



OTTAWA, February 2, 2024

STATEMENT OF REASONS

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

**CARBON STEEL WELDED PIPE ORIGINATING IN OR EXPORTED FROM THE
SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU
(CHINESE TAIPEI), INDIA, OMAN, SOUTH KOREA, THAILAND AND THE UAE**

DECISION

On January 18, 2024 pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the Canada Border Services Agency determined that the expiry of the Canadian International Trade Tribunal's order made on October 15, 2018, in Expiry Review No. RR-2017-005:

- is likely to result in the continuation or resumption of dumping of such goods originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE; and
- is likely to result in the continuation or resumption of subsidizing of such goods originating in or exported from India.

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EXECUTIVE SUMMARY

[1] On August 21, 2023, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(3) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its order made on October 15, 2018, in Expiry Review No. RR-2017-005, continuing, without amendment, its finding made on December 11, 2012, in Inquiry No. NQ-2012-003 concerning the dumping of carbon steel welded pipe (CSWP) originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) (excluding goods exported from Chinese Taipei by Chung Hung Steel Corporation (Chung Hung) and Shin Yang Steel Co. Ltd (Shin Yang), the Republic of India (India), the Sultanate of Oman (Oman), the Republic of Korea (Korea), the Kingdom of Thailand (Thailand) and the United Arab Emirates (UAE) (excluding goods exported from the UAE by Conares Metal Supply Ltd. (Conares)) and the subsidizing of the aforementioned goods originating in or exported from India.

[2] As a result of the CITT's notice of expiry review, the Canada Border Services Agency (CBSA), on August 22, 2023, initiated an investigation to determine, pursuant to paragraph 76.03(7)(a) of SIMA, whether the expiry of the order is likely to result in the continuation or resumption of dumping and/or subsidizing of the goods.

[3] The CBSA received responses to the Canadian producer Expiry Review Questionnaire (ERQ) from Welded Tube of Canada Corporation (Welded Tube)¹, EVRAZ INC. NA Canada (Evraz)², Nova (collective response from Nova Tube Inc. (Nova Tube) and Nova Steel Inc. (Nova Steel)³, and Atlas Tube Canada ULC (Atlas)⁴. The submissions made by Nova and Atlas expressed an opinion that the continued or resumed dumping and subsidizing of CSWP from the subject countries is likely if the CITT's order expires.

[4] The CBSA did not receive a response to the Canadian importer ERQ.

[5] The CBSA received a response to the exporter ERQ from Manu International (Manu).⁵ The submission made by Manu did not express an opinion on whether the continued or resumed dumping and/or subsidizing of CSWP would be likely if the CITT's order expires. However, Manu argues that they are not part of the pipe industry but part of the fence industry and as such, should not be considered central in this expiry review.

[6] The CBSA received a response to the foreign government ERQ from the Government of India (GOI).⁶ Although the GOI submitted information about possible subsidy programs identified by the CBSA, the GOI did not express a position in the matter of the likelihood of continued or resumed dumping or subsidizing of subject goods from India if the order expires. However, according to the GOI, Canadian producers are struggling due to domestic issues in the Canadian CSWP industry, not from the importation of CSWP from India.

¹ Exhibit 17 (PRO) and 18 (NC) – Response to Canadian Producer ERQ from Welded Tube.

² Exhibit 19 (PRO) and 20 (NC) – Response to Canadian Producer ERQ from Evraz.

³ Exhibit 21 (PRO) and 22 (NC) – Response to Canadian Producer ERQ from Nova.

⁴ Exhibit 23 (PRO) and 24 (NC) – Response to Canadian Producers ERQ from Atlas.

⁵ Exhibit 25 (PRO) and 26 (NC) – Response to Exporter ERQ from Manu.

⁶ Exhibit 28 (PRO) and 29 (NC) – Response to Foreign Government ERQ from the Government of India.

[7] Nova provided a case brief to the CBSA in support of their position that continued or resumed dumping and subsidizing of CSWP from the subject countries is likely if the CITT's orders expires.⁷ No other party provided a case brief to the CBSA and no party provided a reply submission in response to Nova's case brief.

[8] With respect to Chinese Taipei, the analysis of information on the record indicates that Chinese Taipei has a substantial number of CSWP producers with a significant production capacity, producers of CSWP rely on export markets, several anti-dumping measures against other steel products from Chinese Taipei have been put in place in Canada and anti-dumping measures have been imposed by other jurisdictions with respect to similar goods from Chinese Taipei.

[9] With respect to India, the analysis of information on the record indicates that CSWP producers in India have significant production capacity, anti-dumping measures have been imposed by the United States (US) and Mexico with respect to goods of the same description from India and exporters from India have continued to export CSWP to Canada at dumped prices throughout the period of review (POR). The information on the record also shows a continuing availability of subsidy programs in India.

[10] With respect to Oman, the analysis of information on the record indicates that CSWP producers in Oman have significant production capacity, the country has experienced a slowing economy due to fluctuating oil prices, producers in Oman have shown an interest in export markets and anti-dumping measures have been imposed by the US with respect to goods of the same description from Oman.

[11] With respect to South Korea, the analysis of information on the record indicates that exporters in South Korea have continued to export subject goods to Canada at dumped prices during the POR, anti-dumping measures have been imposed by Canada in respect of similar goods and anti-dumping measures have been imposed by the US and other jurisdictions against steel products from South Korea.

[12] With respect to Thailand, the analysis of information on the record indicates that exporters from Thailand have continued to export subject goods to Canada at dumped prices during the POR, anti-dumping measures have been imposed against steel pipe from Thailand in the US and CSWP producers in the Thailand have significant production capacity.

[13] With respect to the UAE, the analysis of information on the record indicates that CSWP producers in the UAE have significant production capacity and are export-oriented and anti-dumping measures have been imposed by the US in respect of goods of the same description from the UAE.

⁷ Exhibit 38 (PRO) and 39 (NC) – Case brief filed on behalf of Nova.

[14] For the forgoing reasons, the CBSA, having considered the relevant information on the record, determined on January 18, 2024, pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the order in respect of CSWP:

- i) is likely to result in the continuation or resumption of dumping of such goods originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE; and
- ii) is likely to result in the continuation or resumption of subsidizing of such goods originating in or exported from India.

BACKGROUND

[15] On May 14, 2012, following a complaint filed by Novamerican Steel Inc. (Novamerican) and Bolton Steel Tube Co. Ltd. (Bolton), the CBSA initiated investigations pursuant to subsection 31(1) of SIMA, into the dumping of certain CSWP originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand, the Republic of Türkiye (Türkiye) and the UAE and the subsidizing of certain CSWP from India, Oman and the UAE.

[16] On November 9, 2012, pursuant to subsection 41(1) of SIMA, the CBSA made final determinations respecting the dumping of certain CSWP originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE and the subsidizing of certain CSWP from India.⁸

[17] On the same date, the CBSA terminated the dumping investigation with respect to certain CSWP originating in or exported from Türkiye, as the margin of dumping for these goods was insignificant. Similarly, the subsidy investigation with respect to certain CSWP originating in or exported from the UAE and Oman was terminated, as the goods from the UAE were not subsidized and the goods from Oman had been subsidized but the amount of subsidy was insignificant.

[18] On December 11, 2012, pursuant to subsection 43(1) of SIMA, the CITT found that the dumping of certain CSWP originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE and the subsidizing of certain CSWP originating in or exported from India, were threatening to cause injury to the domestic industry in Canada.⁹

[19] On May 7, 2013, the CBSA concluded a re-investigation to update the normal values and export prices of certain CSWP originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE. The CBSA did not initiate a re-investigation of the amounts of subsidy in respect of subject goods originating in or exported from India.¹⁰

⁸ Exhibit 30 (NC) – CBSA research #3 – CBSA-2012 IN FD – Statement of Reasons, Concerning the making of Final Determinations of Dumping and Subsidizing and the Termination of Dumping and Subsidizing Investigations.

⁹ Exhibit 30 (NC) – CBSA research #3 – CITT-2012 IN FI – Dumping and Subsidizing, Finding and Reasons.

¹⁰ Exhibit 30 (NC) – CBSA research #3 – CBSA-2013 RI CON, Notice of Conclusion of Re-investigation.

[20] On June 25, 2014, Chinese Taipei requested consultations with Canada at the World Trade Organization (WTO) with respect to anti-dumping measures imposed by Canada on certain CSWP originating in or exported from Chinese Taipei. In its request for consultation, Chinese Taipei claimed that Canada's imposition of anti-dumping measures appear to be inconsistent with Canada's international trade obligations under the General Agreement on Tariffs and Trade (GATT) 1994 and the WTO Anti-Dumping Agreement (ADA).

[21] On January 22, 2015, Chinese Taipei requested that the Dispute Settlement Body (DSB) of the WTO establish a panel to examine these claims. The DSB established a panel on March 10, 2015.

[22] On December 21, 2016, the panel report in *Canada – Anti-Dumping Measures on Imports of Certain Carbon Steel Welded Pipe from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu* (DS482) was circulated to Members of the WTO. The panel report found certain aspects of SIMA, the CBSA's final determination of dumping in respect of certain CSWP from Chinese Taipei and the CBSA's calculation for the anti-dumping duty rates to be inconsistent with the WTO ADA. At its meeting on January 25, 2017, the DSB adopted the panel report.

[23] With regard to the DSB recommendations in DS482, and following a request from the Minister of Finance on July 28, 2017, the CBSA initiated a review of the final determination of dumping for certain CSWP originating in or exported from Chinese Taipei and the CITT initiated a review of its threat of injury finding in respect of the same goods.

[24] On September 29, 2017, pursuant to paragraph 76.1(2)(b) of SIMA, the CBSA continued the final determination of dumping with respect to certain CSWP originating in or exported from Chinese Taipei, with the following amendments: the CBSA terminated the dumping investigation regarding certain CSWP exported to Canada by Chung Hung and Shin Yang and revised the margins of dumping for the same goods originating in or exported from Chinese Taipei determined for all other exporters.¹¹

[25] On July 29, 2017, pursuant to subsection 76.03(2) of SIMA, the CITT issued a notice concerning the expiry of its finding, which was scheduled to expire on December 8, 2017. Based on the information filed during the expiry process, the CITT decided that a review of the finding was warranted.

[26] On December 8, 2017, the CITT confirmed that the dumping of certain CSWP, excluding those goods exported by Chung Hung and Shin Yang, had threatened to cause injury. Therefore, the CITT continued its finding made in Inquiry No. NQ-2012-003, excluding the goods exported by Chung Hung and Shin Yang.¹²

¹¹ Exhibit 30 (NC) – CBSA research #3 – CBSA-2012 IN FD2, Statement of Reasons, Concerning the Continuation of a Final Determination of Dumping with Amendments.

¹² Exhibit 30 (NC) – CBSA research #3 – CITT-2012 IN FI2, Dumping and Subsidizing, Finding and Reasons.

[27] As well, on December 8, 2017, the CITT initiated an expiry review of its finding pursuant to subsection 76.03(3) of SIMA. In its initiation of the expiry review, the CITT decided not to initiate an expiry review in relation to such exports by Conares of the UAE.

[28] On May 7, 2018, pursuant to paragraph 76.03(7)(a) of SIMA, the CBSA determined that the expiry of the CITT's finding is likely to result in the continued dumping and subsidizing from the named countries.¹³

[29] On October 15, 2018, the CITT issued an order continuing the finding pursuant to paragraph 76.03(12)(b) of SIMA.¹⁴

[30] On March 23, 2021, the CBSA concluded a normal value review to update the normal values and export prices of CSWP exported from Thailand by Saha Thai Steel Pipe Public Company Limited (Saha Thai).¹⁵

[31] On October 15, 2021, the CBSA concluded a normal value review to determine normal values and export prices of CSWP exported from the UAE by Universal Tube & Plastic Industries Ltd. (UTP).¹⁶

[32] On August 21, 2023, the CITT, pursuant to subsection 76.03(1) of SIMA, initiated an expiry review of its order made on October 15, 2018, in Expiry Review No. RR-2017-005.¹⁷

[33] On August 22, 2023, the CBSA initiated an expiry review investigation to determine whether the expiry of the finding is likely to result in the continuation or resumption of dumping and/or subsidizing of CSWP from the named countries.

[34] On October 6, 2023, the CBSA concluded a re-investigation to update the normal values, export prices, and amounts of subsidy of CSWP from the named countries.¹⁸ On the same date, the CBSA concluded an expedited review to determine normal values and export prices of CSWP exported from the UAE by KD Industries Inc. (KDI).¹⁹

¹³ Exhibit 30 (NC) – CBSA research #3 – CBSA-2018 ER SOR, Statement of Reasons, Concerning an Expiry Review Determination.

¹⁴ Exhibit 30 (NC) – CBSA research #3 – CITT-2018 ER SOR, Dumping and Subsidizing, Order and Reasons.

¹⁵ Exhibit 30 (NC) – CBSA research #3 – CBSA-2020 NVR CON, Conclusion of Normal Value Review, Saha Thai.

¹⁶ Exhibit 30 (NC) – CBSA research #3 – CBSA-2021 NVR CON, Conclusion of Normal Value Review, UTP.

¹⁷ Exhibit 30 (NC) – CBSA research #3 – CITT-2023 ER COM, Notice of Expiry Review of Order.

¹⁸ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation.

¹⁹ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 XR CON, Notice of Conclusion of Expedited Review.

PRODUCT DEFINITION

[35] For purposes of this expiry review investigation CSWP is defined as:

Carbon steel welded pipe, commonly identified as standard pipe, in the nominal size range from ½ inch up to and including 6 inches (12.7 mm to 168.3 mm in outside diameter) inclusive, in various forms and finishes, usually supplied to meet ASTM A53, ASTM A135, ASTM A252, ASTM A589, ASTM A795, ASTM F1083 or Commercial Quality, or AWWA C200-97 or equivalent specifications, including water well casing, piling pipe, sprinkler pipe and fencing pipe, but excluding oil and gas line pipe made to API specifications exclusively, originating in or exported from Chinese Taipei (excluding goods exported from Chinese Taipei by Chung Hung Steel Corporation and Shin Yang Steel Co. Ltd), the Republic of India, the Sultanate of Oman, the Republic of Korea, Thailand and the United Arab Emirates (excluding goods exported from the United Arab Emirates by Conares Metal Supply Ltd.).

Exclusions

- 1 mm thick carbon steel tubing (SPCC-1, 25.6 mm in outside diameter), double coated (first coated with acrylonitrile butadiene styrene, then with polyvinyl chloride); and
- non-galvanized, ASTM A53, Grade B, Schedule 80 pipe, with an inside diameter of 1 ¼ inches to 1 ½ inches, in 22-ft. lengths, with the inside weld scarfed, originating in/or exported from the Republic of Korea, and produced with AISI C1022M steel with a carbon content of 0.18 percent to 0.23 percent and a manganese content of 0.80 percent to 1.00 percent

[36] For purposes of this expiry review investigation, CSWP also refers to goods produced in Canada that meet the above product definition.

Additional Product Information

[37] CSWP, also commonly referred to as standard pipe, covers a wide range of pipe products generally used in plumbing and heating applications for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases. CSWP, or standard pipe, may also be used in air conditioning systems, in sprinkler systems for fire protection, as structural support for fencing, as piling, as well as for a variety of other mechanical and light load-bearing applications.

[38] The size of CSWP is generally specified by two values: a nominal pipe size (NPS) and a schedule. The NPS relates roughly to the inside diameter of the pipe while the schedule relates to the wall thickness. For a given NPS, the wall thickness will increase as the schedule number increases. For example, CSWP with an NPS of 1 inch (NPS 1) and made to ASTM A53, Schedule 40 requirements will have an outside diameter of 1.315 inches and a wall thickness of 0.133 inch while the same pipe meeting the requirements of ASTM A53, Schedule 80 will have an outside diameter of 1.315 inches and a wall thickness of 0.179 inch.

[39] Although CSWP is generally produced to industry standards such as ASTM A53, ASTM A135, ASTM A252, ASTM A589, ASTM A795, ASTM F1083, Commercial Quality and AWWA C200-97, it may also be produced to foreign standards such as BS1387 or to proprietary specifications as is often the case with fencing pipe. While standard pipe may be manufactured to any of the standards mentioned above, the ASTM A53 specification is the most common as it is considered to be the highest quality and is suitable for welding, coiling, bending and flanging.

[40] Standard pipe may be sold with a lacquer finish, or a black finish as it is sometimes referred to in the industry. It may also be sold in a galvanized finish which means it has been treated with zinc. Both types of finish are intended to inhibit rust although the galvanizing process will deliver a superior result. Galvanized pipe will sell at a premium to black standard pipe because of this, and the fact that zinc costs much more than lacquer.

CLASSIFICATION OF IMPORTS

[41] The subject goods are normally imported into Canada under the following tariff classification numbers:

7306.30.00.42	7306.30.00.49	7306.30.00.57	7306.30.00.66
7306.30.00.43	7306.30.00.52	7306.30.00.59	7306.30.00.67
7306.30.00.44	7306.30.00.53	7306.30.00.62	7306.30.00.69
7306.30.00.45	7306.30.00.54	7306.30.00.63	
7306.30.00.46	7306.30.00.55	7306.30.00.64	
7306.30.00.47	7306.30.00.56	7306.30.00.65	

[42] Prior to January 1, 2022, the subject goods would have been normally imported into Canada under the following tariff classification numbers:

7306.30.00.10	7306.30.00.20	7306.30.00.30
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[43] These tariff classification numbers may also include non-subject goods, and subject goods may also fall under additional tariff classification numbers.

PERIOD OF REVIEW

[44] The POR for the CBSA's expiry review investigation is January 1, 2020 to June 30, 2023.

CANADIAN INDUSTRY

[45] The single largest producer of CSWP in Canada is Nova of Montréal, Québec. Other companies, such as Atlas, Bolton, Evraz, and Welded Tube, may produce small quantities of CSWP on an irregular basis.

Nova Tube Inc. and Nova Steel Inc.

[46] Nova Tube and Nova Steel are subsidiaries of Novamerican. Nova Tube focuses on pipe and tubular product while Nova Steel specializes in steel products. Nova has production facilities in both Montréal (Saint-Patrick) and Baie-D’Urfé, Québec. These facilities can produce CSWP in sizes ranging from ½ inch to 7 inches. Nova provides hydrostatic testing, end finishing, cutting, galvanizing, painting, varnishing and distribution services for CSWP.

[47] Nova estimates that their production of like goods in Canada represents over 50% of total production of like goods in Canada.²⁰

CANADIAN MARKET

[48] The apparent Canadian market for CSWP during the POR is indicated by volume and value in **Table 1**.

Table 1
Apparent Canadian Market for CSWP
Volume in metric tons (MT) and value in \$

	2020		2021		2022		2023 (January 1 - June 30)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Canadian Production²¹	38,285	44,933,076	37,129	67,426,206	42,468	87,590,151	22,176	41,759,325
Chinese Taipei*	1,581	1,512,579	1,104	1,358,018	1,682	3,210,483	281	481,187
India	77	168,103	154	306,140	37	116,480	0	203
Oman	-	-	-	-	-	-	-	-
South Korea	7	4,460	1	7,361	0	793	0	315
Thailand	820	850,733	11,425	15,068,602	16,961	23,458,486	7,473	11,033,460
UAE*	15,255	15,541,245	24,561	33,949,402	21,086	41,092,103	9,248	13,809,445
Total Subject Countries	17,740	18,077,120	37,245	50,689,523	39,766	67,878,345	17,002	25,324,610
Other Countries ²²	52,160	88,063,464	100,056	230,010,854	131,170	240,633,323	17,930	52,648,504
Total Imports	69,900	106,140,584	137,301	280,700,377	170,936	308,511,668	34,932	77,973,114
Apparent Canadian Market	108,185	151,073,660	174,430	348,126,583	213,404	396,101,819	57,108	119,732,439

* The volume and value for Chinese Taipei and the UAE are based on CBSA Compliance Statistics, adjusted to include exporters excluded from the CITT’s finding.²³

²⁰ Exhibit 22 (NC) – Response to Canadian Producer ERQ from Nova.

²¹ Exhibit 17 (PRO) – Response to Canadian Producer ERQ from Welded Tube, Appendix 1; Exhibit 19 (PRO) – Response to Canadian Producer ERQ from Evraz, Appendix 1; Exhibit 21 (PRO) – Response to Canadian Producer ERQ from Nova, Appendix 1; and Exhibit 23 (PRO) – Response to Canadian Producer ERQ from Atlas, Appendix 1.

²² Exhibit 36 (PRO) – CBSA Import Statistics - Final.

²³ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

[49] Based on information on the administrative record, the total apparent Canadian market increased in volume and value between 2020 and 2022.

[50] While Canadian production in terms of value and volume increased between 2020 and 2021, Canadian producers' share of the apparent Canadian market, by percentage, decreased between 2020 and 2022.

[51] The market share of imports, in terms of value and volume, from the named countries, not including imports from exporters excluded from the CITT's finding, increased significantly between 2020 and 2022.

[52] The market share of imports, in terms of value and volume, from non-named countries and from exporters excluded from the CITT's finding, also increased between 2020 and 2022.

ENFORCEMENT DATA

[53] In the enforcement of the CITT's finding during the POR, as detailed in **Table 2** below, the CBSA assessed \$139,492 of anti-dumping and countervailing duties on subject imports from the named countries. The total value for duty of subject imports during the POR from these countries was approximately \$52.9 million. As a percentage of the total value for duty, the combined anti-dumping and countervailing duties assessed during the POR were equal to 0.26%. The quantity of subject goods on which anti-dumping and countervailing duties were assessed was 38,160 MT.

Table 2
SIMA duties assessed during the POR²⁴
Value in \$

Country Name	2020	2021	2022	2023 (Jan-June)
Chinese Taipei	1,105	-	-	-
India	5,765	39,680	2,271	53
Oman	-	-	-	-
South Korea	2,292	5,889	235	171
Thailand	2,634	52,050	-	-
UAE	26,831	173	-	345
Total	38,627	97,791	2,506	568

²⁴ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

PARTIES TO THE PROCEEDINGS

[54] On August 22, 2023, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to known Canadian producers, importers and exporters. The GOI was also sent an ERQ relating to subsidy.

[55] The ERQs requested information relevant to the CBSA's consideration of the expiry review factors, as listed in subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR).

[56] Four Canadian producers, Welded Tube, Evraz, Nova and Atlas participated in the expiry review investigation and responded to the ERQs.²⁵ One exporter located in India, Manu, responded to the CBSA's ERQ. No response was received from importers.

[57] A response to the CBSA's foreign government ERQ was received from the GOI.²⁶

[58] Nova provided a case brief to the CBSA in support of its position that continued or resumed dumping and subsidizing of CSWP from the subject countries is likely if the CITT's order expires.²⁷

[59] No other party provided a case brief or reply submission.

INFORMATION CONSIDERED BY THE CBSA

[60] The information considered by the CBSA for purposes of this expiry review investigation is contained in the administrative record. The administrative record includes the information on the CBSA's exhibit listing, which is comprised of the CBSA exhibits and information submitted by interested parties, including information which the interested parties feel is relevant to the decision as to whether dumping and subsidizing are likely to continue or resume absent the CITT order. This information may consist of expert analysts' 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 such as the WTO and responses to the ERQs submitted by Canadian producers, exporters, importers and governments.

[61] 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 investigation. This is referred to as the "closing of the record date" and is set to allow participants time to prepare their case briefs and reply submissions based on the information that is on the administrative record as of the closing of the record date. For this investigation, the administrative record closed on October 18, 2023.

²⁵ Exhibit 17 (PRO) and 18 (NC) – Response to Canadian Producer ERQ from Welded Tube; Exhibit 19 (PRO) and 20 (NC) – Response to Canadian Producer ERQ from Evraz; Exhibit 21 (PRO) and 22 (NC) – Response to Canadian Producer ERQ from Nova; and Exhibit 23 (PRO) and 24 (NC) – Response to Canadian Producer ERQ from Atlas.

²⁶ Exhibit 28 (PRO) and 29 (NC) – Response to ERQ from the Government of India.

²⁷ Exhibit 38 (PRO) and 39 (NC) – Case brief filed on behalf of Nova.

POSITION OF THE PARTIES – DUMPING

Parties Contending that Continued or Resumed Dumping is Likely - Nova

[62] Nova made representations through its case brief in support of its position that dumping from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE is likely to continue or resume in the event that the present order expires. Accordingly, Nova argues that the measures should remain in place.

[63] The main factors identified by Nova can be summarized as follows:

International Market Conditions

- Global Economic Conditions
- Global Steel Market Outlook
- China's Impact on the Global Steel Market
- Global Excess Capacity
- Weak Global Demand for CSWP
- Global CSWP Price Volatility

Chinese Taipei's Economic Conditions and the CSWP Market

- Chinese Taipei Economic Conditions
- Production and Overcapacity in Chinese Taipei
- Chinese Taipei Demand
- Chinese Taipei CSWP Prices
- Chinese Taipei's Propensity for Dumping
- Chinese Taipei's Export Orientation

India's Economic Conditions and the CSWP Market

- India's General Economic Conditions and Steel Sector Policies
- India's Steel Production and Capacity
- India's CSWP Production and Capacity
- India's Steel and CSWP Domestic Demand
- India's CSWP Prices and Propensity to Dump
- Propensity to Dump CSWP and Other Steel Products
- India's Export Orientation
- Manu International ERQ Response

Oman's Economic Conditions and the CSWP Market

- Oman Production and Overcapacity (Steel and CSWP)
- Oman Demand for Steel and CSWP
- Oman's Propensity to Dump
- Oman's Export Orientation
- Deteriorating conditions in Oman's main trading partners for CSWP

South Korea's Economic Conditions and the CSWP Market

- South Korea's General Economic Conditions and Steel Sector Policies
- South Korea's Steel Production and Demand
- South Korea's CSWP Capacity
- South Korea's CSWP Prices and Propensity to Dump
- South Korea's Export Orientation

Thailand's Economic Conditions and the CSWP Market

- Thailand Overcapacity
- Thailand's declining domestic steel demand
- Thailand's CSWP Prices and Propensity to Dump
- Thailand's Export Orientation

UAE's Economic Conditions and the CSWP Market

- UAE Steel Production and CSWP Overcapacity
- UAE's Economic Outlook and Declining Demand
- UAE's CSWP Prices and Propensity to Dump
- UAE's Export Orientation

International Market Conditions

[64] Nova submits that international market conditions make it likely that large volumes of CSWP will be exported to Canada at low prices over the next two years. The international market is volatile and this situation is expected to continue for the next 12 to 24 months.²⁸ There is excess capacity in the steel and CSWP industry. In order to spread high fixed costs, Nova argues that CSWP producers are incentivized to increase production and to look for overseas markets to export their goods. At the same time, demand is expected to be weak globally. This situation will make the Canadian domestic industry susceptible to continued or resumed dumping if the order expires. These conditions are further explained below.

²⁸ Exhibit 39 (NC) – Case brief filed on behalf of Nova. para. 23.

Global Economic Conditions

[65] Nova reported that the International Monetary Fund (IMF) anticipates slow economic growth in 2023 and 2024. The effect of high global inflation, ongoing Russia-Ukraine war, and trade disruptions, are negatively impacting the global economy. The IMF noted that global gross domestic product (GDP) is projected to grow by only 3% in 2023 and 2.9% in 2024. Potential problems in China's real estate sector could further add volatility on the global market.²⁹

[66] Nova notes that the World Bank has a similar outlook on the global economy. It reported that persistent high inflation and high interest rates could slow the global economy. According to the World Bank, countries in the Association of Southeast Asian Nations (ASEAN) and the Middle East and North Africa (MENA) regions are all forecasted to have negative growth from 2023 through 2024. The World Bank expects that the global GDP will grow by 3% in 2025, but warns that any new adverse situation increases the risk of recession.³⁰ Many industrial sectors, including CSWP, are facing challenges because of these volatile economic conditions. If the CITT's order expires at this time, Canadian producers of CSWP would be left without protection and become more vulnerable to imports of dumped goods.

Global Steel Market Outlook

[67] Nova points out that Russia and Ukraine are major steel producers and the effects of the war between them will continue to be felt for some time. Supply chain disruptions, lower steel consumption in Russia, lower export prices, and sanctions add to the overall instability caused by the pandemic and make the global steel market volatile.³¹

[68] Nova adds that high inflation and interest rates in 2022 and 2023 have limited steel demand. Furthermore, according to the World Steel Association (World Steel), steel demand growth is predicted to be 0% in China as the real estate sector remains sluggish. It is expected that future demand for steel would rely less on ASEAN and MENA countries.³²

[69] Nova suggests that the steel and CSWP industries are interconnected, and as such, trends seen in the steel industry will have an impact on the CSWP industry. Since domestic sales of steel in China and Russia are declining, producers in these countries will likely look for other countries to export their steel products, including CSWP, and push down prices.

²⁹ *Ibid.*, para. 24.

³⁰ *Ibid.*, para. 25.

³¹ *Ibid.*, para. 26.

³² *Ibid.*, para. 27.

China's Impact on the Global Steel Market

[70] Nova reports, that historically, China has been one of the main drivers of global steel growth. However, the Organization for Economic Co-operation and Development's (OECD) Steel Committee is concerned about the growing overcapacity, weakening demand for steel and government interventions, which continue to distort steel markets. The OECD also noted that China's real estate crisis contributes to instabilities in the global steel market. Global steel capacity reached 2.5 billion MT in 2023 and is projected to increase significantly in the following years. This increase in capacity is largely driven by investments in China, the ASEAN countries and surrounding regions.³³

[71] According to the OECD Steel Committee, the Government of China (GOC) promotes and supports steel expansion investments through large subsidies. These incentives have the potential to worsen the issues related to the global steel excess capacity and distort trade.³⁴

[72] Additionally, Nova states that steel industries in China and the European Union (EU) are in decline. Citing a S&P Global Platts report, they report that the weak steel demand in China is due to declining property construction, which also affects the consumption of CSWP in China.³⁵

[73] Nova suggests that China's steel overcapacity and declining domestic demand are pushing Chinese producers to look for export markets to sell their steel products. The subject countries are vulnerable to these exportations and now have to find new markets, such as Canada, to sell their own production. If the order expires, the Canadian market would be more susceptible to low-priced imports from the subject countries.

Global Excess Capacity

[74] According to an OECD Steel Committee report, an additional steel production capacity of 59.9 million MT is scheduled for 2023-2025, with another 106.2 million MT in the planning stages for the same period. Nova submits that excess capacity encourages overproduction and low-priced exports which distort the global market. Steel and CSWP producers will need to find and secure, with low prices, new export markets to sell their production.³⁶

[75] Nova points out that while global demand for steel is declining, global capacity keeps increasing. The gap between global steel capacity and production was about 522 million MT in 2021, and 627 million MT in 2022. In 2023, the capacity increased for the fourth year in a row, while the average capacity utilization rate fell to 74.3%.³⁷

³³ *Ibid.*, para. 28.

³⁴ *Ibid.*, para. 29.

³⁵ *Ibid.*, para. 30.

³⁶ *Ibid.*, para. 31.

³⁷ *Ibid.*, para. 32.

[76] The OECD reports that steel capacity in the ASEAN region is increasing rapidly and exceeds demand. The MENA region is also seeing significant capacity growth. Nova states that the trends seen in those regions shows the importance of stabilizing the steel markets.³⁸

[77] In Europe, steelmaking suffered significantly and contracted in 2022, as the Russia-Ukraine war continues to create uncertainties for the steel industry. Nova notes that, as these markets remain sluggish, producers in subject countries will divert exports to other markets, such as the Canadian market, if the order expires.³⁹

[78] Nova submits that the structural imbalance in the steel market will continue to undermine the global CSWP market over the next 2 years. Excess capacity is a problem that has not been addressed properly and current trends are likely going to cancel past efforts at reducing it. Furthermore, in an attempt to spread production costs over a large volume, producers in the subject countries will likely turn to exports to sell their excess capacity. Nova states that as other countries become less profitable, Canada's market becomes more attractive for these producers.⁴⁰

Weak Global Demand for CSWP

[79] Nova points out that while there is excess global steel capacity, the current global economic climate is negatively impacting global consumption of steel. Nova makes reference to a report issued in 2023 by the OECD which states that the global steel capacity utilization rate had declined in 2022 to 74.5%. At the same time, the countries with the highest capacity growth have seen their domestic steel demand decline significantly.⁴¹

[80] According to World Steel, weak demand from certain sectors and steel producers aggressively competing resulted in production levels decreasing by almost 4% from July to August 2023. This followed a trend which started in the previous months and proved World Steel's projection, that production would increase by 2.3%, to be wrong. The lower than expected steel production level can be attributed to weak demand in the Chinese market, which represents about 57% of global steel output.⁴²

[81] Nova states that domestic steel demand in China remained almost the same in 2023 as it was in 2022, at 651.88 million MT. However, during this period, net exports of semi-finished and finished steel increased by 3.1% and crude steel production increased by 2.6%. Nova refers to a report issued by S&P Global Platts which states that while the new property sector in China "fell sharply" in 2023, the GOC tried to offset this situation by investing in infrastructure and energy.⁴³

³⁸ *Ibid.*, para. 33.

³⁹ *Ibid.*, para. 34.

⁴⁰ *Ibid.*, para. 35.

⁴¹ *Ibid.*, para. 36.

⁴² *Ibid.*, para. 37.

⁴³ *Ibid.*, para. 38.

[82] Nova reports that the global construction industry is expected to grow by 2.4% from 2022 to 2037. However, the global economy is still facing many challenges which could negatively impact this projection. Inflation and higher material costs could lower the average annual growth to 1.5% during the same period. Additionally, the supply chain remains vulnerable to disruptions.⁴⁴

[83] Nova submits that the lack of demand in the traditional markets of steel producers located in the subject countries forces them to explore new international markets. If the order expires, it is likely that CSWP and other steel products from the subject countries will be sold into the Canadian market at dumped prices.⁴⁵

Global CSWP Price Volatility

[84] Nova submits that hot-rolled coil (HRC) prices are a reasonable proxy for CSWP price trends because HRC represents the vast majority of raw material costs for CSWP. Nova reported that the average price of HRC in the US Midwest, Germany, Italy, United Kingdom (UK), India and China increased by 104% in 2021, decreased by 18% in 2022 and decreased by a further 13% in the first 8 months of 2023. This volatility in HRC prices creates uncertainty in the global market and suggests that CSWP prices have followed a similar trend in the subject countries.⁴⁶

[85] Nova contends that, to respond to declining prices and global instability, producers of CSWP in the subject countries will likely ship large volumes of dumped CSWP to Canada if the order expires because of the relatively higher prices in the North American market.⁴⁷

⁴⁴ *Ibid.*, para. 39.

⁴⁵ *Ibid.*, para. 40.

⁴⁶ *Ibid.*, para. 41 and 42.

⁴⁷ *Ibid.*, para. 43.

Chinese Taipei's Economic Conditions and the CSWP Market

Chinese Taipei Economic Conditions

[86] Nova submits that current and future economic conditions in Chinese Taipei and its CSWP industry increase the likelihood of resumed dumping if the order expires. Chinese Taipei's economy entered a technical recession in May 2023. Exports have been declining and this resulted in GDP contracting by 3% year-on-year in the first quarter of 2023. Chinese Taipei's growth for 2023 is forecasted to be the slowest in nearly eight years.⁴⁸

[87] Nova notes that worsening political and economic relations between Chinese Taipei and mainland China are affecting the economy. Impacts from a slowing Chinese economy are felt by Chinese Taipei because a large proportion of China's exports are assembled in Chinese Taipei. Deteriorating relations between the two countries has also led to recent punitive economic actions.⁴⁹

[88] Nova refers to an IMF report which expects that Chinese Taipei's year-on-year real GDP growth will be 0.8% in 2023 and 3% in 2024, compared to 2.4% in 2022. The country's GDP annual growth rate averaged 5.9% from 1983 to 2022.⁵⁰

[89] Nova also reports that higher interest rates in Chinese Taipei are expected to slow down steel demand from the auto and construction industries.⁵¹

Production and Overcapacity in Chinese Taipei

[90] Nova argues that Chinese Taipei's significant steel and CSWP production capacity, increases the likelihood that they will resume dumping in Canada if the CITT's order expires.⁵²

[91] Nova reports that Chinese Taipei's crude steel production declined from 23.2 million MT in 2021 to 20.8 million MT in 2022. Nova points to a Fastmarkets report which shows that producers in Chinese Taipei are planning to reduce their production even more in 2023 due to high electricity costs and low demand.⁵³

[92] According to the OECD, Chinese Taipei's total steel capacity in 2022 was 29.4 million MT, which exceeded its steel production of 20.8 million MT by 41%. In 2021, Chinese Taipei's excess capacity for steel increased by 39% from 6.2 million MT in 2021 to 8.6 million MT in 2022.⁵⁴

⁴⁸ *Ibid.*, para. 47 and 48.

⁴⁹ *Ibid.*, para. 49.

⁵⁰ *Ibid.*, para. 50.

⁵¹ *Ibid.*, para. 51.

⁵² *Ibid.*, para. 52.

⁵³ *Ibid.*, para. 53.

⁵⁴ *Ibid.*, para. 54.

[93] Nova reports that CSWP production for three producers in Chinese Taipei (Kao Hsing Chang Iron & Steel Corp, Yieh Phui Enterprise Co., Ltd and China Steel Corporation) has increased by 33% from 317,069 MT to 420,915 MT from 2021 to 2022. However, during this time the capacity utilization rate has increased from 55% to 73%.⁵⁵

[94] Nova gathered information from Simdex Metal Tube Manufacturers Worldwide Guide (Simdex)⁵⁶ and other publicly available sources, which estimate Chinese Taipei's total CSWP capacity at 927,667 MT in 2023. Of this number, 78% is from subject exporters.⁵⁷

Chinese Taipei Demand

[95] Nova notes that in February 2023, Yieh Phui Enterprise Co., Ltd. stated that demand for pipe was weak in the current market. Also, China Steel Corporation, the largest steelmaker in Chinese Taipei and a producer of steel pipes, stated that they had to lower domestic steel prices in July 2023.⁵⁸

[96] Nova highlights, that despite increases in overall production, the volume of domestic sales has either decreased or remained stagnant. Taking Kao Hsing Chang Iron & Steel Corp, Yieh Phui Enterprise Co., Ltd and China Steel Corporation as examples, Nova shows that the total exports of CSWP increased by 135% in 2022 compared to 2021, while domestic sales dropped by 4% during the same period.⁵⁹

[97] Additionally, Chinese Taipei steel mills have had to compete with inflows of low-priced steel products following the imposition of economic sanctions on Russia. Russian steel producers have increased exports to Asia, Chinese Taipei in particular, as a way to reduce excess inventory.⁶⁰

[98] Nova submits that since HRC imports have been declining and exports have been increasing concurrently in 2023. This likely indicates that domestic demand for HRC and CSWP has fallen. In fact, in July 2023, imports of HRC amounted to 30,000 MT, which is 50% lower than when compared to June, and is the lowest monthly volume since January of the same year. At the same time, Chinese Taipei exported approximately 360,000 MT of HRC, a 26.5% month-on-month growth.⁶¹

⁵⁵ *Ibid.*, para. 56.

⁵⁶ Simdex Metal Tube Manufacturers Worldwide Guide (Simdex) is an information database on carbon steel manufacturers, stainless steel manufacturers and non ferrous metal manufacturers.

⁵⁷ Exhibit 39 (NC) – Case brief filed on behalf of Nova. para. 58.

⁵⁸ *Ibid.*, para. 59.

⁵⁹ *Ibid.*, para. 60.

⁶⁰ *Ibid.*, para. 62.

⁶¹ *Ibid.*, para. 63.

Chinese Taipei CSWP Prices

[99] Nova points out that the 2023 sunset review in the US found that dumping margins of Chinese Taipei CSWP were significant. This is an indication that Chinese Taipei CSWP producers are likely to resume dumping in Canada if the order expires.⁶²

Chinese Taipei's Propensity for Dumping

[100] Nova provided a list of jurisdictions that have imposed trade restrictions on CSWP and other steel products from Chinese Taipei. Canada, US and Australia have different trade remedies in place. Nova argues that the numerous anti-dumping measures in place against Chinese Taipei steel products suggest that exporters are likely to resume dumping of CSWP into Canada if the order expires.⁶³

Chinese Taipei's Export Orientation

[101] Nova highlights that the deteriorating domestic demand and the effect of the sanctions imposed on Russian steel products increase the likelihood of Chinese Taipei producers dumping CSWP to Canada over the next five years if the order expires.⁶⁴

[102] Nova argues that exports of CSWP from Chinese Taipei appear to be reported under the tariff classification number 7306.30 but also other tariff classification numbers and therefore the total volume is significantly under-reported.⁶⁵

[103] Nova provided data showing that exports from Kao Hsing Chang Iron & Steel Corp, Yieh Phui Enterprise Co., Ltd and China Steel Corporation more than doubled from 2021 to 2022.⁶⁶

Summary – Chinese Taipei

[104] Nova concludes by reaffirming that Chinese Taipei's slow domestic demand for CSWP, increase in CSWP production for exports, softening domestic prices, propensity to dump CSWP into other markets and the existence of other trade measures in place in other jurisdictions increase the likelihood that exporters in Chinese Taipei would resume or continue dumping of CSWP into Canada if the order expires.⁶⁷

⁶² *Ibid.*, para. 64 and 65.

⁶³ *Ibid.*, para. 68 and 69.

⁶⁴ *Ibid.*, para. 70.

⁶⁵ *Ibid.*, para. 71.

⁶⁶ *Ibid.*, para. 72 and 73.

⁶⁷ *Ibid.*, para. 74.

India's Economic Conditions and the CSWP Market

India's General Economic Conditions and Steel Sector Policies

[105] Nova notes that India is the world's second-largest consumer of finished steel products, producer of crude steel and producer of steel pipes and tubes.⁶⁸

[106] Nova states that "Atmanirbhar Bharat", or Self-Reliant India, has played an important role in the development of the steel industry in India in recent years. This plan calls for significant investment and policy supports for the manufacturing sector to create jobs, infrastructure projects, and lower India's trade deficit. Increase in infrastructure spending has been significant under the Modi government. These investments are expected to stimulate growth in the domestic construction industry in 2023.⁶⁹

[107] However, Nova highlights that this level of intervention by the GOI cannot be sustained indefinitely and there are signs that India's economy is beginning to cool off. According to the IMF, India's GDP growth by fiscal year (FY)⁷⁰ will be 7.2% in 2022, 6.3% in 2023 and will remain at 6.3% in 2024.⁷¹

[108] Nova states that many manufacturing sectors in India unexpectedly contracted in FY 2022. This trend is likely to continue because it is anticipated that the economy of major export markets will slow down. Moreover, despite large capital expenditure on infrastructure projects by the government, these schemes have not been able to attract private investments to the level that the government anticipated.⁷²

[109] Nova states that India's economy and steel market forecasts are not as strong as expected and much of the government spending will slow in the coming years. Moreover, the lack of domestic private investment shows doubt in India's growth and in the ability of the government to stimulate manufacturing.⁷³

India's Steel Production and Capacity

[110] Nova contends that considering India's steel and CSWP capacity and production, and the Indian government's involvement in expanding national steel capacity, the dumping of CSWP is likely to resume and or continue if the order expires.⁷⁴

⁶⁸ *Ibid.*, para. 75.

⁶⁹ *Ibid.*, para. 76 and 77.

⁷⁰ The GOI provides information by fiscal year, which runs from April 1 to March 31.

⁷¹ Exhibit 39 (NC) – Case brief filed on behalf of Nova. para. 78.

⁷² *Ibid.*, para. 79 and 80.

⁷³ *Ibid.*, para. 81.

⁷⁴ *Ibid.*, para. 82.

[111] Nova states that before 2022, India was not a major player in steel production when compared to other Asian steel producers. However, in 2022 Indian steel production rose by 5.5%, while production in China, Japan, South Korea, and Vietnam decreased by 2.2%, 7.4%, 6.5%, and 13.1% respectively. Nova notes that India's crude steel production has increased every year since 2012, except for FY 2020.⁷⁵

[112] Nova provided data showing that India's excess steel capacity in 2023, while lower than in previous years, was significant at 34 million MT.⁷⁶

India's CSWP Production and Capacity

[113] Nova reports that steel pipe and tube products capacity and production have increased over the same time period, especially since the re-opening of markets after the COVID-19 pandemic. Nova provided a list of some of the largest Indian producers of CSWP and estimated their capacity to be more than 5.2 million MT. This figure does not include all CSWP producers and future plans to increase capacity.⁷⁷

[114] Nova states that growth in steel capacity and production has been driven by policy from the Indian government. One of India's National Steel Policy's goals is to reach a steel capacity of 300 million MT per year by 2031. Nova highlights that one initiative gives preferential treatment to domestic producers of pipes, among other products, in procurement processes. Introduced in 2021, the government's Production Linked Incentives (PLI) Scheme for Specialty Steel offers financial incentives to steelmakers which committed investment for increasing output of five specialty steel categories. Nova notes that currently CSWP is not part of this scheme, but in 2023 the GOI indicated that the PLI Scheme will be expanded to additional steel products, which may include CSWP. This would further incentivize Indian CSWP producers to increase production.⁷⁸

[115] Nova contends that these policies may contribute to the risks of a global excess capacity crisis. The capacity targets established by the GOI are at odds with the weak global outlook and indicates that India's capacity investments are increasingly at odds with market considerations. These targets anticipate domestic demand growth driven by government policies aimed at doubling per-capita steel consumption by 2030. Nova adds that India's steel production and capacity trends are distorted by policies and show considerable structural imbalances.⁷⁹

⁷⁵ *Ibid.*, para. 83.

⁷⁶ *Ibid.*, para. 84.

⁷⁷ *Ibid.*, para. 85 and 86.

⁷⁸ *Ibid.*, para. 88.

⁷⁹ *Ibid.*, para. 89 and 90.

India's Steel and CSWP Domestic Demand

[116] Nova states that India's steel consumption growth is forecasted to have a significant decline in 2024 and continue to decline through 2025.⁸⁰

[117] Nova reports that in terms of volume, India's steel pipe domestic market is split roughly 7:3 between two segments: Electric Resistance Welded (ERW) and Submerged Arc Welded and Seamless (SAWS). The SAWS category includes Helical Submerged Arc Welding pipe and tube (which is commonly used in the same applications as CSWP) as well as seamless and Longitudinally Submerged Arc Welding pipes and tubes (which are more commonly used for high-pressure applications in the oil and gas industry).⁸¹

[118] While pipe and tube demand in India is expected to grow in FY 2023, the actual consumption levels are only slightly higher than what they were in FY 2020.⁸²

[119] Nova argues that growth in domestic demand for both crude steel and CSWP products has been driven by government policy and spending. Major building and civil engineering schemes relating to affordable housing, urban development, and drinking water access are likely to impact CSWP producers. In one project in particular, the Indian government has earmarked INR 3.5 trillion (US\$47 billion) toward ensuring piped water supply to every rural household by 2024. That being said, according to World Steel crude steel demand growth will slow rapidly in 2024.⁸³

[120] According to Nova, it is unlikely that demand can be maintained without the support of the government. The material requirements for the pipe project previously mentioned includes an estimated steel demand of 11 to 13 million MT, a sizable portion of which is for steel tubes and pipes. However, 67% of the project has already been completed which means that demand for CSWP will likely be lower in the next few years and fall significantly once the project is completed, by 2024-2025. Nova contends that Indian CSWP producers will have to look to export markets such as Canada to sell their excess production at dumped prices and will be able to do so if the order expires.⁸⁴

India's CSWP Prices and Propensity to Dump

[121] Nova states that the wholesale price of steel pipes and tubes in India increased significantly from FY 2021 to FY 2023. This followed domestic price trends for steel products and reflect the rising cost of raw materials.⁸⁵

⁸⁰ *Ibid.*, para. 92.

⁸¹ *Ibid.*, para. 93.

⁸² *Ibid.*, para. 94.

⁸³ *Ibid.*, para. 95.

⁸⁴ *Ibid.*, para. 96.

⁸⁵ *Ibid.*, para. 97.

[122] Nova highlights that recently Indian HRC prices have decreased. Because HRC is a major input in the production of CSWP, it is likely that the price of CSWP in India has also dropped significantly. Steel prices in India are also on a declining trend. Steel prices have continued to decline in FY 2023. According to Nova, this is mostly the result of weak Chinese demand. China's declining domestic demand has led to a rise in export sales, notably in markets like India.⁸⁶

[123] Nova states that falling demand in major steel markets will continue to have a negative effect on Indian CSWP prices for the foreseeable future. Moreover, the Indian Steel Association expects that the GOI will introduce measures to ensure that the steel industry remains competitive globally. Nova argues that such measures could allow Indian producers to keep prices artificially low, contribute to over-production and increase the chances of India dumping CSWP in Canada.⁸⁷

Propensity to Dump CSWP and Other Steel Products

[124] Nova argues that India keeps raising its steel pipe and tube capacity even though their domestic demand is slowing down. Furthermore, global overcapacity and weak demand in key export markets add to the risk of India dumping CSWP. This was recently confirmed in dumping cases in Mexico and the US.⁸⁸

[125] Nova refers to an anti-dumping case in Mexico in 2022 as an example. Mexico extended anti-dumping duties on imports of CSWP originating from India. According to the final determination, trade remedy measures and restrictions concerning welded pipe exports from India are in place in several countries. It is also reported that India is looking for export markets for their products.⁸⁹

[126] Nova also notes that in 2023, the US Department of Commerce (DOC) found that the revocation of anti-dumping duty orders on certain CSWP from India would likely lead to a continuation or recurrence of dumping. The DOC estimates that the margin of dumping would likely be up to 87.9% if the finding was allowed to expire.⁹⁰

[127] Nova contends that given the recent findings in the US and Mexico, it is likely that exporters of CSWP in India will resume selling the subject goods at dumped prices in Canada if the order expires. The anti-dumping measures in place against India regarding CSWP and other steel products show that Indian producers have a propensity to dump steel products.⁹¹

⁸⁶ *Ibid.*, para. 99 and 100.

⁸⁷ *Ibid.*, para. 101.

⁸⁸ *Ibid.*, para. 102.

⁸⁹ *Ibid.*, para. 103.

⁹⁰ *Ibid.*, para. 104.

⁹¹ *Ibid.*, para. 105.

India's Export Orientation

[128] Nova highlights that India's significant capacity growth and uncertain domestic demand raises the likelihood of CSWP being dumped into Canada over the next 5 years if the order expires.⁹²

[129] According to information provided by Nova, CSWP exports increased by 61% to 344,046 MT in FY 2022. In FY 2023, exports decreased by 18% to 281,138 MT. Despite this decrease, the volume of exports remains higher than what it was in FY 2021, at 213,180 MT. It is expected that Indian exports for FY 2024 will be significantly higher than in FY 2023.⁹³

[130] Nova argues that India is trying to increase steel exports by stimulating domestic steel production and increasing its capacity. However, weak global demand lowered India's steel exports in FY 2023. According to the Indian Steel Association, as production capacity increases, exports can ensure decent utilization levels for steel producers. They also mention that the GOI anticipates that steel exports will increase from 10-15% of domestic production in 2022 to 20-25% of production by the mid-2020s.⁹⁴

Manu International ERQ Response

[131] According to Manu, their response to the ERQ should not be central to the current expiry review investigation because they produce color-coated galvanized pipe exclusively for the fence pipe industry. Nova submits that galvanized CSWP used for fencing are covered by the product definition and therefore Manu's submission is relevant.⁹⁵

Summary - India

[132] Nova submits that India's growing capacity, slow demand domestically and in its major export markets for CSWP, declining prices, and restrictions in major markets indicate that India is likely to resume or continue dumping of CSWP to Canada if the order expires.⁹⁶

⁹² *Ibid.*, para. 106.

⁹³ *Ibid.*, para. 107.

⁹⁴ *Ibid.*, para. 108.

⁹⁵ *Ibid.*, para. 112 and 113.

⁹⁶ *Ibid.*, para. 114.

Oman's Economic Conditions and the CSWP Market

[133] Nova argues that the current and forecasted economic conditions for Oman significantly enhance the likelihood of resumed or continued dumping of CSWP if the order expires.⁹⁷

Oman Production and Overcapacity (Steel and CSWP)

[134] Nova states that CSWP producers in Oman are likely to export their production abroad at dumped prices in the future because the demand for CSWP in Oman is slowing down and producers have significant excess capacity.⁹⁸

[135] Nova notes that there are at least three CSWP producers in Oman: Al Jazeera Steel Products Co. (Al Jazeera), TMK Gulf International Pipe Industry (TMK), and Al Samna Metal Manufacturing and Trading Co LLC (Al Samna). Nova refers to the CBSA's last CSWP expiry review and points out that while TMK appeared to produce only non-subject CSWP, they now produce CSWP with a diameter of 6 inches, which are subject.⁹⁹

[136] Nova notes the production capacity of Al Jazeera at 300,000 MT and TMK at 250,000 MT.¹⁰⁰

[137] Nova notes that the CBSA has previously relied on the production and capacity of Al Jazeera as a proxy for Oman's production and capacity of CSWP in its decisions. This methodology was also used in a recent US decision on CSWP.¹⁰¹

[138] Nova highlights that Al Jazeera's utilization rate was only 58% in 2022, which is 9% lower than in 2021, which is in line with similarly low levels seen in the past. In 2022, CSWP excess capacity was 125,454 MT.¹⁰²

Oman Demand for Steel and CSWP

[139] Nova states that geopolitical tensions have negatively impacted the demand for CSWP in Oman. High interest rates and the economic slowdown in China have weakened demand for steel in the region. Al Jazeera reported that high inflation and rising interest rates have made 2022 a challenging year for demand and lowered steel prices.¹⁰³

[140] Nova submits that future steel and CSWP demand in Oman is linked to oil infrastructure projects. However, given the volatility in oil prices, projects that were announced by the Gulf Cooperation Council (GCC) may be delayed and any growth in regional demand might not happen for a while.¹⁰⁴

⁹⁷ *Ibid.*, para. 115.

⁹⁸ *Ibid.*, para. 116.

⁹⁹ *Ibid.*, para. 117.

¹⁰⁰ *Ibid.*, para. 118.

¹⁰¹ *Ibid.*, para. 120.

¹⁰² *Ibid.*, para. 121.

¹⁰³ *Ibid.*, para. 122.

¹⁰⁴ *Ibid.*, para. 123.

[141] Nova notes that domestic CSWP demand is vulnerable to movement in oil prices. To address this, Oman is trying to diversify its economy and shift away from oil. However, this is unlikely to benefit the steel and CSWP industry because the plan targets areas like manufacturing, tourism, transport and logistics, mining and fisheries.¹⁰⁵

[142] Nova states that while Oman's construction sector is forecasted to grow, data from the IMF shows that private investment in Oman has decreased from US\$18.8 billion in 2021 to US\$12.5 billion in 2022. It is expected that private investment will remain below US\$14 billion through to 2027 and will negatively impact new construction projects. This trend can likely be attributed to changes in policies that are less favorable to foreign investments.¹⁰⁶

[143] According to the IMF, Oman's GDP growth was 3.1% in 2021, 4.3% in 2022 and is forecasted to grow by only 1.2% in 2023 and 2.7% in 2024.¹⁰⁷

Oman's Propensity to Dump

[144] Nova argues that anti-dumping measures in place in Canada and the US against CSWP and other steel products from Oman shows that producers in Oman have a propensity to dump steel products into other markets. It is therefore likely that CSWP will be exported into Canada at dumped prices if the order expires.¹⁰⁸

Oman's Export Orientation

[145] Nova submits that producers are likely to export CSWP because domestic demand is weak. Al Jazeera has indicated that to maintain its production, it had to rely on export markets in 2022. Last year, the company sent its first order of merchant bars to the MENA region. While merchant bars are not the subject of this expiry review, Nova argues that it demonstrates the reliance on export markets when domestic demand falls.¹⁰⁹

[146] Nova highlights that the MENA region is not a reliable export market for exporters in Oman because the region continues to face many political and economic challenges. This makes the MENA region vulnerable to shifting trends in global steel prices and construction demand.¹¹⁰

[147] Nova reports that by acquiring numerous certificates that are necessary for exporting to North America and the UK, Al Jazeera has proven that it is interested in new export markets. Al Jazeera stated that it “export[s] to various countries across the Globe” and that “Apart from Oman, Al Jazeera's key markets include the UAE, Saudi Arabia, and North America.”¹¹¹

¹⁰⁵ *Ibid.*, para. 124.

¹⁰⁶ *Ibid.*, para. 125.

¹⁰⁷ *Ibid.*, para. 126.

¹⁰⁸ *Ibid.*, para. 127.

¹⁰⁹ *Ibid.*, para. 128.

¹¹⁰ *Ibid.*, para. 129.

¹¹¹ *Ibid.*, para. 130.

[148] Additionally, Nova argues that Al Jazeera is not the only CSWP producer interested in export sales. Al Sarnna Metal stated that it was “one of the largest exporters of ERW pipes and tubes in Oman” and that it shipped products to major countries around the globe.¹¹²

[149] Nova states that the United Nations (UN) Comtrade data shows that CSWP producers in Oman are export-oriented. Oman's exports of CSWP increased from 7,526 MT in 2020, 108,945 MT in 2021, 96,487 MT in 2022 to 23,447 MT in the first seven months of 2023. However, the volume of exports in 2023 is likely under-reported because it is missing export data for the UAE and Qatar, which are the two largest export markets. Nova argues that weak domestic demand and interest in the North American market, show that exporters in Oman are likely to ship large volumes of CSWP to Canada at dumped prices if the order expires.¹¹³

Deteriorating conditions in Oman's main trading partners for CSWP

[150] Nova notes that the US and countries in the GCC are the most important markets for CSWP from Oman. These countries made up 87% of Oman's CSWP exports in 2021 and 94% in 2022.¹¹⁴

[151] Nova submits that these countries' domestic pipe demand will not compensate for Oman's excess capacity. The US has anti-dumping measures against CSWP from Oman which were renewed in 2022. These anti-dumping measures will likely encourage producers of CSWP in Oman to export to Canada if the order expires. The UAE saw its GDP growth rate drop in 2023. Rising property prices and high interest rates are likely to disincentivize buyers and may impact the construction industry in the UAE. Infrastructure projects in Qatar do not require any significant volume of CSWP, as these are mostly focused on transportation. Furthermore, Qatar's housing market is reported to be weakened by falling demand and oversupply.¹¹⁵

[152] Nova states that because of the current policies in the GCC region, Oman's steel producers will look at other markets to sell their production. For example, Saudi Arabia's new Rules of Origin imposed 15% tariff on Al Jazeera's steel products in the second quarter of 2022. This tariff will likely remove Omani-produced pipe from Saudi Arabia's infrastructure projects.¹¹⁶

[153] Nova contends that given the state of export markets in the GCC, Oman's CSWP producers will be forced to find new markets to sell their excess production capacity. It is likely that producers in Oman will turn to the Canadian market to sell CSWP at dumped prices if the order expires.¹¹⁷

¹¹² *Ibid.*, para. 131.

¹¹³ *Ibid.*, para. 132, 133 and 134.

¹¹⁴ *Ibid.*, para. 135.

¹¹⁵ *Ibid.*, para. 136.

¹¹⁶ *Ibid.*, para. 137.

¹¹⁷ *Ibid.*, para. 138.

Summary - Oman

[154] Nova argues that Oman's economic conditions, sizable CSWP production capability and excess capacity, interest in the North American market and weak domestic demand increase the likelihood of continued or resumed dumping of CSWP if the order expires.

South Korea's Economic Conditions and the CSWP Market

South Korea's General Economic Conditions and Steel Sector Policies

[155] Nova states that the steel industry in South Korea is considered a key industry and has a crucial role in the economy of the country. According to the OECD, South Korea's steelmaking capacity is the sixth-largest in the world. In 2020, South Korea was the world's third-largest exporter of steel pipes, tubes and hollow profiles. The Government of South Korea's goals regarding steel are to increase self-sufficiency and improve the balance of trade by increasing exports.¹¹⁸

[156] Nova reports that South Korea's GDP expanded by 0.9% in the first quarter of 2023, which is the lowest annual growth since the last quarter of 2020. According to the IMF, South Korea's GDP growth was 4.3% in 2021 and 2.6% in 2022. Its GDP is expected to grow by 1.4% in 2023 and 2.2% in 2024. Nova notes that exports account for 32% of the South Korean GDP. In a 2023 report, the OECD states that steel trade in South Korea contracted partly due to a decline in the construction. However, ING Bank predicts that exports will lead to an economic recovery in South Korea in 2023.¹¹⁹

[157] Nova highlights that the Government of South Korea is planning to shift its fiscal policy and cut annual government spending for the first time in 13 years by approximately US\$473 billion in 2023.¹²⁰

[158] Additionally, Nova notes that in 2023, the Government of South Korea announced a *Steel Industry Development Strategy for Transition to Low-Carbon Steel Production*, stating that reducing emissions can also help competitiveness. Valued at US\$150 billion, this program will support de-carbonization of the steel industry and will also amend laws pertaining to ferrous scrap and labour management. Nova reports that the Government of South Korea is also considering taking countermeasures to trade barriers and exports to boost steel exports. Agreements have been signed with seven steel-producing companies, including POSCO and Hyundai Steel, to encourage co-operation between the government and industries.¹²¹

¹¹⁸ *Ibid.*, para. 139.

¹¹⁹ *Ibid.*, para. 140.

¹²⁰ *Ibid.*, para. 141.

¹²¹ *Ibid.*, para. 142.

[159] Nova submits that economic indicators are weak for South Korea and the number of infrastructure projects will decline in the short to medium term. This will negatively impact domestic consumption of CSWP in South Korea. To respond to this situation, the Government of South Korea pushes to improve the competitiveness of South Korean steel on the global market. Nova submits that these factors show that dumping of CSWP into Canada will resume if the order expires.¹²²

South Korea's Steel Production and Demand

[160] Nova contends that the significant level of steel production in South Korea increases the likelihood of resumed dumping of CSWP if the order expires. South Korea's crude steel production was 67.1 million MT in 2020, 70.4 million MT in 2021 and 65.8 million MT in 2022.¹²³

[161] Nova states that even though domestic demand outpaced production in 2022, South Korea's share of global steel demand has been steadily decreasing since 2000, from 5% of world demand, down to 3% in 2019. South Korea's steel demand was 77 million MT in 2022, the lowest volume since at least 2010.¹²⁴

[162] According to the Korea Iron and Steel Association, domestic sales of structural pipes have also been declining since 2016.¹²⁵

[163] Nova submits that the declining demand for steel in South Korea can be linked to the lack of investment and sluggish construction activity, as well as a flood, which damaged steel mills in the Pohang area. It is predicted that these factors will continue to impact demand and growth in the South Korean steel sector. Nova argues that these factors increase the likelihood that South Korean producers of CSWP will seek export markets such as Canada if the order expires.¹²⁶

South Korea's CSWP Capacity

[164] Nova states that official production capacity figures for South Korean CSWP are not publicly available. However, the reported CSWP capacity of some of South Korea's largest producers is estimated to be at least 4.3 million MT. Because there is no information available on several producers, this estimate is likely quite conservative. Nova adds that planned capacity additions are also unknown.¹²⁷

¹²² *Ibid.*, para. 143.

¹²³ *Ibid.*, para. 144 and 145.

¹²⁴ *Ibid.*, para. 146.

¹²⁵ *Ibid.*, para. 147.

¹²⁶ *Ibid.*, para. 148.

¹²⁷ *Ibid.*, para. 149 and 150.

[165] Nova points to a 2023 announcement made by Hyundai Steel in which the company says that it plans to increase its competitiveness in the global market by creating a steel pipe subsidiary by the end of 2023. Hyundai Steel's current pipe production capacity is 1.1 million MT per year and it plans to increase this capacity.¹²⁸

South Korea's CSWP Prices and Propensity to Dump

[166] Nova submits that the anti-dumping measures in place in Australia, Canada, Mexico, New Zealand, Thailand and the US against South Korean CSWP and other steel products show that South Korean producers have a propensity to dump steel products into other markets. It is therefore likely that South Korean producers will resume selling CSWP into Canada at dumped prices if the order expires.¹²⁹

[167] Nova reports that in 2023, the DOC completed a sunset review of its anti-dumping order against circular welded non-alloy steel pipe and concluded that South Korea was likely to continue dumping if the finding was not renewed. The DOC completed five administrative reviews and one scope inquiry for South Korea since 2017. The DOC is currently conducting an anti-circumvention investigation regarding imports of pipe completed in Vietnam using South Korean hot-rolled steel. Nova argues that this shows a continued interest by South Korean producers in the North American market.¹³⁰

South Korea's Export Orientation

[168] Nova refers to a 2022 report from the Government of South Korea which states that the number of export enterprises in the country rose by 0.4% year-over-year, while the number of import enterprises fell by 1.6% in the same period.¹³¹

[169] Nova points out that in their annual reports, South Korean steel and CSWP producers demonstrated their export orientation. In the second quarter of 2023, KG Dongbu Korea's ratio of domestic to exports sales was approximately 4:6, which is similar to the previous quarter. In 2022, Seah Steel Corporation domestic sales volume of carbon steel pipes decreased by approximately 15% compared to 2021. At the same time, export sales volume increased by about 2%.¹³²

[170] Nova reports that South Korea's exports under the tariff classification number 7306.30 increased by 3% in 2022 compared to 2021 and remain high in the first seven months of 2023.¹³³

¹²⁸ *Ibid.*, para. 151.

¹²⁹ *Ibid.*, para. 153.

¹³⁰ *Ibid.*, para. 154.

¹³¹ *Ibid.*, para. 155.

¹³² *Ibid.*, para. 156.

¹³³ *Ibid.*, para. 157.

Summary – South Korea

[171] Nova contends that South Korea's growing capacity, slow demand domestically for CSWP, propensity to dump steel products and restrictions in major markets indicate that it is likely to resume dumping CSWP in Canada if the order expires.¹³⁴

Thailand's Economic Conditions and the CSWP Market

[172] Nova submits that slowing economic conditions in Thailand and a shrinking regional market for CSWP, are such that resumed or continued dumping of CSWP from Thailand is likely to occur if the order expires.¹³⁵

[173] Nova reports that the Governor of the Bank of Thailand stated that the Thai economy was forecasted to grow by 3.6% in 2023, but had to revise its projection to only 2.5%. Total imports have dropped by 12.8% year-on-year in its sixth successive month of decline since October 2020. Businesses may grow increasingly wary of Thailand's foreign investment climate because of ongoing political uncertainties.¹³⁶

[174] According to the IMF, Thailand's GDP growth was 1.5% in 2021 and 2.6% in 2022. It is forecasted to grow by 2.7% in 2023 and 3.2% in 2024.¹³⁷

Thailand Overcapacity

[175] Nova states that Thailand remains the third largest steel producer in the ASEAN countries. It is estimated that Thailand imported roughly 70% of its steel in 2023. Thailand's crude steel production and capacity continues to increase while utilization rates remain low. The utilization rate is 33% for bars and long products and 24% for flat products. Industry analysis show that overall steel utilization rates for Thailand sit below 30% compared to the global average of around 74.3%. Based on this, Nova suggests that Thailand's utilization rate for pipe and tube products is also very low. Low utilization rates encourage producers to export excess production to markets without trade restrictions.¹³⁸

[176] Nova states that despite low utilization rates, production capacity is expected to increase from 23.6 million MT in 2022 to 30 million MT in 2023. However, Thai demand has consistently remained around 16.4 to 19.3 million MT per year. Nova submits that Thai producers disregard demand when determining their capacity and this increases the likelihood that they will sell CSWP at dumped prices into Canada if the order expires.¹³⁹

¹³⁴ *Ibid.*, para. 158.

¹³⁵ *Ibid.*, para. 159.

¹³⁶ *Ibid.*, para. 160.

¹³⁷ *Ibid.*, para. 161.

¹³⁸ *Ibid.*, para. 162.

¹³⁹ *Ibid.*, para. 163.

[177] Nova provided data which shows that Thailand's CSWP capacity is high. Based on the available information, Nova has estimated the total capacity of CSWP production in Thailand to be at least 950,000 MT. Considering Thailand's overcapacity, Thai CSWP producers are capable of flooding the Canadian CSWP market.¹⁴⁰

Thailand's declining domestic steel demand

[178] Nova submits that Thailand's domestic steel demand reached 16.39 million MT in 2022, the lowest level in 12 years. Reports on the steel industry in Thailand estimate that the slight GDP growth in 2023 will have a positive impact on the domestic steel demand and raise steel demand from 16.39 million MT in 2022 to 17.0 million MT in 2023. Nova points out that the actual steel demand is expected to remain weak in Thailand due to high inflation, slow construction development, political turmoil and imports from other countries such as China and Vietnam.¹⁴¹

[179] Nova highlights that inflation remains a problem in Thailand and continues to affect steel demand. In 2022, inflation was 6.1%. Inflation was lower in 2023 at 2.8%, but still above 2021 levels by more than a percentage point. Nova states that inflation is one of the main reasons why steel demand decreased by 4% in 2022. Therefore, inflation will likely continue to negatively impact steel and CSWP demand within Thailand in 2023-2024.¹⁴²

[180] Additionally, Nova argues that inflation limited growth in Thailand's construction sector. Thailand's GDP from construction growth contracted by 2.67% in the second quarter of 2023 compared to the previous quarter. Overall, construction spending declined by 1.5% in 2022. The lack of investment in the construction sector will affect pipe producers, as it is one of their main markets. Nova gives the example of Pacific Pipe, which plans to sell 400,000 MT of CSWP primarily to the construction sector in 2022. Thai CSWP producers will be forced to look to export markets to sell their excess production.¹⁴³

[181] Nova argues that the optimistic steel demand projections from Thai institutions are dependent on the political situation. However, recent political tensions, protest movements and a crisis of confidence mean that the construction industries are unlikely to receive any public funding.¹⁴⁴

[182] Nova contends that given the current situation in Thailand, CSWP producers will have to look for new markets to compensate for the low domestic demand and sell excess capacity. Therefore, they are likely to sell CSWP at dumped prices into Canada if the order expires.¹⁴⁵

¹⁴⁰ *Ibid.*, para. 164 and 165.

¹⁴¹ *Ibid.*, para. 166.

¹⁴² *Ibid.*, para. 167.

¹⁴³ *Ibid.*, para. 168 and 169.

¹⁴⁴ *Ibid.*, para. 170.

¹⁴⁵ *Ibid.*, para. 171.

Thailand's CSWP Prices and Propensity to Dump

[183] Nova highlights that CSWP producers in Thailand have reported decreasing domestic prices. As an example, Pacific Pipe reported that it lost revenue in 2023 because prices for CSWP were lower than in 2022.¹⁴⁶

[184] Nova points out that Australia, Canada and the US have anti-dumping measures in place against CSWP and other steel products from Thailand. This suggests that producers in Thailand have a propensity to dump steel products, including CSWP, into other markets. Nova argues that producers in Thailand will likely resume selling CSWP to Canada at dumped prices if the order expires.¹⁴⁷

[185] Nova reports that in 2023, the DOC concluded an expedited sunset review and decided to keep its anti-dumping order against CSWP from Thailand in place. The DOC is also in the process of a sunset review of its anti-dumping and countervailing measures against circular welded pipe and tube from Thailand. Given the continuation of these anti-dumping duties in the US, it is likely that Thai producers would resume selling CSWP into Canada at dumped prices if the order expires.¹⁴⁸

Thailand's Export Orientation

[186] Nova states that increases of regional steel imports into Thailand are limiting the market for domestic steel producers and lowering the domestic price of steel. Producers in Thailand face strong competition from an influx of dumped steel products from China. According to Nova, producers from China try to circumvent anti-dumping measures on Chinese steel products by exporting to Thailand. To deal with the weak domestic demand and influx of imports, steel producers in Thailand are likely to look to non-regional export markets.¹⁴⁹

[187] Nova reports that Thailand's ASEAN neighbors, including Malaysia, Philippines and Vietnam, are all increasing their steel capacity and production. In 2022, China was at its highest steel production level in seven years.¹⁵⁰

[188] Nova provided data showing that Thailand is increasingly relying on CSWP exports and that Canada is a major market. Thailand's exports of CSWP have been steadily increasing for the past three years. In just the first seven months of 2023, CSWP exports from Thailand have surpassed the previous full year by almost 13,000 MT, an increase of 21%. A large portion of these exports is shipped to Canada, which is now Thailand's second largest export market.¹⁵¹

¹⁴⁶ *Ibid.*, para. 173.

¹⁴⁷ *Ibid.*, para. 174.

¹⁴⁸ *Ibid.*, para. 175.

¹⁴⁹ *Ibid.*, para. 176.

¹⁵⁰ *Ibid.*, para. 177.

¹⁵¹ *Ibid.*, para. 178 and 179.

[189] Nova notes that the export orientation of the steel industry in Thailand is supported by an organization called the Iron and Steel Institute of Thailand, which helps Thai manufacturers compete in the global market. With organizations like this, Thai steel exports are likely to continue to depend on export markets like Canada if the order expires.¹⁵²

[190] According to reports submitted by Nova on the steel industry in Thailand, the steel market is increasingly competitive in the ASEAN region and Thai producers are looking at export markets beyond the surrounding region, into North America. Nova also notes that Canada and Thailand have growing connections and recently concluded the fourth round of negotiations for a free trade agreement in 2023. This agreement would include iron and steel products from Thailand, which is likely to result in an increase in the volume of CSWP shipped to Canada at dumped prices.¹⁵³

Summary - Thailand

[191] Nova contends that weak domestic demand, low prices, high capacity, export orientation of CSWP producers in Thailand and anti-dumping findings on CSWP from Thailand increase the likelihood that exporters in Thailand would continue or resume selling CSWP into Canada at dumped prices if the order expires.¹⁵⁴

UAE's Economic Conditions and the CSWP Market

[192] Nova submits that the UAE's increase in domestic crude steel production and capacity, as well as the export orientation of CSWP producers increase the likelihood of continued or resumed dumping of subject goods if the order expires.¹⁵⁵

UAE Steel Production and CSWP Overcapacity

[193] Nova states that UAE producers have continued to increase steel production despite global demand for steel declining. The UAE's crude steel production was equal to 2.7 million MT in 2020, 3.0 million MT in 2021 and 3.2 million MT in 2022.¹⁵⁶

[194] Nova notes that the crude steelmaking capacity in the UAE has almost doubled in the past decade, from 2.8 million MT in 2010 to 4.8 million MT in 2022. This increase in capacity is higher than the domestic demand and allows the UAE to sell in international markets.¹⁵⁷

[195] Nova estimated the total capacity of subject CSWP production in the UAE to be more than 2.2 million MT and total UAE CSWP capacity to be over 3.2 million MT. According to Nova, this is a conservative estimate as it does not reflect the full capacity of production of CSWP in the UAE.¹⁵⁸

¹⁵² *Ibid.*, para. 180.

¹⁵³ *Ibid.*, para. 182.

¹⁵⁴ *Ibid.*, para. 183.

¹⁵⁵ *Ibid.*, para. 184.

¹⁵⁶ *Ibid.*, para. 185.

¹⁵⁷ *Ibid.*, para. 186.

¹⁵⁸ *Ibid.*, para. 187 and 188.

[196] Nova argues that several companies are expanding their CSWP production capacity. For example, AJ Steel signed an agreement which will allow the company to increase its pipe production capacity by 260,000 MT. KHK Scaffolding & Formwork LLC (KHK) is also planning to significantly increase its production capacity.¹⁵⁹

UAE's Economic Outlook and Declining Demand

[197] Nova points out that there is a strong contraction in global steel demand. Nova refers to a World Steel report, which forecasted that the Middle East's steel demand would slow in 2023 to a modest 2.2% growth rate, dropping from 3.8% in 2022. Steel demand is forecasted to recover only partially in 2024, with the growth rate climbing back to 3.2%.¹⁶⁰

[198] Nova highlights that the UAE is the second-largest market for iron and steel in the GCC region. UAE steel demand is expected to be supported by property developments with the construction industry forecasted to grow by 3.3% in 2023 and by 3.9% from 2024-2027.¹⁶¹

[199] However, Nova reports that lower oil prices, tighter financial constraints, and a weaker global economy will slow economic activity in the GCC region, which is expected to decelerate from 7.7% in 2022 to 2.9% in 2023 and to 3.3% in 2024. This trend, which impacts steel and CSWP demand, is also seen in the UAE. In 2022, UAE's GDP grew by 4.2% and is forecasted to grow by 3.5% in 2023 and 3.9% in 2024. At the same time, inflation remains relatively high at 3.4%.¹⁶²

[200] Nova states that CSWP demand in the UAE is likely to decrease due to significant steel imports from China. In 2022, China's exports under the tariff classification number 7306.30 to the UAE were up by 30% compared to 2021 and are likely to increase in 2023. Nova notes that Conares signed a major deal with a supply chain operator in China, Xiamen C&D Corp., Ltd., to increase China's steel exports to the GCC region. Because Chinese CSWP exports are pushing out the UAE's own steel production, UAE producers will be forced to look to export markets to sell their production which increases the likelihood of dumping into Canada if the order expires.¹⁶³

[201] Nova argues that construction industries in the UAE will not be able to absorb the increasing production capacity of CSWP. While growth is forecasted in the real estate construction sector, lengthy administrative procedures for housing and infrastructure projects may have uncertain outcomes.¹⁶⁴

[202] Nova contends that given the UAE's downward economic outlook, the oversupply of CSWP and the uncertain downstream demand, CSWP producers in the UAE cannot rely on domestic demand to support their production.¹⁶⁵

¹⁵⁹ *Ibid.*, para. 189.

¹⁶⁰ *Ibid.*, para. 190.

¹⁶¹ *Ibid.*, para. 191.

¹⁶² *Ibid.*, para. 192.

¹⁶³ *Ibid.*, para. 193.

¹⁶⁴ *Ibid.*, para. 194.

¹⁶⁵ *Ibid.*, para. 195.

UAE's CSWP Prices and Propensity to Dump

[203] Nova states that KDI, a producer located in the UAE, is unable to sell CSWP to Canada at non-dumped prices based on its responses to the 2023 expedited review.¹⁶⁶

[204] Nova submits that anti-dumping measures in Canada and the US against CSWP from the UAE show that UAE producers have a propensity to dump steel products into other markets. In 2023, the DOC renewed its anti-dumping order against CSWP from the UAE. Nova argues that it is likely that CSWP exporters in the UAE will resume selling subject goods to Canada at dumped prices if the order expires.¹⁶⁷

UAE's Export Orientation

[205] Nova argues that the UAE's government and CSWP producers have demonstrated an increasing interest in exporting steel, especially to Canada. Exports of pipe products from the UAE continue to increase. The UAE's CSWP exports grew by 12% from 2020 to 2022. Exports in the first eight months of 2023 are similar to those of the full year of 2022 and are annualized by 169,000 MT, which would be a further increase of 46% compared to 2022. Canada is the second largest export market for CSWP from the UAE.¹⁶⁸

[206] Additionally, the UAE has two national programs, "Made in the Emirates" and "Operation 300Bn", targeting the steel industry and aimed at increasing exports. Nova submits that the UAE's policies will increase steel production without addressing domestic demand. This will likely result in CSWP producers looking for new markets to sell their products.¹⁶⁹

[207] Nova highlights that various CSWP producers in the UAE are clear about their export orientation. For example, AJ Steel states that its production meets the requirements of customers in many countries including Canada. KDI boasts about its strategic location, close to a major port. Moreover, KHK, THL Tube & Pipe Industries LLC (THL) and TSI Metal Industries (TSI) all report that their products are exported worldwide.¹⁷⁰

[208] Nova submits that many CSWP producers in the UAE want to become global leaders in the pipe and tubular products market. These export ambitions, combined with restricted export markets and slow domestic demand, will lead these producers to sell their production in Canada at dumped prices if the order expires.¹⁷¹

¹⁶⁶ Exhibit 39 (NC) – Case brief filed on behalf of Nova. para. 196; Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 XR CON, Notice of Conclusion of Expedited Review.

¹⁶⁷ Exhibit 39 (NC) – Case brief filed on behalf of Nova. para. 199 and 200.

¹⁶⁸ *Ibid.*, para. 201.

¹⁶⁹ *Ibid.*, para. 203.

¹⁷⁰ *Ibid.*, para. 204.

¹⁷¹ *Ibid.*, para. 205.

Summary - UAE

[209] Nova argues that the UAE's increase in domestic steel production and capacity, declining domestic demand, anti-dumping findings on CSWP from the UAE, as well as the export orientation of its CSWP producers increase the likelihood of continued or resumed dumping of subject goods if the order expires.

Parties Contending that Continued or Resumed Dumping is Unlikely

[210] None of the parties contended that resumed or continued dumping of subject goods from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE is unlikely if the order expires.

[211] However, while not directly addressing the likelihood of resumed or continued dumping of subject goods in their response to the ERQ, the GOI presented some relevant information.

[212] The GOI submits that there is a downwards trend in the total volume of exports of the subject goods from India to Canada during the POR. This is due to a shift in demand in Canada itself, not because of measures imposed by Canada. The GOI adds that the Canadian domestic industry's recent performance has been poor and suggests that producers have already been struggling to secure sales and maintain profitability. The domestic industry is not doing particularly well for reasons other than exports from India and there is no indication that the domestic industry's performance will improve even if the order continues.¹⁷²

CONSIDERATION AND ANALYSIS – DUMPING

[213] In making a determination under paragraph 76.03(7)(a) of SIMA as to whether the expiry of the order 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.

[214] Guided by these aforementioned factors, the CBSA conducted its review based on the documentation submitted by the various participants and its own research, all of which can be found on the administrative record.

¹⁷² Exhibit 29 (NC) – Response to ERQ from the Government of India.

The CBSA's analysis

Commodity Nature of CSWP

[215] Generally speaking, CSWP manufactured either by a Canadian producer or by a foreign producer is physically interchangeable. CSWP manufactured by foreign producers for sale to Canada is generally manufactured to meet Canadian requirements. As noted by the CITT in the original injury finding “The evidence supports the view that the subject goods and the like goods are fully interchangeable, that CSWP is a commodity product and that price is an important factor when purchasing CSWP”.¹⁷³ In the previous expiry review, the CITT stated that “The capital-intensive nature of CSWP production and high fixed costs provides an incentive for mills to pursue sales even at low prices in order to increase capacity utilization”.¹⁷⁴

[216] This means that CSWP producers must compete in a market that is price sensitive, where price is one of the primary factors affecting customers’ purchasing decisions. Furthermore, because of this high degree of price sensitivity, importers of CSWP in Canada have demonstrated that they will switch to lower priced CSWP import sources when they are available. This source switching has led to three CSWP anti-dumping investigations and injury findings since 2008. As such, should the CITT’s order expire, the commodity nature of CSWP may increase the likelihood of continued or resumed dumping.

Continued Interest of CSWP Exporters in the Canadian Market

[217] On October 6, 2023, the CBSA concluded a re-investigation with respect to the dumping of CSWP from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE, and an expedited review of the same goods.¹⁷⁵ Six of the eight exporters who showed interest in these proceedings received normal values. It was the first time that Ajmal Steel Tubes and Pipes Industries L.L.C. (Ajmal), Al Jazeera, KDI, and TSI have received normal values. Additionally, Saha Thai, which participated in the original investigation, and UTP, which received its first normal values as a result of a normal value review in 2021, received updated normal values following the conclusion of the re-investigation.

[218] Goel Pipe and Manu, two exporters from India, submitted insufficient information in the 2023 re-investigation.¹⁷⁶ Although these exporters did not receive normal values, their participation in recent proceedings suggests that there is a continued interest in the Canadian market.

¹⁷³ Exhibit 30 (NC) – CBSA research #3 – CITT-2012 IN FI, Dumping and Subsidizing, Finding and Reasons, para. 99.

¹⁷⁴ Exhibit 30 (NC) – CBSA research #3 – CITT-2018 ER SOR, Dumping and Subsidizing, Order and Reasons, para. 68.

¹⁷⁵ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation; Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 XR CON, Notice of Conclusion of Expedited Review.

¹⁷⁶ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation;

[219] For most of the POR, imports of CSWP from Chinese Taipei, India and South Korea made up less than 2% by volume and 1% by value of the apparent Canadian market. Even though imports from Oman were non-existent during the POR, Al Jazeera, an Omani producer of CSWP, participated in the most recent CBSA’s re-investigation and is now the first producer to obtain normal values in Oman.

[220] Thailand and the UAE have both increased their share of the apparent Canadian market. Imports from Thailand increased from 1.9% in 2020 to 26.4% in the first half of 2023 in terms of value, and from 2.1% in 2020 to 33.7% in the first half of 2023 in terms of volume. Excluding imports of non-subject CSWP, the value of imports in the UAE increased from 0.1% in 2020 to 2.6% in the first half of 2023, with a similar increase in volume.

[221] The total volume and total value of subject goods imported into Canada have increased significantly during the POR. Meanwhile, the amount of anti-dumping duties collected has decreased since 2021. The anti-dumping duties in place appear to be limiting the ability of exporters in subject countries to export goods into the Canadian market at dumped prices. However, when comparing the average price per MT of imported CSWP, the price of the subject goods remained significantly lower compared to imports of non-subject CSWP during the POR.

Table 3
Average Price of Imported CSWP¹⁷⁷
In \$ per metric tonne (MT)

	2020	2021	2022	2023
Subject CSWP	1,137	1,328	1,392	1,485
Non-Subject CSWP	1,523	2,110	1,851	2,459

[222] If the order expires, other exporters from the subject countries may enter the market to compete with already low-priced imports. In order to maintain or secure additional market share, the exporters would likely dump CSWP into Canada. As such, should the CITT’s order expire, the continued interest of exporters in the Canadian market may increase the likelihood of continued or resumed dumping of CSWP.

Chinese Taipei

[223] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Chinese Taipei. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to Chinese Taipei. Goods exported from Chinese Taipei by Chung Hung and Shin Yang have been excluded from the finding by the CITT.

¹⁷⁷ Exhibit 35 (PRO) – CBSA Compliance Statistics – Final; Exhibit 36 (PRO) – CBSA Import Statistics - Final.

[224] Information available for two companies in Chinese Taipei shows that they have been able to achieve a high capacity utilization rate by significantly increasing the volume of exports between 2021 and 2022. Kao Hsing Chang Iron & Steel Corp's volume of CSWP exports increased from 2,152 MT in 2021 to 15,557 MT in 2022, an increase of over 700%.¹⁷⁸ Another producer, Yieh Phui Enterprise CO., Ltd., exported 126,244 MT of CSWP in 2022, more than doubling its exports from the previous year.¹⁷⁹ This allowed the company to reach a domestic to export ratio of 1:2. At the same time, domestic sales remained relatively stable for both companies.

[225] In 2023, Yieu Phui Enterprise CO., Ltd., referring to the domestic market in Chinese Taipei, stated that “the pipe demand is not good in the current market.”¹⁸⁰ This statement was echoed by another producer, China Steel Corporation, which reported that its “profit in the first five months of the year [2023] plunged by 93 percent”. The company attributed this decline in revenue to “falling steel shipments, lower prices and gross margin erosion.”¹⁸¹ The domestic demand of CSWP is not expected to rebound soon, and it is likely that companies in Chinese Taipei will continue to seek to export CSWP to maintain their capacity utilization rate.

[226] Exporters in Chinese Taipei have a propensity to dump CSWP and other steel products which is demonstrated by the numerous anti-dumping measures that have been imposed by Canada and other jurisdictions.

[227] As of January 18, 2023, the CBSA has anti-dumping measures in force for the following steel products originating in or exported from Chinese Taipei:¹⁸²

- Carbon Steel Welded Pipe 2;
- Concrete Reinforcing Bar 2;
- Corrosion-Resistant Steel Sheet;
- Oil Country Tubular Goods 2;
- Fasteners; and
- Heavy Plate.

[228] In addition to these measures, information on the record indicates that there have been at least eight other measures in two jurisdictions other than Canada, on steel products from Chinese Taipei since 1989.¹⁸³ Australia has anti-dumping measures in place against steel products such as hollow structural sections, steel reinforcing bar, hot-rolled coil steel and hot-rolled structural steel sections. In 2023, the DOC determined a margin of dumping of 27% for certain circular welded non-alloy steel pipe from Chinese Taipei and 8% for certain circular welded carbon steel pipes and tubes in a sunset review.¹⁸⁴ The US also has anti-dumping measures for rectangular welded steel pipe and tubing from Chinese Taipei.

¹⁷⁸ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 28.

¹⁷⁹ *Ibid.*, Public Attachment 29.

¹⁸⁰ *Ibid.*, Public Attachment 33.

¹⁸¹ *Ibid.*, Public Attachment 35.

¹⁸² [Measures in Force](#).

¹⁸³ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 41, 42, 43, 44 and 45.

¹⁸⁴ *Ibid.*, Public Attachment 40.

[229] As previously mentioned, some CSWP producers in Chinese Taipei have significantly increased their volume of exports. In 2020, CSWP from Chinese Taipei were imported into Canada at dumped prices and SIMA duties were assessed against them. However, since 2021, Chinese Taipei has not exported the subject goods to Canada. Nevertheless, considering the current export trend and interest in the North American market, it is likely that if the order expires, CSWP producers in Chinese Taipei would likely seek to dump their goods into Canada.

Determination Regarding Likelihood of Continued or Resumed Dumping – Chinese Taipei

[230] Based on information on the record regarding the substantial number of CSWP producers in Chinese Taipei with significant production capacity; the imposition of anti-dumping measures by other jurisdictions in respect of goods of the same description from Chinese Taipei; and the imposition of anti-dumping measures against other steel products from Chinese Taipei in Canada, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of certain CSWP into Canada from Chinese Taipei (excluding goods exported from the Chinese Taipei by Chung Hung and Shin Yang).

India

[231] The CBSA received an ERQ response from one exporter in India, named Manu.¹⁸⁵ The exporter did not express an opinion regarding whether the continued or resumed dumping of CSWP would be likely or unlikely if the order were to expire. Additionally, no case briefs or reply submissions were received from exporters in India. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to India.

[232] The National Steel Policy seeks to increase steel consumption in major segments such as infrastructure, automobiles and housing and aims to increase per capita steel consumption to 158 kg by 2030 from the existing level of 61 kg. The National Steel Policy also projects 300 million MT of steel-making capacity by 2030.¹⁸⁶

[233] While the administrative record does not contain definitive information as to the total production capacity of CSWP producers in India, the CBSA is nonetheless satisfied that there is significant CSWP production capacity in India.

[234] The CBSA recognizes that this figure is made up of many carbon steel pipe products that fall outside the scope of this expiry review, such as structural tubing products as well as standard pipe and line pipe products with outside diameters greater than six inches. However, even when the CBSA conservatively estimates the production capacity of CSWP in India, it is still significantly greater than the total Canadian CSWP market.

¹⁸⁵ Exhibit 25 (PRO) and 26 (NC) – Response to Exporter ERQ from Manu.

¹⁸⁶ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 51.

[235] Information on the record suggests that India’s steel and CSWP producers export their product extensively. The Indian Steel Association stated that steel “exports become more important as capacities are added in blocks and demand growth is gradual; exports ensure healthy utilisation levels.” They added that exports are projected to increase by 20 to 25% by 2030. Indian’s CSWP producers are also likely to look at foreign markets to boost their capacity utilization rate. Companies, such as Manu, JTL Infra, APL Apollo Tubes and Asian Group of Companies, have also clearly stated their interest in foreign markets.¹⁸⁷

[236] Based on information on the administrative record, Indian producers remained active in exporting subject goods to Canada during the POR, despite the fact that subject goods from India were subject to both anti-dumping and countervailing duties. Anti-dumping and countervailing duties, equal to \$47,769, were assessed against imports of subject goods originating in or exported from India during the POR.¹⁸⁸

[237] In addition to Canada having anti-dumping measures in place against CSWP from India, the US has had anti-dumping measures in place since 1986 against certain welded carbon steel pipes and tubes from India.¹⁸⁹ These measures were recently reaffirmed by the DOC on May 8, 2023 when it decided to continue its anti-dumping and countervailing duty orders on certain welded carbon steel pipes and tubes from several countries including India.¹⁹⁰ In the final results of the sunset review, the DOC stated that if the orders expire it would likely lead to the continuation or recurrence of dumping with margin of dumping around 87.9%. In a 2021 expiry review, the Government of Mexico also extended its orders against carbon steel pipe from India, stating that if the measures in place expire it would likely lead to the continuation or recurrence of dumping.¹⁹¹

Determination Regarding Likelihood of Continued or Resumed Dumping - India

[238] Based on information on the record regarding the large number of CSWP producers in India and their significant production capacity; the imposition of anti-dumping measures by the US and Mexico in respect of goods of the same description from India; and the fact that exporters of CSWP from India have continued to export to Canada and have been assessed anti-dumping duty during every year of the POR, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of certain CSWP into Canada from India.

¹⁸⁷ *Ibid.*, Public Attachment 66; Exhibit 30 (NC) – CBSA research #3 – CBSA-2018 ER SOR – Statement of Reasons, Concerning an Expiry Review Determination.

¹⁸⁸ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

¹⁸⁹ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 41.

¹⁹⁰ *Ibid.*, Public Attachment 92.

¹⁹¹ *Ibid.*, Public Attachment 91.

Oman

[239] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Oman. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to Oman.

[240] In 2023, the CBSA concluded a re-investigation to update normal values and export prices of CSWP originating in or exported from the named countries. Only Al Jazeera participated and received normal values in the re-investigation.¹⁹²

[241] Evidence on the record points to there being at least three potential producers of CSWP products in Oman: Al Jazeera, TMK, and Al Samna.¹⁹³ Al Jazeera's website states that its tube mill division has a production capacity of 300,000 MT and produces the following products: black pipes, galvanized pipes and hollow sections. In the previous expiry review, it was found that TMK only produced ERW pipe products with outside diameters greater than six inches, which are not subject to the finding.¹⁹⁴ However, it now appears that TMK produces CSWP with a diameter of six inches, which are subject.¹⁹⁵ The production capacity of TMK is 250,000 MT. It should be noted that, although there are few companies in Oman identified as producing CSWP, these companies' production capacities alone are quite capable of supplying the entire Canadian CSWP market.

[242] In their 2022 annual report, Al Jazeera notes that 2022 was a challenging year with sluggish demand in Oman because of the high inflation and the effect of Russia's invasion of Ukraine.¹⁹⁶ The company adds that volatility in oil prices may delay growth in the GCC which is likely to impact the demand for Oman's pipes and tubes. Also, according to the IMF, private investment in Oman has decreased from US\$18.8 billion in 2021 to US\$12.5 billion in 2022.¹⁹⁷ The US Department of State reports that this is likely to impact investment in the construction industry which is an important consumer of CSWP.¹⁹⁸ Al Jazeera states in its annual report that its production was affected by lower demand. This may help account for the fact that the company's sales of CSWP decreased from 162,805 MT in 2021 to 153,181 MT in 2022.¹⁹⁹ Overall, Al Jazeera's capacity utilization rate fell by 9% in 2022, to 58%. Lower demand within Oman and the GCC is likely to encourage producers in Oman to look for foreign markets to sell their steel products.

¹⁹² Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation.

¹⁹³ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 99, 100, 101 and 102.

¹⁹⁴ Exhibit 30 (NC) – CBSA research #3 – CBSA-2018 ER SOR – Statement of Reasons, Concerning an Expiry Review Determination.

¹⁹⁵ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 103.

¹⁹⁶ *Ibid.*, Public Attachment 108.

¹⁹⁷ *Ibid.*, Public Attachment 113.

¹⁹⁸ *Ibid.*, Public Attachment 114.

¹⁹⁹ *Ibid.*, Public Attachment 108 and 109.

[243] According to Al Jazeera’s 2022 annual report, the company markets its products to countries across the globe, including North America, Australia and Europe.²⁰⁰ The company acquired numerous certificates that are necessary for exporting to markets outside the GCC.²⁰¹ Al Samna is also showing a strong interest in markets within, but also outside the GCC. The company’s website states that “we are exporting our products world-wide, United States of America, Qatar, Kuwait, Dubai, and some other major countries.”²⁰² Based on this information, it is evident that companies in Oman are determined to market their tubular products to export markets and hope to become world leaders.

[244] Similar to CSWP products from Chinese Taipei and India being subject to anti-dumping measures in the US, Oman’s exports of circular welded carbon-quality steel pipe products are also subject to these same measures in the US. In its final determination of dumping issued on December 19, 2016, the DOC established a margin of dumping of 7.36% on exports of circular welded carbon-quality steel pipes from Al Jazeera, as well as for all other exporters in Oman.²⁰³ In December 2022, the DOC has revised the rate to 4.61% for Al Jazeera.²⁰⁴

[245] Data shows that Oman is rapidly increasing its volume of exports under the tariff classification number 7306.30.²⁰⁵ In 2019, the volume of exports from Oman was minimal, but two years later, the volume had jumped to 108,944 MT, with almost 60% going to the US alone. During the POR, Oman did not export subject goods to Canada.²⁰⁶ However considering the current export trend and interest in North America, it is likely that if the order expires, CSWP producers in Oman would seek to dump their goods into Canada.

Table 4
Oman’s Exports under the tariff classification number 7306.30²⁰⁷
Volume in metric tons (MT)

	2019	2020	2021
Total World Export	897	7,526	108,944

²⁰⁰ *Ibid.*, Public Attachment 108 and 118.

²⁰¹ *Ibid.*, Public Attachment 117.

²⁰² *Ibid.*, Public Attachment 102.

²⁰³ *Ibid.*, Public Attachment 41; Exhibit 30 (NC) – CBSA research #3 – CBSA-2018 ER SOR, Statement of Reasons, Concerning an Expiry Review Determination.

²⁰⁴ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 108.

²⁰⁵ *Ibid.*, Public Attachment 119.

²⁰⁶ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

²⁰⁷ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 119.

Determination Regarding Likelihood of Continued or Resumed Dumping - Oman

[246] Based on information on the record regarding the significant CSWP production capacity in Oman; the indications of a slowing domestic economy due to fluctuating oil prices; the ambitious export goals set out by Al Jazeera for its products; and the imposition of anti-dumping measures by the US in respect of goods of the same description (circular welded pipe) from Oman, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of certain CSWP into Canada from Oman.

South Korea

[247] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in South Korea. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to South Korea.

[248] Due to the fact that no exporters or manufacturers provided responses during the CBSA's investigation, a margin of dumping of 54.2% was determined in accordance with a ministerial specification.²⁰⁸ Non-cooperation in both the CBSA's original investigation and subsequent reinvestigations may indicate that exporters in South Korea are unable to compete in the Canadian market at non-dumped prices.

[249] During the POR, imports of subject goods from South Korea were minimal, totaling approximately \$12,929, on which \$8,586 of SIMA duties were assessed.²⁰⁹ The limited amount of imports can be attributed to the ministerial specification that has been in effect during the POR. In the previous expiry review (January 1, 2014 to September 30, 2017), the total value of CSWP imported from South Korea was much higher, totaling \$87,095.²¹⁰ It is clear that the measures in force concerning CSWP are restricting imports from South Korea. In the absence of the CITT's order, it is likely that CSWP producers in South Korea will resume dumping.

[250] Many producers of CSWP in South Korea have indicated that export markets are important to the success of their businesses. For example, Hyundai Steel recently announced that it will increase its capacity and will seek to become more competitive on the global market.²¹¹ Seah Steel Corporation stated that the volume of domestic sales declined by 15% while exports increased by 2% in 2022.²¹² KG Dongbu, a major South Korean steel producer, stated that domestic to export sales ratio was approximately 4:6 in 2023.²¹³

²⁰⁸ Exhibit 30 (NC) – CBSA research #3 – CBSA-2012 IN FD, Statement of Reasons, Concerning the making of Final Determinations of Dumping and Subsidizing and the Termination of Dumping and Subsidizing Investigations.

²⁰⁹ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

²¹⁰ Exhibit 30 (NC) – CBSA research #3 – CBSA-2018 ER SOR, Statement of Reasons, Concerning an Expiry Review Determination.

²¹¹ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 137.

²¹² *Ibid.*, Public Attachment 149.

²¹³ *Ibid.*, Public Attachment 148.

[251] The propensity of exporters from South Korea to dump steel products in Canada is further demonstrated by the numerous anti-dumping measures imposed against exporters from South Korea by Canada.

[252] As of January 18, 2023, the CBSA has anti-dumping measures in force for the following steel products originating in or exported from South Korea:²¹⁴

- Carbon Steel Welded Pipe 2;
- Cold-Rolled Steel;
- Concrete Reinforcing Bar;
- Corrosion-Resistant Steel Sheet;
- Hollow Structural Sections;
- Line Pipe 2;
- Oil Country Tubular Goods 2; and
- Steel Plate 7.

[253] In addition to these measures, information on the record indicates that there have been at least ten other measures in four jurisdictions other than Canada, on steel pipe products from South Korea since 1992.²¹⁵

[254] In its 2023 sunset review for circular welded non-alloy steel pipe from South Korea, the DOC determined that the revocation of the anti-dumping duty order would be likely to lead to the continuation or recurrence of dumping.²¹⁶ Furthermore, since the previous sunset review there have been five administrative reviews and, as of May 3, 2023, one ongoing circumvention inquiry.²¹⁷

[255] South Korean exporters' interest in the North American tube and pipe market is further supported by a 2023 report published by UN Comtrade.²¹⁸ The North American market represented 27.6% of the total South Korean exports under the tariff classification number 7306.30 in 2020. This figure increased to 42.3% in 2022. Canada received a significant share of the pipes and tubes exported from South Korea, which was on average 30% between 2020 and 2022. Considering the size difference between the Canadian and US economies, South Korea's exports to Canada represent a disproportionately large share of their sales to North America.

²¹⁴ [Measures in Force](#).

²¹⁵ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 41.

²¹⁶ *Ibid.*, Public Attachment 144.

²¹⁷ *Ibid.*, Public Attachment 145.

²¹⁸ *Ibid.*, Public Attachment 119.

Table 5
South Korea’s Exports under the tariff classification number 7306.30²¹⁹
 Volume in metric tons (MT)

	2020	2021	2022
Total World Export	273,030	253,353	261,224
Export to North America	75,488	80,798	110,431
Export to Canada	23,217	19,760	39,809

[256] CSWP exporters in South Korea have well established distribution channels for steel products in North America and have a continued interest in the North American market despite numerous anti-dumping measures imposed on them. For these reasons, as trade remedies increase in the US, CSWP exporters in South Korea are likely to continue or resume dumping of subject goods, should the order expire.

Determination Regarding Likelihood of Continued or Resumed Dumping – South Korea

[257] Based on evidence on the record in respect of exporters in South Korea continuing to export subject goods to Canada at dumped prices during the POR; the imposition of anti-dumping measures by Canada in respect of similar goods; and anti-dumping measures imposed by the US and other countries against exports of steel products from South Korea, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of certain CSWP into Canada from South Korea.

Thailand

[258] The CBSA did not receive any ERQ responses, case briefs or reply submissions from exporters in Thailand. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record for the purposes of the expiry review investigation with respect to Thailand.

[259] During the CBSA’s original investigation, two producers/exporters, Pacific Pipe Company and Saha Thai, cooperated during the proceedings and received normal values based on the information received and verified by the CBSA. It was determined that Pacific Pipe Company and Saha Thai were both found to be dumping CSWP into the Canadian market and the margins of dumping were considered not to be insignificant.²²⁰

²¹⁹ *Ibid.*

²²⁰ Exhibit 30 (NC) – CBSA research #3 – CBSA-2012 IN FD, Statement of Reasons, Concerning the making of Final Determinations of Dumping and Subsidizing and the Termination of Dumping and Subsidizing Investigations.

[260] In 2023, the CBSA concluded a re-investigation to update normal values and export prices of CSWP originating in or exported from subject countries. Saha Thai participated and received updated normal values in the re-investigation.²²¹

[261] The total volume and total value of subject goods exported to Canada from Thailand during the POR, when compared to other subject countries, was the highest.²²² The amount of SIMA duties assessed during that period was also the highest.

[262] During the previous expiry review POR (January 1, 2014 to September 30, 2017), the imports of subject goods from Thailand were valued at \$1,133,653.²²³ The CBSA found that the total value of subject imports from Thailand for the current POR increased significantly to \$50,411,280, on which \$54,684 of SIMA duties were assessed.²²⁴ In 2017, the total volume of imports of subject goods from Thailand was 418 MT, which is significantly lower than the total volume of imports of 7,472 MT, in the first six months of 2023. The increase in volume and value show that CSWP exporters from Thailand remain interested in the Canadian market. Also, the fact that duties were assessed demonstrates that the subject goods from Thailand were dumped during the POR. As such, there is a strong likelihood that future exports to the Canadian market will be made at dumped prices if the order expires.

[263] The information on the record indicates that anti-dumping measures have been put in place by the US respecting pipe and tubular products from Thailand, including CSWP.²²⁵ In 2023, following an expedited sunset review, the DOC determined that the revocation of the anti-dumping duty order with respect to certain circular welded carbon steel pipe exported from Thailand, would likely have a negative impact on the domestic industry. Therefore, the US maintained its 1985 order which imposes anti-dumping duties on certain CSWP from Thailand.²²⁶

[264] The CBSA also has an anti-dumping measure against oil country tubular goods, which are similar to the subject goods, originating in or exported from Thailand. On July 23, 2020, the CBSA determined that the expiry of the finding would likely result in the continuation or resumption of dumping of the aforementioned goods.

²²¹ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation.

²²² Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

²²³ Exhibit 30 (NC) – CBSA research #3 – CBSA-2018 ER SOR, Statement of Reasons, Concerning an Expiry Review Determination.

²²⁴ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

²²⁵ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 41.

²²⁶ *Ibid.*, Public Attachment 166.

[265] In light of the measures in force listed above, data from UN Comtrade indicates that Thailand’s primary export market for pipe products was North America throughout the POR.²²⁷ Within the North American market, Canada received a significant share of exports under the tariff classification number 7306.30 from Thailand: 53% in 2021 and 33.2% in 2022. The volumes exported, as represented in the table below, continue to increase, despite anti-dumping duties in force against Thailand by the US and Canada. This indicates that Thai producers have a propensity to export various steel pipe products to certain countries notwithstanding measures against them.

Table 6
Thailand’s Exports under the tariff classification number 7306.30²²⁸
 Volume in metric tons (MT)

	2020	2021	2022
Total World Export	67,834	34,410	59,721
Export to North America	49,143	20,057	51,097
Export to Canada	1,241	10,628	16,963

[266] The measure currently in place in the US against exporters in Thailand and the continued dumping which took place in Canada during the POR indicate that producers of CSWP in Thailand continue to be interested in the North American market. Should the current order expire, it appears likely that exporters in Thailand would continue to dump CSWP into the Canadian market. Given the continuation of the DOC anti-dumping order on circular welded carbon steel pipe from Thailand, the volume of dumped goods imported into Canada would likely be higher than the volumes currently imported if the CITT’s order expires.

[267] Nova has estimated the production capacity of CSWP in Thailand to be 950,000 MT.²²⁹ However, since the capacity of some companies is unknown, this number can be considered conservative. Considering the capacity and the current low utilization rate within the steel industry in Thailand, which is estimated to be similar for CSWP, producers in Thailand have the capacity to flood the Canadian CSWP market.

Determination Regarding Likelihood of Continued or Resumed Dumping - Thailand

[268] Based on evidence on the record in respect of, exporters from Thailand that have continued to export subject goods to Canada at dumped prices during the POR; anti-dumping measures have been imposed against steel pipe from Thailand in the US; and producers in Thailand have significant CSWP production capacity, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of CSWP into Canada from Thailand.

²²⁷ *Ibid.*, Public Attachment 119.

²²⁸ *Ibid.*,

²²⁹ Exhibit 39 (NC) – Case brief filed on behalf of Nova Tube Inc. and Nova Steel Inc. para. 162.

United Arab Emirates

[269] The CBSA did not receive any ERQ responses, case briefs or reply submissions from exporters in the UAE. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record for the purposes of the expiry review investigation with respect to the UAE. Goods exported from the UAE by Conares have been excluded from the CITT's finding.

[270] In the most recent reinvestigation in 2023, three CSWP producers from the UAE cooperated with the CBSA: Ajmal, TSI and UTP.²³⁰ At the same time, the CBSA initiated an expedited review of CSWP exported to Canada from the UAE by KDI. All four companies received normal values based on the information received and verified by the CBSA.²³¹

[271] In Nova's case brief, the production capacity of CSWP producers in the UAE was estimated to be in excess of 3.2 million MT in 2023.²³² Nova submitted that their estimate is likely conservative since information regarding all companies is not publicly available. Furthermore, CSWP producers such as KHK and Ajmal have indicated that they are planning to increase their production significantly.²³³

[272] According to UN Comtrade Data, there has been significant growth in the export market of pipe producers in the UAE since 2020. CSWP producers now export to more than 50 countries worldwide, with a significant share of their sales going to North America.²³⁴ In fact, Canada was the second largest export market for CSWP from the UAE, after the US, in 2022. Exports of pipe products from the UAE to the global market have increased by 12% between 2020 and 2022. Exports under the tariff classification number 7306.30 to Canada have increased significantly between 2020 and 2022, and are now more than four times higher than the level at the beginning of the POR.

Table 7
UAE's Exports under the tariff classification number 7306.30²³⁵
Volume in metric tons (MT)

	2020	2021	2022
Total World Export	102,957	121,525	115,267
Export to North America	26,539	27,651	42,611
Export to Canada	2,905	8,389	13,182

²³⁰ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation.

²³¹ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 XR CON, Notice of Conclusion of Expedited Review.

²³² Exhibit 39 (NC) – Case brief filed on behalf of Nova. para. 187.

²³³ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 182 and 183.

²³⁴ *Ibid.*, Public Attachment 119.

²³⁵ *Ibid.*

[273] It is important to note that not all products included under the tariff classification number 7306.30 are subject goods. However, the CBSA’s compliance data shows that imports of subject CSWP are following a similar trend. Volumes of subject CSWP from the UAE have increased from 39 MT in 2020 to 648 MT in the first half of 2023, with the exception of a decrease in 2021.²³⁶ During the same period, the amount of SIMA duty assessed dropped significantly. This may indicate that companies subject to the CSWP order in the UAE had to raise their prices to avoid the imposition of duties, and if the order expires, it would likely lead to the continuation or recurrence of dumping.

Table 8
Imports of subject CSWP into Canada²³⁷
 Volume in metric tons (MT)

	2020	2021	2022	2023 (January 1 – June 30)
Imports from UAE	39.2	0.1	480.5	648.3

[274] The rapid increase of exports of pipe and tube products from the UAE to the global market demonstrates CSWP producers’ interest in competing internationally. CSWP producers in the UAE, such as Ajmal, KHK, THL, TSI and UTP all clearly state that they are interested in markets around the world.²³⁸ Also, in 2023, KDI petitioned the CBSA to obtain normal values as it anticipates sales to Canada in the future. KDI stated that it has not been able to export CSWP to Canada because the company did not have normal values.²³⁹

[275] Furthermore, information from UN Comtrade Data indicates that exports of pipe and tube products from the UAE to Saudi Arabia, one of its primary export markets within the GCC, has been decreasing since 2020. Exports of pipe and tube products from the UAE to Saudi Arabia has decreased from 5,414 MT in 2020 to 2,681 MT in 2022, representing a 50.5% decrease.²⁴⁰

[276] In 2023, the DOC renewed its 2016 CSWP anti-dumping order against the UAE.²⁴¹ Given the continuation of the DOC anti-dumping order on circular welded carbon-quality steel pipe from the UAE, exporters from the UAE would likely increase the volume of dumped CSWP exported to Canada should the current order expire.

²³⁶ Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

²³⁷ *Ibid.*

²³⁸ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 182, 183, 179, 193 and 194.

²³⁹ *Ibid.*, Public Attachment 175.

²⁴⁰ *Ibid.*, Public Attachment 175.

²⁴¹ *Ibid.*, Public Attachment 189.

[277] In light of this, there continues to be a growing interest for UAE pipe producers to explore export markets. This propensity to export is only exacerbated by the strong competition from Chinese imports in the UAE. The UAE's imports of Chinese goods under the tariff classification number 7306.30 have increased by 30% since 2021.²⁴² This indicates that producers in the UAE are dealing with competition from Chinese goods in the domestic market. Because of this, producers of CSWP in the UAE must look to global export markets to sell their goods.

Determination Regarding Likelihood of Continued or Resumed Dumping - UAE

[278] Based on evidence on the record in respect of the UAE's significant CSWP production capacity; the export orientation of CSWP producers in the UAE; and the imposition of anti-dumping measures by the US in respect of goods of the same description, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of certain CSWP into Canada from the UAE (excluding goods exported from the UAE by Conares).

POSITION OF THE PARTIES - SUBSIDIZING

Parties Contending that Continued or Resumed Subsidizing is Likely - Nova

[279] Nova made representations through its case brief in support of its position that subsidizing from India is likely to continue or resume should the order expire. Accordingly, Nova argues that the measures should remain in place.

[280] The main factors identified by Nova can be summarized as follows:

- India's Steel Industry
- Countervailable Subsidy Programs
- Research and Development in Iron and Steel Sector - Ministry of Steel
- Programs Listed in the GOI's ERQ Response

India's Steel Industry

[281] Nova states that India has rich raw material deposits of iron ore and has traditionally had a very cost-effective labour base. The GOI takes pride in its steel sector and seeks to support it through government incentive programs. Despite its large and growing capacity and strong government support initiatives, India's per capita steel consumption is quite low. Because of this, the GOI's steel subsidy schemes support steel products destined for global markets without countervailing duties in place.²⁴³

²⁴² *Ibid.*, Public Attachment 119.

²⁴³ Exhibit 39 (NC) – Case brief filed on behalf of Nova, para. 207.

[282] Nova submits that the GOI supports the expansion of India's steelmaking industry through a variety of schemes. The GOI is implementing its "Make in India" policy which promotes Indian steel domestically, participation in World Expo events to showcase Indian steel, adjustments in customs duties in order to enhance the competitiveness of India's steel sector and coordination with other countries to secure the availability of raw material.²⁴⁴

[283] Nova refers to a 2023 GOI statement which sets out the GOI's objectives for its steel industry by 2030-2031. The GOI aims to improve the competitiveness and the presence of its steel industry globally. The GOI intends to ensure that taxes and levies are not imposed on export production.²⁴⁵

[284] Nova highlights that the 2023 "Make in India" policy is aligned with the GOI's PLI Scheme, a 2021 policy to promote key domestic industries, including steel, through government incentives and benefits. Nova adds that pipe products are not listed in the target areas of steel production, but there is an emphasis on increasing steel plant integration.²⁴⁶

[285] Nova reports that in 2023, companies complained about long wait times for payments under the PLI Scheme. The GOI indicated that it would work to make the program more accessible and ensure faster payouts to sectors including steel. Indian steel companies stand to benefit greatly from this massive subsidy scheme over the next 24-36 months.²⁴⁷

[286] Nova notes that in 2023, the Ministry of Steel Advisory Committee stated that steel is a key sector for India as it aims to become the world's third largest economy by 2030-2031. While details are unknown at the moment, a new plan called "Production Linked Incentive Scheme 2.0 for Steel" is being discussed by the committee and shows that India continues to develop new plans to subsidize its steel sector.²⁴⁸

²⁴⁴ *Ibid.*, para. 208.

²⁴⁵ *Ibid.*, para. 209.

²⁴⁶ *Ibid.*, para. 210.

²⁴⁷ *Ibid.*, para. 211.

²⁴⁸ *Ibid.*, para. 212.

Countervailable Subsidy Programs

[287] Nova argues that the subsidy programs for CSWP exporters in India identified in previous CBSA investigations continue to be available. These subsidies are mentioned in the PLI Scheme and its updated 2.0 version, the CBSA's recent final determinations in grinding media and hot-rolled steel sheet, the US's most recent countervailing findings against various steel products from India and India's most recent WTO notification.²⁴⁹

Production Linked Incentive Scheme for Speciality Steel

[288] Nova highlights that the GOI approved a US\$840 million budget for a PLI Scheme for steel in 2021. The incentives were planned to be available in 2023-2024, but will now be released in 2024-2025. The main purpose of the PLI Scheme is to reduce India's reliance on imports of certain steel products and to increase exports of such products. Nova adds that under the PLI Scheme, companies may continue to receive benefits under other government programs.²⁵⁰

[289] Nova reports that in 2022, the GOI reiterated its plans to use government investment to boost steel production and to facilitate steel exports. The GOI emphasized that measures such as the removal of export duties on steel and the Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme will help the domestic steel industry increase its share in the global markets in the coming years.²⁵¹ Nova states that the RoDTEP Scheme supports Indian exports by refunding different taxes and levies. In 2022, the scheme was extended to steel exports, including steel pipe and tube products. A previous version of this scheme was successfully challenged by the US at the WTO in 2019. According to the Ministry of Commerce and Industry of India, one of the goals of the RoDTEP Scheme is to increase the competitiveness of export centric industries.²⁵²

[290] Nova contends that these programs clearly show that the GOI is committed to supporting the steel industry in India through subsidies and incentives over the next few years.²⁵³

Canada's Previous Countervailing Proceedings

[291] Nova refers to the original finding, in which the CBSA found that 100% of the subject goods imported from India during the period of investigation were subsidized. The CBSA found three actionable subsidy programs at the final determination for the single cooperating exporter, including the Focus Product Scheme, the Pre-shipment & Post Shipment Export Financing Program, and the Duty Entitlement Passbook Scheme. Of the 36 potential programs identified at the outset of the CBSA's investigation, the GOI confirmed the existence of 32 programs.²⁵⁴

²⁴⁹ *Ibid.*, para. 213.

²⁵⁰ *Ibid.*, para. 214.

²⁵¹ *Ibid.*, para. 215.

²⁵² *Ibid.*, para. 109.

²⁵³ *Ibid.*, para. 216.

²⁵⁴ *Ibid.*, para. 217.

[292] Nova also notes that in the CBSA's 2017 expiry review investigation, the GOI provided insufficient information regarding the potential subsidy programs identified by the CBSA. The CBSA noted that only general information was provided with respect to Special Economic Zones (SEZ) and the Export Oriented Units (EOU). The CBSA concluded that the expiry of the finding was likely to result in the continuation or resumption of subsidizing into Canada of CSWP originating in or exported from India. According to Nova, there is nothing on the record to demonstrate that any of the programs are no longer available.²⁵⁵

[293] Nova states that the CBSA also renewed the hot-rolled steel sheet finding in 2021, which included subsidy allegations for India.²⁵⁶

[294] Nova also submits that while a reduction in subsidies following the WTO ruling on Indian exports in 2020 was expected, the CBSA found that the GOI continues to provide financial benefits to Indian steel producers. Nova notes that according to the CBSA, export-based incentive schemes, such as the Export Promotion Capital Goods Scheme, and loans under the Steel Development Fund, are actionable subsidies under SIMA.²⁵⁷

[295] Nova reports that in the 2023 CSWP re-investigation, the amounts of subsidy were determined to be 23,872 rupees per MT for two exporters from India.²⁵⁸

[296] Nova contends that it is likely that CSWP producers and exporters in India continue to receive benefits from countervailable subsidies provided by the GOI.²⁵⁹

US Countervailing Findings against Indian Steel Products

[297] Nova submits that since the last expiry review in 2017, the DOC has made several sunset review determinations regarding countervailing subsidies for steel products from India. The DOC completed expedited sunset reviews of its countervailing duty order for hot-rolled steel, both cold-rolled and corrosion-resistant steel, welded stainless pressure pipe and certain cold-drawn mechanical tubing of carbon and alloy steel from India. In all of these cases, the DOC concluded that the revocation of the orders would likely lead to the resumption or continuation of countervailing subsidies by the GOI. Nova argues that the programs found in these investigations are likely employed by producers of CSWP in India since the products are similar and there is overlap of the producers. In each of these DOC cases, expedited sunset reviews were conducted due to lack of adequate participation by the respondents.²⁶⁰

[298] Nova argues that since the CBSA's last expiry review, the conclusions made by the DOC regarding a wide variety of steel products, including other pipe products and hot-rolled steel, and in the absence of any evidence to the contrary, show that it is likely that CSWP exporters in India continue to receive countervailable subsidies from the GOI.²⁶¹

²⁵⁵ *Ibid.*, para. 218.

²⁵⁶ *Ibid.*, para. 219.

²⁵⁷ *Ibid.*, para. 220.

²⁵⁸ *Ibid.*, para. 222.

²⁵⁹ *Ibid.*, para. 223.

²⁶⁰ *Ibid.*, para. 224 and 225.

²⁶¹ *Ibid.*, para. 226.

India's WTO Notification

[299] Nova submits that in India's 2020-2021 notification on subsidies to the WTO, twenty-seven subsidy programs were listed. However, it is likely that not all currently available programs are listed in the notification since the list has not been recently updated.²⁶²

India - Export Related Measures WTO Panel Report and Appeal

[300] Nova refers to a 2019 WTO Panel report on a complaint by the US which alleged that certain Indian subsidies were contingent on export performance and therefore prohibited. The Panel concluded that several subsidies were contingent on export performance and inconsistent with India's obligations.²⁶³

[301] Nova points out that India appealed the Panel's decision, but withdrew its appeal in 2023 with notification to the WTO of a mutually-agreed solution. Nova highlights that it is not known whether India's CSWP or its hot-rolled steel producers benefit from the subsidies listed in the original notification.²⁶⁴

Programs used by Indian CSWP Producers and Exporters

[302] Nova states that publicly available information shows that Indian CSWP producers continue to receive subsidies from the GOI. All the following Indian CSWP producers have reported some government support and/or export incentives: APL Apollo Tubes Limited, Goodluck India Ltd., Hi-Tech Pipes Ltd., JTL Industries Ltd., Manu, Rama Steel Tubes Limited, SAIL, Surya Roshni, Swastik Pipe Ltd., Welspun Corp. and Zenith Steel Pipes & Industries Limited.²⁶⁵

Research and Development in Iron and Steel Sector - Ministry of Steel

[303] Nova submits that the GOI maintains updated reports on the status of the research and development projects which have received financial assistance from the Ministry of Steel. It confirms that several of the companies listed above received financial contributions under this scheme.²⁶⁶

²⁶² *Ibid.*, para. 227.

²⁶³ *Ibid.*, para. 228.

²⁶⁴ *Ibid.*, para. 229.

²⁶⁵ *Ibid.*, para. 230 to 246.

²⁶⁶ *Ibid.*, para. 247.

Programs Listed in the GOI's ERQ Response

[304] Nova states that in its response to the CBSA's ERQ, the GOI reported that of the 36 programs identified by the CBSA, six have been discontinued, six do not exist, 20 are not countervailable or do not meet the definition of a subsidy, and only confirmed the existence of the following four programs: Pre-shipment, Post-shipment and Other Preferential Financing, Export Promotion Capital Goods Scheme, Duty-Free Import Authorisation Scheme, and Duty Drawback Scheme.²⁶⁷

[305] Nova submits that the GOI did not provide sufficient information pertaining to the majority of the subsidy programs alleged to not be countervailable. Due to the lack of a complete response on each program from the GOI, it is not possible to determine whether they are not countervailable, and therefore should still be considered by the CBSA. Nova notes that evidence on the record demonstrates that several of these programs were recently found to be countervailable by the CBSA and other authorities in various cases involving Indian steel products.²⁶⁸

[306] Nova contends that the GOI failed to provide information on other existing programs, not identified by the CBSA but that have been found to exist in previous cases, such as the Merchandise Export from India Scheme.²⁶⁹

Parties Contending that Continued or Resumed Subsidizing is Unlikely

[307] In its response to the CBSA's ERQ, the GOI provided information regarding a broad range of programs that the CBSA identified as possibly conferring a benefit to exporters of CSWP in India.

Government of India

[308] The GOI states that by law, SEZ are outside of the customs territory of India. As such, sale of goods to the SEZ from the Domestic Tariff Area and India (DTA) are not required to pay taxes or duties when entering the SEZ. The GOI notes that transfer of goods from the DTA to SEZ is eligible for the same rebate or Central Value Added Tax credit as exports outside of India. The GOI submits that the SEZ program provides strict verification procedures and therefore the SEZ program should be held to not constitute a countervailing subsidy. The GOI highlights that export performance is not taken into account while determining eligibility for duty free imports. All SEZ across India are eligible for duty free imports and the sector of activity is not relevant. The GOI contends that the CBSA should conclude that India's SEZ program is not countervailable because it does not provide financial benefits to companies operating within the SEZ.²⁷⁰

²⁶⁷ *Ibid.*, para. 248.

²⁶⁸ *Ibid.*, para. 249.

²⁶⁹ *Ibid.*, para. 250.

²⁷⁰ Exhibit 29 (NC) – Response to ERQ from the Government of India, page 10.

[309] The GOI submits that EOU can be set up by entrepreneurs for manufacturing of goods and rendering of services. While different activities are allowed, trading activities are not permitted in the EOU. The GOI provides information regarding the administrative structure of EOU and the approval process. However, the criteria and conditions for this program were not listed in India's ERQ response. The GOI states that "The purpose of this program is to give a level playing field to exporters that would not have any other means to conduct trade" and because of this, the CBSA should conclude that the EOU program is not countervailable.²⁷¹

[310] The GOI states that the Market Access Initiative Scheme provides assistance to eligible agencies in India to undertake initiatives and activities aimed at developing and strengthening the export market. This scheme is intended to promote exports of Indian goods and services by providing financial support to eligible agencies. The GOI notes that this program does not provide any benefits to the exporters themselves but instead to non-profit organizations and associations, as such benefits do not flow to the exporters, except for statutory compliances. These benefits are for limited purposes and are not contingent upon export performance. The GOI contends that the CBSA should conclude that India's Market Access Initiative Scheme is not countervailable.²⁷²

[311] The GOI submits that the Status Certificate Program recognizes "business leaders who have excelled in international trade and have successfully contributed to India's foreign trade". The status holder certificate grants some administrative advantages. For example, authorisation can be granted on a self-declaration basis, producers can self-certify the origin of their goods, and they can obtain preferential treatment with some agencies. The GOI notes that all exporters of goods, services and technology having an import-export code number are eligible to be recognized as a status holder. Export performance of the previous three years are taken into consideration when granting this status. The GOI argues that this program is not specific because it is not limited to any particular sector or industry. As such, the GOI contends that the CBSA should conclude that India's Status Certificate Program is not countervailable.²⁷³

[312] The GOI submits that the Pre-Shipment Credit in Foreign Currency Program is intended to make working capital finance available to exporters at internationally competitive interest rates. By "pre-shipment", the GOI means any loan or advance granted or any other credit provided by a bank for financing export activities. Authorised dealers have been permitted to extend this program to exporters for domestic and imported inputs of exported goods at international interest rates. The GOI notes that loans under the Pre-Shipment Credit in Foreign Currency Program are available on a short-term basis and that no financial contribution is granted to anyone under this program. Since 2010, the new Base Rate system does not give priority to export advances. The GOI argues that the interest rates for export advances are now considered on par with the other commercial advances and as a consequence, it does not confer any benefit to the exporters.²⁷⁴

²⁷¹ *Ibid.*, page 13.

²⁷² *Ibid.*, page 15.

²⁷³ *Ibid.*, page 17.

²⁷⁴ *Ibid.*, page 19.

[313] The GOI states that the Export Promotion Capital Goods Scheme allows imports of capital goods at zero customs duty, subject to an export obligation equivalent to six times of duty saved on capital goods imported under the Export Promotion Capital Goods Scheme. This scheme aims to make capital goods available to manufacturers exporters, and merchant exporters tied to a supporting manufacturers. The GOI adds that the eligibility is not limited to a particular sector or region and that any company that meets the criteria, which are not listed in the response, can use the program.²⁷⁵

[314] The GOI provides information regarding the administrative structure and the approval process of the Advance Authorisation Scheme. However, the goals of the scheme, as well as the criteria and conditions are not listed in the response. The GOI submits that this scheme is not countervailable in terms of the WTO Agreement on Subsidies and Countervailing Measures (ASCM). The GOI argues that it is well-established that duty exemption and remission programs are not inconsistent with the ASCM. The GOI adds that it has in place and applies a system to confirm which inputs are consumed in the production of the exported product and in what amounts, therefore, the Advance Authorisation Scheme is not countervailable.²⁷⁶

[315] The GOI submits that the Duty-Free Import Authorisation is primarily issued to allow duty free import of inputs or raw materials in India. This program allows duty free import of inputs with the condition of minimum value addition of 20% of cost, insurance, and freight value of imported inputs.²⁷⁷

[316] The GOI states that the Duty Drawback Scheme aims to provide a refund to exporters of the customs and excise duties paid on inputs and raw materials or services for use in the production of exported products. The re-export of the imported goods is necessary to be eligible for the drawback. The GOI argues that Duty Drawback schemes are internationally accepted and are compliant with WTO obligations.²⁷⁸

[317] The GOI states that there is no provision of captive mining rights for minerals including iron ore and coal program. The GOI adds that the Mines and Minerals Development and Regulation Act does not provide any grant in the form of cash assistance, tax breaks or any other monetary assistance to entities.²⁷⁹

[318] The GOI submits that the purpose of the Maharashtra Packaged Incentive Scheme is to encourage the development of lesser developed regions and promote sustainable industrial growth throughout the State of Maharashtra. The GOI grants incentives to new and expanding industries through this scheme. To be eligible, industrial units must have commenced production, complied with certain provisions and invested the required fixed capital. The GOI argues that the Maharashtra Packaged Incentive Scheme is not a subsidy within the definition provided in the ASCM provisions.²⁸⁰

²⁷⁵ *Ibid.*, page 22.

²⁷⁶ *Ibid.*, page 24.

²⁷⁷ *Ibid.*, page 28.

²⁷⁸ *Ibid.*, page 29.

²⁷⁹ *Ibid.*, page 33.

²⁸⁰ *Ibid.*, page 35.

[319] The GOI argues that there is no purchase of hot-rolled steel or iron ore from state-owned enterprises for less than fair market value program in place.²⁸¹

[320] The GOI states that the following programs have been discontinued and did not provide further details: Assistance to States for Developing Export Infrastructure and Allied Activities, Market Development Assistance, Brand Promotion and Quality, Test Houses, and Focus Market Scheme.²⁸²

[321] The GOI contends that the following programs do not exist and did not provide further details: Meeting Expenses for Statutory Compliances in Buyer Country for Trade-Related Matters, Towns of Export Excellence, and Research & Development Financial Assistance.²⁸³

CONSIDERATION AND ANALYSIS – SUBSIDIZING

[322] In making a determination under paragraph 76.03(7)(a) of SIMA as to whether the expiry of the finding is likely to result in the continuation or resumption of subsidizing 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.

[323] The CBSA relied on information from the original investigation, subsequent re-investigations, and pertinent information on the record in assessing the likelihood of continued or resumed subsidizing, should the order expire.

[324] As noted in the *Consideration and Analysis – Dumping* section, information on the record indicates the existence of a large number of producers and exporters of CSWP with significant production capacity in India. Based on the excess capacity available and export-orientation of producers of CSWP in India, there is significant incentive to pursue export sales to Canada in order to increase capacity utilization. Furthermore, other jurisdictions have put countervailing measures in place to protect their industry against imports of CSWP from India. As such, should the CITT's order expire, the large number of export-oriented CSWP producers with excess capacity and countervailing measures in place in other countries may increase the likelihood of continued or resumed subsidizing of CSWP.

²⁸¹ *Ibid.*, page 32 and 34.

²⁸² *Ibid.*, page 15, 16, 17 and 18.

²⁸³ *Ibid.*, page 16 and 19.

[325] In the original investigation, the GOI responded to the CBSA subsidy questionnaire by providing general descriptions of the alleged subsidy programs identified by the CBSA and submitting copies of the relevant supporting laws, regulations and policies. Of the 36 alleged subsidy programs identified at the initiation of the investigation, the GOI confirmed the existence of 32 of them. During the final phase of the investigation, the CBSA sought additional information and clarification on the previously-identified subsidy programs. In its supplemental response, the GOI submitted additional information on certain programs, but did not provide all the information that was requested in regard to the previously-identified programs. Given that the GOI did not provide sufficient information to eliminate any of the originally-identified programs, the CBSA determined that 36 potentially actionable subsidy programs were available to exporters of CSWP in India.²⁸⁴

[326] In the present expiry review, the GOI provided general information on the alleged subsidy programs identified by the CBSA. However, as was the case in the original subsidy investigation, the GOI failed to provide sufficient information to the CBSA with respect to each of the 36 identified programs. For example, while the GOI provided general information with respect to SEZ such as the administrative structure of SEZ and the general terms and conditions for companies conducting business in a SEZ, the GOI did not provide information with respect to the seven specific programs identified as potentially being offered to companies located within a SEZ, such as discounted electricity rates and discounted land fees and leases for SEZ units. The same holds true for the EOU Program. The GOI provided a general statement about EOU and contended that EOU are not countervailable as per the provisions of the ASCM but did not provide information on any of the six programs identified as falling under the EOU category, such as duty free importation of capital goods and other materials, and exemption from income tax as per Section 10A and 10B of the Income Tax Act.²⁸⁵

[327] The purpose of this expiry review investigation is not to determine whether each of the 36 alleged subsidy programs in India is in fact a subsidy nor is it to determine which, if any, subsidy program may be specific. Rather, the purpose of the expiry review is to determine whether the expiry of the order is likely to result in the continuation or resumption of subsidizing with respect to the subject goods. To this point, it should be noted that there is insufficient information on the administrative record to indicate that none of the 36 aforementioned programs is a subsidy. While the GOI states that a number of programs or schemes have been discontinued, the GOI also states that many of the 36 programs identified by the CBSA continue to exist (i.e., programs under the EOU category, programs provided by the State Government of Maharashtra, etc.). Furthermore, in response to Question 7 of the Subsidy ERQ which asks in part, “In your response to this question you are encouraged to submit any other information which you believe supports your position with respect to the likelihood of continued or resumed subsidizing if the order expires.”, the GOI “... submits that, as of now, there is no such information.”²⁸⁶

²⁸⁴ Exhibit 30 (NC) – CBSA research #3 – CBSA-2012 IN FD, Statement of Reasons, Concerning the making of Final Determinations of Dumping and Subsidizing and the Termination of Dumping and Subsidizing Investigations.

²⁸⁵ Exhibit 29 (NC) – Response to ERQ from the Government of India.

²⁸⁶ *Ibid.*

[328] Subsequent to the CBSA's final determination of subsidizing with respect to CSWP from India on November 9, 2012, the CBSA made a final determination of subsidizing with respect to grinding media from India on July 29, 2021.²⁸⁷ On December 6, 2021, the CBSA determined that the expiry of the order concerning hot-rolled plate originating in or exported from India is likely to result in the continuation or resumption of subsidizing. In the aforementioned review, the CBSA investigated 55 alleged subsidy programs of which the GOI confirmed the continuance of 42. Furthermore, in the OCTG investigation, the cooperating exporters from India were found to have benefited from subsidy programs.

[329] The DOC has also made several determinations regarding countervailing subsidies for steel products from India since the CBSA's last CSWP expiry review. In 2019, the DOC completed an expedited sunset review of its countervailing duty order on hot-rolled steel from India and identified over 80 subsidy programs.²⁸⁸ The DOC found that the revocation of the order would likely lead to the resumption or continuation of countervailing subsidies by the GOI in several investigations: cold-rolled and corrosion-resistant steel products in 2021,²⁸⁹ welded stainless pressure pipe in 2022,²⁹⁰ and cold-drawn mechanical tubing of carbon and alloy steel in 2023.²⁹¹ These steel products are similar to CSWP and producers often overlap.²⁹²

[330] The subsidy determinations made by the respective investigating authorities in Canada and the US in 2019, 2021, 2022 and 2023 point to ongoing subsidy programs being offered by the GOI, including to producers of CSWP.

[331] In accordance with the notification procedures outlined in Article XVI:1 of the GATT 1994 and Article 25 of the ASCM, the GOI notified the WTO on February 14, 2022, of some of the subsidy schemes granted or maintained at the level of central or state governments in India. The GOI states that the information provided in the notification is for transparency purposes in order to clarify the operation of programmes and that the notification does not prejudice the legal status, nature or effects of government assistance programs under the ASCM and GATT 1994, including as to whether or not the programs are specific within the meaning of the ASCM. The notification lists programs offered by various state governments.²⁹³

²⁸⁷ [Measures in Force](#).

²⁸⁸ Exhibit 34 (NC) – Close of record - attachments from Nova, Public Attachment 204.

²⁸⁹ *Ibid.*, Public Attachment 205 and 206.

²⁹⁰ *Ibid.*, Public Attachment 207.

²⁹¹ *Ibid.*, Public Attachment 208 and 209.

²⁹² *Ibid.*, Public Attachment 210.

²⁹³ *Ibid.*, Public Attachment 211.

[332] In consideration of the lack of participation from Indian producers and exporters of CSWP, the CBSA relied on publically available information and documents from the original investigation. Several CSWP producers in India have stated that they have received various subsidies from the GOI in their financial reports. For example, APL Apollo Tubes Limited mentions government loan at a below market rate in their 2022-2023 annual report, and JTL Industries Ltd. reports government grants in their 2021-2022 annual report.²⁹⁴ Other companies, such as Rama Steel Tubes Limited, SAIL, Goodluck India Ltd. and Hi-Tech Pipes Ltd, have accounts in their annual reports making reference to export incentives.²⁹⁵ In the CBSA's original subsidy investigation, the CBSA determined that one cooperative exporter from India, Manu, received benefits from three programs which were deemed to be actionable subsidies. It was determined that Manu received subsidies in an amount equal to 3,577 rupees per MT.²⁹⁶ However, no exporters in India received their own specific amount of subsidy at the conclusion of the 2023 re-investigation.²⁹⁷ As such, for future importations from India, the amount of subsidy will be determined in accordance with a ministerial specification which is equal to 23,872 rupees per MT.

Determination Regarding Likelihood of Continued or Resumed Subsidizing - India

[333] On May 7, 2018, the CBSA determined that the expiry of the CITT's finding made on December 11, 2012 was likely to result in the continuation or resumption of subsidizing of CSWP originating in or exported from India. The information gathered during the current expiry review investigation supports and reaffirms the previous decision. Based on information on the record regarding the GOI's acknowledgement that a number of the 36 programs identified by the CBSA in the original subsidy investigation continue to exist, the GOI's recent notification to the WTO of some of the subsidy schemes granted or maintained at the level of central and state governments in India, and the recent imposition and continuation of countervailing measures by both Canada and the US in respect of a number of steel-related goods from India, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of subsidizing of certain CSWP from India.

²⁹⁴ *Ibid.*, Public Attachment 216 and 219.

²⁹⁵ *Ibid.*, Public Attachment 217, 218, 220 and 221.

²⁹⁶ Exhibit 30 (NC) – CBSA research #3 – CBSA-2012 IN FD, Statement of Reasons, Concerning the making of Final Determinations of Dumping and Subsidizing and the Termination of Dumping and Subsidizing Investigations.

²⁹⁷ Exhibit 30 (NC) – CBSA research #3 – CBSA-2023 RI CON, Notice of Conclusion of a Re-Investigation.

CONCLUSION

[334] For the purpose of making a determination 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 record, on January 18, 2024, the CBSA made a determination pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the order made by the CITT on October 15, 2018, in Expiry Review No. RR-2017-005 in respect of CSWP originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE:

- i) is likely to result in the continuation or resumption of dumping of such goods originating in or exported from Chinese Taipei, India, Oman, South Korea, Thailand and the UAE; and
- ii) is likely to result in the continuation or resumption of subsidizing of such goods originating in or exported from India.

FUTURE ACTION

[335] The CITT has now initiated its expiry review to determine whether the continued or resumed dumping and subsidizing are likely to result in injury. The CITT's expiry review schedule indicates that it will make its decision by June 26, 2024.

[336] If the CITT determines that the expiry of the order with respect to the goods is likely to result in injury, the order will be continued in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping and/or countervailing duties on dumped and/or subsidized importations of the subject goods.

[337] If the CITT determines that the expiry of the order with respect to the goods is not likely to result in injury, the order will be rescinded in respect of those goods. Anti-dumping and/or countervailing duties would then no longer be levied on importations of the subject goods, and any anti-dumping and/or countervailing duties paid in respect of goods that were released after the date that the order was scheduled to expire will be returned to the importer.

CONTACT US

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