industrial segments.<sup>29</sup> Analysts project that Turkish manufacturing growth will continue to decline in 2026.

[57] The construction and real estate industries in Türkiye experienced declines in the number of construction permits in 2024. Specifically, in 2024 total construction permits decreased 12.4% year-over-year<sup>30</sup>, buildings decreased by 16.7%, the number of dwellings decreased by 17.4% and the total floor area decreased by 16.5%. By Q1 2025, construction permits had decreased by 24.7% year-over-year.<sup>31</sup> Despite recovery in Q2 2025, it is still lower than Q4 2024.<sup>32</sup>

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<sup>29</sup> Exhibit 22 (NC) Attachment 59: Cem Cetinguc, "Turkey's Manufacturing Capacity Usage Drops in August 2025"

<sup>30</sup> Exhibit 22 (NC) Attachment 61: Turkish Statistical Institute, "Building Permits, Quarter IV: October-December, 2024"

<sup>31</sup> Exhibit 22 (NC) Attachment 62: Turkish Statistical Institute, "Building Permits, Quarter I: January-March, 2025"

<sup>32</sup> Exhibit 22 (NC) Attachment 63: Turkish Statistical Institute, "Building Permits, Quarter II: April-June, 2025"

[58] Consumer household appliances and “white goods” also experienced declines in 2025. The Turkish White Goods Manufacturers Association reported that its domestic sales declined by 8% year-over-year in the first half of 2025.<sup>33</sup> Although exports also declined, Turkish producers are prioritizing export markets with less of a focus on domestic demand. In the furniture industry, Turkish producers are targeting to achieve \$12 billion in furniture exports over 2025.<sup>34</sup>

[59] Finally, Canadian producers argue that Turkish COR producers must compete with Chinese COR and substrate, which floods their domestic market. Turkish demand for COR in key industries alongside competition from China and other markets create an environment where producers are incentivized to export COR and in the event that the finding is rescinded Canada is a prime destination producers would consider, according to the Canadian producers.

### **Import Competition in Türkiye**

[60] With declining demand in COR use, Turkish mills reportedly struggle to compete with inflows of low-priced steel products from exporters in China, Japan, India and Russia. According to the Turkish Steel Producers’ Association, most of Türkiye’s steel consumption is met by imports while increases in imports from Far Eastern countries such as Indonesia, Vietnam and especially China negatively affected the industry in 2024 and the beginning of 2025.<sup>35</sup>

### **Türkiye’s Export Orientation**

[61] Turkish COR production continues to exceed, or nearly exceed, domestic consumption, forcing producers to rely heavily on export markets. Exports accounted for 42% of production in 2024 and 44% in the first half of 2025.<sup>36</sup> However, Türkiye’s export-dependent producers are increasingly constrained in key markets. COR exports to the United States collapsed from 50,000 MT in 2024 to only 385 MT in H1 2025<sup>37</sup> due to new trade restrictions. Despite this loss, Türkiye maintained overall export volumes by redirecting shipments to alternative destinations demonstrating both its dependence on exports and the flexibility of its distribution networks. This redirection capacity heightens the risk that Turkish COR will make its way to Canada if the Finding is rescinded.

[62] Türkiye also faces mounting challenges in the EU, historically its most important COR market. The EU’s Carbon Border Adjustment Mechanism, set for full implementation in January 2026, will impose significant carbon-related costs on imports of steel and other carbon-intensive goods.<sup>38</sup> Given Türkiye’s relatively high steelmaking emissions, limited climate policies, and the fact that roughly 37% of its iron and steel exports go to the EU<sup>39</sup>, Turkish COR producers are

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<sup>33</sup> Exhibit 22 (NC) Attachment 64: “TURKBESD announced its first half data for 2025”, *Türkiye Beyaz Esya Sanayicileri Derneği*

<sup>34</sup> Exhibit 22 (NC) Attachment 65: Daily Sabah, “Turkey set \$12 billion target for furniture exports”

<sup>35</sup> Exhibit 22 (NC) Attachment 70: Steel Orbis, “TCUD: Most of Turkey’s steel consumption met by imports, trade measures insufficient”

<sup>36</sup> Exhibit 22 (NC) Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities

<sup>37</sup> Exhibit 22 (NC) Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities

<sup>38</sup> Exhibit 22 (NC) Attachment 77: EC, “Carbon Border Adjustment Mechanism”

<sup>39</sup> Exhibit 22 (NC) Attachment 79: Moutaz Altaghlibi, “CBAM Impacts and Opportunities”

expected to shift even more aggressively toward non-EU markets. This further increases the likelihood of resumed dumping in Canada.

[63] Türkiye has also nearly exhausted its EU steel export quotas, with only 121 MT of HRC and 1,109 MT of COR quota remaining.<sup>40</sup> With limited access to its largest market, Turkish producers will seek alternative destinations for their output. At the same time, the Government of Türkiye has strengthened export incentives by allowing COR re-rollers to import low-priced, dumped HRC duty-free under the inward processing regime, provided the resulting COR is exported. The import processing regime is explicitly designed to boost exports, enhance competitiveness, and diversify export markets, while expanding production capacity through the use of imported inputs.<sup>41</sup>

[64] These measures must be viewed against broader global steel conditions—persistent excess capacity, China’s rising exports, and Türkiye’s own production-driven industrial policies. Türkiye’s anti-dumping duties on HRC for domestic use, combined with duty-free access to dumped substrate for export production, enable producers to keep COR export prices artificially low. This helps raise Türkiye’s low capacity-utilization rates but also fuels continued dumping. Taken together, these factors create a strong likelihood that Turkish COR producers will resume exporting to Canada at dumped prices if the Finding is rescinded.

### **Türkiye’s COR Prices**

[65] The Canadian producers argue that Turkish COR producers have maintained historically low prices relative to Canada with a growing gap and that nothing on the administrative record suggests otherwise. When comparing MEPS pricing for hot-dipped galvanized coil from Canada and Türkiye, COR in Canada was sold at higher prices than COR sold in Türkiye, with a stable and significant difference between the two markets.<sup>42</sup> As of June 2025, freight rates from Türkiye were among the most competitive globally, lower than China’s freight to Hamilton. Freight from Türkiye to Montreal was lower than the freight rates observed from China to Vancouver.<sup>43</sup>

[66] The relatively higher Canadian COR prices make Canada highly attractive to Turkish producers and exporters if the finding expires. By undercutting Canadian producers in high volumes, they could sell significant volumes. The price gap between Canada and Türkiye would not dissuade Turkish COR producers and exporters from exporting COR to Canada at dumped prices, the Canadian producers argue.

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<sup>40</sup> Exhibit 25 (NC) Articles, reports and CBSA research: Steel Orbis, “Turkey exceeds EU HRC and coated sheet import quotes for Q4, rebar quota almost filled”

<sup>41</sup> Exhibit 22 (NC) Attachment 80: Republic of Türkiye Ministry of Trade and Customs, “Inward Processing Procedures”

<sup>42</sup> Exhibit 21 (PRO) Attachment 73: MEPS, “Developing markets steel review history”; Attachment 74: MEPS, “International steel review history”

<sup>43</sup> Exhibit 21 (PRO) Attachment 75: ArcelorMittal Emails regarding freight to North America

## **Türkiye’s COR exports to Canada were at dumped prices**

[67] The Canadian producers argue that due to dumped COR from Turkish producers occurring during the POR, it is very likely that this practice would continue in the event that the Finding is rescinded.

## **Position in regards to Vietnam**

[68] The Canadian producers argue that Vietnam’s domestic economic conditions incentivize COR producers to export COR over the next 12 to 24 months.

## **Vietnam’s Economic Conditions**

[69] Vietnam is one of the countries impacted most significantly by U.S. tariffs. Vietnam’s export focused industrial model may lose up to one-fifth of trade value to the U.S.<sup>44</sup> Analysts predict that these tariffs put downward pressure on the Vietnamese currency and reduce foreign investment. These measures have direct impact on Vietnamese steel exports but also threaten to suppress exports and production of manufactured goods that use COR as a primary input. U.S. tariffs reduce the competitiveness of Vietnam’s finished export products and fuel excess capacity growth across key industries.<sup>45</sup> Canadian producers argue these dynamics will encourage Vietnamese suppliers to increasingly turn to overseas markets to offload supply, with Canada being a prime export destination in the event that the Finding is rescinded.

## **COR Production and Overcapacity in Vietnam**

[70] Vietnam has the 11<sup>th</sup> largest steel sector in the world and is among the largest in ASEAN countries. Confidential production and capacity from CRU estimates large excess capacity and very low utilization rates. The excess capacity is significantly greater than the entire Canadian market in the same year.<sup>46</sup> This, coupled with planned capacity increases by Nam Kim Steel<sup>47</sup> and the export orientation of Vietnamese COR producers increase the likelihood that producers in Vietnam would likely export to Canada in the event that the Finding is rescinded, argue the Canadian producers.

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<sup>44</sup> Exhibit 22 (NC) Attachment 26: Arendse Huld, “The Impact of Tariffs on Vietnamese Exports: US-Vietnam Trade Relations Under Trump 2.0”

<sup>45</sup> Exhibit 22 (NC) Attachment 28: Dong Ha, “46% US reciprocal tax: Where is the way out for Vietnamese goods?”

<sup>46</sup> Exhibit 21 (PRO) Attachment 6: CRU, Steel Sheet Products Market Outlook (April 2025) at Tables S.30, S.32; Attachment 7: CRU, Steel Sheet Market Outlook, Capacity Data

<sup>47</sup> Exhibit 22 (NC) Attachment 29: Nam Kim Steel, “Nam Kim Steel (NKG): The Phu My Project to Lead the New Cycle of the Steel Industry”

## **Vietnam’s COR Demand**

[71] Total steel production in Vietnam is much higher than demand, with export markets making up a significant portion of the production. A total of 21.98 million MT of steel was produced in 2024. Steel exports reached 2.78 million MT during the same period which represented an increase of 55% compared to the previous year.<sup>48</sup> Similar imbalances were seen in finished steel products over the same period. Local consumption of COR in Vietnam was outpaced by increases in production. The Vietnamese COR market cannot offset the surplus of production, leaving exports as the only viable option to satisfy the production imperative, the Canadian producers argue.

## **Vietnam’s Steel Industry Domestic Competition with Chinese Imports**

[72] Excess production within Vietnam competes with low-priced steel imports from China. In 2024, Vietnam imported 17.71 million MT of iron and steel from China, 33% more than 2023. China represents two thirds of these imports. Chinese HRC imports outpace domestic production by 1.5 times.<sup>49</sup> This is the key input for COR production. Industry experts state that Vietnam’s steel industry is dominated by China’s steel industry.<sup>50</sup> Lost domestic business to Chinese competition led Vietnamese steel producers to rely on exports to remain competitive.

[73] Although anti-dumping duties have been put in place against Chinese COR, Canadian producers argue that these have not deterred Chinese imports in any meaningful way to date.<sup>51</sup> The significant import competition from Chinese steel combined with low capacity utilization rates create an environment where the ability to offload steel to Canada would provide significant opportunity to Vietnamese producers in the event that the finding is rescinded.

## **Vietnam’s COR Prices**

[74] Similar to Turkish prices, Vietnam’s domestic COR prices are well below North American pricing but still dumped subject goods into Canada, the Canadian producers argue. No changes of circumstance have occurred that is available on the administrative record in this regard. Looking at benchmark pricing from CRU, a substantial price gap between North America and Asia continue.<sup>52</sup> Although Vietnamese producers could sell into Canada at fair pricing, information on the record indicates that this has not occurred previously and there is no reason to believe that they would start now, according to the Canadian producers.

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<sup>48</sup> Exhibit 22 (NC) Attachment 30: “Steel market report 2024”

<sup>49</sup> Exhibit 22 (NC) Attachment 37: “Vietnam’s crude steel production increased in 2024”

<sup>50</sup> Exhibit 22 (NC) Attachment 30: “Steel Market Report 2024”

<sup>51</sup> Exhibit 22 (NC) Attachment 38: Hai Yen, “Vietnam imposes temporary anti-dumping tax on galvanized steel from South Korea, China”

<sup>52</sup> Exhibit 21 (PRO) Attachment 23: CRU, Steel Sheet Products Market Outlook Price Forecast

## **Vietnam’s Export Orientation**

[75] Vietnam’s producers are export oriented, due to good potential options outside the domestic market alongside weak demand and Chinese competition domestically. CRU data suggests that Vietnamese exports of COR rose from 2022 to 2024.<sup>53</sup> Canadian producers argue that the contraction in Vietnam’s COR exports in H1 2025 is driven mainly by a steep reduction in shipments to the United States. Losing over 99% of its exports from 366 thousand MTs in H1 2024 to 709 MT in H1 2025<sup>54</sup> reflects the impact of new U.S. tariffs, alongside anti-dumping duties put in place in August 2025.<sup>55</sup> These two measures alone compel Vietnamese producers to redirect exports to alternative destinations if the Finding is rescinded, argue the Canadian producers.

## **Vietnam COR exports to Canada were at dumped prices**

[76] The administrative record shows Vietnamese COR was dumped during the POR. Over \$2.6 million in anti-dumping duties were assessed during the POR.<sup>56</sup> The Canadian producers argue that producers in Vietnam have shown continued interest in the Canadian market and would likely resume exporting at dumped prices if the Finding is rescinded.

## **Trade measures in other jurisdictions are likely to divert Subject Goods to Canada**

[77] The Subject Goods face trade remedies and trade barriers in many other jurisdictions. The Canadian producers argue that these barriers increase the likelihood that Subject producers will continue or resume exporting Subject Goods to Canada at dumped prices if the Finding is rescinded.

[78] The Subject Countries have recently been found likely to dump COR to other jurisdictions. On August 26, 2025, The U.S. trade remedies authority issued its affirmative final determination in its anti-dumping duty investigations on certain COR from Türkiye and Vietnam.<sup>57</sup> On February 24, 2023, the Mexican trade remedies authority issued a final anti-dumping determination against coated and plated steel sheets from Vietnam.<sup>58</sup> On August 11, 2022, the European Union’s trade remedies authority imposed anti-dumping duties on COR from Türkiye.<sup>59</sup> Finally, on

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<sup>53</sup> Exhibit 22 (NC) Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities; Exhibit 21 (PRO) Attachment 6: CRU, Steel Sheet Products Market Outlook

<sup>54</sup> Exhibit 22 (NC) Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities

<sup>55</sup> Exhibit 22 (NC) Attachment 42: U.S. International Trade Administration, “U.S. Department of Commerce Issues Affirmative Final Determinations in AD/CVD Investigations of Corrosion-Resistant Steel Products from Ten Trading Partners”

<sup>56</sup> Table 3: COR2 Compliance Data

<sup>57</sup> Exhibit 22 (NC) Attachment 42: U.S. International Trade Administration, “U.S. DOC Issues Affirmative Final Determinations in AD/CVD Investigations of Corrosion-Resistant Steel Products from Ten Trading Partners”

<sup>58</sup> Exhibit 22 (NC) Attachment 84: Shanghai Metal Market, “Mexico Initiates Anti-Dumping Interim Review Investigation on Coated and Plated Steel Products from Vietnam”

<sup>59</sup> EU, *Commission Implementing Regulation (EU) 2022/1395 of 11 August 2022 imposing a definitive anti-dumping duty on imports of certain corrosion resistant steels originating in Russia and Turkey*

October 31, 2024, the Egyptian trade remedies authority initiated an anti-dumping investigation into certain COR products from Türkiye, which remains ongoing.<sup>60</sup>

[79] The Canadian producers argue that these existing trade remedies in other jurisdictions are an important factor in determining whether or not dumping would continue or resume in the event that the Finding is rescinded. Numerous other trade remedies against Subject Goods across numerous jurisdictions increases the likelihood that Subject Good producers will resume exporting COR to Canada at dumped prices if the Finding expires, the Canadian producers argue.

[80] Other trade measures like safeguards and tariff-rate quotas have been imposed on Subject Countries, limiting the availability of alternative export markets. The European Union has a global steel safeguard covering COR until June 30, 2026, which includes Türkiye and Vietnam. Over quota volumes are subject to a 25% duty, although this is likely to increase to 50% duty in June of 2026.<sup>61</sup> The United Kingdom has similar measures in place.<sup>62</sup> Most significantly, U.S. Section 232 tariffs continue to restrict access to one of the largest steel markets in the world.

[81] These measures continue to create uncertainty in COR markets globally and would increase the likelihood of continued or resumed dumping if the Finding is rescinded.

### **International Market Conditions**

[82] Global market conditions remain volatile, with the short-term forward outlook similarly volatile and weak. The Canadian producers argue these conditions in the Subject Countries will incentivize the export of dumped Subject Goods. Reports from the International Monetary Fund<sup>63</sup>, McKinsey & Company<sup>64</sup> and the OECD<sup>65</sup> suggest that GDP growth globally is expected to slow due to a number of factors. BMI projects global steel demand to remain weak, forecasting average annual consumption growth of just 0.6% year over year from 2024-2028.<sup>66</sup>

[83] The Canadian producers argue that international market conditions for COR continued to show expanding production capacity that exceeds global consumption, discussed in the previous section. This will encourage excess low-priced COR into global markets with Canada being a prime export market in the event that the finding is rescinded. Prices in North America remain substantially higher than Asian COR prices and COR consumers in Canada are likely to remain interested in Subject Goods if the finding is rescinded.

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<sup>60</sup> Exhibit 22 (NC) Attachment 86: Almasdar, “Anti-dumping measures initiated against Chinese and Turkish imports of rolled and galvanized steel sheets”

<sup>61</sup> Exhibit 22 (NC) Attachment 90: MEPS International, “UK Secretary of State tightens steel import safeguards”; Attachment 91: Directorate-General for Trade and Economic Security, “Commission strengthens protection for EU steel industry”

<sup>62</sup> Exhibit 22 (NC) Attachment 93: Ilze Jozepa, “UK steel safeguards”, *House of Commons Library*

<sup>63</sup> Exhibit 22 (NC) Attachment 16: International Monetary Fund, “World Economic Outlook: A Critical Juncture amid Policy Shifts”

<sup>64</sup> Exhibit 22 (NC) Attachment 18: Sven Smit, Jeffrey Condon and Krzysztof Kwiatkowski, “Economic Conditions Outlook, June 2025”, McKinsey & Company

<sup>65</sup> Exhibit 22 (NC) Attachment 5: OECD, “OECD Steel Outlook 2025”

<sup>66</sup> Exhibit 22 (NC) Attachment 19: BMI, “Steel Quarterly Report – Q1 2025”

[84] The Canadian producers argue that international market conditions make it likely that subject countries will export large volumes of COR to Canada at dumped prices in the next 12 to 24 months absent anti-dumping/countervailing duties. International market conditions are very volatile and are expected to remain so in the short to medium term. Despite all this, COR production capacity is increasing faster than global consumption, which the Canadian producers argue puts substantial pressure on prices.

[85] Under Canada's Tariff-Rate Quota system<sup>67</sup>, Canadian producers argue that this measure will not prevent resumed exports of dumped or subsidized Subject Goods to Canada if the finding expires but will be able to ship substantial volumes of COR to Canada duty free.

### **Parties contending that continued or resumed dumping is unlikely**

#### **Importers**

[86] No case briefs or reply submissions were submitted contending that the dumping of the subject goods from Türkiye and Vietnam is not likely to continue or resume if the Finding is rescinded.

#### **Exporters and Foreign Producers**

[87] No case briefs or reply submissions were submitted contending that the dumping of the subject goods from Türkiye and Vietnam is not likely to continue or resume if the Finding is rescinded.

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<sup>67</sup> Exhibit 22 (NC) Attachment 4: CBSA, Customs Notice 25-24: *Order Imposing a Surtax on the Importation of Certain Steel Goods*

## **CONSIDERATION AND ANALYSIS - DUMPING**

[88] In making a determination under paragraph 76.03(7)(a) of SIMA whether the expiry of the Finding is likely to result in the continuation or resumption of dumping of the goods, the CBSA may consider the factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant under the circumstances.

[89] Before presenting the specific analysis with respect to Türkiye and Vietnam concerning the likelihood of the continuation or resumption of dumping in absence of the CITT's Finding, common factors in all countries are analyzed first. These factors are as follows:

- Continued dumping and subsidizing over the period of review
- Global overcapacity and China's slowing economy
- Economic conditions in Türkiye;
- Economic conditions in Vietnam;
- Trade measures in other jurisdictions; and
- International market conditions;

### **Common Factors**

#### **Continued dumping and subsidizing over the period of review**

[90] CBSA compliance statistics show that during the period of review, subject goods remained dumped and/or subsidized. In every year of the period of review SIMA duties were collected from COR products subject to this measure by both subject countries. While the duties collected for COR products from Vietnam were more significant, producers in both countries shipped subject goods at prices that warranted SIMA duties.

[91] Compliance data shows that Vietnamese imports of COR were priced significantly below-market prices in 2022, and throughout the POR Turkish imports were charged SIMA duties. These imports disrupted the domestic market and demonstrated dumping to gain market share. Finally, a Turkish COR producer was found not to be dumping during the original investigation and has access to the Canadian COR market. Despite this option, producers who are subject to SIMA duties still shipped during the POR, suggesting significant interest in the Canadian market.

## Global overcapacity and China's slowing economy

[92] The global steel market is facing worsening conditions due to excess production capacity and sluggish demand. Post-COVID recovery was short-lived, and now the imbalance between growing production and weakening demand, notably in Asia, is expected to persist through 2027.<sup>68</sup> This oversupply is creating instability and incentivizing producers to seek new markets to maintain output and reduce costs. Despite international challenges, Canada is seen as a relatively stable and attractive market for COR exports over the next 12–18 months.

[93] COR producers are incentivized to increase output by the production imperative. Producing steel is capital intensive and carries high fixed costs. In order to reduce average production costs a steel mill needs to operate near full capacity. Although in theory exporting at any price above the marginal cost can be economically advantageous to firms, producers still need to satisfy a number of stakeholders, including lenders, shareholders and covenants, so producers cannot indefinitely sell at unprofitable prices. During economic downturns however, it is likely that producers have a greater incentive to reduce margins in order to maintain output. Considering the many significant concerns facing the steel industry, it is likely that COR producers in the subject countries were willing to export COR at dumped prices since anti-dumping and countervailing duties were imposed during the period of review.

[94] Global steel overcapacity is a significant concern in the steel industry. The OECD estimates that excess capacity will reach 721 million MT by 2027, with new capacity additions outpacing demand growth in the same period.<sup>69</sup> The systemic pressure that this situation is creating in the steel industry influences market dynamics and leaves producers facing significant competition for sales. Although overcapacity puts pressure on the majority of global steel producers, some producers may be insulated by domestic protection, regional demand or niche products. COR in general is a commodity product largely indifferent between producers, meaning overcapacity issues affect this subsector more than others. Generally, overcapacity issues create pressure for COR producers and information on the administrative record suggests that this pressure has led to dumped goods continuing to be sold to the Canadian market.

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<sup>68</sup> Exhibit 22 (NC) Attachment 5: OECD, “OECD Steel Outlook 2025” pgs. 21-29

<sup>69</sup> Exhibit 22 (NC) Attachment 5: OECD, “OECD Steel Outlook 2025”

[95] Finally, although not a subject country in this investigation, it is well established that China's steel sector is heavily influenced by state policy. This has been highlighted across numerous inquiries into non-market conditions existing in flat-rolled products.<sup>70</sup> Declining domestic demand for COR in China is a legitimate concern, as China is exporting steel products at record levels while domestic demand remains stagnant.<sup>71</sup> This trend of increased Chinese exports is creating more pressure on the subject countries within their domestic market, as trade remedy measures have yet to provide protection against Chinese COR. Further, China competes with subject producers in other export markets, where subject producers are losing sales and looking for viable options to ship their products.

[96] The production imperative, global overcapacity issues and China's substantial influence in the COR market increase the likelihood of subject countries continuing or resuming dumping subject goods into the Canadian market in the event that the Finding is rescinded.

### **Economic Conditions in Türkiye**

[97] Any changes in market conditions domestically or internationally are a factor for consideration under section 37.2 of SIMR. The following section will highlight changes in market conditions domestically in Türkiye.

[98] The inflation rate in Türkiye continued to fluctuate significantly during the POR which contributed to uncertainty and volatility in the steel sector. In September 2025 inflation hit 33.3%, an increase of 70% compared to September 2021.<sup>72</sup> Evidence on the record indicates that confidence in the official exchange rate provided by the Turkish Statistical Institute is weak and inflation numbers are underestimated.<sup>73</sup> An independent body of Turkish academics and economic researchers, The Inflation Research Group, suggests that inflation rates are likely over 63% for September 2025.<sup>74</sup> Regardless of the accuracy of the numbers from the official exchange rate, high inflation numbers create significant volatility in the domestic market and encourage COR producers to sell in hard currencies like the U.S. dollar to hedge against inflation.

[99] At the same time, the Turkish Lira has depreciated and compounded the weakened economic conditions in the domestic market. Since 2015, the Turkish Lira has lost nearly 92% of its value cumulatively against the Canadian dollar and 32% of its value since October 2023.<sup>75</sup>

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<sup>70</sup> *COR 2018 IN* – [Statement of Reasons](#), paras 120-122.

<sup>71</sup> Exhibit 22 (NC) Attachment 10: World Steel Association, Short Range Outlook: October 2025; Attachment 11: World Steel Association, “2025 World Steel in Figures”; and Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities

<sup>72</sup> Exhibit 22 (NC) Attachment 43: Turkish Statistical Institute, “Index Numbers and Rate of Changes in the Consumer Price Index”

<sup>73</sup> Exhibit 22 (NC) Attachment 44: Turkish Minute, “Independent group to keep announcing inflation rates despite possible sanctions”

<sup>74</sup> Exhibit 22 (NC) Attachment 45: Abdullah Bozkurt, “Turkey’s inflation data is deliberately underreported, lawsuit alleges, casting doubts on reliability of official statistics”; Attachment 46: Turkish Minute, “Majority of Turks believe TurkStat understates inflation figures”; Attachment 47: Turkish Minute, “TurkStat raises eyebrows with ‘unrealistic’ prices it uses to calculate inflation”

<sup>75</sup> Exhibit 22 (NC) Attachment 50: XE.com, “TRY to CAD chart (10Y)”; Attachment 51: XE.com, “TRY to CAD chart (2Y)”

[100] Turkish COR producers face pressure to maintain production and liquidity and prioritize hard currency transactions as a result. Hard currency volumes are widely available through exports, meaning that the weakening domestic conditions encourage producers to seek export markets.<sup>76</sup>

[101] Excess capacity in Türkiye remains an ongoing challenge for COR producers. Capacity utilization rates remained low throughout the POR for Turkish producers. The total excess capacity is much larger than the entire size of the Canadian market for COR. Even if a small portion of Türkiye's excess capacity was utilized to sell COR to Canada, there would be a noticeable effect on Canadian producers and prices.

[102] Steel demand in Türkiye is weakening. Anecdotal evidence on the record shows that inventory is being offloaded at low prices and most surveyed market participants have a bearish view of international markets and COR consumption is falling and is not expected to experience a recovery in the short term. At the same time, capacity and production are increasing, leading to further disparity between production and consumption. Key COR consuming industries like the manufacturing, construction and real estate, and consumer household appliances sectors are all expected to experience declines in the coming years.<sup>77</sup>

[103] Finally, Turkish COR producers must compete with Chinese COR in their domestic market. Although anti-dumping duties were imposed against Chinese COR producers, the effect of these trade measures has yet to result in any significant decreases in the volume of COR from China.

[104] Economic conditions in Türkiye increase the likelihood of resumed or continued dumping in the event that the Finding is rescinded. Inflation remains high, the Lira is depreciating in value, excess capacity and production in COR is increasing faster than consumption, steel demand is weakening domestically and significant competition from Chinese COR products all contribute to these declining domestic conditions in the Turkish COR market.

### **Economic conditions in Vietnam**

[105] Economic conditions in Vietnam are volatile due to the imposition of U.S. tariffs globally, their export-focused industrial model, overcapacity issues, and declining domestic demand that faces competition from Chinese COR imports.

[106] Vietnam is one of the countries impacted most significantly by U.S. tariffs. Although steel exports from Vietnam have avoided increased tariffs since 2018, goods that are produced with COR as the main input are now subject to Section 232 tariffs. As a result, Vietnam is predicted to lose significant trade value to the U.S. Analysts predict that these tariffs will cause a decline in

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<sup>76</sup> Exhibit 22 (NC) Attachment 52: Adam Hayes, "3 Reasons why Countries devalue their currency"

<sup>77</sup> Exhibit 22 (NC) Attachment 59: Cem Cetinguc, "Turkey's Manufacturing Capacity Usage Drops in August 2025"; Attachment 61: Turkish Statistical Institute, "Building Permits, Quarter IV: October-December, 2024"; Attachment 62: Turkish Statistical Institute, "Building Permits, Quarter I: January-March, 2025"; Attachment 64: "TURKBESD announced its first half data for 2025", *Türkiye Beyaz Eşya Sanayicileri Derneği*; Attachment 65: Daily Sabah, "Türkiye set \$12 billion target for furniture exports"

foreign investment and put downward pressure on the Vietnamese Dong.<sup>78</sup> These dynamics will likely encourage Vietnamese suppliers of finished and semi-finished material to turn to alternative markets to offload supply.

[107] Vietnam has the 11th largest steel sector in the world and is among the largest in ASEAN countries. Production and capacity estimates show substantial excess capacity and very low utilization rates. The excess capacity is substantially greater than the entire Canadian market. This, coupled with planned capacity increases by Vietnamese COR producers and the export orientation of these producers increase the likelihood of exporting to Canada in the event that the Finding is rescinded.

[108] Vietnamese COR producers also face significant competition in their domestic industry from Chinese imports. Although anti-dumping duties were imposed recently, import data shows that these measures have been unsuccessful in protecting the domestic industry from unfairly priced COR from entering the domestic market.<sup>79</sup>

[109] Vietnam's manufacturing sector is export oriented. At the same time, Vietnamese producers are being blocked out of the U.S. market. In the first half of 2025 only 709 MTs of COR was exported to the U.S. compared to 366,000 MT one year prior.<sup>80</sup>

[110] The imposition of U.S. tariffs on Vietnamese products, substantial excess capacity, domestic demand competing with Chinese imports and the export oriented nature of COR production in Vietnam all support the position that it's likely that Vietnamese COR producers would continue or resume dumping in the event that the Finding is rescinded.

### **Trade measures in other jurisdictions**

[111] The Subject Goods face trade remedies and trade barriers in many other jurisdictions. The lack of viable options suggests that these barriers increase the likelihood that Subject producers will continue or resume exporting Subject Goods to Canada at dumped prices if the Finding is rescinded.

[112] The Subject Countries have recently been found likely to dump COR to other jurisdictions. On August 26, 2025, The U.S. trade remedies authority issued its affirmative final determination in its anti-dumping duty investigations on certain COR from Türkiye and Vietnam.<sup>81</sup> On February 24, 2023, the Mexican trade remedies authority issued a final anti-dumping determination against coated and plated steel sheets from Vietnam.<sup>82</sup> On August 11, 2022, the European Union's trade

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<sup>78</sup> Exhibit 22 (NC) Attachment 28: Dong Ha, "46% US reciprocal tax: Where is the way out for Vietnamese goods?"

<sup>79</sup> Exhibit 22 (NC) Attachment 38: Hai Yen, "Vietnam imposes temporary anti-dumping tax on galvanized steel from South Korea, China"

<sup>80</sup> Exhibit 22 (NC) Attachment 142: Export Data Collected by ArcelorMittal from Customs Authorities

<sup>81</sup> Exhibit 22 (NC) Attachment 42: U.S. International Trade Administration, "U.S. DOC Issues Affirmative Final Determinations in AD/CVD Investigations of Corrosion-Resistant Steel Products from Ten Trading Partners"

<sup>82</sup> Exhibit 22 (NC) Attachment 84: Shanghai Metal Market, "Mexico Initiates Anti-Dumping Interim Review Investigation on Coated and Plated Steel Products from Vietnam"

remedies authority imposed anti-dumping duties on COR from Türkiye.<sup>83</sup> Finally, on October 31, 2024, the Egyptian trade remedies authority initiated an anti-dumping investigation into certain COR products from Türkiye which is ongoing.

[113] The number of measures indicates that subject countries lack good alternatives and have a key interest in the Canadian market. In the event that the Finding is rescinded producers from the subject countries would be interested in exporting to Canada.

[114] Other trade measures like safeguards and tariff-rate quotas have been imposed on Subject Countries, limiting the availability of alternative markets. The European Union has a global steel safeguard covering COR until June 30, 2026, which includes Türkiye and Vietnam. Over quota volumes are subject to a 25% duty, although this is likely to increase to 50% duty in June of 2026.<sup>84</sup> The United Kingdom has similar measures in place.<sup>85</sup> Most significantly, U.S. Section 232 tariffs continue to restrict access to one of the largest steel markets in the world.<sup>86</sup>

[115] The Section 232 measures are likely to divert a significant volume of steel products into other markets with no sign of these measures being removed in the short to medium term. With the US steel market being closed off to the subject countries, exporters will look to other markets to fill significant quantities of subject goods. While these tariffs remain in effect, subject goods are likely to be diverted from the U.S. to other markets without tariff measures in place. This risk is amplified by the size of the U.S. market. Even a relatively modest volume of goods diverted from the U.S. could overwhelm a smaller market like Canada.

[116] Canada has implemented its own unilateral measures to offer further protection to the domestic steel industry, above the anti-dumping or countervailing duties imposed. As of December 26, 2025, a 50% surtax applies for non-CUSMA free trade partners above 75% of 2024 imports and the same 50% surtax applies on imports for countries without a free trade agreement above 20% of 2024 imports.

## **Determinations**

[117] Based on evidence on the record the CBSA has determined that the expiry of the Finding is likely to result in the continuation or resumption of dumping into Canada of certain corrosion-resistant steel sheet from Türkiye.

[118] Based on evidence on the record the CBSA has determined that the expiry of the Finding is likely to result in the continuation or resumption of dumping into Canada of certain corrosion-resistant steel sheet from Vietnam.

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<sup>83</sup> EU, *Commission Implementing Regulation (EU) 2022/1395 of 11 August 2022 imposing a definitive anti-dumping duty on imports of certain corrosion resistant steels originating in Russia and Turkey*

<sup>84</sup> Exhibit 22 (NC) Attachment 86: Almasdar, “Anti-dumping measures initiated against Chinese and Turkish imports of rolled and galvanized steel sheets”

<sup>85</sup> Exhibit 22 (NC) Attachment 90: MEPS International, “UK Secretary of State tightens steel import safeguards”; Attachment 91: Directorate-General for Trade and Economic Security, “Commission strengthens protection for EU steel industry”

<sup>86</sup> Exhibit 22 (NC) Attachment 93: Ilze Jozepa, “UK steel safeguards”, *House of Commons Library*

## **POSITION OF THE PARTIES - SUBSIDIZING**

### **Parties contending that continued or resumed subsidizing is likely**

#### **Domestic Producers**

[119] The Canadian producers provided case briefs supporting their position that subsidizing from Türkiye is likely to continue or resume in the event the Finding is allowed to expire.<sup>87</sup>

[120] The Canadian producers contend many factors relate to both dumping and subsidization that have already been presented in the dumping section of this report:

- Continued dumping and subsidizing over the period of review
- Global overcapacity and China's slowing economy
- Economic conditions in Türkiye;
- Trade measures in other jurisdictions; and
- International market conditions;

These positions will not be re-iterated here, please refer to the relevant section in the dumping portion for a summary of the Canadian producer's position on these factors.

#### **Turkish Subsidization of Subject Goods is Likely to Continue**

[121] The Canadian producers argue that in the original investigation, the CBSA found several countervailable subsidies that benefit Türkiye's COR industry. In the ongoing expiry review investigation, neither the Government of Türkiye nor any Turkish producer provided information on the record showing that countervailable programs ceasing to exist or to benefit COR exports to Canada.

[122] In the original investigation, countervailable subsidies included export credits, fiscal relief, industrial zone benefits and targeted incentives which strengthen Türkiye's export competitiveness and manufacturing capacity.<sup>88</sup> The Canadian producers cite a number of recent investigations and administrative reviews completed by the U.S. Department of Commerce that found subsidization of steel exports to the U.S., including welded carbon pipes and tubes<sup>89</sup>, break drums<sup>90</sup> and certain Oil Country Tubular Goods<sup>91</sup> were provided countervailable subsidy programs.

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<sup>87</sup> Exhibit 29 (NC), Case Brief filed on Behalf of Arcelormittal Dofasco G.P.

<sup>88</sup> *COR2 IN*, Appendix 3

<sup>89</sup> Exhibit 22 (NC) Attachment 98: USDOC, Issues and Decision Memorandum for the Final Results of Countervailing Duty Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from the Republic of Türkiye

<sup>90</sup> Exhibit 22 (NC) Attachment 99: USDOC, Final Affirmative Determination in the Countervailing Duty Investigation of Certain Brake Drums from the Republic of Türkiye

<sup>91</sup> Exhibit 22 (NC) Attachment 100: USDOC, Countervailing Duty Administrative Review of OCTG from Türkiye

[123] The Canadian producers noted that SIMA duties, which includes amounts collected for subsidy, collected from exports of subject goods from China were present in every year of the period of review.<sup>92</sup>

### **Parties contending that continued or resumed subsidizing is unlikely**

[124] No case briefs or reply submissions were submitted contending that the subsidizing of certain corrosion-resistant steel sheet from Türkiye is not likely to continue or resume if the Finding is rescinded. No submissions were received from the Government of Türkiye.

## **CONSIDERATION AND ANALYSIS – SUBSIDIZING**

[125] In making a determination under paragraph 76.03(7)(a) of SIMA whether the expiry of the Finding is likely to result in the continuation or resumption of dumping of the goods, the CBSA may consider the factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant under the circumstances. A copy of subsection 37.2(1) of the SIMR is found in **Appendix B**.

[126] In assessing the likelihood of continued or resumed subsidization from Türkiye should the CITT's Finding be rescinded, the CBSA relied on the information on the administrative record which includes the responses to the various ERQs from all interested parties.

[127] The CBSA solicited information from potential producers and exporters of subject COR in Türkiye, it received no responses to the Exporter/Foreign Producer ERQ.

[128] No producers nor exporters submitted case briefs or reply submissions for the CBSA to consider in making a determination. No importers of subject COR from Türkiye filed a case brief or reply submission. Furthermore, the Government of Türkiye did not provide a response to the Subsidy ERQ, nor did the Government of China provide a case brief or reply submission.

### **Tariffs and safeguard measures on steel imports and diversion of certain corrosion-resistant steel sheet into Canada**

[129] The diversionary threat outlined in the dumping portion of this report is likewise applicable to subsidized goods. Please review the aforementioned section for a full analysis.

[130] Due to the geographic proximity of the US to Canada and the size of the American market for COR, the imposition of these measures will likely cause Turkish COR to be diverted to Canada. This diversionary pressure can be expected to be exacerbated by the protectionary measures in other jurisdictions, increasing the likelihood that subsidized goods are diverted into Canada.

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<sup>92</sup> Exhibit 26 (NC) CBSA Import Statistics – Day 50

## **Continued availability of subsidy programs for COR exporters/producers in Türkiye**

[131] In the original investigation, the CBSA found several countervailable subsidies that benefit Türkiye's COR industry. In the ongoing expiry review investigation the Government of Türkiye nor any Turkish producer provided information on the record showing that countervailable programs ceasing to exist or to benefit COR exports to Canada.

[132] In the original investigation, countervailable subsidies included export credits, fiscal relief, industrial zone benefits and targeted incentives which strengthen Türkiye's export competitiveness and manufacturing capacity.<sup>93</sup> A number of recent investigations and administrative reviews completed by the U.S. Department of Commerce that found subsidization of steel exports to the U.S., including welded carbon pipes and tubes<sup>94</sup>, break drums<sup>95</sup> and certain Oil Country Tubular Goods<sup>96</sup> were provided countervailable subsidy programs.

[133] As a result of the aforementioned continued availability of subsidy programs for COR exporters in Türkiye, there is an increased likelihood that COR exported from Türkiye to Canada will resume or continue to be subsidized, if the CITT's Finding expires.

## **Recommendation**

[134] Based on evidence on the record, the CBSA has determined that the expiry of the Finding is likely to result in the continuation or resumption of subsidizing of certain corrosion-resistant steel sheet originating in or exported from Türkiye.

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<sup>93</sup> *COR2 IN*, Appendix 3

<sup>94</sup> Exhibit 22 (NC) Attachment 98: USDOC, Issues and Decision Memorandum for the Final Results of Countervailing Duty Administrative Review: Circular Welded Carbon Steel Pipes and Tubes from the Republic of Türkiye

<sup>95</sup> Exhibit 22 (NC) Attachment 99: USDOC, Final Affirmative Determination in the Countervailing Duty Investigation of Certain Brake Drums from the Republic of Türkiye

<sup>96</sup> Exhibit 22 (NC) Attachment 100: USDOC, Countervailing Duty Administrative Review of OCTG from Türkiye

## RECOMMENDATION SUMMARY

[135] For the purpose of making determinations in this expiry review investigation, the CBSA conducted its analysis within the scope of the factors found under subsection 37.2(1) of the SIMR and considered any other factors relevant in the circumstances. Based on the foregoing analysis of pertinent factors and consideration of information on the administrative record, on February 6, 2026, the CBSA made a determination pursuant to paragraph 76.03(7) of SIMA that the expiry of the finding made by the CITT on November 16, 2020 in Finding NQ-2019-002, in respect of certain corrosion-resistant steel sheet originating in or exported from Türkiye and Vietnam:

- i. in respect of certain corrosion-resistant steel sheet originating in or exported from Türkiye and Vietnam is likely to result in the continuation or resumption of dumping of the goods into Canada; and
- ii. in respect of certain corrosion-resistant steel sheet originating in or exported from Türkiye is likely to result in the continuation or resumption of subsidizing of the goods exported to Canada.

## CONTACT US

[136] For further information, please contact the SIMA Registry listed below:

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