HSS 2024 ER

OTTAWA, February 21, 2025

STATEMENT OF REASONS

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

THE DUMPING OF HOLLOW STRUCTURAL SECTIONS ORIGINATING IN OR EXPORTED FROM SOUTH KOREA AND TÜRKIYE

DECISION

On February 6, 2025, 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 16, 2019 in Expiry Review No. RR-2018-006 is likely to result in the continuation or resumption of dumping of such goods originating in or exported from South Korea and Türkiye.

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EXECUTIVE SUMMARY

[1] On September 9, 2024, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(1) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its order made on October 16, 2019, in Expiry Review No. RR-2018-006, concerning the dumping of structural tubing known as hollow structural sections (HSS) originating in or exported from the Republic of Korea (South Korea) and the Republic of Türkiye (Türkiye).

[2] As a result of the CITT's notice of expiry review, the Canada Border Services Agency (CBSA), on September 10, 2024, 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 of the subject goods.

[3] The CBSA received responses to the Canadian producer Expiry Review Questionnaire (ERQ) from Nova Steel Inc. and Nova Tube Inc. (Nova), Welded Tube of Canada Corporation (Welded Tube), and Atlas Tube Canada ULC (Atlas Tube).[1] The submissions made by these companies expressed an opinion that the continued or resumed dumping of HSS from South Korea and Türkiye is likely if the CITT's order expires.

[4] The CBSA did not receive any responses to the importer ERQ or the exporter ERQ.

[5] In addition to responding to the ERQ, Nova, Welded Tube, and Atlas Tube submitted supplemental information prior to the closing of the record.[2] The CBSA also received case briefs from Nova, Welded Tube, and Atlas Tube.[3] The case briefs submitted by the Canadian producers included information supporting their position that continued or resumed dumping of subject goods is likely if the CITT's order is rescinded. No other case briefs from any party were received by the CBSA.

[1] Exhibits 9, 11, & 13 (PRO) and 10, 12, & 14 (NC) – Response to Canadian Producer ERQ from Nova, Welded Tube, and Atlas Tube.

[2] Exhibits 20 & 23 (PRO) and 21, 22, & 24 (NC) – Close of record documents – Nova, Welded Tube, and Atlas Tube.

[3] Exhibits 25, 27, & 29 (PRO) and 26, 28, & 30 (NC) – Case Briefs from Nova, Welded Tube, and Atlas Tube

[6] The analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of HSS from South Korea and Türkiye should the CITT's order expire. This analysis relied upon the following factors:

- Substitutability of HSS;
- Global Steel & HSS Market Conditions;
- Tariffs and Safeguard Measures on Steel Imports and Diversion of HSS into Canada;
- Attractiveness of Canadian Market;
- Economic Outlook in the Names Countries;
- Excess Capacity and Export-Orientation in the Named Countries;
- The Inability of Exporters from the Named Countries to Compete at Non-dumped Prices; and
- Imposition of Anti-dumping Measures by Authorities of Jurisdictions other than Canada concerning HSS from the Named Countries

[7] Therefore, the CBSA determined under paragraph 76.03(7)(a) of SIMA that the expiry of the CITT's order in respect of HSS is likely to result in the continuation or resumption of dumping of such goods originating in or exported from South Korea and Türkiye.

BACKGROUND

[8] On May 21, 2003, following a complaint made by Atlas Tube, Copperweld Corporation and Welded Tube, the Canada Customs and Revenue Agency (CCRA) initiated an investigation, pursuant to subsection 31(1) of SIMA, respecting the dumping of HSS originating in or exported from South Korea, South Africa, and Türkiye.

[9] On November 17, 2003, pursuant to subsection 41(1) of SIMA, the Commissioner of the CCRA made a final determination of dumping concerning the subject goods from South Korea, South Africa and Türkiye. An injury finding was subsequently issued by the CITT on December 23, 2003, pursuant to subsection 43(1) of SIMA.

[10] On August 7, 2008, following the initiation of an expiry review of the CITT's finding of injury, the CBSA determined that the expiry of the finding was likely to result in the continuation or resumption of dumping of HSS from South Korea, South Africa and Türkiye. On December 22, 2008, in Expiry Review No. RR-2008-001, the CITT continued its finding concerning HSS from South Korea, South Africa, and Türkiye.

[11] On March 11, 2011, the CBSA completed its last re-investigation to update the normal values and export prices of HSS. No exporters cooperated.

[12] On, August 8, 2013, following the initiation of an expiry review of the CITT's order, the CBSA determined that the expiry of the order was likely to result in the continuation or resumption of dumping of HSS from South Korea, South Africa, and Türkiye. On December 20, 2013, in Expiry Review No. RR-2013-001, the CITT continued its order concerning HSS from South Korea and Türkiye and rescinded its order concerning the goods from South Africa.

[13] On May 9, 2018, following the initiation of an expiry review of the CITT's order, the CBSA determined that the expiry of the order was likely to result in the continuation or resumption of dumping of HSS from South Korea, and Türkiye. On October 16, 2019, in Expiry Review No. RR-2018-006, the CITT continued its order concerning HSS from South Korea and Türkiye.

[14] On January 18, 2024, the CBSA concluded an expedited review of HSS exported by Histeel Co., Ltd. (Histeel). Since this date, Histeel is the only exporter who has been issued normal values. All imports of subject goods from other exporters are subject to an anti-dumping duty equal to 89% of the declared export price in accordance with the ministerial specification.

[15] On September 9, 2024, the CITT initiated an expiry review of its order made in Expiry Review No. RR-2018-006, pursuant to subsection 76.03(1) of SIMA.

[16] On September 10, 2024, the CBSA initiated an expiry review investigation to determine whether the expiry of the order is likely to result in continued or resumed dumping of the subject goods. The CBSA must make a determination no later than February 6, 2025.

PRODUCT DEFINITION

[17] The subject goods, referred to as "hollow structural sections", are defined as:

> Structural tubing known as hollow structural sections made of carbon and alloy steel, welded, in sizes up to and including 16.0 inches (406.4 mm) in outside diameter (O.D.) for round products and up to and including 48.0 inches (1219.2 mm) in periphery for rectangular and square products, commonly but not exclusively made to ASTM A500, ASTM A513, CSA G.40.21-87-50W and comparable specifications, originating in/or exported from the Republic of Korea and Turkey.

[18] For purposes of this expiry review investigation, "hollow structural sections" refer to goods that meet the above product definition, irrespective of the country of origin or export. For example, "hollow structural sections" also refer to goods produced domestically in Canada that meet the above product definition.

Additional Product Information

[19] HSS is designed for above ground, load-bearing structural purposes. HSS is used in general construction for structural elements in buildings and bridges, as protective structures on heavy equipment and for other purposes such as highway railings and barriers and outdoor lighting. The goods may also be used in light, load-bearing structural applications, such as for agricultural implements, trailers and racking and storage systems.

[20] HSS is not used for such things as automotive tubing for exhaust systems, bumpers and the like, which are typically made from tubing produced to specialized automotive specifications. HSS is also not designed for conveying liquids or gases.

[21] HSS that has been galvanized (i.e. coated in zinc) or coated in other metals is not subject to this expiry review investigation.

Production Process

[22] HSS production involves the transformation of commercial grade hot-rolled sheet or strip into round, rectangular or square sections. The production process begins with the hot-rolled coil being slit into the appropriate width of strips for the production of tubes of a given circumference. Each strip is then passed through a series of rolls that gradually bend it into a round tube. This tube is electric resistance welded (ERW), and excess metal is removed from the weld on the outside surface of the tube. Upon request by the purchaser, excess metal is also removed from the weld on the inside surface. The tube is then cooled and processed through a set of sizing/shaping rolls in order to cold-form it into a round, square or rectangular section. Finally, tubes are cut to length, bundled and tagged.

CLASSIFICATION OF IMPORTS

[23] Beginning January 1, 2022, the subject goods are usually classified under the following tariff classification numbers:

7306.30.00.41	7306.30.00.61	7306.30.00.89	7306.61.00.39
7306.30.00.51	7306.30.00.71	7306.50.00.00	7306.61.00.49

[24] Prior to January 1, 2022, the subject goods were usually classified under the following tariff classification numbers:

7306.30.00.20	7306.50.00.00	7306.61.00.20
7306.30.00.30	7306.61.00.10	

[25] This listing of tariff classification numbers is for convenience of reference only. Refer to the product definition for authoritative details regarding the subject goods.

PERIOD OF REVIEW

[26] The Period of Review (POR) for the CBSA’s expiry review investigation is January 1, 2021 to June 30, 2024.

CANADIAN INDUSTRY

[27] The Canadian industry for HSS is comprised of the following producers:

- Atlantic Tube & Steel Inc. of Mississauga, Ontario;
- Atlas Tube Canada ULC of Harrow, Ontario;
- Bull Moose Tube Ltd. of Burlington, Ontario;
- Fati Steel Inc. of Varennes, Quebec;
- Nova Steel Inc. of Lasalle, Quebec;
- Nova Tube Inc. of Montreal, Quebec;
- Welded Tube of Canada Corp. of Concord, Ontario;
- Quali-T-Tube Inc. of Bromont, Quebec.

[28] Three of the Canadian producers which provided ERQ responses in this expiry review are regarded as the largest producers of HSS in Canada and estimated to account for about 90% of the volume of Canadian HSS production. These parties are Atlas Tube, Nova, and Welded Tube.[4] The remaining producers, with comparatively smaller operations, account for the balance of production in Canada.

[29] Atlantic Tube & Steel Inc., Bull Moose Tube Ltd., Fati Steel Inc., and Quali-T-Tube Inc. did not participate in this expiry review investigation. As such, no information on their production and sales was available to the CBSA.

Atlas Tube

[30] Atlas Tube, located in Harrow, Ontario, began producing HSS in 1984. Atlas Tube is now the largest HSS producer in Canada and its parent company Zekelman Industries, with several divisions in the United States, is the largest HSS producer in North America. Atlas Tube and Zekelman Industries produce the broadest range of HSS sizes in Canada and the United States.[5]

Nova

[31] Nova Tube Inc., located in Montreal, QC, and Nova Steel Inc., located in Lasalle, QC, are subsidiaries of Novamerican Steel Inc. Nova Tube focuses on pipe and tubular product production (CSWP, pipe shells, and HSS) while Nova Steel specializes in steel products.[6]

Welded Tube

[32] Welded Tube, a privately-held corporation located in Concord, Ontario, has been manufacturing steel tubing since 1970. The first HSS mill was installed in 1973 and Welded Tube currently operates three HSS mills.[7]

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[4] Exhibit 8 (NC) – Articles, reports, and CBSA research – HSS 2018 ER – Statement of Reasons, para 31.
[5] Exhibit 14 (NC) – Response to expiry review questionnaire (ERQ) from Atlas Tube Canada ULC, Q9 response.
[6] Exhibit 10 (NC) – Response to expiry review questionnaire (ERQ) from Nova, Q9 response.
[7] Exhibit 12 (NC) – Response to expiry review questionnaire (ERQ) from Welded Tube, Q9 response.

CANADIAN MARKET

[33] The imports of HSS during the POR are presented in **Table 1** below. The CBSA cannot release specific quantitative data regarding the volume and value of Canadian production of HSS sold for domestic consumption, as it would lead to the disclosure of confidential information of the Canadian producers.

Table 1: Total Imports of HSS
(Volume in MT and value in CAD)

	2021		2022		2023		2024 (January 1 to June 30)	
	Volume	**Value**	**Volume**	**Value**	**Volume**	**Value**	**Volume**	**Value**
South Korea	42	118,879	20	69,514	9	13,646	0.07	962
Türkiye	184	362,206	4	10,800	99	166,017	13	38,991
Total Named Countries	**226**	**481,085**	**24**	**80,314**	**108**	**179,663**	**13**	**39,953**
Other Countries	173,272	438,895,846	150,666	427,694,538	119,518	298,982,835	70,910	150,396,992
Total Imports[8]	**173,498**	**439,376,931**	**150,690**	**427,774,852**	**119,626**	**299,162,498**	**70,924**	**150,436,945**

Canadian Production

[34] The Canadian producers' share of the apparent Canadian market fluctuated over the POR but ultimately increased slightly in volume and value from 2021 to 2024. Throughout the POR, the Canadian producers held the majority of the domestic market share.

Imports – Named Countries

[35] During the POR, the total volume and value of imports of subject goods from the named countries were negligible as a percentage of the apparent Canadian market. In sum, the volume of imports of subject goods during the POR was not material.

Imports – Other Countries

[36] During the POR, the total volume and value of imports of subject goods from other countries (i.e., the non-named countries) as a percentage of the apparent Canadian market were trending downwards.

[8] Exhibit 19 (NC) – CBSA import and compliance statistics – day 50

ENFORCEMENT DATA

[37] In the enforcement of the CITT's order during the POR, as detailed in **Table 2** below, the CBSA assessed a total amount of anti-dumping duty of $736,577 on subject goods imported from the named countries. The total value for duty of subject goods imports during the POR was approximately $741,062. As a percentage of the total value for duty, the anti-dumping duty assessed during the POR was equal to 99.4%. The total quantity of subject goods, on which anti-dumping duty was assessed was approximately 371 MT.

Table 2: Enforcement Data – Imports of Subject Goods[9]
(Quantity in MT and value in CAD)

Country Name	Quantity				Value for Duty				SIMA Duties			
	2021	2022	2023	2024 (Jan 1 to Jun 30)	2021	2022	2023	2024 (Jan 1 to Jun 30)	2021	2022	2023	2024 (Jan 1 to Jun 30)
South Korea	42	20	9	0.07	118,879	69,514	13,646	962	112,191	60,910	595	856
Türkiye	184	4	99	13	362,206	10,800	166,017	38,991	324,043	9,612	148,817	34,702
Total	**226**	**24**	**108**	**13**	**481,085**	**80,314**	**179,663**	**39,953**	**481,085**	**70,522**	**149,411**	**35,559**

PARTIES TO THE PROCEEDINGS

[38] On September 9, 2024, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to known Canadian producers, importers, and exporters.

[39] 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).

[40] The CBSA received responses to the Canadian producer ERQ from Nova, Welded Tube, and Atlas Tube.[10] The submissions made by these companies expressed an opinion that the continued or resumed dumping of HSS from South Korea and Türkiye is likely if the CITT's order expires. In addition to responding to the ERQ, Nova, Welded Tube, and Atlas Tube submitted supplemental information prior to the closing of the record.[11]

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[9] Exhibit 19 (NC) – CBSA import and compliance statistics – day 50

[10] Exhibits 9, 11, & 13 (PRO) and 10, 12, & 14 (NC) – Response to Canadian Producer ERQ from Nova, Welded Tube, and Atlas Tube.

[11] Exhibits 20 & 23 (PRO) and 21, 22, & 24 (NC) – Close of record documents – Nova, Welded Tube, and Atlas Tube.

[41] Nova, Welded Tube, and Atlas Tube provided case briefs to the CBSA in support of their position that continued or resumed dumping of HSS from South Korea and Türkiye is likely if the CITT's order expires.[12]

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

INFORMATION CONSIDERED BY THE CBSA

Administrative Record

[43] 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's exhibits and information submitted by interested parties; including information which the interested parties feel is relevant to the decision as to whether dumping is 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 World Trade Organization (WTO) and responses to the ERQs submitted by Canadian producers, exporters, and importers.

[44] 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 30, 2024.

POSITION OF THE PARTIES – DUMPING

Parties Contending that Continued or Resumed Dumping is Likely

[45] The participating Canadian producers, Nova, Welded Tube, and Atlas Tube, made representations in their ERQ responses and case briefs supporting their position that the dumping of HSS from South Korea and Türkiye is likely to continue or resume should the CITT's order expire. Therefore, the companies argued that the anti-dumping measures should remain in place.

[46] The main factors identified by the participating Canadian producers can be summarized as follows:

International Market conditions

- Global economic conditions
- Global excess steel capacity
- Weak global demand
- Global HSS price volatility

[12] Exhibits 25, 27, & 29 (PRO) and 26, 28, & 30 (NC) – Case Briefs from Nova, Welded Tube, and Atlas Tube

Domestic Market conditions

- Canada's modest economic growth makes Canada an attractive market for exports
- Construction growth and capital expenditures remain stable but end-users of HSS will prefer low-priced HSS due to increases in construction costs
- South Korean and Turkish producers inability to compete at non-dumped prices

Named Countries

- Economic conditions
- HSS excess capacity
- Producers are export-oriented
- Imposition of measures in other jurisdictions

International Market conditions[13]

[47] The participating Canadian producers argued that international market conditions make it likely that exporters from the named countries will export large volumes of HSS to Canada at low prices should the Order expire. The producers argue that international market conditions are extremely volatile and are expected to remain so for the next 12 to 18 months. The producers argue that global steelmaking capacity continues to grow, placing continued volume and price pressure on steel markets and producers around the world. HSS market prospects are much the same, being marked by high levels of excess steel capacity, tepid economic conditions, falling demand, and declining pricing. This creates an incentive for HSS producers to increase production by exporting in order to spread high fixed costs over more tonnes produced. The producers further argue that the volatility and incentive to increase production for export caused by the excess capacity crisis is expected to continue for the foreseeable future.

Global economic conditions[14]

[48] Nova cites that the World Bank anticipates the economic recovery to be soft following the COVID-19 pandemic, the ongoing Russia-Ukraine conflict, and a rise in global inflation and tightening of global monetary conditions.

[49] Nova notes that the World Bank expects global inflation to grow at a slower pace over 2024 to 2026 following the initial post COVID-19 pandemic recovery of 6.3% growth in 2021. Global GDP growth is forecasted to slow to 2.6% in 2024, 2.7% in 2025 and 2.7% in 2026.

Global excess steel capacity[15]

[50] Nova reported that steel capacity expansions are continuing at a robust pace despite the weak outlook for steel demand. Global steelmaking capacity increased by 62 million metric tonnes ("MT") in the past five years to 2.43 billion MT in 2023.

[13] Exhibit 26 (NC), Exhibit 28 (NC), & Exhibit 30 (NC)– Case briefs filed on behalf of Nova, Atlas, and Welded Tube

[14] Exhibit 26 (NC) - Case brief filed on behalf of Nova, paras 22-23

[15] *Ibid.,* paras 28-30

[51] According to the Organisation for Economic Co-operation and Development (OECD), the gap between steelmaking capacity and production has been widening. The gap grew to 543 million MT in 2023 and the utilization rate declined from 77.3% in 2022 to 75.6% in 2023.

[52] Nova argued that the widening capacity-production gap will lead producers with low utilization to increase production volumes in an attempt to spread costs over a larger volume. This increase in production will cause exporters from the named countries to sell these excess goods at dumped prices to attractive export markets such as Canada.

<u>Weak global demand</u>[16]

[53] Welded Tube contends that HSS has a variety of end-uses, but its demand is predominantly indicated by trends in housing construction. Housing construction acts as a proxy for HSS demand because residential construction leads to increased demand for local non-residential construction (e.g., schools, recreational facilities, libraries etc.) and other end-products that consume HSS.

[54] Welded Tube mentions that global demand for HSS is likely to be weak in the near term given the modest anticipated growth in the global construction sector. Growth in global construction is forecast to reach only 2% in 2024, a decrease of 1.7 percentage points from 2023. In this context, global residential construction has leveled off as high interest rates and mortgage costs pressured household budgets. Looking forward, global demand for housing is likely to remain slow until wider economic conditions improve. Indeed, construction output growth is expected to fall by an additional 0.2 percentage points in 2025 over 2024 levels.

<u>Global HSS price volatility</u>

[55] Nova submits that hot-rolled coil (HRC) prices are a reasonable proxy for HSS price trends because HRC represents the vast majority of raw material costs for HSS.[17]

[56] Nova provided global HRC prices from 2020 to H1 2024 for the following six markets: US Midwest, Germany, Italy, UK, India, and China.[18] The CBSA cannot release specific quantitative data regarding the submitted HRC prices as it would lead to the disclosure of confidential information; however, Nova stated that with declining prices and global instability in the HSS market, the subject countries will likely target Canada because of the relatively higher pricing in North America, thereby increasing the likelihood that exporters will ship large volumes of subject goods to Canada at dumped prices if the Order is rescinded.[19]

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[16] Exhibit 28 (NC) - Case brief filed on behalf of Welded Tube, paras 24-28
[17] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 31
[18] *Ibid.*, para 32
[19] *Ibid.,* para 35

Domestic Market conditions

Canada's modest economic growth makes Canada an attractive market for exports[20]

[57] Atlas submits that in 2022, Canada's economy started to recover and its real GDP reached $2.2 trillion. Inflation reached a 40-year high on an average annual basis in 2022, but the Bank of Canada increased interest rates during this period to 4.25% in order to contain inflation. The Canadian economy slowed from 3.8% growth in 2022 to 1.2% in 2023 due to high inflation, interest rates, and softened demand and investment.

[58] Canada's market and economic conditions are projected to remain modest and flat in 2025, despite somewhat lower interest rates. On October 23, 2024, the Bank of Canada lowered the interest rate to 3.7% but Canada's GDP for 2024 is only expected to grow 1.2%, and with lower interest rates, the GDP growth for 2025 and 2026 is expected to be 2.4% and 2.0% respectively. Overall, with modest economic growth, Canada is an attractive market for exports, particularly given the comparatively uncertain international and subject country market conditions.

Construction growth and capital expenditures remain stable but end-users of HSS will prefer low-priced HSS due to increases in construction costs[21]

[59] Atlas submits that demand from the residential and non-residential construction sector is an important contributor to the overall demand for HSS in Canada. During 2021 and 2022, the Canadian market experienced an increase in commercial and residential construction due to low interest rates, which in turn drove demand for HSS. As reported in Statistics Canada's December 2021 building permit report, Canada's total value of building permits increased 25.6% in 2021 and 6.8% in 2022. In 2023, both sectors presented slight declines given pressures of higher interest rates on the cost of finance. Through 2024 and 2025, the industry is expected to grow modestly due to government investments in affordable housing and increases in new construction projects.

[60] Capital expenditures in Canada also increased year-over-year, demonstrating a gradual recovery following the pandemic. Business and government capital expenditures are expected to increase by 4.5% in 2024. For example, Ontario and Quebec are investing in major refurbishments projects and in small modular nuclear reactor projects and there are major pipeline projects in British Columbia. The foregoing illustrates a stable Canadian construction sector with the possibility of modest growth, which will be attractive to South Korean and Turkish HSS producers, who lack demand in their domestic and geographically proximate markets.

[20] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, paras 78-79
[21] *Ibid.*, paras 80-82

[61] Despite some improved growth in the construction industry, rising building construction costs puts pressure on builders and will influence their purchasing decisions. End users of HSS will continue to seek out low-priced imports to mitigate rising construction costs. In 2022, Canada saw an increase in residential and non-residential construction costs. Residential building construction costs rose 19.1% and non-residential building construction costs increased 12.5% in 2022 compared with 2021. Statistics Canada's building construction price indexes reported labour shortages, rising material costs, and effects of high interest rates as key drivers impacting the construction sector in 2023 and 2024. Based on the Canadian Construction Association's recent survey of business conditions for Q3 2023, respondents viewed rising inflation, cost of inputs, interest rates and debt costs as their main concerns. Since HSS is a commodity material, customers will be inclined to seek out low-priced materials for their construction projects in order to minimize the overall rising costs.

South Korean and Turkish producers inability to compete at non-dumped prices

[62] Atlas submits that the CBSA's import and enforcement data show very low volumes of subject good imports during the POR. The implication is that subject goods are unable to compete in Canada at non-dumped prices. To the extent that subject goods were imported into Canada they were sold at dumped prices: together, subject goods imported from these two countries were assessed $691,727 in SIMA duties during the POR. The small volumes, together with the enforcement statistics, demonstrate that subject country producers are unable to sell their products competitively in Canada at fairly-traded prices.[22]

[63] Absent the order, HSS prices will be driven lower because South Korea and Türkiye will need to undercut or match the prices of non-subject country HSS to take Canadian market share. Producers and exporters from non-subject countries are offering low-priced HSS to Canadian customers. Non-subject country sources (e.g., United Arab Emirates, China, Taiwan, and Vietnam) are undercutting Canadian producers' pricing in Canada. The CBSA's import statistics for H1 2024 show that HSS from these non-subject countries were the price leaders during the POR.[23]

[64] Welded Tube stated that there were recent instances where Canadian producers were forced to compete with lower-priced imports from non-subject countries. From the submissions of Welded Tube and Nova, on average, the imports from non-subject countries undercut the prices from Canadian producers from H1 2023 to H1 2024.[24]

[65] Atlas contends that HSS is a commodity product and price is usually the primary factor influencing HSS purchasing decisions. Subject goods will foreseeably compete with other imports in the Canadian market based on price, which will lead to continued or resumed dumping of HSS if the order expires.[25]

[22] *Ibid.,* para 83
[23] *Ibid.,* para 84
[24] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, paras 37-38
[25] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 85

South Korea

Economic conditions

[66] Nova noted that the annual GDP growth rate in South Korea has decreased in recent years, with growth rates of 4.3% in 2021, 2.6% in 2022, 1.4% in 2023, and most recently with a contraction of 0.2% in Q2 2024 due to weaker domestic demand. Furthermore, the International Monetary Fund (IMF) forecasts a growth rate of 2.2% in 2024 and 2.2% in 2025.[26] Welded Tube noted that macroeconomic growth conditions are forecast to remain tepid in the near term, with private spending remaining lackluster due to elevated interest rates and lingering consumer inflation, persistent credit risk and mounting raw material costs in the construction industry, long term demographic trends, and uncertainty related to the U.S. election.[27]

[67] Atlas noted that as the construction sector contracts and the economy slows, domestic demand for steel products used in building applications decreases. South Korea's construction industry experienced almost no growth in 2022 (around 0.2%) due to inflation, supply chain disruptions, and high interest rates. In 2023, the issuance of construction permits fell by 25.3%; while residential building permits declined by 30.6%, following a decline of 14.5% in 2022. The decrease in construction orders and increased volatility in the sector can be attributed to a reduction in government spending on infrastructure and a sluggish housing market. New construction orders declined sharply in January 2024, down 53.6% from the same period in 2023 and construction investment dropped 2.8% in Q3 2024. Notwithstanding anemic economic growth in 2024, South Korea's seasonally adjusted gross domestic income ("GDI") for construction investment is negative (-1.7% quarter on quarter and -0.5% year on year in Q2 2024). Given the slowdown in demand and investment, South Korean HSS producers will look to other international markets, including Canada, as an outlet for their steel products when demand in Korea is weak.[28]

HSS excess capacity

[68] Welded Tube contends that a shrinking domestic construction sector coupled with increased competition in the Korean market with Chinese steel imports has consequently exacerbated Korean HSS producers' excess capacity issues. Indeed, the issue of excess capacity was expressly identified by the President of Hyundai Steel Pipe, who observed that in the small diameter and square pipe markets, "the steel pipe industry needs to make efforts to escape the low-profit structure due to continued low-price competition caused by oversupply." While excess production capacity data is not available for Korean HSS producers, the magnitude of their total capacity and the current slowdown in the Korean market together support the inference that excess capacity is of a sufficient scale that would lead exporters to resume dumping in Canada if the order were not renewed.[29]

[26] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 39
[27] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 53
[28] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, paras 20 & 22.
[29] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 61

[69] The participating Canadian producers all provided estimates of the production capacity for South Korean HSS producers. Nova submitted a publicly available estimate of 5,188,000 MT for all producers in 2024.[30]

Producers are export-oriented

[70] The participating Canadian producers provided several examples of Korean HSS producers being export-oriented. Welded Tube noted that according to the OECD, South Korea was on pace to export 26,929,000 tonnes of steel products in 2023, an increase of 5.8 percent on a year-over-year basis. Given that South Korea was estimated to have produced 53 million tonnes of finished steel products in 2023, this suggests that nearly half of its production is destined for exports. Furthermore, according to SeAH, export sales of steel pipes exceed domestic sales, comprising of 54 percent of all sales.[31]

[71] Atlas and Welded Tube noted that several Korean producers such as SeAh Steel, Hyundai Steel, and Histeel Pipe & Tube Inc., have subsidiaries in North America, allowing easier access to the North American market.[32] Furthermore, Nova and Welded Tube submitted that several export-oriented statements have been made in Korean exporters' annual statements such as Histeel stating that "they export to 30 countries around the world, and established an overseas sales corporation for steel products to conquer the North American market.[33]

[72] Lastly, Atlas submitted that Korea HSS producers possess certifications that meet international manufacturing and factory standards, facilitating South Korea's export-orientation for the products. In Canada, South Korean subject goods are fully substitutable for domestic HSS. Many producers hold certifications for the ASTM A500 and ASTM A513 standards (e.g., SeAh Steel and Histeel's HSS products comply with these two standards),which is another indicator that Canada continues to be an attractive market for South Korean HSS and that these producers are willing and able to produce HSS for the Canadian market.[34]

Imposition of measures in other jurisdictions

[73] The participating Canadian producers indicate that there are 70 anti-dumping[35] and safeguard[36] measures against South Korean steel, including 22 anti-dumping and countervailing measures targeting HSS and related steel tubular products.[37] It was also noted that the United States and Australia have active anti-dumping measures in place against the injurious dumping of HSS from South Korea.

[30] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 43
[31] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 49-50
[32] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 51 & Exhibit 26 (NC) – Case brief filed on behalf of Nova, para 56.
[33] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 51 & Exhibit 28 (NC) – Case brief filed on behalf of Atlas, para 33.
[34] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 35.
[35] *Ibid.,* para 41
[36] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 66
[37] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 63

[74] The participating Canadian producers believe that the various trade remedy measures against steel products from South Korea demonstrate that South Korean steel and pipe producers have a propensity to dump and will resume dumping HSS in Canada if the order expires.

Türkiye

Economic conditions[38]

[75] Nova noted that as of May 2024, inflation in Türkiye surged to 75%, the nation's highest year-on-year inflation rate since November 2022, primarily due to rising prices in the education, housing and restaurant sectors. Though policymakers anticipate inflation to fall, current predictions hold that it will only drop to 38% by the end of 2024. To ensure that disinflation process is fully enacted, central bank authorities have resumed monetary tightening by hiking main interest rates to 50% (in May 2024), an aggressive surge compared to June 2023 when rates were at a more moderate 8.5%. Nevertheless, many consumers, households and enterprises remain doubtful that the new economic measures will actually bring down inflation.

[76] The economic situation in Türkiye has been further compounded by a depreciating currency. The Turkish lira depreciated significantly and rapidly, declining by 89% since 2017 (from 0.3565 in 2017 to 0.0398 in September 2024). Since 2021, it is estimated that the Turkish central bank has allocated over USD$177 billion to bolster the value of the Turkish lira. Just in 2023, the Turkish central bank incurred a loss of US$ 25 billion mostly due to significant hikes in interest rates and expenses associated with government supported savings program that protected depositors against currency depreciation. With shrinking foreign exchange reserves and the threat of possible default, the Turkish government has reversed policies that maintain the value of the Turkish lira and sharply increased interest rates, which is expected to slow domestic demand.

[77] On the back of these difficult economic conditions, the IMF expects Türkiye's year-over-year GDP growth to continue slowing in 2024-2025. Its GDP growth peaked at 11.4% in 2021 and slowed to 5.5% in 2022 and to 4.5% in 2023. The IMF forecasts slowing growth of 3.6% in 2024 and 2.7% in 2025. The OECD Steel Committee forecasts even slower growth at 2.9% in 2024 through 2025.

[78] In sum, the continually high inflation and interest rates announced by Türkiye's central bank, compounded with a depreciated currency, will likely result in lower steel and HSS demand from the domestic construction industries.

[38] Exhibit 26 (NC) - Case brief filed on behalf of Nova, paras 66-69

HSS excess capacity

[79] The participating Canadian producers all provided estimates of the production capacity for Turkish HSS producers. Nova submitted a publicly available estimate of 3,587,000 MT for all producers in 2024.[39] As reported by CEBID (the Turkish Steel Pipe Manufacturers Association), Turkish welded steel pipe producers (including HSS) for 2021-2023 had a utilization rate of 61%, 64%, and 60%, respectively.[40]

[80] Given that Türkiye has some of the largest pipe producers in the world and the excess capacity to fulfill the needs of the Canadian market, the producers believe that excess capacity would be utilized at low prices to Canadian customers if the order is rescinded.

Producers are export-oriented

[81] The participating Canadian producers contend that Türkiye is the fourth largest steel exporter globally with exports totalling approximately 12.38 million tonnes in 2023,[41] including 1,286,218 MT of HSS.[42] Despite a contraction in overall steel and HSS exports between 2022 to 2023 owing to weakness in export markets such as the European Union, Israel, and Morocco[43], there has been an increase in HSS exports when comparing H1 2023 to H1 2024.[44]

[82] Atlas noted that on the domestic side, Türkiye's steel market has been struggling to compete with Chinese and Russian steel imports. Türkiye's steel imports from China have surged from 396,000 tons in 2020 to 3.3 million tons in 2023, threatening the viability of steel producers in Türkiye. Turkish producers are also unable to sell their production due to the combination of low-priced imports from China and rising costs. Russian steel producers began exporting to Türkiye at reduced prices in 2022. GMK reported on August 24, 2022 that Turkish steel exporters may halt their activities domestically in October or November due to reduced competitiveness, partly driven by the influx of cheap Russian steel in the local market.[45]

[83] Welded Tube noted that several Turkish HSS producers have publically stated the importance of HSS exports to sustain operations, including statements from Toscelik, Borusan, Cayirova Boru, Cinar Boru, MMZ, Noksel, and Ozdemir.[46]

[84] As a result, export sales are necessary for the success of Turkish exporters given poor domestic demand and competition with low-priced imports in Türkiye, as well as limited access to other important export markets.

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[39] Exhibit 26 (NC) - Case brief filed on behalf of Nova,, para 75
[40] *Ibid.,* para 73
[41] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 73
[42] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 93
[43] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 73
[44] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 93
[45] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 58
[46] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, paras 74-75

Imposition of measures in other jurisdictions

[85] The participating Canadian producers indicate that there are 28 anti-dumping[47] and safeguard[48] measures against Turkish steel, including 10 anti-dumping and countervailing measures targeting HSS and related steel pipe and tubular products.[49] It was also noted that the United States has active anti-dumping and countervailing measures in place against the injurious dumping and subsidizing of HSS from Türkiye.[50]

[86] The participating Canadian producers believe that the various trade remedy measures against steel products from Türkiye demonstrate that Turkish steel and pipe producers have a propensity to dump and will resume dumping HSS in Canada if the order expires.

Parties Contending that Continued or Resumed Dumping is Unlikely

[87] None of the parties contended that continued or resumed dumping of subject goods from South Korea and Türkiye is unlikely if the CITT order expires.

CONSIDERATION AND ANALYSIS - DUMPING

[88] In making a determination under paragraph 76.03(7)(a) of SIMA 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.

[89] 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. The following list represents a summary of the CBSA's analysis conducted in this expiry review investigation with respect to dumping:

- Substitutability of HSS;
- Global Steel & HSS Market Conditions;
- Tariffs and Safeguard Measures on Steel Imports and Diversion of HSS into Canada;
- Attractiveness of Canadian Market;
- Economic Outlook in the Names Countries;
- Excess Capacity and Export-Orientation in the Named Countries;
- The Inability of Exporters from the Named Countries to Compete at Non-dumped Prices; and
- Imposition of Anti-dumping Measures by Authorities of Jurisdictions other than Canada concerning HSS from the Named Countries

[47] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 68
[48] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 101
[49] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 87
[50] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 69

Substitutability of HSS

[90] The significant number of anti-dumping measures involving steel products, both in Canada and other jurisdictions, are in large part related to the very nature of the products and the industry. The factors that relate to the nature of the product include the substitutability of steel made to international specifications, as well as the capital-intensive nature of steel production. The combined effects of these characteristics can have a significant impact on pricing.

[91] Generally speaking, like many steel products, HSS produced to an international specification in a given country is physically interchangeable with what is produced to the same specification in any other country. As such, the goods compete amongst themselves regardless of origin and share the same channels of distribution and the same potential customers. This means that HSS must compete in markets that are extremely price sensitive, where price is one of the primary factors affecting purchasing decisions. Furthermore, because of this high degree of price sensitivity, prices in a given market may tend to converge over time towards the lowest available price offerings.

[92] This commodity nature of HSS has been consistently confirmed by the CITT in previous expiry reviews on HSS. In the 2013 expiry review, the CITT stated:

> "HSS is a commodity product and that price is the primary factor driving the purchasing decision…the subject goods from Korea and Turkey would compete in the Canadian market with the like goods and other imported HSS largely on the basis of price." [51]

[93] Furthermore in the 2018 expiry review, the CITT stated:

> "the Tribunal finds that, in order to increase their (exporters from South Korea and Türkiye) volume of imports in Canada and market share, the subject goods would indeed have to be priced below the current prices, including the domestic price premium." [52]

[94] Given the substitutability and the commodity nature of HSS, when anti-dumping measures are put in place against a particular source, other sources of HSS emerge. This is evident from the number of measures in Canada, both historically and currently, with respect to other welded tube products (i.e. standard pipe, line pipe, CSWP).

[95] Furthermore, the equipment used to produce other welded tubular steel products (e.g. standard pipe and CSWP) could also be used to produce HSS. This has been noted in all three expiry reviews, and most recently mentioned in the 2018 expiry review where the CITT stated:

> "CSWP is produced on the same machinery as HSS, and many of the market players are the same." [53]

[51] Exhibit 8 (NC) – Articles, reports and CBSA research - CITT - Dumping and Subsidizing Order and Reasons - Expiry Review No. RR-2013-001 - Structural Tubing – para 119.
[52] *Ibid.,* para 94
[53] *Ibid.,* para 37

[96] The ability for a foreign producer to manufacture subject goods at facilities that produce other welded pipe and tube is significant, given the flexibility it affords the producer to easily switch production to subject goods where market conditions are favorable to do so.

[97] Given the trade measures against tubular products originating in the subject countries identified later in this report, the absence of the CITT order on HSS would provide a clear opportunity to capitalize on this flexibility as the trade restrictions make exports of other welded tubular products more difficult. Additionally, due to the price sensitivity of HSS and the fact that HSS produced abroad versus domestic are virtually interchangeable, if the CITT's order expires there is a likelihood of continued or resumed dumping of subject goods into Canada.

<u>Global Steel & HSS Market Conditions</u>

[98] In July 2024, the IMF, in its World Economic Outlook update, projects a global growth of 3.2% in 2024 and 3.3% in 2025 which remains stable when compared to a 3.5% growth in 2022 and 3.3% in 2023.[54] The tightening of central bank policy to combat inflation will result in higher interest costs and pose challenges to firms refinancing their debt. The IMF notes that increased interest rates will lead to weaker business and residential investment. [55]

[99] In the 2018 expiry review of HSS, the CITT noted that "the Tribunal has recognized the existence of global steel overcapacity and its continued detrimental impact on global steel trade."[56] According to a report by the OECD, steel capacity is continuing to be made at a rapid pace while global steel demand remains sluggish, and the sector's profitability has slipped to unsustainable lows. In 2023, world crude steelmaking capacity was estimated at 2,432 million tonnes (mmt), exceeding global steel production by 543 mmt. Over the last five years, global steel capacity has increased by approximately 62 mmt and has projects underway or planned to add another 157 in the next three years while demand is only projected to increase by about 1.9% or 36 mmt per year.[57]

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[54] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF) Update.
[55] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF).
[56] Exhibit 8 (NC) – Articles, reports and CBSA research - CITT - Dumping and Subsidizing Order and Reasons - Expiry Review No. RR-2018-006 - Structural Tubing – para 41
[57] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD: Latest developments in steelmaking capacity and outlook until 2026.

[100] In addition, a precursor of steel demand – the real estate and construction sectors – are also feeling heavy pressure from the inflationary environment. According to Nova, the construction sector is the main downstream industry for HSS. The global construction industry is projected to grow by only 2.2% in 2024, following growth of 4.1% in 2023. From 2025 to 2030, annual construction growth is projected at 2.7% in light of downside risks and economic pressures. For instance, high interest rates have driven up construction costs, and residential construction projects have contracted by 4.5% in 2023 and are forecasted to contract another 3.2% in 2024. Commercial construction is expected to have some growth from 2024 through 2027 but remain only 5% higher than in 2019. The global construction industry remains susceptible to various supply chain risks including competitive climates, geopolitical risks from ongoing conflicts and trade disputes, shortages and disruptions for materials including labour shortages and construction delays, among others.[58]

[101] Tightening global monetary policy, and a downstream slowdown in the construction sector is putting significant pressure on the global steel market. If the CITT's order expires, the current volatility in the market represents an opportunity for exporters of the named countries to dump excess goods into Canada. As a result, this increases the likelihood of continued or resumed dumping of subject goods to Canada.

[102] Additionally, with the ever-increasing excess capacity of steel producers, HSS producers in the named countries will be incentivized to export to the Canadian market to improve capacity-utilization if the CITT's order expires. As a result, this increases the likelihood of continued or resumed dumping of subject goods to Canada.

<u>Tariffs and safeguard measures on steel imports and diversion of HSS into Canada</u>

[103] On March 8, 2018, the United States issued a proclamation regulating imports of steel into the United States under section 232 of the US Trade Expansion Act of 1962, imposing tariffs of 25% on imports of steel into the United States.[59]

[104] Although tariffs still remain on imports from Türkiye, South Korea negotiated changes to the US-Korea Free Trade Agreement (KORUS), which removed the surcharges and imposed a quota on South Korean exports of steel to the United States.[60] Quotas which restrict exports from South Korea to the United States to levels this far below pre-quota levels will likely result in diversion of those exports to other markets.

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[58] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 93
[59] Exhibit 8 (NC) – Articles, reports and CBSA research - CITT - Dumping and Subsidizing Order and Reasons - Expiry Review No. RR-2018-006 - Structural Tubing – para 44
[60] *Ibid*., para 44

[105] These section 232 measures created a ripple effect as the EU also announced their own provisional tariff measures on July 19, 2018 to address the reality of goods being diverted from the United States. The EU later replaced the provisional tariffs with definitive safeguard measures, including a tariff rate quota system for HSS from Türkiye and South Korea (shared with other countries). In June 2024, the EU announced that it is extending steel safeguard measures until 2026.[61]

[106] Divergence of exports was a key rationale for the EU's extension of the definitive safeguard measures. In its official release, the European Commission stated:

> "The prolongation and adjustments are justified by a combination of factors that resulted in significant import pressure on the Union market:
>
> - High levels of global steel overcapacity and the surge of exports from China to third countries, notably in Asia, resulting in increased exports from those third countries to the EU;
> - The increased number of trade defence measures and other trade restrictive measures imposed by other third countries, and;
> - The significant reduction of demand in the EU.

[107] Due to the geographic proximity of the United States to Canada and the size of the American market for steel, compounded with the effect of European safeguard measures against HSS imports and the demand for HSS in Canada, the imposition of these measures will likely cause HSS to be diverted to Canada and price pressures already created by existing non-subject sources noted earlier in this report by the Canadian producers are likely to result in dumping.

<u>Attractiveness of Canadian Market</u>

[108] According to the IMF, real GDP growth in Canada was 1.2% in 2023 and was expected to remain close at 1.3% in 2024 but recover slightly to 2.4% in 2025. It also reported that inflation is cooling more in line with expectations, is ahead of the United States in the easing cycle,[62] and is expected to reach 2% in 2025.[63]

[109] Following a period of high inflation and rising interest rates, the Bank of Canada has announced a series of reductions to the target overnight lending rate since June 2024. Most recently, on December 11, 2024, the Bank of Canada reduced its target rate by 50 basis points to 3.25% to support growth and keep inflation close to the middle of the 1-3% target.[64]

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[61] Exhibit 8 (NC) – Articles, reports and CBSA research – EU prolongs steel safeguard measure until June 2026.
[62] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF) Update.
[63] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF).
[64] https://www.bankofcanada.ca/2024/12/fad-press-release-2024-12-11/ - Bank of Canada reduces policy rate by 50 basis points to 3¼%

[110] Sectors which normally procure HSS, such as the construction and agricultural sectors, are projected to grow in the near future. BuildForce Canada believes that a recent downturn to residential construction will be reversed in 2025 due to interest rate easing and continue growing into 2028. Similarly, it is projected that non-residential construction will grow steadily driven by public sector investment in health care, as well as robust investment from the private sector.[65] For the agricultural sector, Agri-Food Canada expected 2024 net cash income to be 28 percent above the 2018-2022 average which can translate into stronger purchasing power for farmers to purchase machinery using HSS.[66]

[111] The Canadian market for HSS will remain attractive for a few reasons. Growth in Canada's economy is expected to increase over the near future. Interest rates in Canada have decreased along with inflation. The CBSA notes that as interest rates fall, the construction sector will begin to recover, largely due to decreased borrowing costs. Consequently, demand for HSS in Canada will begin to rise. Additionally, the agricultural sector has already shown signs of improvement in the last five years and the growth is continuing, allowing farmers to make additional investments into agricultural equipment or buildings made with HSS. Thus, if the CITT's order expires there is an increased likelihood of the resumption or continuation of dumped subject goods into Canada.

South Korea

Economic Outlook

[112] According to the IMF, South Korea experienced real GDP growth rates of 2.6% and 1.4% in 2022 and 2023, respectively. It is also projected to have growth rates of 2.5% and 2.2% in 2024 and 2025, respectively.[67]

[113] Over the past few years, successive interest rate hikes to combat inflationary pressures in South Korea have severely impacted the construction sector. High interest rates led housing prices to a nominal decline of about 9% in June 2023 from their post-pandemic peak. Consequently housing transactions spiraled down and inventories of unsold properties surged, slowing mortgage lending. The weak housing market has also reverberated on project financing in the construction sector; high interest rates devalued the real estate collateral in asset-backed securities, increased the debt servicing delinquency rates, and forced certain construction companies to default on their debts or to reach an agreement with their creditors.[68]

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[65] Exhibit 22 (NC) – Close of Record Attachments from Welded Tube – Attachment 2.02, pages 6-7
[66] Exhibit 22 (NC) – Close of Record Attachments from Welded Tube – Attachment 3.01, page 3
[67] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF) Update.
[68] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD Economic Surveys Korea 2024.

[114] South Korean authorities intervened to ward off severe declines in housing prices by easing macro-prudential regulations such as reducing housing taxes, relaxing laws pertaining to zoning and reconstruction, and introducing new lending programs.[69] The Bank of Korea has also lowered its policy rate to 3% with a 25 basis point cut as recent as November 28, 2024.[70] These regulations and policy changes seem to have stabilised the falling housing prices; however, housing market sentiment is expected to remain hesitant, due to high household debt levels, in the year ahead before it starts gaining confidence. [71]

[115] Commercial real estate is anticipated to pick up as the market sentiment improves, with the office sector to remain buoyant due to demand supply imbalance. The retail sector is also expected to rebound, as foreign tourists come back and households improve their purchasing power due to abating inflation and debt levels. Vacancy rate is projected to remain high in logistics, which will eventually be absorbed as economic activities increase. All in all, investment in the commercial sector will remain timid in the short-run and will gradually pick up, pending interest rate cuts, with the office sector leading the way. [72]

[116] Inflationary pressure is easing and trending down from its peak in July 2022 towards the 2% target, despite showing stubbornness in the food and energy sectors. The IMF projects inflation, as measured by the consumer prices, to post 2.5% rate in 2024 and to display a downward trend in 2025 to attain 2.0%.[73]

[117] The labour market remains resilient with an unemployment rate expected to reach 3.0% in 2024 and to slightly edge up to 3.1% in 2025, according to the IMF. It is important to note that the Korean fertility rate is among the lowest in the world and the population is set to halve in the next 60 years. This will result in increasing old-age dependency ratio, decreasing labour supply thus exerting pressure on government fiscal policies, economic growth, and consequently the real estate market. Additionally, the labour market duality, regular versus non-regular workers, shows a big gap in pay, job quality and security, productivity and social protection, restricting access of non-regular workers to credit markets.[74]

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[69] Ibid.

[70] https://think.ing.com/snaps/the-bank-of-korea-surprised-market-with-a-25-bp-cut-today/#:~:text=The%20Bank%20of%20Korea%20(BoK,growing%20concerns%20about%20FX%20stability.

[71] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD Economic Surveys Korea 2024.

[72] Exhibit 8 (NC) – Articles, reports and CBSA research – South Korea Real Estate 2024 (CBRE Research).

[73] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF).

[74] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD Economic Surveys Korea 2024.

[118] In sum, high interest rates resulting in elevated debt servicing levels coupled with inflationary pressures and falling housing prices will remain a drag on consumption. The housing real estate sector is expected to remain stagnant in the near future, and the commercial real estate to fare slightly better. The expected interest rates cuts will not have an immediate effect on market sentiment, as there is a delayed response to the intended monetary policy goals. The labour market stayed resilient and prevented a contraction of domestic demand; however it is aging as fertility rate is decreasing. If the fertility rate is not reversed along with tapping into underutilized labour resources and immigration, there will be a shortage in labour supply and consequently higher construction costs. Regulating the labour market duality will also give access to credit markets to a large portion of workers. In the face of a hesitant real estate market, Korean exporters and producers of HSS will have no choice but to go after opportunities abroad to liquidate their excess inventories.

Excess Capacity and Export-Orientation

[119] According to the OECD, steel excess capacity is set to become increasingly problematic in the coming years. From 2019 to 2023, South Korea's steel capacity remained constant at 81.6 mmt.[75]

[120] Welded Tube contends that a shrinking domestic construction sector coupled with increased competition in the Korean market with Chinese steel imports has consequently exacerbated Korean HSS producers' excess capacity issues. Indeed, the issue of excess capacity was expressly identified by the President of Hyundai Steel Pipe, who observed that in the small diameter and square pipe markets, "the steel pipe industry needs to make efforts to escape the low-profit structure due to continued low-price competition caused by oversupply." While excess production capacity data is not available for Korean HSS producers, the magnitude of their total capacity and the current slowdown in the Korean market together support the inference that excess capacity is of a sufficient scale that would lead exporters to resume dumping in Canada if the order were not renewed.[76]

[121] The participating Canadian producers all provided estimates of the production capacity for South Korean HSS producers. Nova submitted a publicly available estimate of 5,188,000 MT for all producers in 2024.[77]

[122] As noted earlier, according to the OECD, South Korea was on pace to export 26,929,000 tonnes of steel products in 2023, an increase of 5.8 percent on a year-on-year basis. Given that South Korea was estimated to have produced 53 million tonnes of finished steel products in 2023, this suggests that nearly half of its production is destined for exports, which is supported by steelmaker SeAH who stated that export sales of steel pipe exceed domestic sales, comprising of 54 percent of all sales.[78]

[75] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD: Latest developments in steelmaking capacity and outlook until 2026.
[76] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 61
[77] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 43
[78] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 49-50

[123] It was also noted that several South Korean producers such as SeAh Steel, Hyundai Steel, and Histeel Pipe & Tube Inc., have subsidiaries in North America, allowing easier access to the North American market.[79] Furthermore, Nova and Welded Tube submitted that several export-oriented statements have been made in Korean exporters' annual statements such as Histeel stating that "they export to 30 countries around the world, and established an overseas sales corporation for steel products to conquer the North American market.[80]

[124] Lastly, it was noted that Korea HSS producers possess certifications that meet international manufacturing and factory standards, facilitating South Korea's export-orientation for the products. In Canada, South Korean subject goods are fully substitutable for domestic HSS. Many producers hold certifications for the ASTM A500 and ASTM A513 standards (e.g., SeAh Steel and Histeel's HSS products comply with these two standards),which is another indicator that Canada continues to be an attractive market for South Korean HSS and that these producers are willing and able to produce HSS for the Canadian market.[81]

[125] Given that South Korea has some of the largest pipe producers in the world, the excess capacity to fulfill the needs of the Canadian market, and have an export-orientation, it is likely that excess capacity would be utilized at low prices to Canadian customers if the order is rescinded.

Inability to Compete at Non-dumped Prices

[126] As can be seen in **Table 1**, import volumes of subject goods from South Korea were virtually non-existent during the POR. This trend continued from the last expiry review in 2018 where similar results were found by the CBSA.[82]

[127] Based on the Enforcement data section, a total of approximately 71 MT (value of $203,000) entered Canada during the POR. Subject imports of HSS from South Korea were assessed a total of $174,552 in anti-dumping duties. This is in contrast to the approximately 514,667 MT imports from all other sources.

[128] For the first time since the HSS final determination in 2003, an exporter from South Korea participated in a SIMA proceeding in 2023 during the CBSA's expedited review of HSS exported to Canada by Histeel. At the conclusion of the expedited review in January 2024, normal values were determined for Histeel in accordance with section 15 and paragraph 19(b) of SIMA.[83] Although Histeel obtained normal values at the beginning of 2024, import volumes still remained virtually non-existent from South Korean exporters. In fact, 2024 was on pace to have the lowest volume of imports from South Korea with a total of 0.07 MT imported in H1 2024.

[79] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 51 & Exhibit 26 (NC) – Case brief filed on behalf of Nova, para 56.
[80] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 51 & Exhibit 28 (NC) – Case brief filed on behalf of Atlas, para 33.
[81] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 35.
[82] Exhibit 8 (NC) – Articles, reports and CBSA research – CBSA – HSS 2018 ER – Expiry Review Decision - SOR
[83] Exhibit 8 (NC) – Articles, reports and CBSA research – CBSA – Notice of Conclusion of expedited review Hollow Structural Sections (HSS 2023 XR).

[129] In conclusion, although recent evidence shows that exporters of HSS from South Korea do have an interest in the Canadian market via the request for an expedited review in 2023, subject imports continue to remain almost null. The continued lack of a presence in the Canadian market, even with established normal values under section 15 and paragraph 19(b), show that exporters of HSS from South Korea are unable to compete at non-dumped prices. As a result, if the order is rescinded, there is an increased likelihood of the resumption or continuation of dumped subject goods into Canada.

Imposition of Anti-dumping Measures by Authorities of Jurisdictions other than Canada concerning HSS from South Korea

[130] Based on the information on the record, two countries (other than Canada) have imposed anti-dumping measures on HSS from South Korea. The countries include Australia and the United States.

[131] The United States Department of Commerce (USDOC) published its final decision with respect to heavy walled rectangular welded carbon steel pipes and tubes (HWR), which includes HSS products, from South Korea, Mexico, and Türkiye on July 15, 2016. The USDOC determined dumping margins ranging from 2.34% and 3.82% on subject goods from South Korea. In the USDOC's most recent sunset review of 2021, it was found that the revocation of the order of the subject goods from South Korea would likely lead to the continuation or resumption of dumping.[84] In the United States International Trade Commission's (USITC) most recent sunset review of 2022, it was found that the revocation of the order would be likely to lead to continuation or recurrence of material injury.[85]

[132] On May 27, 2022, the Australia Anti-dumping Commission concluded its sunset review of HSS from China, South Korea, Malaysia, and Taiwan. In the decision the Commission determined dumping margins from 0% to 13.8% for South Korean exporters. The Commission also determined that dumping would be likely to continue if the anti-dumping measures expired.[86]

[133] Consequently, while the record does not indicate that there are a large number of anti-dumping measures concerning South Korean HSS in other countries, the fact that one of those measures concerns the United States is significant, given the size of that market and the proximity of the United States to Canada.

[84] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, Public Exhibit 8
[85] Exhibit 8 (NC) – Articles, reports and CBSA research – USITC – Five-year Review – Heavy Walled…
[86] Exhibit 8 (NC) – Articles, reports and CBSA research – Australian government – Inquiry Concerning the Continuation of Anti-dumping Measures.

CBSA Anti-dumping Measures Concerning South Korea

[134] The CBSA currently has seven other anti-dumping measures against South Korean steel products, three of which are tubular goods as follows:

- CSWP – 2012;[87]
- Plate – 2013, [88]
- Concrete Reinforcing Bar (Rebar) – 2014;[89]
- OCTG – 2015;[90]
- Carbon Steel Line Pipe – 2017;[91]
- Cold-rolled steel sheet – 2018;[92] and
- Corrosion-resistant steel sheet – 2019[93]

[135] As such, notwithstanding the lack of participation in most proceedings related to the Canadian anti-dumping measures on HSS, exporters in South Korea have continued to have an active – and recent – interest in the Canadian market, including those exporting pipe and tube products, as evidenced by the numerous anti-dumping measures against these products noted above.

Türkiye

Economic Outlook

[136] According to the IMF, Türkiye experienced real GDP growth rates of 5.5% and 4.5% in 2022 and 2023, respectively. It is also projected to have further declining growth rates of 3.6% and 2.7% in 2024 and 2025, respectively.[94]

[137] The OECD notes that inflation in 2022 and 2023 was 72.3% and 44.6%, respectively.[95] As of December 2024, inflation remained close to 2023 levels at 44.38% but experienced an extremely volatile year reaching a peak of 75.45% in May 2024.[96] Inflation has risen to a 20-year high, exacerbated by global supply constraints and buoyant domestic and external demand.

[87] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1396/ad1396-i12-nf-eng.html.
[88] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1402/ad1402-i13-fd-eng.html.
[89] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1403/ad1403-i14-nf-eng.html
[90] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1404/ad1404-i14-nf-eng.html.
[91] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/lp22017/lp22017-nf-eng.html.
[92] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/crs2018/crs2018-nf-eng.html.
[93] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/cor2018/cor2018-nf-eng.html.
[94] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF) Update.
[95] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD Economic Surveys Türkiye 2023.
[96] https://tradingeconomics.com/turkey/inflation-cpi.

[138] The high interest rates imposed by the central bank to curb inflation have made it difficult for construction companies to access financing. As a result, the issuance of new building permits and residential unit approvals is in sharp decline. Building permit numbers peaked in Q4 2023 but have since decreased in Q1 and Q2 2024. In Q2 2024, the number of buildings, dwelling units, and floor area of buildings decreased by 22.7%, 28.9%, and 30.9%, respectively, compared with the same period in 2023. At the same time, construction costs have surged by 66% year on year, driven by a 50% increase in material prices. These higher costs, coupled with limited credit access, have made new construction projects financially unviable for many developers, leading to a slowdown in the construction sector. Although there was reconstruction activity following the earthquakes in February 2023, this activity was limited and has slowed. A government official told Reuters that there is "insufficient funding in the budget to open new tenders".[97]

[139] The economic situation in Türkiye has been further compounded by a depreciating currency. The Turkish lira depreciated significantly and rapidly, declining by 89% since 2017 (from 0.3565 in 2017 to 0.0398 in September 2024). Since 2021, it is estimated that the Turkish central bank has allocated over USD$177 billion to bolster the value of the Turkish lira. Just in 2023, the Turkish central bank incurred a loss of US$ 25 billion mostly due to significant hikes in interest rates and expenses associated with government supported savings program that protected depositors against currency depreciation. With shrinking foreign exchange reserves and the threat of possible default, the Turkish government has reversed policies that maintain the value of the Turkish lira and sharply increased interest rates, which is expected to slow domestic demand.[98]

[140] After periods of consecutive unemployment rates above 10% since 2019,[99] the unemployment rate cooled off in 2023 at a rate of 8.9%.[100] According to the OECD, the structure of the Turkish economy has changed considerably in the past two decades and will continue to change. Job creation in business service and manufacturing sectors coupled with urbanisation has raised living standards and allowed many workers to move away from low-productivity subsistence farming. Lower income regions in the Eastern parts of the country could close part of the gap in living standards. Exports increased as the economy got more integrated into global value chains. Labour productivity, also spurred by increased competition with worldwide markets, rose by more than 3% annually over 2003-19.[101]

[141] Given the economic outlook, harsh financial and monetary conditions and a struggling construction sector, the demand for HSS in Türkiye is likely to remain low. As domestic demand of HSS is not expected to rebound in the near future, it is likely that producers in Türkiye will rely heavily on export markets which may increase the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's order expires.

[97] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 54.
[98] Exhibit 26 (NC) - Case brief filed on behalf of Nova, paras 67
[99] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD Economic Surveys Türkiye 2023.
[100] Exhibit 8 (NC) – Articles, reports and CBSA research – World Economic Outlook (IMF)
[101] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD Economic Surveys Türkiye 2023.

Excess Capacity, Weak Demand, and Export-Orientation

[142] According to the OECD, steel excess capacity is set to become increasingly problematic in the coming years, including expansions to capacity in Türkiye. Since 2019, Türkiye's capacity has grown from 50.7 mmt to 57.4 mmt in 2023.[102]

[143] Nova submitted a publicly available estimate of 3,587,000 MT for all producers of HSS in 2024.[103] As reported by CEBID (the Turkish Steel Pipe Manufacturers Association), Turkish welded steel pipe producers (including HSS) for 2021-2023 had a utilization rate of 61%, 64%, and 60%, respectively.[104]

[144] As noted earlier in the report, Türkiye is the fourth largest steel exporter globally with exports totalling approximately 12.38 million tonnes in 2023,[105] including 1,286,218 MT of HSS.[106] Despite a contraction in overall steel and HSS exports between 2022 to 2023 owing to weakness in export markets such as the European Union, Israel, and Morocco[107], there has been an increase in HSS exports when comparing H1 2023 to H1 2024.[108]

[145] Atlas noted that on the domestic side, Türkiye's steel market has been struggling to compete with Chinese and Russian steel imports. Türkiye's steel imports from China have surged from 396,000 tons in 2020 to 3.3 million tons in 2023, threatening the viability of steel producers in Türkiye. Turkish producers are also unable to sell their production due to the combination of low-priced imports from China and rising costs. Russian steel producers began exporting to Türkiye at reduced prices in 2022. GMK reported on August 24, 2022 that Turkish steel exporters may halt their activities domestically in October or November due to reduced competitiveness, partly driven by the influx of cheap Russian steel in the local market.[109]

[146] Public statements of the importance of HSS exports to sustain operations, have also been made by Turkish HSS producers including statements from Toscelik, Borusan, Cayirova Boru, Cinar Boru, MMZ, Noksel, and Ozdemir.[110]

[147] Given that Türkiye has some of the largest pipe producers in the world, the excess capacity to fulfill the needs of the Canadian market, and have an export-orientation, it is likely that excess capacity would be utilized at low prices to Canadian customers if the order is rescinded.

[102] Exhibit 8 (NC) – Articles, reports and CBSA research – OECD: Latest developments in steelmaking capacity and outlook until 2026.
[103] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 75
[104] *Ibid.,* para 73
[105] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 73
[106] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 93
[107] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, para 73
[108] Exhibit 26 (NC) - Case brief filed on behalf of Nova, para 93
[109] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, para 58
[110] Exhibit 30 (NC) - Case brief filed on behalf of Welded Tube, paras 74-75

Inability to Compete at Non-dumped Prices

[148] As can be seen in **Table 1**, import volumes of subject goods from Türkiye were virtually non-existent during the POR. This trend continued from the last expiry review in 2018 where similar results were found by the CBSA.[111]

[149] Based on the Enforcement data section, a total of approximately 300 MT (value of $578,014) entered Canada during the POR. Subject imports of HSS from Türkiye were assessed a total of $517,174 in anti-dumping duties. This is in contrast to the approximately 514,667 MT imports from all other sources.

[150] The continued lack of a presence in the Canadian market, show that exporters of HSS from Türkiye are unable to compete at non-dumped prices. As a result, if the order is rescinded, there is an increased likelihood of the resumption or continuation of dumped subject goods into Canada.

Imposition of Anti-dumping Measures by Authorities of Jurisdictions other than Canada concerning HSS from Türkiye

[151] Based on the information on the record, the United States has imposed anti-dumping measures on HSS from Türkiye.

[152] The USDOC published its final decision with respect to HWR from South Korea, Mexico, and Türkiye on July 15, 2016. The USDOC determined dumping margins ranging from 0% and 35.66% on subject goods from Türkiye. Additionally, the USDOC determined subsidy rates ranging from 15.08% and 23.37%. In the USDOC's most recent sunset review of 2021, it was found that the revocation of the anti-dumping and countervailing orders of the subject goods from Türkiye would likely lead to the continuation or resumption of dumping and subsidization.[112] In the USITC's most recent sunset review of 2022, it was found that the revocation of the anti-dumping and countervailing duty orders would be likely to lead to continuation or recurrence of material injury.[113]

[153] Consequently, while the record does not indicate that there are a large number of anti-dumping measures concerning Turkish HSS in other countries, the fact that one of those measures concerns the United States is significant, given the size of that market and the proximity of the United States to Canada.

[111] Exhibit 8 (NC) – Articles, reports and CBSA research – CBSA – HSS 2018 ER – Expiry Review Decision - SOR
[112] Exhibit 28 (NC) - Case brief filed on behalf of Atlas, Public Exhibit 8
[113] Exhibit 8 (NC) – Articles, reports and CBSA research – USITC – Five-year Review – Heavy Walled…

CBSA Anti-dumping Measures Concerning Türkiye

[154] The CBSA currently has four other anti-dumping and/or countervailing measures against Turkish steel products, three of which are tubular goods as follows:

- Rebar – 2014;[114]
- Oil country tubular goods (OCTG) – 2015;[115]
- CWSP – 2019;[116] and
- Corrosion-resistant steel sheet - 2020[117]

[155] As such, notwithstanding the lack of participation in all proceedings related to the Canadian anti-dumping measures on HSS, exporters in Türkiye have continued to have an active – and recent – interest in the Canadian market, including those exporting pipe and tube products, as evidenced by the numerous anti-dumping measures against these products noted above.

Determination regarding likelihood of continued or resumed dumping

[156] Based on the available information concerning various factors:

- Substitutability of HSS;
- Global Steel & HSS Market Conditions;
- Tariffs and Safeguard Measures on Steel Imports and Diversion of HSS into Canada;
- Attractiveness of Canadian Market;
- Economic Outlook in the Names Countries;
- Excess Capacity and Export-Orientation in the Named Countries;
- The Inability of Exporters from the Named Countries to Compete at Non-dumped Prices; and
- Imposition of Anti-dumping Measures by Authorities of Jurisdictions other than Canada concerning HSS from the Named Countries;

the CBSA has determined that the expiry of the order in respect of hollow structural sections originating in or exported from South Korea and Türkiye is likely to result in the continuation or resumption of dumping of the goods.

[114] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1403/ad1403-i14-nf-eng.html
[115] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1404/ad1404-i14-nf-eng.html
[116] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/cswp32018/cswp32018-nf-eng.html
[117] CBSA Notice of Final Determination: https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/cor22019/cor22019-nd-eng.html

Conclusion

[157] 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 February 6, 2025, 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 16, 2019, in Expiry Review No. RR-2018-006 in respect of HSS originating in or exported from South Korea and Türkiye is likely to result in the continuation or resumption of dumping of the goods from South Korea and Türkiye.

FUTURE ACTION

[158] The CITT has now initiated its expiry review to determine whether the continued or resumed dumping is likely to result in injury. The CITT's expiry review schedule indicates that it will make its decision by July 16, 2025.

[159] 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 duties on dumped importations of the subject goods.

[160] 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 expire in respect of those goods. Anti-dumping duties would then no longer be levied on importations of the subject goods, and any anti-dumping 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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