STATEMENT OF REASONS

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

THE DUMPING OF CERTAIN OIL COUNTRY TUBULAR GOODS
ORIGINATING IN OR EXPORTED FROM CHINESE TAIPEI, INDIA,
INDONESIA, THE PHILIPPINES, SOUTH KOREA, THAILAND, TURKEY,
UKRAINE AND VIETNAM.

DECISION

On July 23, 2020, 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 finding made on April 2, 2015, in Inquiry No. NQ-2014-002:

i. is likely to result in the continuation or resumption of dumping of certain oil country tubular goods originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, South Korea, Thailand, Turkey, Ukraine and Vietnam; and

ii. is unlikely to result in the continuation or resumption of dumping of certain oil country tubular goods originating in or exported from the Philippines.
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EXECUTIVE SUMMARY

[1] On February 24, 2020, 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 finding made on April 2, 2015, in Inquiry No. NQ-2014-002, concerning the dumping of certain oil country tubular goods (OCTG) originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India (India), the Republic of Indonesia (Indonesia), the Republic of the Philippines (the Philippines), the Republic of Korea (South Korea), the Kingdom of Thailand (Thailand), the Republic of Turkey (Turkey), Ukraine and the Socialist Republic of Vietnam (Vietnam).

[2] Chinese Taipei, India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam may also collectively be referred to as “the named countries” in this report.

[3] As a result of the CITT’s notice of expiry review, on February 25, 2020, the Canada Border Services Agency (CBSA) initiated an expiry review investigation to determine, pursuant to paragraph 76.03(7)(a) of SIMA, whether the expiry of the finding is likely to result in the continuation or resumption of dumping of the subject goods to Canada, from any of the named countries. The period of review for the CBSA’s expiry review investigation was from January 1, 2017 to December 31, 2019.

[4] The CBSA received responses to its Canadian Producer Expiry Review Questionnaire (ERQ) from Evraz Inc. NA Canada (Evraz),¹ Tenaris Canada (Tenaris)² and Welded Tube of Canada (WTC).³ These companies may also collectively be referred to as “the Canadian producers” in this report. The submissions made by the Canadian producers included information supporting their position that continued or resumed dumping of certain OCTG from the named countries is likely if the CITT’s finding is rescinded. In addition to responding to the ERQ, Evraz⁴ and Tenaris⁵ submitted supplementary information prior to the closing of the record.

[5] The CBSA received responses to the Foreign producer ERQ from Maharashtra Seamless Limited (Maharashtra Seamless) and its related exporter GVN Fuels Limited (GVN Fuels).⁶

[6] None of the exporters directly expressed an opinion on whether or not the continued or resumed dumping of subject goods from any of the named countries is likely if the CITT’s finding is rescinded.

¹ Exhibits 30 (PRO) and 31 (NC) – Response to Canadian Producer ERQ – Evraz.
² Exhibits 28 (PRO) and 29 (NC) – Response to Canadian Producer ERQ – Tenaris.
³ Exhibits 24 (PRO) and 25 (NC) – Response to Canadian Producer ERQ – WTC.
⁴ Exhibits 36 (PRO) and 37 (NC) – Close of Record Supporting Documents from Tenaris Canada.
⁵ Exhibits 38 (PRO) and 39 (NC) – Close of Record Attachments from Evraz.
⁶ Exhibits 48 (PRO) and 49 (NC) – Response to Foreign producer ERQ – Maharashtra Seamless and GVN Fuels.
The CBSA received responses to the Importer ERQ from Hallmark Tubulars Ltd. (Hallmark Tubulars), Imex Canada Inc. (Imex) and IMCO International Steel Trading Inc. (IMCO).

No importer expressed an opinion on whether or not the continued or resumed dumping of subject goods from any of the named countries is likely if the CITT’s finding is rescinded.

Case briefs were submitted by Evraz and Tenaris, including supplemental case briefs specific to the ERQ response filed by Indian producer, Maharashtra Seamless. The case briefs submitted by the Canadian producers included information supporting their position that continued or resumed dumping of certain OCTG from the named countries is likely if the CITT’s finding is rescinded.

No interested parties submitted reply submissions.

Analysis of information on the administrative record in respect of the excess production capacity and high export dependency of OCTG exporters/producers; the inability to sell OCTG in Canada at non-dumped prices; the continued interest of the exporters in the Canadian market; the recent US and EU tariff measures on steel imports; and anti-dumping measures in place in Canada and in other jurisdictions on steel tubular goods from the exporting countries, indicates a likelihood of continued or resumed dumping into Canada of certain oil country tubular goods originating in or exported from Chinese Taipei, India, Indonesia, South Korea, Thailand, Turkey, Ukraine and Vietnam should the CITT’s finding be rescinded.

On the other hand, concerning subject goods from the Philippines, analysis of information on the administrative record in respect of: low production volumes of OCTG; strong projected domestic consumption of OCTG; decreased emphasis on exports in comparison to the period of the original investigation; absence of dumping and demonstrated ability to compete at normal values during the period of review; lack of trade measures against exports of OCTG from the Philippines in other markets; and a lack of any compelling evidence which suggests the Philippines would revert to dumping in absence of the finding, indicates that continued or resumed dumping from the Philippines is not likely should the CITT’s finding be rescinded.

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7 Exhibits 18 (PRO) and 19 (NC) – Response to Importer ERQ – Hallmark Tubulars.
8 Exhibits 22 (PRO) and 23 (NC) – Response to Importer ERQ – Imex.
9 Exhibits 32 (PRO) and 33 (NC) – Response to Importer ERQ – IMCO.
10 Exhibits 41 (PRO) and 42 (NC) – Case briefs on behalf of Evraz and WTC.
11 Exhibits 43 (PRO) and 44 (NC) – Case briefs on behalf of Tenaris Canada.
For the foregoing reasons, the CBSA, having considered the relevant information on the administrative record, determined on July 23, 2020, under paragraph 76.03(7)(a) of SIMA, that:

i. the expiry of the finding in respect of certain OCTG originating in or exported from Chinese Taipei, India, Indonesia, South Korea, Thailand, Turkey, Ukraine and Vietnam is likely to result in the continuation or resumption of dumping of the goods exported to Canada; and

ii. the expiry of the finding in respect of certain OCTG originating in or exported from the Philippines is not likely to result in the continuation or resumption of dumping of the goods exported to Canada.

BACKGROUND

On July 21, 2014, following a complaint filed by Tenaris Canada of Calgary, Alberta and Evraz Inc. NA Canada of Regina, Saskatchewan, the CBSA initiated investigations, pursuant to subsection 31(1) of SIMA, respecting the dumping of certain OCTG originating in or exported from Chinese Taipei, India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam; and the subsidizing of certain OCTG originating in or exported from India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam.12

On December 3, 2014, pursuant to subsection 38(1) of SIMA, the CBSA made a preliminary determination of dumping in respect of the subject goods from the named countries; and made a preliminary determination of subsidizing in respect of the subject goods from India, Indonesia, the Philippines, Thailand, Ukraine and Vietnam. On the same date, the CBSA terminated the subsidy investigation in respect of the subject goods from South Korea and Turkey.

On March 3, 2015, pursuant to subsection 41(1) of SIMA, the CBSA made a final determination of dumping in respect of the subject goods from the named countries; and a final determination of subsidizing in respect of subject goods originating in or exported from India, Indonesia and Vietnam. On the same date, the CBSA terminated the subsidy investigation in respect of the subject goods originating in or exported from the Philippines, Thailand and Ukraine.

On April 2, 2015, pursuant to subsection 43(1) of SIMA, the CITT found in Inquiry No. NQ-2014-002 that the dumping of the subject goods from the named countries had not caused injury, but was threatening to cause injury to the domestic industry in Canada. On the same date, the CITT terminated its subsidy inquiry in respect of subject goods originating in or exported from India, Indonesia and Vietnam due to negligible volumes.13

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12 The complaint was also supported by the two other domestic producers at that time, Energex Tube (Energex), of Welland, Ontario and Welded Tube of Canada (Welded Tube), of Concord, Ontario.
13 Exhibit 27 (NC) – CITT Findings & Reasons (NQ-2014-002).
On December 14, 2015, the CBSA concluded a re-investigation to update the normal values and export prices from the named countries.14

On February 11, 2019, the CBSA concluded a normal value review to update the normal values and export prices from the Philippines of HLD Clark Steel Pipe Co. Inc. (HLD Clark).

On April 2, 2019, the CBSA concluded a normal value review to update the normal values and export prices from Indonesia of PT Citra Tubindo (Citra Tubindo).

On May 25, 2020, the CBSA concluded a subsequent re-investigation to update the normal values and export prices from the named countries.

On January 3, 2020, pursuant to subsection 76.03(2) of SIMA, the CITT issued a notice concerning the expiry of its finding, which was scheduled to occur on April 1, 2020. Based on the information filed during the expiry process, the CITT decided that a review of the finding was warranted. On February 24, 2020, the CITT initiated an expiry review of its finding pursuant to subsection 76.03(3) of SIMA.15

On February 25, 2020, the CBSA commenced an expiry review investigation to determine whether the expiry of the finding is likely to result in continued or resumed dumping of the goods originating in or exported from the named countries.16

PRODUCT INFORMATION

Product Definition

The goods subject to this expiry review are defined as:

“Oil country tubular goods, which are casing, tubing and green tubes made of carbon or alloy steel, welded or seamless, heat-treated or not heat-treated, regardless of end finish, having an outside diameter from 2 ⅜ inches to 13 ⅜ inches (60.3 mm to 339.7 mm), meeting or supplied to meet American Petroleum Institute specification 5CT or equivalent and/or enhanced proprietary standards, in all grades, excluding drill pipe, pup joints, couplings, coupling stock and stainless steel casing, tubing or green tubes containing 10.5 percent or more by weight of chromium, originating in or exported from Chinese Taipei, the Republic of India, the Republic of Indonesia, the Republic of the Philippines, the Republic of Korea, the Kingdom of Thailand, the Republic of Turkey, Ukraine and the Socialist Republic of Vietnam.”

14 Note: The re-investigation included other goods not subject to this investigation, originating in or exported from China as four SIMA measures, including OCTG 2 were subject to the re-investigation (Seamless Casing, OCTG 1 and Pup Joints).


16 Exhibit 12 (NC) – CBSA Notice of Initiation of Expiry Review.
Additional Product Information 17

[25] The product definition includes “green tubes.” Green tubes, as they are commonly referred to in the OCTG industry, are intermediate or in-process tubing and casing which require additional processing, such as threading, heat-treatment or testing, before they can be used as fully finished oil and gas well casing or tubing in end-use applications.

[26] Pup joints, which are essentially short lengths of OCTG used for spacing in a drill string, are excluded where their length is 12 feet or below (with a three inch tolerance), as defined in the API 5CT specification.

Production Process 18

[27] OCTG may be manufactured by the seamless or electric welded (ERW) process. Typical casing and tubing end finishes include: plain end, beveled, external upset ends, threaded, or threaded and coupled (including proprietary premium connections).

[28] Premium or Proprietary connections refer to higher-end threading and coupling of the pipes. They are preferred by users who want to provide, for example, more reliable sealing under extreme loads and complex operating conditions, where standard connections may not suffice in maintaining the integrity of the pipe string.

[29] The seamless process begins with the formation of a central cavity in a solid steel billet to create a shell. The shell is then rolled on a retained mandrel and reduced in a stretch reduction mill to produce the finished size before cooling on a walking beam cooling bed.

[30] Algoma Tubes employs this production process, starting with its purchase of steel bars. The steel bar is cut into a billet and then loaded into the rotary furnace to be heated and ready for the Hot-Rolling Mill (HRM). Depending on the grade desired, the next process may involve heat-treatment. Finishing operations may include one or more of:

- Heat-treatment;
- Threading and coupling;
- Testing.

[31] All OCTG produced by Algoma Tubes are green tubes before they are finished. While Algoma Tubes has its own threading, coupling, and heat-treating capability, some of Algoma Tubes’ product is threaded and coupled at the Tenaris Hydril facility in Alberta with a premium connection.

17 Exhibit 27 (NC) – Supplemental CBSA Research. CBSA OCTG 2 Final Determination Statement of Reasons, paragraphs 33 – 34.
18 Exhibit 27 (NC) – Supplemental CBSA Research. CBSA OCTG 2 Final Determination Statement of Reasons, paragraphs 36 - 45.
ERW OCTG is produced by slitting flat hot-rolled steel in coil form in a given thickness (skelp) to the proper width required to produce the desired pipe diameter. The skelp is then sent through a series of forming rolls that bend the steel into a tubular shape. As the edges come together under pressure in the final forming rolls, an electric current is passed between them. The resistance to the current heats the edges of the skelp to the welding temperature and the weld is formed as the two edges are pressed together.

Evraz, Prudential and WTC all essentially employ the ERW production process. Evraz produces ERW OCTG in Canada at four separate facilities.

Tube formed by either the seamless or the ERW methods is then cut-to-length. Depending on the API specifications required, OCTG may also be heat-treated at this point. The product is then sent to the finishing line where it is beveled and threaded on both ends. Tubing undergoes a separate process of upsetting and normalizing prior to threading. Finally, a coupling and coupling protector are applied to one end of the pipe and a thread protector is applied to the other end before it is ready for shipment. Finishing operations also include cooling, straightening, facing, testing, coating and/or bundling.

**CLASSIFICATION OF IMPORTS**

The subject goods are normally classified under the following tariff classification numbers:

<table>
<thead>
<tr>
<th>7304.29.00.11</th>
<th>7304.29.00.19</th>
<th>7304.29.00.21</th>
</tr>
</thead>
<tbody>
<tr>
<td>7304.29.00.29</td>
<td>7304.29.00.31</td>
<td>7304.29.00.39</td>
</tr>
<tr>
<td>7304.29.00.41</td>
<td>7304.29.00.49</td>
<td>7304.29.00.51</td>
</tr>
<tr>
<td>7304.29.00.59</td>
<td>7304.29.00.61</td>
<td>7304.29.00.69</td>
</tr>
<tr>
<td>7304.29.00.71</td>
<td>7304.29.00.79</td>
<td>7304.39.00.60</td>
</tr>
<tr>
<td>7304.59.00.50</td>
<td>7306.29.00.11</td>
<td>7306.29.00.19</td>
</tr>
<tr>
<td>7306.29.00.21</td>
<td>7306.29.00.31</td>
<td>7306.29.00.29</td>
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<td>7306.29.00.39</td>
<td>7306.29.00.61</td>
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<td>7306.30.00.30</td>
<td>7306.50.00.00</td>
</tr>
<tr>
<td>7306.90.00.10</td>
<td>7306.90.00.20</td>
<td></td>
</tr>
</tbody>
</table>

This listing of tariff classification numbers is for convenience of reference only. The tariff classification numbers provided may include goods that are not subject goods and subject goods may be imported into Canada under tariff classification numbers other than those provided. Refer to the product definition for authoritative details regarding the subject goods.

**PERIOD OF REVIEW**

The period of review (POR) for the CBSA’s expiry review investigation is from January 1, 2017 to December 31, 2019.
CANADIAN INDUSTRY

[38] The Canadian industry for OCTG is comprised of three companies: Evraz, Tenaris Canada and WTC.

[39] In the CITT’s original Inquiry (NQ-2014-002), the CITT found that ERW OCTG constituted like goods to seamless OCTG and both seamless and ERW OCTG were considered a single class of goods.19

Evraz

[40] Evraz produces ERW OCTG in several locations throughout Canada.20 In addition, Evraz produces other tubular products, including tubing, line pipe, drill pipe and coupling stock.

Tenaris Canada

[41] Tenaris Canada and its affiliates, including Algoma Tubes Inc. (Algoma Tubes), Prudential Steel ULC (Prudential Steel), Tenaris Global Services (Canada) Inc. and Hydril Canadian Company LP 21 (collectively referred to as “Tenaris”) are involved in the production and sales of both seamless and ERW OCTG.

[42] Prudential Steel of Calgary, Alberta produces a range of ERW OCTG including casing from 4.5 to 11.625 inches in outside diameter and tubing from 2.375 to 3.5 inches in outside diameter.22

[43] Algoma Tubes of Sault Ste Marie, Ontario is the only Canadian producer of seamless OCTG and can produce from 3.5 to 10.75 inches in outside diameter.23

Welded Tube of Canada (WTC)

[44] WTC produces ERW OCTG in outside diameters ranging from 4.5 inches to 9.625 inches at its facilities in Concord and Port Colborne, Ontario. WTC also has threading and heat-treatment facilities in Welland, Ontario.24

CANADIAN MARKET

[45] The apparent Canadian market for OCTG over the POR, which includes Canadian production from Tenaris Canada, Evraz and WTC is indicated in Table 1 and Table 2 below.

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19 Exhibit 27 (NC) – CBSA Supplemental Research; CITT Dumping and Subsidizing Findings and Reasons on Oil Country Tubular Goods, April 17, 2015, paragraph 42.
20 Exhibit 30 (PRO) – Response to Canadian Producer ERQ – Evraz; Question 5.
21 Hydril is a threading and premium connection facility only. Exhibit 29 (NC) – Response to Canadian Producer ERQ – Tenaris, Question 5.
22 Exhibit 29 (NC) – Response to Canadian Producer ERQ – Tenaris Canada, Question 7.
23 Exhibit 29 (NC) – Response to Canadian Producer ERQ – Tenaris Canada, Question 7.
24 Exhibit 25 (NC) – Response to Canadian Producer ERQ – Welded Tube of Canada, Question 5.
Table 1 reports the sales value of the apparent Canadian market in Canadian Dollars (CAD), while Table 2 reports the corresponding sales volume in MT.

Table 1
Apparent Canadian Market for the POR 25
(Value in CAD)

<table>
<thead>
<tr>
<th>Source</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian Producers'</td>
<td>$549,655,518</td>
<td>$730,518,666</td>
<td>$519,334,430</td>
</tr>
<tr>
<td>Domestic Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chinese Taipei</td>
<td>$0</td>
<td>$2,195,766</td>
<td>$1,672,575</td>
</tr>
<tr>
<td>India</td>
<td>$780,394</td>
<td>$0</td>
<td>$10,365,344</td>
</tr>
<tr>
<td>Indonesia</td>
<td>$4,759</td>
<td>$1,085,602</td>
<td>$0</td>
</tr>
<tr>
<td>Philippines</td>
<td>$10,359,421</td>
<td>$10,134,559</td>
<td>$14,614,813</td>
</tr>
<tr>
<td>South Korea</td>
<td>$109,208</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Thailand</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Turkey</td>
<td>$3,461,592</td>
<td>$3,020,167</td>
<td>$306,944</td>
</tr>
<tr>
<td>Ukraine</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Vietnam</td>
<td>$277,196</td>
<td>$124,000</td>
<td>$0</td>
</tr>
<tr>
<td>Total - Named Countries</td>
<td>$14,992,571</td>
<td>$16,560,594</td>
<td>$26,959,677</td>
</tr>
<tr>
<td>China</td>
<td>$156,084,447</td>
<td>$108,781,155</td>
<td>$25,546,653</td>
</tr>
<tr>
<td>United States</td>
<td>$557,155,833</td>
<td>$485,244,437</td>
<td>$287,591,853</td>
</tr>
<tr>
<td>Mexico</td>
<td>$248,204,710</td>
<td>$230,031,173</td>
<td>$103,726,941</td>
</tr>
<tr>
<td>Austria</td>
<td>$74,795,139</td>
<td>$52,851,801</td>
<td>$87,366,347</td>
</tr>
<tr>
<td>Japan</td>
<td>$52,762,316</td>
<td>$50,163,822</td>
<td>$33,449,053</td>
</tr>
<tr>
<td>All Other Countries</td>
<td>$129,631,349</td>
<td>$226,522,548</td>
<td>$123,964,797</td>
</tr>
<tr>
<td>Total Imports</td>
<td>$1,233,626,364</td>
<td>$1,170,155,029</td>
<td>$688,605,320</td>
</tr>
<tr>
<td>Total Market</td>
<td>$1,783,281,883</td>
<td>$1,900,673,695</td>
<td>$1,207,939,751</td>
</tr>
</tbody>
</table>

25 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
Table 2
Apparent Canadian Market for the POR 26
(Volume in MT)

<table>
<thead>
<tr>
<th>Source</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Canadian Producers’ Domestic Sales</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Chinese Taipei</strong></td>
<td>0</td>
<td>1,137</td>
<td>1,662</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>189</td>
<td>0</td>
<td>7,161</td>
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<tr>
<td><strong>Indonesia</strong></td>
<td>8</td>
<td>410</td>
<td>0</td>
</tr>
<tr>
<td><strong>Philippines</strong></td>
<td>7,951</td>
<td>6,953</td>
<td>7,837</td>
</tr>
<tr>
<td><strong>South Korea</strong></td>
<td>84</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Thailand</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Turkey</strong></td>
<td>1,970</td>
<td>1,074</td>
<td>76</td>
</tr>
<tr>
<td><strong>Ukraine</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Vietnam</strong></td>
<td>159</td>
<td>82</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total – Named Countries</strong></td>
<td><strong>10,360</strong></td>
<td><strong>9,657</strong></td>
<td><strong>16,736</strong></td>
</tr>
<tr>
<td><strong>China</strong></td>
<td>82,825</td>
<td>55,419</td>
<td>14,391</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>354,583</td>
<td>268,055</td>
<td>174,913</td>
</tr>
<tr>
<td><strong>Mexico</strong></td>
<td>121,324</td>
<td>101,965</td>
<td>42,603</td>
</tr>
<tr>
<td><strong>Austria</strong></td>
<td>44,598</td>
<td>60,647</td>
<td>44,599</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>15,194</td>
<td>5,133</td>
<td>12,882</td>
</tr>
<tr>
<td><strong>All Other Countries</strong></td>
<td>53,237</td>
<td>73,479</td>
<td>76,531</td>
</tr>
<tr>
<td><strong>Total Imports</strong></td>
<td><strong>682,121</strong></td>
<td><strong>574,354</strong></td>
<td><strong>382,655</strong></td>
</tr>
<tr>
<td><strong>Total Market</strong></td>
<td><strong>1,020,401</strong></td>
<td><strong>961,447</strong></td>
<td><strong>663,073</strong></td>
</tr>
</tbody>
</table>

26 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
Canadian Production

[47] Based on the apparent Canadian market figures in Table 1 above, sales of OCTG in Canada by the Canadian producers increased substantially from 2017 to 2018. In 2017, domestic sales totalled $549,655,518, and increased to $730,518,666 in 2018. In 2019, domestic sales fell to $519,334,430. This demonstrates that the Canadian producers’ domestic sales increased by 33% in 2018, before decreasing by 28.9% in 2019. These figures can be compared to the total apparent Canadian market, which increased by 6.6% from 2017 to 2018, before declining by 32.3% in 2019.

[48] On a production volume basis, Table 2 displays that domestic sales of OCTG in Canada by the Canadian producers increased from 338,281 MT in 2017 to 387,093 MT in 2018, before declining to 280,419 MT in 2019. This demonstrates domestic sales volume increased by 14.4% from 2017 to 2018, before declining by 38% in 2019. These figures can be contrasted with the total apparent Canadian market, which increased by 5.9% from 2017 to 2018, before declining by a further 31% in 2019.

[49] Based on the data presented in Table 2, the Canadian producers’ share of the apparent Canadian market, as a percentage of total volume, increased from 33.1% in 2017, to 40.2% in 2018, and finally to 42.3% in 2019.

Imports – Named Countries

[50] As seen in Table 1, during the POR, the total value of imports of subject goods from the named countries, as a percentage of the apparent Canadian market, increased from 0.84% in 2017 to 0.87% in 2018 and to 2.23% in 2019. As seen in Table 2, the volume of imports from the named countries, as a percentage of the apparent Canadian market, increased from 1.02% in 2017, to 1% in 2018, and finally to 2.52% in 2019. The data demonstrates that the imports of subject goods from the named countries increased in both absolute and relative terms throughout the POR.

Imports – Other Countries

[51] As seen in Table 1, the total dollar value of imports of OCTG from all other countries, as a percentage of the apparent Canadian market, decreased from 68.3% in 2017, to 60.7% in 2018 and to 54.8% in 2019. As seen in Table 2, the volume of imports from all other countries as a percentage of the apparent Canadian market, decreased from 65.8% in 2017, to 58.7% in 2018 and to 55.2% in 2019. The data shows that imports of OCTG from all other countries as a share of the apparent Canadian market decreased in both value and volume throughout the POR.
ENFORCEMENT DATA

[52] As shown in Table 3 below, the total amount of anti-dumping duties assessed on imports of subject goods from the named countries during the POR was $727,650.

Table 3  
Anti-dumping Duty Assessed on Imports of certain OCTG 27  
(Anti-Dumping duty in CAD)

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese Taipei</td>
<td>$0</td>
<td>$50,482</td>
<td>$8,662</td>
</tr>
<tr>
<td>India</td>
<td>$166,640</td>
<td>$0</td>
<td>$23,815</td>
</tr>
<tr>
<td>Indonesia</td>
<td>$1,780</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Philippines</td>
<td>$0</td>
<td>$2,434</td>
<td>$0</td>
</tr>
<tr>
<td>South Korea</td>
<td>$0</td>
<td>$0</td>
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</tr>
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<tr>
<td>Turkey</td>
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<td>$0</td>
</tr>
<tr>
<td>Ukraine</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Vietnam</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

PARTIES TO THE PROCEEDINGS

[53] On February 25, 2020, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQ to known Canadian producers and potential importers and exporters of OCTG. All of these parties were also sent an ERQ. A list of all interested parties can be found in Appendix A. A list of the names and addresses of the parties who participated in this expiry review investigation as well as the names of their counsel is contained in Appendix B.

[54] The ERQ requested information needed to consider the expiry review factors, as listed in subsection 37.2(1) of the Special Import Measures Regulations (SIMR).

[55] Three ERQ responses were received on behalf of the Canadian producers: Evraz Inc. NA Canada (Evraz), Tenaris Canada28 and Welded Tube of Canada Inc. (WTC). Three importers in Canada, Hallmark, IMCO and Imex, and one exporter, Maharashtra Seamless of India, also participated in the expiry review investigation and provided ERQ responses.

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27 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
28 Tenaris Canada is the collective name used to represent the production facilities of Tenaris Algoma Tubes Inc. and Prudential Steel ULC.
Case briefs were received from counsel on behalf of the Canadian producers. No interested parties submitted reply submissions. Supplemental case briefs were also submitted on behalf of the Canadian producers in regards to the foreign producer ERQ response from Maharashtra Seamless, which had been accepted by the CBSA following the granting of a filing extension to the company.  

INFORMATION CONSIDERED BY THE CBSA  

Administrative Record  

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 CITT’s administrative record relating to the initiation of the expiry review, 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 finding. 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 and responses to the ERQs submitted by Canadian producers, exporters and importers.

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 expiry review investigation, the administrative record closed on April 15, 2020.

PROCEDURAL ISSUES  

On March 26, 2020, Indian producer Maharashtra Seamless Limited (Maharashtra Seamless) requested an extension to file their ERQ response. On the same date, the CBSA granted an extension until April 30, 2020, citing the ongoing global pandemic as an extenuating circumstance meriting the request.

On April 30, 2020, Maharashtra Seamless requested a second extension to file their ERQ response given the continued extenuating circumstances. On the same date, the CBSA granted an extension until May 22, 2020.

Exhibits 49 (PRO) and 50 (NC) and 52 (PRO) and 53 (NC) – Supplemental case briefs from Tenaris and Evraz in regards to foreign producer ERQ response from Maharashtra Seamless and related exporter GVN Fuels.

Exhibit 21 (NC) – CBSA response and extension request from Jindal Maharashtra Seamless Limited.

Exhibit 45 (NC) – CBSA response and extension request from Jindal Maharashtra Seamless Limited.
POSITION OF THE PARTIES – DUMPING

Parties Contending that Continued or Resumed Dumping is Likely

[61] The Canadian producers made representations in their ERQ responses and in their case briefs supporting their position that dumping of certain OCTG from the named countries is likely to continue or resume should the CITT rescind its finding. Consequently, they argued that the anti-dumping measures should remain in place.

[62] Prior to undertaking a country-by-country analysis, certain factors, common to all named countries, were identified by the Canadian producers and can be summarized as follows:

- Impact on trade patterns of Chinese steel exports;
- Global Steel Excess Capacity;
- Global OCTG Excess Capacity;
- Canadian Market Conditions and the Oil Price Crash; and
- The Global Pandemic.

Impact on Trade Patterns of Chinese Steel Exports

[63] The Canadian producers cited China as the main contributor to the excess steel production capacity in the world.

[64] In the context of this expiry review, the Canadian producers argued that “China plays a major role in driving overcapacity in the subject countries, through its export of subsidized steel products into the subject countries.”

[65] The Canadian producers argued that as a result, producers in the named countries:

“are unable to compete with Chinese imports and must therefore expand into markets like Canada where Chinese exports are disciplined by OCTG-related trade measures. The removal of trade remedy protection against subject countries’ imports, given that Canada has trade remedy measures against OCTG from China, would increase the attractiveness of the Canadian market to subject exporters.”

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32 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 50.
33 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 50.
In supporting their position, the Canadian Producers cited the CITT’s finding from its safeguard inquiry in *Certain Steel Goods*:

“China is responsible for 75 percent of new steel capacity since 2000, with its crude steelmaking capacity increasing sevenfold from 150 million tonnes in 2000 to an estimated 1,048 million tonnes in 2018—a level that represents more than 46 percent of total world crude steel capacity. Trading partners with domestic steelmaking capacity have sought commitments from China to reduce its excess capacity and eliminate further subsidies. China’s response has been to acknowledge the problem and to make repeated commitments to reduce steel production capacity. While Chinese crude steel making capacity has declined by about 100 million tonnes since 2015, this is just a small step considering the exponential growth seen in the previous years. The net result is that China has added nearly 500 million tonnes of new capacity since 2007.”

Furthermore, the Canadian producers do not believe the global excess steel capacity attributed largely to China will change in the near future. The OECD indicated that worldwide projects underway could add 42.2 MMT of steelmaking capacity between 2020 and 2022. Nearly half of those projects are in China. Another 17.7 MMT of global steel capacity additions are being planned.

While steelmaking capacity continues to rise, steel demand is reportedly slowing. The Canadian producers reported that “in 2019, global demand for steel was expected to grow just 1.3 percent, and growth in demand was expected pre-COVID-19 to slow to just 1 percent in 2020.”

The Canadian producers stated that excess steelmaking capacity in China is also true in the OCTG sector. The Canadian producers cited the CITT’s comments concerning Chinese OCTG in the 2015 *Oil Country Tubular Goods* expiry review in support of this:

“The Tribunal found that in 2010, Chinese production capacity was 10 million tonnes while domestic demand was only 5 million tonnes. The Tribunal also found that notwithstanding this significant excess capacity, China was continuing to add new capacity in certain regions. […] the Tribunal also concluded that notwithstanding the Government of China’s stated intentions to deal with its excess capacity issues, a “significant correction of China’s overcapacity problem is unlikely to happen in the near to medium term, particularly as capacity continues to be added in certain regions.”

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34 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 22.
35 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 26.
36 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 29.
Citing a more recent expiry review, from 2018, the Canadian producers noted the CITT’s comments in *Seamless Casing* where it noted that:

“Chinese seamless OCTG capacity was approximately double the size of the Chinese domestic market (which is consistent with the 10 million MT estimate for 5 million MT of demand). There, the Tribunal also found that Chinese producers were continuing to add further capacity notwithstanding these long-standing concerns and China’s own recognition of its overcapacity issues.” 37

The Canadian producers added that the markets in named countries are not capable of absorbing existing steel capacity, and the production imperative is pushing steel products generally, and subject goods specifically, into export markets as the only possible outlet. 38

**Global Steel Excess Capacity**

The Canadian Producers argued that since the CITT’s finding, global crude steel capacity has remained well above both production and demand, resulting in instability. 39

They explained that global steel capacity increased from 413 million metric tonnes (MMT) in 2018 to 440 MMT in the first half of 2019. According to the chair of the OECD Steel Committee, the increase came at a time when downside risks to the steel market outlook are dangerously high. Notable downside risks include increased trade policy tensions, a depressed and weakening global manufacturing sector, and significant financial market vulnerabilities in the face of a slowing global economy. 40

The Canadian producers identified excess steel capacity in China as the main factor behind the capacity crisis, citing evidence from the CITT’s safeguard inquiry regarding *Certain Steel Goods*. 41

The Canadian producers stated that the excess capacity crisis is having an increasingly negative impact on steel producers. The OECD stated that companies taking on more debt to maintain or extend operations, amidst weak global demand and excess capacity, could undermine the viability and sustainability of the sector as a whole. 42

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37 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 31.
38 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Paragraph 25.
39 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 21.
40 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 21.
41 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 22.
42 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 24.
Global OCTG Excess Capacity

[76] The Canadian producers stated that the sharp decline in oil prices at the end of 2014 led to reductions in OCTG consumption globally. In 2016, consumption of OCTG had plummeted to half of what it was just a few years prior and by 2019 it still remained well below what it was in 2013.43

[77] The Canadian producers stated that the drop in global OCTG consumption has resulted in the dismal capacity utilization ratios of the OCTG2 countries.44

[78] The Canadian producers again identified Chinese excess capacity as a root cause of global OCTG oversupply. The producers cited the CITT in Oil Country Tubular Goods, stating that OCTG production and production capacity in China is the most significant factor in Global OCTG oversupply. The CITT also stated that China is continuing to add capacity in certain regions and that a correction of the overcapacity problem is unlikely to happen in the near to medium term.45

[79] The Canadian producers also cited the CBSA’s expiry review decision in Certain Oil Country Tubular Goods Originating in or Exported from The People’s Republic of China, stating that China is a major contributor with respect to excess capacity of OCTG and that Chinese excess capacity remained more than six times the size of the Canadian market.46

[80] In the Certain Seamless Casing Expiry Review, the CBSA added that the combined production capacity of three Chinese seamless producers was more than 18 times the size of the seamless casing market in Canada.47

[81] The Canadian producers argued that Chinese overcapacity has impacted the capacity utilization ratios of the named countries. At the time of the finding, the CITT stated that the named countries had excess capacity amounting to 1.135 MMT, and a combined capacity utilization rate of 65.5%.48 Today, the combined excess capacity of the named countries has more than tripled with a combined capacity utilization rate well below the rate realized at the time of the finding.49

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43 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 27.
44 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 28.
45 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 29.
46 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 30.
47 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 32.
48 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 34.
49 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, Paragraph 35.
Lastly, the Canadian producers stated that the future outlook for global OCTG consumption is dire, citing Metal Bulletin Research (MBR) projecting a very modest increase in global consumption for 2020.50

The Canadian producers concluded that the fundamental changes in the global oil and gas sector since the finding and the resulting drop in global OCTG consumption, demand and pricing,51 coupled with low producer capacity utilization ratios from the named countries, support the fact that continued or resumed dumping is likely should the finding be allowed to expire.52

**Canadian Market Conditions and the Oil Price Crash**

The Canadian producers argued that during the POR, pricing in the both the global and Canadian oil and gas markets declined dramatically.53 They stated that the declines have had a direct impact on the drilling activities of oil and gas producers, as well as their consumption of OCTG. Since 2017, this has resulted in a decline in demand for OCTG and an enhanced focus on acquiring OCTG for the lowest possible price. This has also led to limited selling opportunities for the producers in each of the respective named countries, leading to an increased probability of dumping.54

The Canadian producers stated that Canadian market conditions have deteriorated significantly since the finding. They cited the CITT in *Seamless Casing*, stating that there has been a seismic shift in the economics of the oil and gas industry following the drop in oil prices occurring at the second half of 2014, which resulted in a decline in oil exploration and production in Western Canada between 2014 and 2016.55

Demand for OCTG reached its lowest level in decades in 2016 and improved slightly as a result of an increase in oil prices between 2017 and 2018.56 Since that point, a number of factors demonstrate that market conditions for OCTG in Canada have worsened.57

Late in 2018, the price of Western Canada Select (WCS) declined significantly, resulting in the imposition of a mandatory cut in production of 8.7%, which has been extended through to December 31, 2020. This caused a decline in wells drilled from 7,000 in 2017 to 5,000 in 2019.58

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50 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, Paragraph 36.
51 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Paragraph 26.
52 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 38.
53 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Paragraph 16.
54 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 40.
55 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 41.
56 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 41.
57 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 42.
58 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 43.
The Canadian producers stated that the deterioration in market conditions led to a significant decline in demand for OCTG in Canada in 2019, alongside an increased focus on the acquisition of OCTG for the lowest possible price. This was demonstrated by the provision of examples of Canadian producers such as Husky Energy making reductions in headcount, cuts to capital expenditures and posting financial losses.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 44.}

Further exasperating the situation, the Russia-OPEC oil price war, which began in early March 2020, caused oil prices to drop to unprecedented levels and caused great uncertainty in the energy markets.\footnote{Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Paragraph 16.} Pricing collapsed after Russia’s refusal to support deeper cuts to production to help cope with the outbreak of the global pandemic, prompting OPEC to respond by removing all limits on its own production.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 45.}

Over the course of March 2020, benchmark Brent and West Texas Intermediate (WTI) oil prices collapsed from $52 USD and $45 USD per barrel, to $26 USD and $20 USD per barrel. WCS experienced a larger decline, falling from $31 USD per barrel to $5 USD per barrel.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 46.}

An agreement that would effectively end the war was reached in early April, however Saudi Arabia quickly reignited the war by offering record discounts to Asian purchasers, causing global oil price to tumble again. North American inventories of crude oil were also at record levels, with the American Petroleum Institute estimating inventory at 13 million barrels for the week ended April 10, 2020.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 47.}

The Canadian producers explained that as a result of the oil price war and the global pandemic occurring simultaneously, Canadian end-users announced reductions in planned expenditures and cost-cutting measures totalling $6 billion.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 48.}

According to TD Securities, North American oil and gas producers are estimated to have cut $22 billion in 2020 capital expenditures, representing a 27% reduction from previously announced budgets.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 49.}

The producers stated that in an unusual move, in late March, the Petroleum Services Association of Canada (PSAC) opted not to update its forecast to Canadian drilling activity in 2020, stating that there was nothing they could say that would be valid for 48 hours.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 51.} This can be contrasted with other market research that already forecasted a 50% drop in wells drilled, falling from 4,886 in 2019 to 2,414 is 2020, levels which had not been seen in the past decade.\footnote{Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 52.}
[95] Precision Drilling Corporation reportedly reduced its 2020 plan for capital expenditures by 50%, in response to lower demand and as customers reduced spending due to low commodity prices. Suncor also announced a deferral of all in-situ drilling activity until financial conditions improve and cancelled several smalls investment projects.

[96] According to Pipe Logix, the average OCTG spot prices have fallen steadily since the end of the POI. From February to March of 2020, price per short ton fell, and were also lower when compared to March 2019.

[97] The Canadian producers concluded that, given the pricing trends, it is a virtual certainty that OCTG producers and exporters in the named countries will be required to dump in the Canadian market to secure sales from end users, who will feel pressure to choose the lowest cost option available on the market. They also noted that MBR ranks Canada at the 4th largest market in the World.

**The Global Pandemic**

[98] The Canadian producers stated that the global pandemic has amplified the oil price crash by reducing global demand by 3 million barrels per day (bpd) in the first quarter.

[99] They added that significant operational disruption over the coming months in refineries, platforms, ports, and LNG terminals are expected, forcing some energy companies to reduce or stop production.

[100] The global pandemic has also caused disruptions in steel and OCTG production, including in the named countries.

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68 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 53.
69 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 54.
70 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, Paragraph 57.
71 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Paragraph 16.
72 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 58.
73 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 59.
74 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 59.
75 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 60.
Factors Specific to Named Countries

Chinese Taipei

[101] With respect to Chinese Taipei, the Canadian producers argued that the evidence on the record establishes:

- excess capacity and low levels of capacity utilization;
- weak domestic demand for steel in Chinese Taipei, including OCTG, and poor financial performance of steel producers;
- reliance on exports of OCTG and a clear and demonstrated interest in the Canadian market;
- other trade measures against Chinese Taipei in other jurisdictions;
- inability to compete in the Canadian market without resorting to dumping.

Excess Capacity and Low Levels of Capacity Utilization

[102] The Canadian producers cited trade reports which estimated Chinese Taipei’s total effective OCTG capacity and total production for 2019. These figures would represent a capacity utilization rate of 34%. It was also indicated that there would be minimal growth projected for 2020 and 2021.76

[103] The Canadian producers stated that these utilization rates will result in excess OCTG capacity which could be directed to the Canadian market. Additionally, the Canadian producers noted that the effective OCTG capacity above does not include Chinese Taipei producer Chung Hung’s new Lukang plant. This would mean that OCTG capacity and excess capacity in Chinese Taipei for 2020 are likely higher.77

[104] The Canadian producers also expressed the view that the trade tensions between the US and China have had a negative impact on the export-reliant Chinese Taipei economy. With 77% of Chinese Taipei’s GDP consisting of exports, Chinese Taipei’s economy is highly vulnerable to any shift in global demand for its manufacturing facilities. The Canadian producers cited an article from the South China Morning Post, titled US-China trade war damages export powerhouse Taiwan’s growth prospects, as global demand softens, which is forecasting an upcoming recession due to declining exports, weak domestic demand, and the impact of the US-China trade tensions.78

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76 Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 32.
77 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, paragraph 150.
78 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 33.
Weak Domestic Demand for Steel in Chinese Taipei, including OCTG, and Poor Financial Performance of Steel Producers

[105] The Canadian producers have stated that since 2006, Chinese Taipei’s steel surplus has continued to grow as domestic demand declines. It was stated that the falling demand has led to Chinese Taipei producers seeking out other markets, as exports of steel have increased 24% since 2009. Moreover, the Canadian producers emphasized that Chinese Taipei has a negligible volume of domestic consumption of OCTG and is entirely dependent on exports, citing Chinese Taipei’s all-time low oil production of 0.2 bpd since 2018.79

[106] The Canadian producers cited a steel industry report noting the fall in 2019 of scrap metal imports by 2.8% year-on-year. The decline was attributed to the weaker domestic steel demand and the decision by the Chinese Taipei government to hold off on funding large infrastructure projects that would grow demand.80

[107] The Canadian producers also cited the financial performance of OCTG producers in Chinese Taipei. Kao Hsing Chang Iron and Steel Corp. (Kao Hsing) and Chung Hung Steel Cooperation (Chung Hung) were noted as exhibiting losses in the recent years or, at best, slim profits.81

[108] Kao Hsing was noted by the Canadian producers as reporting poor financial performance in recent years.82

[109] With respect to Chung Hung, the Canadian producers referenced their financial reports indicating that the company is currently operating on thin profit margins. As an example, the company’s net profit was just 1% through three quarters in 2019, down from 7% during the same period in 2018. Furthermore, in the most recent annual report, the company emphasizes its short-term plan to “uphold the marketing strategy of stable domestic sales and full dedication to exports.”83

[110] Both companies were noted as holding significant inventories. The Canadian producers argued that with limited demand in the domestic market and poor profits, companies such as Kao Hsing and Chung Hung have incentive to dump their inventories on foreign markets at reduced prices to recuperate production costs.

79 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 148.
80 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 55.
81 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 56.
82 Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 57.
83 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 149.
Reliance on Exports of OCTG and a Clear and Demonstrated Interest in the Canadian Market

[111] The Canadian producers cited the steel market report by the US International Trade Administration indicating that between 2017 and 2018, exports of steel from Chinese Taipei to Canada have increased by 70%, the second highest increase of all of Chinese Taipei’s export markets within that period. Furthermore, the report reveals that Canada is the second-most important export market for Chinese Taipei steel pipes after the US, despite the anti-dumping order being in effect. The Canadian producers contend that if the finding were permitted to expire, exports of dumped OCTG from Chinese Taipei into Canada would only increase in volume.84

[112] Furthermore, the Canadian producers noted that the desire of Chinese Taipei OCTG exporters to return to the Canadian market is demonstrated by the participation of three OCTG producers in the CBSA’s recent re-investigation.85

Other Trade Measures against Chinese Taipei in Other Jurisdictions

[113] The Canadian producers expressed that due to Chinese Taipei’s enormous capacity and export orientation, Chinese Taipei tubular steel products are subject to several anti-dumping measures around the globe. The Canadian producers provided evidence of seven anti-dumping measures in effect from multiple countries against steel tubing products from Chinese Taipei, three of which were imposed by the US.86

Inability to Compete in the Canadian Market without resorting to Dumping

[114] The Canadian producers expressed the opinion that Chinese Taipei cannot compete in the Canadian market without resorting to dumping, citing the significant reduction in OCTG imports from Chinese Taipei since the finding has been in place. Statistics Canada data was cited indicating that OCTG imports from Chinese Taipei had dropped by 99.99% between 2014 and 2016. The Canadian producers also referenced the CBSA import stats indicating that the small amount of OCTG imports from Chinese Taipei entering the Canadian market in 2018 and 2019, could only do so by incurring SIMA duties in both years demonstrating Chinese Taipei’s OCTG exporters propensity to dump.87

84 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 85.
85 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 153.
86 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 151.
87 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 152.
India

[115] With respect to India, the Canadian producers argued that the evidence on the record establishes:

- weak domestic demand for steel in India, including OCTG, and poor financial performance of steel producers;
- excess OCTG capacity in India and low levels of capacity utilization;
- excess inventories of raw material inputs;
- dependence on exports of steel, including OCTG, and the threat of diversion to Canada;
- evidence of dumping OCTG to Canada during the finding; 88
- evidence of dumping other steel products in Canada;
- evidence of India dumping OCTG in other markets; and
- trade measures against India in other jurisdictions

Weak Domestic Demand for Steel in India, including OCTG

[116] The Canadian producers stated that India’s economy had its slowest growth in six years in Q2-2019. They cited industry reports which confirmed that growth in India’s eight core sectors slowed to 2.1% from 7.3% in 2018. 89

[117] The Canadian producers also cited an Indian news outlet report that Indian domestic steel demand has been falling in line with the GDP trend in 2019, declining from 6.9% in June 2019 to 3.1% in Q3-2019. 90

[118] The Canadian producers provided specific examples of poor financial performance of steel producers in India. 91

[119] The Canadian producers also cited Maharashtra Seamless’ ERQ response as evidence that OCTG demand in the domestic Indian market has declined 92

[120] The Canadian producers argued that poor domestic demand and weak financial positions are further incentives to export goods.

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88 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 11.
89 Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Tenaris Canada; Attachment 12, paragraph 46.
90 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 65.
91 Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 63.
92 Exhibit 52 (PRO) – Case briefs on behalf of Evraz and WTC in respect of Maharashtra Seamless/GVN Fuels Foreign producer/exporter ERQ response, paragraph 11.
**Excess OCTG Capacity in India**

[121] The Canadian producers cited trade reports that estimated India’s total effective OCTG capacity and total production in 2019 which represented a 25% capacity utilization rate. Minimal growth is projected in 2020 and 2021.93

[122] The Canadian producers stated that these utilization rates will result in a significant excess of OCTG capacity in 2020. They argued that with the domestic OCTG consumption in India forecasted to increase by only modest amounts in 2020 and 2021, India’s excess OCTG production capacity problem will continue to persist.94

[123] The Canadian producers also expressed the view that the excess OCTG capacity in India may be even greater, as the source information from MBR does not consider other producers in India with licensed capabilities to produce to the API-5CT specification, which may not have availed themselves of that licensing to produce OCTG.95

[124] The Canadian producers also referenced reports of efforts in India to increase capacity for production of steel, in spite of the available statistics which demonstrate there is already an excess available. An example provided concerned JSW Steel, whose expansion plans include doubling the production capacity of hot-rolled coil (HRC), the primary raw material input for manufacturing ERW OCTG, once the company’s plan to merge with four related companies is completed this year.96

[125] The Canadian producers argued that Maharashtra’s declared capacity for OCTG was misleading, including alleging that the figures provided do not account for the realistic ability to switch production to OCTG from other related goods.97

[126] The Canadian producers stated Maharashtra Seamless’ actual capacity for OCTG appears to be much larger than what the company reported.98

[127] Excess production capacity concerns the Canadian producers as they believe exporters suffering from poor home market conditions and/or financial performance could draw on that capacity to make sales of OCTG on the export market at dumped prices to lessen their financial strain.

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93 Exhibit 16 (PRO) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Tenaris Canada; Attachment 13; paragraph 28.
94 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, paragraph 105.
95 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 34.
96 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 36.
97 Exhibit 51 (NC) – Case briefs on behalf of Tenaris Canada in respect of Maharashtra Seamless/GVN Fuels Foreign producer/exporter ERQ response, paragraphs 2 and 3.
98 Exhibit 53 (NC) – Case briefs on behalf of Evraz and WTC in respect of Maharashtra Seamless/GVN Fuels Foreign producer/exporter ERQ response, paragraphs 4 – 9.
**Excess Inventories of Raw Material Inputs**

[128] The Canadian producers cited information on the record that indicated that India maintains excess inventory of HRC.

[129] The Canadian producers argued that an “excess accumulation of [HRC] encourages the dumping of OCTG”  as producers of subject goods are more encouraged to produce their goods when raw material prices such as HRC are depressed, which is likely to occur when there is an oversupply in the market.

[130] The Canadian producers also cited the COVID-19 virus and the impact it has had on Indian steel producers. They stated that the Indian producers will be under enormous pressure to increase their production once restrictions are reduced in the coming months. They further stated that anticipated growing inventories later this year will place even greater pressure on Indian OCTG producers to make sales at any cost.  

**Dependence on Exports of Steel in India**

[131] Between April and November 2019, the Canadian producers stated that India remained a net exporter of steel with exports growing by 33.3%.  

[132] Due also to lower domestic demand, the Canadian producers cited a report which stated that:

“to compensate for the lower domestic sales, JSW has increased steel exports by around 25%. Although JSW forecasts these export numbers to revert back downwards in the later half of 2020, this is dependant on government orders and infrastructure projects which, given the ongoing COVID-19 pandemic are increasingly uncertain.”

**Dependence on Exports of OCTG in India and the Threat of Diversion to Canada**

[133] The Canadian producers cited a United States International Trade Administration (USITA) report which stated that India’s total export volume of pipe and tube products was roughly 1 MMT in 2018. During this period, Canada was India’s second most important export market for steel pipe after Nigeria.

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99 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 35.
100 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 115.
101 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 65.
102 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 87.
The Canadian producers argued that with major export markets such as the US, the EU and Australia having anti-dumping and countervailing measures in effect against steel from India, Indian OCTG would increasingly be diverted to Canada if the finding were permitted to expire.\(^{103}\)

Information on the record consolidated by the Canadian producers from the *Global Trade Atlas* at the 8-digit HS classification level, indicates that India actively sells OCTG to export markets. That information also indicates that Canada is an important export market for India’s OCTG.\(^{104}\)

The Canadian producers argued that, by comparison, other markets protected by trade measures reported very little if any tonnage exported from India over the same period, with the United States being the largest destination for exports in 2017, before dropping substantially in 2018 and continuing to drop in 2019.

The Canadian producers also stated that markets unprotected by trade measures also reported comparatively small tonnage exported from India over the same period. The Canadian producers provided consolidated totals for 2017, 2018, and 2019.\(^{105}\)

The Canadian producers claimed that the export orientation of Indian OCTG producers and the importance of the Canadian market to them is underscored by participation in the recent normal value re-investigation, in which JSL, Maharashtra Seamless, IMST, and OCTL all participated.\(^{106}\)

The Canadian producers also referenced Maharashtra Seamless’ ERQ response as evidence of its strong dependence on the Canadian market specifically for its OCTG.\(^{107}\)

The Canadian producers are concerned that while India is already strongly leveraged towards export markets including Canada, the present circumstances with the global pandemic, diversion of goods from trade measures in other jurisdictions and the domestic market situation in India, will only exacerbate that predisposition moving forward, increasing the likelihood of dumped exports to Canada.

\(^{103}\) Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Tenaris Canada; Attachment 12, paragraph 66. 

Also Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 38 (NC), paragraph 126. Note: The attachment referenced in the Exhibit was a poor copy. As such, the submission to the CITT was referenced for the same data.


\(^{106}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 111.

\(^{107}\) Exhibit 52 (PRO) – Case briefs on behalf of Evraz and WTC in respect of Maharashtra Seamless/GVN Fuels Foreign producer/exporter ERQ response, paragraph 14.
**Evidence of Dumping OCTG to Canada During the Finding**

[141] The Canadian producers referenced details in Maharashtra Seamless’ ERQ response in support of their position that the producer will continue or resume dumping to Canada if the finding is rescinded.108

[142] Furthermore, the Canadian producers noted that the gap between Maharashtra Seamless’ gross margin on home market OCTG sales and their gross margin on OCTG exports is growing, as the gross margin on home market OCTG sales grew over the POR while there was a decrease in their gross margin on exports of OCTG to Canada over the same period.

[143] The Canadian producers cited this trend indicates that the likelihood of dumping is all but assured should anti-dumping protection in Canada be allowed to expire.109

[144] The Canadian producers also cited CBSA import and enforcement statistics, which revealed that subject goods from India have incurred nearly $200,000 in SIMA duties since 2017, further demonstrating a propensity to dump.110

[145] The Canadian producers argued that this is further evidence that if the current CITT finding were rescinded, exporters from India are likely to dump OCTG into Canada.

**Evidence of Dumping on Exports of Other Steel Products in Canada**

[146] The Canadian producers cited anti-dumping measures currently in place in Canada against other steel products from India.111 Those measures include:

- Carbon Steel Welded Pipe (CSWP);
- Corrosion Resistant Steel Sheet;
- Flat Hot-Rolled Carbon and Alloy Steel Sheet and Strips;112

[147] The Canadian producers viewed this as further evidence that Indian steel producers have a history, including recently, of dumping steel into Canada.

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108 Exhibit 51 (NC) – Case briefs on behalf of Tenaris Canada in respect of Maharashtra Seamless/GVN Fuels Foreign producer/exporter ERQ response, paragraphs 4 – 7.
109 Exhibit 52 (PRO) – Case briefs on behalf of Evraz and WTC in respect of Maharashtra Seamless/GVN Fuels Foreign producer/exporter ERQ response, paragraph 18.
110 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 114.
111 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 113.
112 Note: Only countervailing measures exist for India in respect of hot-rolled steel sheet. The dumping measures were rescinded at the previous expiry review.
Evidence of India Dumping OCTG in Other Markets

[148] The Canadian producers cited Global Trade Atlas data to support their position that left unrestrained by trade measures, India will dump OCTG into Canada. They argued that this data demonstrates that the unit-selling price of OCTG from India to countries without trade measures is substantially lower than the reported unit-selling price of OCTG to Canada. The analysis was done by classification code, down to the eight-digit level on India’s most commonly exported subject good, 7304.29.90.

[149] According to the data cited by the Canadian producers, the 2019 average unit-selling price of exports to India’s three largest export markets, where no trade protection is in place, were less than the average unit-selling price cited on sales to Canada.

Trade Measures against India in Other Jurisdictions

[150] The Canadian producers stated that the United States, European Union and Australia have anti-dumping and countervailing measures in effect against other steel products from India.

[151] Additional information cited by the Canadian producers shows anti-dumping measures taken against non-OCTG steel tubing products from India by Mexico, Turkey and the United States.

[152] The Canadian producers referenced information from the WTO which confirms that Indian OCTG producers are subject to anti-dumping and countervailing duties in the United States and trade measures on other steel tubular products. The Canadian producers stated that these measures create diversion of goods and even greater pressure to dump into Canada should the CITT finding be allowed to expire.

[153] On March 4, 2020, the United States’ measures on OCTG were reaffirmed by the United States Department of Commerce (USDOC) in its sunset review. India was one of four countries that was determined to be likely to dump if the duties were removed. The Canadian producers underscored the significance of this decision given the United States’ proximity to Canada and its recency.

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113 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 113.
114 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 113.
115 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 86. Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada; Attachment 35 - Global Steel Trade Monitor, Steel Exports Report: India, US International Trade Administration, May 2019, pages 156-163.
116 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A.
117 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 112.
118 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 109.
Indonesia

[154] With respect to Indonesia, the Canadian producers argued that the evidence on the record establishes:

- weak domestic demand;
- Indonesia’s Growth in Steel Production and Capacity
- poor financial performance of Indonesian steel producers
- Indonesia’s growth in export dependence
- Evidence of Indonesia dumping in other markets
- Indonesia cannot compete at undumped prices
- trade measures against Indonesia in other jurisdictions

Weak Domestic Demand in Indonesia

[155] The Canadian producers cited information on the record which reported that Indonesia’s economic growth has begun to slow down in 2019 due to “weak global demand, a weakened manufacturing industry and declining commodity prices.” The IMF and the World Bank initially slashed the country’s GDP growth projection in 2019 to 5%, its lowest since 2016. 119

[156] Following the COVID-19 pandemic, the IMF revised its projection for Indonesia’s Real GDP growth in 2020 to 0.5%. 120

[157] The effect of the pandemic was also cited in relation to plummeting billet prices in Indonesia, which the Canadian producers identified as an indication of a poor domestic market for steel. 121

[158] The Canadian producers cited MBR data on the record which does not appear to consider Indonesian OCTG as domestic production, presumably because the country may not manufacture the input green tube, notwithstanding facilities licensed to do so. A subtraction of exports from imports would indicate that Indonesia has a domestic market for OCTG. 122

Indonesia’s Growth in Steel Production and Capacity

[159] The Canadian producers stated that Indonesia’s crude steel production has increased substantially from 2.8 MMT in 2014, to 5.5 MMT in 2018. 123

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119 Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Tenaris Canada; Attachment 12, paragraph 50.
120 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 66.
121 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 67.
122 Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 88; Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 25 of 198.
123 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 117.
The Canadian producers argued that imports of Chinese hot-rolled coil (HRC), which make up a reported 34% of the HRC market in Indonesia, further exacerbates the excess capacity issue for pipe producers in Indonesia. They stated that Chinese steel producers have a distortionary effect on neighbouring markets, including Indonesia. The Indonesia Iron and Steel Industry Association (IISIA) was cited in confirming that the volume of steel imports from China had serious negative effects on the Indonesian steel industry. 124

The Canadian producers stated that notwithstanding existing global steel overcapacity and poor economic conditions, steel capacity in Indonesia is still being built-up without solid economic justification. 125

The Canadian producers provided examples of capacity expansion to steel-making capacity in Indonesia although none were specific to OCTG. The Canadian producers indicated that information specific to Indonesian OCTG capacity was not available but did provide figures related to steel pipe producers.

For example, Indonesian producer PT Krakatau POSCO, was identified by the Canadian producers as being the only steel mill in Southeast Asia with 3 MMT of annual capacity. Among other producers, Krakatau Steel, which produces steel pipes, started operating a blast furnace in 2019 with 1.5 MMT of annual capacity. Additional investments made by the China-based steel group Hebei Bishi are projected to further increase Indonesia’s production capacity by 3 MMT in 2020. 126

The Canadian producers noted that much of the steel capacity expansions are for HRC and billet, key inputs into manufacturing ERW and seamless OCTG respectively. 127

More specific to OCTG, the Canadian producers referenced information on the record that confirmed PT Citra Tubindo (Citra Tubindo) has annual tubular threading and heat-treatment capacities of 300,000 MT and 120,000 MT respectively.

Another Indonesian pipe manufacturer identified by the Canadian producers, PT Bakrie Pipe Industries (Bakrie Pipe), calls itself the largest steel pipe manufacturer in the country with 310,000 MT of production capacity, and manufactures subject OCTG (casing) to API 5CT standards. 128

The Canadian producers estimated that Indonesia may have significant excess tubular capacity. 129

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124 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 118.
125 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 116.
126 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 39.
127 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 119.
128 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, paragraph 120; Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO) to Attachment 37, page 2 of 24.
Poor Financial Performance of Indonesian Steel Producers

[168] The Canadian producers alleged that one of the driving forces behind steel capacity expansions in Indonesia is to improve their poor financial performance.

[169] Citra Tubindo’s financial results were cited to support this position. The Canadian producers cited information on the record which stated that the company “operated at 24.4% and 6.7% losses in the past two reported full financial years.” Comments from Citra Tubindo’s annual report were also cited where it states that one of its challenges is “match(ing) sales with production capacity.” The Canadian producers stated that this effectively means increasing its capacity utilization to help the company spread its high fixed costs over a larger volume of output, which is an imperative all steel manufactures face.  

Indonesia’s Growth in Export Dependence

[170] The Canadian producers argued that Indonesian OCTG producers are geared to increase their exports to Canada, as evidenced by companies like Citra Tubindo, which have demonstrated an interest in the Canadian market through active participation in the original investigation, in a subsequent normal value review (NVR) and in the 2020 re-investigation.

[171] The Canadian producers cited Citra Tubindo’s 2018 Annual Report, where the company confirmed it continues to penetrate export markets, and will continue to concentrate on export markets where it has “gained past successes,” which the Canadian producers stated includes Canada.

Evidence of Indonesia Dumping in Other Markets

[172] The Canadian producers cited UN Comtrade data to support their position that left unrestrained by trade measures, Indonesia will dump OCTG into Canada. They argued that this data demonstrates that the unit-selling price of OCTG from Indonesia to the next largest non-trade-protected export markets, is substantially lower than the reported unit-selling price of OCTG to Canada. The analysis was done by OCTG tariff classification code subheadings 7304.29 and 7306.29.

[173] According to the Canadian Producers, the average export price to Indonesia’s two largest non-trade-protected export markets in 2018, which is the most recent information available, were roughly 45% less than the average export price to Canada in 2018.

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130 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 120.
131 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 119.
132 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 122.
133 Exhibit 31 (NC) – Evraz response to Producer ERQ, Attachment 27 (NC) to Attachment 38 (NC).
Indonesia Cannot Compete at Undumped Prices

[174] The Canadian producers stated that Indonesian exporters have not demonstrated an ability to sell to Canada without dumping, as evidenced by their “virtual absence from the Canadian market between 2017 and 2019. Even then, Indonesian OCTG has incurred SIMA duties since 2017.” 134

Trade Measures against Indonesia in Other Jurisdictions

[175] The Canadian producers identified only one anti-dumping measure against Indonesian steel outside of Canada. The measure concerns a Turkish anti-dumping finding for “tube or pipe fittings.” 135

The Philippines

[176] With respect to the Philippines, the Canadian producers argued that the evidence on the record establishes:

- Chinese investment in the Philippine steel industry;
- low capacity utilization and high levels of excess capacity of domestic producers;
- an economic slowdown;
- the finding’s impact on imports of Philippine OCTG; and
- the impact of the global pandemic on domestic OCTG producers.

Chinese Investment in the Philippine Steel Industry

[177] The Canadian producers identified the Philippines as a surrogate for Chinese steel overcapacity. The producers stated that in 2019, Chinese owned Panhua Group Co. Ltd. committed to a $3.5 billion USD investment in the Philippine steel industry, which will yield the first fully integrated steel mill in the country. The mill will add 10 MMT of capacity, span 300 hectares and is projected to begin production in 2022. The mills first phase will include the production of steel plate and steel coil, while phase two and three will expand production to meet the demands of the steel market. 136

[178] While the mill will produce steel products that are already produced domestically by China it is unclear whether the mill will produce OCTG specifically. The plant is also likely to be export focused due to the fact that 70% of production must be exported according to the Philippine Economic Zone Authority (PEZA). The producers noted that Panhua requested an allowance to export 40% of production to ensure they can supply the domestic market. Regardless of the result, this will add significant exports to the global steel market. 137

134 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 123.
135 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A.
136 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 138.
137 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 139.
The Canadian producers also stated that in 2017, China’s second largest steel producer, HBS Group Ltd. signed a memorandum of understanding for $4.4 billion USD, for a hot-rolled coil mill, which will be capable of producing 8 MMT per year.\textsuperscript{138} The mill will also face the 70\% PEZA export requirement previously outlined, unless they both request and receive authorization not to do so.

The Canadian producers believe this demonstrates that it is more advantageous for these Chinese companies to export to certain jurisdictions from the Philippines instead of from China. They also noted that the Philippines current steel demand is 9 MMT, with the majority being supplied by China.\textsuperscript{139}

Lastly, the Canadian producers stated that China has previously demonstrated its willingness to use its Philippine subsidiaries to evade dumping duties via HLD Clark, which is a subsidiary of Huludao City Steel Pipe Industrial Co., Ltd. (Huludao).

HLD Clark was established in 2009, which was the same year the United States placed anti-dumping duties on Chinese OCTG products. Furthermore, in 2013, “American producers argued at the US ITC that the coincidental timing of the establishment of HLD Clark immediately after the anti-dumping duties against China meant that the only reason HLD Clark was established was to evade 2009 American anti-dumping duties against China.” \textsuperscript{140}

\textbf{Low Capacity Utilization, and High Levels of Excess Capacity of Domestic Producers}

The Canadian producers stated that Philippine OCTG producers exhibit high rates of capacity underutilization. The producers cited MBR in supporting their claims and stated that capacity utilization is forecasted to decrease in 2020 and will logically be lower than forecasted as a result of the global pandemic.\textsuperscript{141} They also noted that in 2018, Huludao announced that engineering of a new plant in the Philippines is on-going, although it remained unclear which entity would operate the new facility or what its capacity for OCTG will be.\textsuperscript{142}

\textbf{Economic Slowdown}

The Canadian producers stated that the Philippine economy grew at its slowest pace in four years during the first quarter of 2019. They noted that growth is expected to rebound alongside increased government spending, but that a sustained rebound is unlikely. They added that Honda Cars Philippines Inc. has planned to cease production, which will result in a reduction in demand for steel and could lead to excess flat steel products being diverted into OCTG production.\textsuperscript{143}

\begin{flushright}
\textsuperscript{138} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 140. \\
\textsuperscript{139} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 141. \\
\textsuperscript{140} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 142. \\
\textsuperscript{141} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 40. \\
\textsuperscript{142} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 143. \\
\textsuperscript{143} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 69. 
\end{flushright}
The Findings’ Impact on Imports of Philippine OCTG

[185] The Canadian producers stated that the finding significantly reduced imports of Philippine OCTG. They added that this demonstrates that exporters from the Philippines are not able to compete in the Canadian OCTG market while anti-dumping duties are in place.144

[186] Since 2017, subject goods from the Philippines have been entering the Canadian market. The producers attributed this to the fact that the CBSA has not been able to complete a normal value re-investigation since December 2015, while mentioning that one is currently underway. The producers also stated that subject goods that have been entering the Canadian market since 2017 have incurred SIMA duties. Lastly, they noted that HLD Clark continues to demonstrate interest in the Canadian market via both their sales of subject goods and participation in the current normal value re-investigation.145

Impact of the Global Pandemic on Domestic OCTG Producers

[187] The Canadian producers stated that HLD Clark’s current operations are constrained as a result of significant restrictions in the Philippines stemming from the global pandemic. They claimed that this reinforces the probability that once they return to normal production they will have increased incentive to secure throughput at any cost in order to cover their high fixed-costs of operations.

South Korea

[188] With respect to South Korea, the Canadian producers argued that the evidence on the record establishes:

- negative steel industry structural factors leading to excess capacity and low levels of capacity utilization;
- weak domestic steel demand and conversion to OCTG production in South Korea;
- reliance on exports of OCTG;
- a clear and demonstrated interest in the Canadian market;
- evidence of dumping on exports of OCTG in other jurisdictions;
- other trade measures against South Korea in Canada and other jurisdictions; and
- Inability to compete in the Canadian market without resorting to dumping.

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144 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 144.
145 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 144.
**Negative Steel Industry Structural Factors leading to Excess Capacity and low levels of Capacity Utilization**

[189] The Canadian producers stated that at a macro level, South Korea structurally has excess capacity in its steel sector. South Korea is the fifth largest steel producer and fourth largest steel exporter. In 2018, South Korea’s annual crude steel production was 72.5 million tonnes, up from 71.5 million tonnes in 2014, and at the same time, demand for steel fell from 55.5 million tonnes in 2014 to 53.6 million tonnes in 2018.\(^{146}\)

[190] As previously discussed, the Canadian producers reiterated the impact of the flood of Chinese steel globally and how it exacerbates overcapacity in the steel sector in South Korea. The Canadian industry cited recommendations from the chairmen of both South Korea’s domestic steel industry association and POSCO, for massive restructuring in the domestic steel industry. In addition, the Export-Import Bank of Korea issued a report recommending that two of the country’s largest steel manufacturers, POSCO and the Hyundai Steel Company, be combined. It was noted that this recommendation came in response to the fundamental changes that have occurred in the South Korean steel industry and were necessary to cope with global oversupply and declines in domestic steel consumption.\(^{147}\)

[191] The Canadian producers cited a report from the Boston Consulting Group recommending the closure of 4 to 5 MMT of annual plate production capacity and the merger of several South Korean steel pipe producers. Furthermore, the Korean Industry minister requested that domestic steelmakers engage in voluntary restructuring. According to evidence provided by the Canadian producers, although meetings between major domestic steel producers and Korean ministers occurred to address the steel overcapacity issue, the issue remains unresolved.\(^{148}\)

[192] Given these negative structural factors affecting the domestic steel industry, the Canadian producers cited reports indicating that South Korea has the largest OCTG capacity of any of the named countries. It was noted that of this large capacity, only a limited amount of OCTG was produced in 2019 representing a capacity utilization rate of 21%.\(^{149}\)

[193] Furthermore, exports between 2017 and 2018 had dropped after the US section 232 duties were imposed on South Korean OCTG. With forecasted production to remain similar to 2019 levels and only a marginal increase expected for 2021, capacity utilization for South Korean OCTG mills is estimated to only reach 23%. As it stands, excess capacity in South Korea alone is considerably larger than the size of the entire Canadian market.\(^{150}\)

\(^{146}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 71.

\(^{147}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 73.

\(^{148}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraphs 74-75.

\(^{149}\) Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 41.

\(^{150}\) Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 41.
Weak Domestic Steel Demand and Potential Conversion to OCTG Production in South Korea

[194] The Canadian producers stated that South Korea’s Hyundai Steel faces downward pressure on its performance in the fourth quarter of 2019, as weaker demand from the domestic construction sector continues from Q3. In addition, steel production fell 7.9% month-on-month from the construction and automotive industry. The Canadian producers expressed the view that the weak domestic demand for steel products may increase the likelihood of steel products or inputs being diverted to OCTG production and subsequently exported.151

Reliance on Exports of OCTG

[195] The Canadian producers cited a report indicating that export data for the first 9 months of 2019 show that Canada is South Korea’s second most important export market after the US for 884,000 MT of steel pipes, including OCTG and line pipe. Canada ranks second despite having trade remedies in effect against South Korean OCTG and line pipe. The Canadian producers argued that with a gap of 15 MMT between steel production and apparent consumption in 2018, and the 6.1 MMT gap for the first 9 months of 2019, Canada’s OCTG market would inevitably be a prized target of dumped steel products from South Korea.152

[196] With South Korea traditionally exporting the majority of its ERW OCTG, the Canadian producers are concerned that with US section 232 quotas, and the anti-dumping measures in place along with those in progress, South Korean mills will have few options regarding future options to sell excess OCTG. Therefore, if the Canadian finding were permitted to expire, Canada would be faced with an increase in dumped OCTG from South Korea to offset the loss of US market share by Korean mills.153

A Clear and Demonstrated Interest in the Canadian Market

[197] The Canadian producers argued the substantial declines in profitability and revenue faced by OCTG producers in South Korea over the past two to three years has those very producers actively seeking markets for their OCTG products.

[198] The Canadian producers provided evidence that Korean producer Husteel has reported sales revenue declines from 6,906 million KRW in full year 2017 to 5,888 million KRW in full year 2018. In addition, gross profits decreased from 703 million KRW in full year 2017 to 457 million KRW in full year 2018, with only 104 million reported in the first quarter of 2019, putting Husteel on track for lower earnings than the previous two years.154

151 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 70.
152 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 90.
153 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 91.
154 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 79.
The Canadian producers provided evidence of Hustee opening sales and marketing centres in a number of foreign markets, including one in Vancouver, indicating a renewed export focus on the Canadian market specifically. Additionally, the Canadian producers highlighted that the demonstrated interest of South Korean OCTG producers in the Canadian market is also confirmed by the participation of SeAH in the CBSA’s on-going re-investigation.\textsuperscript{155}

\textbf{Evidence of Dumping on Exports of OCTG in Other Jurisdictions}

The Canadian producers cited anti-dumping measures currently in place in other jurisdictions against OCTG producers in South Korea. In addition to the current finding in place in Canada, South Korean OCTG producers are subject to anti-dumping orders in both the United States and Thailand. Moreover, the Canadian producers argued that since the order in place in Thailand only came into force in mid 2017, there will be further pressure on South Korean OCTG producers to dump into Canada should the finding be rescinded.\textsuperscript{156}

\textbf{Other Trade Measures against South Korea in Canada and Other Jurisdictions}

The Canadian producers stated that Australia, Mexico, Thailand and the US have antidumping and countervailing measures in effect against other steel tubing products from South Korea.\textsuperscript{157}

Additional information cited by the Canadian producers demonstrates South Korean producers’ propensity to dump in Canada. It was stated that since the finding against OCTG, there has been an imposition of anti-dumping and countervailing measures by the authorities of Canada in respect of similar goods while an order or finding in respect to the goods was in effect.

In particular, the Canadian producers identified the same South Korean producers producing OCTG, e.g. Hustee, Nexsteel, and SeAH, were found by the CBSA in December 2017 to be dumping small diameter line pipe into Canada and the CITT found their dumping to be injurious to the Canadian domestic industry. Furthermore, it was stated that the massive volumes of line pipe which have entered Canada right through to 2019, demonstrate the very strong and ongoing interest of South Korean exporters in the Canadian energy tubular market.\textsuperscript{158}

\textbf{Inability to Compete in the Canadian Market without resorting to Dumping}

The Canadian producers expressed the view that should the finding be allowed to expire the resumed dumping from South Korea is likely since South Korean exporters are capable of and willing to sell for far less.

\textsuperscript{155} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 79.
\textsuperscript{156} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 80.
\textsuperscript{157} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 80, Table 3.
\textsuperscript{158} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 81.
[205] The Canadian producers cited export data publicly posted by the Korea Customs Service to demonstrate a comparison between the average unit export price at the six-digit tariff code level to Canada and Kuwait. The data cited indicated that for full year 2018, the average unit export price to Canada was $1,545 per MT, whereas the average unit export price to Kuwait was $1,204 per MT, i.e. 22.1% lower in the market where no trade protection was in place.\(^{159}\)

[206] Furthermore, the Canadian producers expressed the opinion that South Korea cannot compete in the Canadian market without resorting to dumping, citing the significant reduction in OCTG imports from South Korea since the finding has been in place.

[207] Statistics Canada data was cited indicating that OCTG imports from South Korea had dropped by 97% between 2014 and 2016. The Canadian producers also referenced the CBSA import stats indicating that OCTG imports from South Korea have been negligible under the finding between 2017 and 2019.\(^{160}\)

**Thailand**

[208] With respect to Thailand, the Canadian producers argued that the evidence on the record establishes:

- excess capacity and low levels of capacity utilization;
- weak domestic demand for steel in Thailand;
- reliance on exports of OCTG;
- other trade measures against Thailand in other jurisdictions;
- inability to compete in the Canadian market without resorting to dumping;
- interest in the Canadian market.

**Excess Capacity and Low Levels of Capacity Utilization**

[209] The Canadian producers cited trade reports which estimated Thailand’s total effective OCTG capacity. Based on the total shipments reported from Thai plants in 2019, a capacity utilization rate of 40% was estimated and is expected to increase to 42.5% in 2020 and 2021.\(^{161}\)

[210] The Canadian producers identified two of Thailand’s primary producers, Boly Pipe Co. Ltd. (Boly Pipe) and Wuxi Seamless Oil Pipe Co. Ltd. (WSP), and the fact that both are wholly owned subsidiaries of Chinese steel companies. The Canadian producers stated that Boly Pipe’s current annual capacity at its hot-rolling mill, where it manufacturers OCTG, is approximately 200,000 MT. WSP was stated to have an even larger annual manufacturing output capacity of 500,000 MT of OCTG and reports that one of its main export markets is Canada.\(^{162}\)

\(^{159}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 82.
\(^{160}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 83.
\(^{161}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 42.
\(^{162}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 125.
[211] The Canadian producers also cited an article indicating that Thailand’s government was expected to pass measures in early 2020 in order to address the low utilization rates in the Thai steel industry.\textsuperscript{163}

**Weak Domestic Demand for Steel in Thailand**

[212] The Canadian producers cited the Steel Business Briefing which reported that Thailand’s steel sector is showing signs of slowing down in line with the country’s weakening economy. Thailand’s consumption of finished steel fell 5.1\% year-on-year over January to September 2019.\textsuperscript{164}

[213] Other media reports were cited by the Canadian producers indicating that steel market demand remains weak in Thailand because of the domestic market economic slowdown in 2019. An example provided to demonstrate the slowdown was the fact that the Federation of Thai Industries had estimated a decline in auto production from 2.15 million to 2 million vehicles.\textsuperscript{165}

[214] The Canadian producers also referenced GDP growth in Thailand, indicating that the Thai economy expanded at its slowest pace in Q2 2019 since 2014, as the US-China trade war and strong baht adversely affected Thailand’s economy. Economic weakness was a result from a slowdown in exports, which normally represents 40\% of Thailand’s GDP. Furthermore, a report from the International Monetary Fund was cited which predicts a negative real GDP growth rate for the country in 2020 of -6.7\%.\textsuperscript{166}

**Reliance on Exports of OCTG**

[215] The Canadian producers stated that Thai OCTG producers are dependent on exports to a significant degree.\textsuperscript{167} MBR reports were cited indicating that Thailand exported a significant percentage of its OCTG produced during the POR.\textsuperscript{168}

**Other Trade Measures against Thailand in Other Jurisdictions**

[216] The Canadian producers contended that Thai tubular steel producers are also subject to anti-dumping measures in other jurisdictions. The Canadian producers provided evidence of seven anti-dumping measures in effect from multiple countries against steel tubing and pipe products from Thailand, three of which were imposed by the US.\textsuperscript{169}

\textsuperscript{163} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 43.

\textsuperscript{164} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 72.

\textsuperscript{165} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 73.

\textsuperscript{166} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 73.

\textsuperscript{167} Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, paragraph 128.

\textsuperscript{168} Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 92.

\textsuperscript{169} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A, page 44.
Inability to Compete in the Canadian Market without Resorting to Dumping

[217] The Canadian producers expressed the opinion that Thailand cannot compete in the Canadian market without resorting to dumping, citing the significant reduction in OCTG imports from Thailand since the finding has been in place. Statistics Canada data was cited indicating that OCTG imports from Thailand had dropped by 99.98% between 2014 and 2016. The Canadian producers also referenced the CBSA import stats indicating that there has been no imports of OCTG from Thailand entering the Canadian market between 2017 and 2019. 170

Interest in the Canadian Market

[218] The Canadian producers expressed that view that Thailand has an interest in the Canadian market and provided the example of Boly Pipe and the fact that they are part of an expansive global sales network, which includes a representative marketing office in Canada. 171

Turkey

[219] With respect to Turkey, the Canadian producers argued that the evidence on the record establishes:

- weak domestic demand, exacerbated by domestic currency volatility;
- significant excess capacity and low capacity utilization rates for OCTG and other steel tubular products;
- increasing export orientation;
- evidence of dumping from Turkey since the finding;
- the imposition of a new anti-dumping measure on a similar steel tubular product; and
- trade measures against Turkey in other jurisdictions

Weak Domestic Demand in Turkey

[220] The Canadian producers cited the IMF World Economic Outlook which stated that the global economic slowdown has been more pronounced in emerging markets and developing economies, which includes Turkey. Turkey experienced negative economic growth in 2019 of 2.6% and its economy is projected to grow only 1.6% in 2020. 172

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170 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 130.
171 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 125.
172 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 85.
The Canadian producers cited an IMF recommendation for Turkey to enact policies aimed to reduce inflation through sound monetary policy and stabilization of the currency exchange rates. However, the Canadian producers alleged that the recent trend in Turkey “has insisted on following a policy of keeping interest rates low to allow a huge fiscal stimulus based around the construction industry to generate growth.” 173 The Canadian producers further stated that while the policy has produced growth, it also increased Turkey’s inflation rate to 16% by August 2018, well beyond the Turkish Central Bank’s target of 5%. As of May 2019, they stated Turkey’s annual inflation rate had risen to an incredible 49%. 174

The Canadian producers cited trade publication S&P Global Platts, which reported that the Turkish steel market is facing a drop in demand from domestic and international buyers. A recession in the Turkish economy has caused lower domestic demand, while sluggish international demand is attributed to trade measures in Turkey's main export markets such as the European Union and the United States.

Since the Turkish Lira devalued by roughly 30% by the end of 2018 versus 2017, steel producers and affiliated sectors have faced tightened credit conditions. 175 Between August 2018 and mid-2019, the lira reportedly lost as much as 40% of its value. 176

The Canadian producers cited specific information related to Turkish steel producers to support their allegation of poor domestic market conditions in Turkey. For example, a Turkish spiral welded pipe producer saw its sales fall roughly 14% year-on-year, in the first half of 2019 in comparison to the same period in 2018. 177

Decreased demand for HRC, the major input to ERW OCTG, was also cited as evidence that pipe producers in Turkey face weak market demand. 178

In terms of OCTG specifically, the Canadian producers cited MBR data which projected Turkish apparent consumption for OCTG to decline between 2019 and 2020, and is projected to drop further in 2021. 179

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174 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraphs 85-86.
175 Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Tenaris Canada; Attachment 12, paragraph 58.
176 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 87.
177 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 75.
178 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 77.
179 Exhibit 41 (PRO) – Case briefs on behalf of Evraz and WTC, paragraph 91; Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO) of Attachment 37, page 3 of 24. Metal Bulletin Research Intelligence Service, Global Consumption Forecast, December 2019.
**Significant Excess Capacity and Low Capacity Utilization Rates of OCTG in Turkey and other Steel Tubular Products**

[227] The Canadian producers cited protected data on the record from MBR, which estimated that Turkish OCTG producers were operating at low utilization rates in 2019 and are projected to drop further in 2020. The Canadian producers estimated potential excess capacity in 2020 based on estimated 2020 OCTG production as reported by MBR.\(^\text{180}\)

[228] The Canadian producers also stated that since these estimates were comprised prior to the global pandemic and Saudi-Russian oil price war, Turkey’s actual capacity utilization will likely decrease further.\(^\text{181}\)

[229] The Canadian producers also stated that the MBR estimated OCTG capacity in Turkey may be understated given that it did not provide figures for three additional API 5CT certified OCTG producers in Turkey, namely, Toscelik, Hatboru and Umran Celik, the latter of which has a further 750,000 MT of tubular production capacity alone.\(^\text{182}\)

**Increasing Export Orientation**

[230] The Canadian producers cited the US section 232 tariffs as evidence of Turkey’s reliance on exports. Following the imposition of the tariffs, the Canadian producers cited information on the record which reported that exports of steel from Turkey to the US decreased by 38% between 2017 and 2018. Over the same period, exports of Turkish steel to Canada increased by 92%, which is the highest increase for any of Turkey’s steel export markets. The Canadian producers argued that this divergence is evidence that the dumping of Turkish OCTG would increase if the finding were rescinded.\(^\text{183}\)

[231] The Canadian producers cited Turkish OCTG producer Borusan as a prime example of export dependence. They cited the company’s annual report for stating that 75% of Borusan’s total sales were to export markets in 2018.

“Borusan’s export sales increased from 434,000 tons in 2015 to 625,000 tons in 2018 while their domestic sales decreased over this same period from 307,000 tons to 208,000 tons…All available evidence indicates that Borusan has doubled down on an export-orientation strategy while turning away from its home market.”\(^\text{184}\)

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\(^{180}\) Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 44; Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 7, 8 and 26 of 198. *Note: It appears an error was made in the Canadian producers case briefs on this calculation of domestic production in Turkey of 89,000 MT for 2020. The total was the addition of domestic shipments plus imports. For all other countries, “production” in the table on page 26 of Exhibit 36 (PRO) was just “domestic shipments.”*

\(^{181}\) Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 44.

\(^{182}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 91.

\(^{183}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 93; Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada, Global Steel Trade Monitor, Steel Exports Report: Turkey, US International Trade Administration, August 2019, pages 195-202 of 413.

\(^{184}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 93.
Similarly, the Canadian producers cited information on the record, which they argued demonstrates that exporters are “increasing their focus on export markets due to higher turnover and gross profit from export sales compared to domestic sales.”

The Canadian producers also cited Borusan’s participation in the CBSA’s most recent normal value re-investigation as further evidence of its continuing interest in exporting to the Canadian market.

The Canadian producers argued that Turkey’s “imperative to dump will only be further reinforced by the decision of Borusan and other Turkish pipe producers to halt production during the COVID-19 crisis, as these producers will be desperate to recoup throughput volumes to cover their high fixed costs.”

Evidence of Dumping from Turkey Since the Finding

The Canadian producers cited the amount of SIMA duties collected on exports of OCTG from Turkey in 2018 as evidence that:

“Turkish exporters cannot compete in the Canadian market without resorting to dumping, as well as the extent to which Turkish OCTG prices are capable of falling.” After a significant assessment of SIMA duties in 2018, Turkish exports of OCTG to Canada essentially stopped.

The Imposition of a new Anti-dumping Measure against Turkey on a Similar Steel Tubular Product

The Canadian producers noted that in January 2019, the CBSA found that carbon steel welded pipe (CSWP) from Turkey was being dumped into Canada. That determination included exporter Cayirova Boru, an OCTG producer, who was assessed a final determination margin of dumping of 8.8%. In February 2019, the CITT determined that this dumping was injurious to the Canadian domestic industry. The Canadian producers argued that the finding also had the effect of significantly reducing OCTG imports from Turkey, demonstrating that exporters from Turkey cannot compete in the Canadian market without dumping.

Other Turkish steel products cited by the Canadian producers which Canada has anti-dumping measures in force against include concrete reinforcing bar and hollow structural sections.

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185 Exhibit 43 (PRO) – Case briefs on behalf of Tenaris Canada, paragraph 95.
186 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 93.
188 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 97.
189 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 96.
190 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraphs 95 and 96.
191 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 113.
Trade Measures against Turkey in Other Jurisdictions

[238] The Canadian producers cited a number of anti-dumping measures against Turkish steel products in the United States, including OCTG. These other steel products include circular welded carbon steel welded pipe and tube, light-walled rectangular pipe and tube and welded line pipe.\(^{192}\)

[239] On March 4, 2020, the United States’ measures on OCTG were reaffirmed by the US Department of Commerce (USDOC) in its sunset review. Turkey was one of four countries that was determined to be likely to dump if the duties were removed.\(^{193}\) The Canadian producers underscored the significance of this decision given the United States’ proximity to Canada and its recency.

[240] According to information cited by the Canadian producers, the US 232 measures significantly impacted Turkish exports of steel. Prior to their imposition, the United States was one of Turkey’s top three export markets for steel pipe but the imposition of the 50% tariffs reduced Turkey’s share of steel pipe exports destined for the United States from 15% to 6%.\(^{194}\) The Canadian producers cited this as evidence that steel, including OCTG, previously destined for the United States are likely to be diverted to Canada.

Ukraine

[241] With respect to Ukraine, the Canadian producers argued that the evidence on the record establishes:

- impact of the ongoing War with Russia that has negatively affected the Ukrainian economy and the domestic oil industry;
- domestic OCTG producer’s reliance on export sales;
- poor financial performance of the domestic OCTG producers;
- production capability investments made by the domestic OCTG producers;
- excess capacity of the domestic OCTG producers and weak domestic demand for OCTG;
- declining exporting habits of steel producers;
- the propensity of the Ukrainian domestic producers of OCTG to dump; and
- impact of the finding on imports of Ukrainian OCTG.

Impact of the Ongoing War with Russia on the Ukrainian Economy and Domestic Oil Industry

[242] The Canadian producers stated that since 2014, Ukraine has been in an active War with Russia over the Donbass region. According to the Ukrainian Government, GDP has declined from 183.3 billion USD in 2013 to 91.03 billion USD in 2015.\(^{195}\)

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\(^{192}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A.
\(^{193}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 109.
\(^{194}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 89.
\(^{195}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 98.
The Canadian producers also stated that the Russian annexation of Crimea resulted in a loss of 80% of Ukrainian oil production in the Black Sea.\(^{196}\) This has been coupled with a general decline in oil production over the past several years.

**Domestic OCTG Producer’s Reliance on Exports**

The Canadian producers stated that general oil production has been in decline in Ukraine for years. They attribute the decline to the increased level of exports of OCTG made by Interpipe over the same period. Sales from Interpipe to the Americas rose by 109% from 2016 to 2017 and by 15% globally from 2017 to 2018. They also noted that 72% of Interpipe’s sales are exports, with significant growth seen in the American and European markets.\(^{197}\) Lastly, they noted that Ukrainian exports of OCTG doubled domestic consumption in 2019 and that similar ratios have been forecasted for 2020 and 2021.\(^{198}\)

**Poor Financial Performance of the Domestic Producers**

The Canadian producers explained that Interpipe’s steel pipe division suffered losses of $36,831,000 USD in 2017 and $33,357,000 USD in 2018. Interpipe’s OCTG sales declined by 27% year-over-year after the first three quarters of 2019.\(^{199}\)

**Production Capability Investments Made by the Domestic Producers**

The Canadian producers stated that despite Interpipe’s poor financial performance, the company continued to make OCTG production related investments. In 2018, the company invested $14 million USD to extend its production of OCTG with premium connection and another $8 million USD to create a new line for pipe finishing.\(^{200}\) In 2019, the company invested another $5 million USD to modernize its pipe heat treatment site.\(^{201}\)

**Excess Capacity of Domestic OCTG Producers and Weak Domestic Demand for OCTG**

The Canadian producers cited MBR in establishing that Ukrainian OCTG producers excess capacity will grow significantly in 2020. The Canadian producers also stated that Interpipe will have significant capacity to produce other tubular products in 2020.\(^{202}\)

The Canadian producers also stated that projected demand for OCTG in Ukraine will remain stagnant in 2020 and plummet significantly in 2021.\(^{203}\)

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\(^{196}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 99.

\(^{197}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 99.

\(^{198}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 101.

\(^{199}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 100.

\(^{200}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 100.

\(^{201}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 100.

\(^{202}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, Paragraph 101.

\(^{203}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 101.
Lastly, the producers stated that Interpipe is the second largest producer by output of OCTG in the Commonwealth of Independent States (CIS) and has two plants. Interpipe is currently facing declining levels of production in the future and therefore has excess capacity. The producers believe this poses a risk to the Canadian market, because Interpipe could resume or continue dumping into the country.\textsuperscript{204}

\textit{Declining Exporting Habits of Steel Producers}

The Canadian producers stated that exports of Ukrainian steel have declined significantly since reaching a peak in 2011, falling from 35.3 MMT to 21.1 MMT in 2018. During that period, only half of domestic steel production was absorbed by domestic demand, demonstrating that Ukraine is highly dependent on exports.\textsuperscript{205}

The producers also noted that Ukraine’s main export markets in the EU, the US and Russia have all imposed trade remedy findings against OCTG from Ukraine. The producers believe this makes Canada a prime target for dumped Ukrainian OCTG.\textsuperscript{206}

\textit{Propensity of the Ukrainian OCTG producers to dump}

The Canadian producers stated that Ukrainian OCTG producers demonstrate a propensity to dump. They explained that in addition to the finding, they are subject to anti-dumping measures on OCTG in the European Union, Russia and the United States. They are also subject to measures on other steel tubular products in Brazil, Mexico and Russia.\textsuperscript{207}

\textit{Impact of the Finding on Imports of Ukrainian OCTG}

The Canadian producers stated that the finding significantly reduced OCTG imports from Ukraine, highlighting the fact that there have been no imports of OCTG from Ukraine between 2017 and 2019. They explained that this demonstrates the Ukrainian producers cannot compete within the Canadian OCTG market without dumping.\textsuperscript{208}

\textsuperscript{204} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 45.
\textsuperscript{205} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 97.
\textsuperscript{206} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 97.
\textsuperscript{207} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 102.
\textsuperscript{208} Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 103.
Vietnam

[254] With respect to Vietnam, the Canadian producers argued that the evidence on the record establishes:

- a significant increase in domestic steel production;
- domestic producers’ investments in production capacity;
- low capacity utilization and high excess capacities of domestic steel producers;
- Exporting habits of the domestic producers;
- the exporting propensity of the domestic OCTG producers;
- the propensity of the Vietnamese domestic OCTG producers to dump; and
- impact of the finding on imports of Vietnamese OCTG.

**Significant Increase in Domestic Steel Production**

[255] The Canadian producers stated that according to the OECD, Vietnam’s steel production nearly tripled between 2014 and 2018, increasing from 5.7 MMT to 14.1 MMT, effectively placing them amongst the world’s top 20 steel producers.²⁰⁹

[256] Vietnam’s steel production capacity is expected to grow regardless of calls to decrease global excess capacity. In 2019, the industry was forecast to grow by 20 to 22 percent, with the welded steel pipe sector experiencing 15 percent growth.²¹⁰

[257] The producers also stated that the dramatic increase in crude steel production will provide producers of OCTG and producers of OCTG inputs access to a larger pool of raw materials, which they could use to create greater quantities of the subject goods.²¹¹

**Steel pipe producers’ Investments in Production Capacity**

[258] The Canadian producers stated that amongst Vietnam’s major steel pipe producers, two have recently made investments to increase their production capacities. In 2018, Hoa Phat Group put a steel project located in Quang Ngai into operation with an annual production capacity of 4 MMT. In 2019, SeAH Steel Vina increased its pipe production capacity by 140,000 MT at an investment cost of $37.8 million USD.²¹²

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²⁰⁹ Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 131.
²¹⁰ Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 132.
²¹¹ Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 47.
²¹² Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 133.
**Low Capacity Utilization and Excess Capacity of the Domestic Producers**

[259] The Canadian producers stated that Vietnamese OCTG producers suffer from low capacity utilization rates, specifying that Vietnam is currently operating at 41% of their production capacity.\(^{213}\) The producers also cited MBR while identifying producers SeAH Steel Vina, Sujia Steel Pipe Co. Ltd., and Hot Rolling Pipe Co. Ltd. as having high levels of excess capacity as well as additional capacity to produce other tubular goods.\(^{214}\)

[260] The Canadian producers also stated that due to the current conditions, the Vietnam Steel Association has predicted that local demand for steel will fall at a rate nearly double the rate it predicts that demand for exports will drop. They believe that this will increase the likelihood of a resumption of dumping of steel-based products.\(^{215}\)

**Exporting habits of the domestic producers**

[261] The Canadian producers stated that Vietnamese OCTG producers are export oriented. The producers cited MBR to provide forecasted export volumes for 2020 and 2021, which support their claim.\(^{216}\) They also noted that SeAH Steel Vina indicated its intent to export 61 to 70 percent its products, which translates to an approximate value of $50 to $100 million USD, while indicating that Canada is one of their preferred markets.\(^{217}\)

[262] The producers also noted that the 25% tariff levied by the US will pose challenges for Vietnamese OCTG producers seeking to export there. The producers believe that this could result in the diversion of OCTG to Canada if the finding were to be allowed to expire.\(^{218}\)

[263] Lastly, the Canadian producers stated that according to the Financial Times, Vietnam’s exports of goods and services are likely to exceed the nation’s GDP this year. This would result in Vietnam becoming the largest economy in demographic terms to join the club of super-exporters. They noted that economies reliant on exports experience structural imbalances, making them vulnerable to external economic uncertainty and likely to exploit new or renewed export opportunities.\(^{219}\)

\(^{213}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 46.
\(^{214}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 134.
\(^{215}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 82.
\(^{216}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 134.
\(^{217}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 133.
\(^{218}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 98.
\(^{219}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 99.
**Propensity of Vietnamese OCTG producers to dump**

[264] The Canadian producers stated that Vietnamese OCTG producers have a demonstrated propensity to dump, citing current ongoing antidumping proceedings against them in Thailand and the United States. The producers also cited antidumping measures against other tubular products from Vietnam by Brazil, Turkey and Thailand.\(^{220}\)

[265] In 2019, Vietnamese tubular steel producers, including OCTG producer SeAH Steel Vina were found to be dumping carbon steel welded pipe into Canada and have been subject to anti-dumping duties since the CITT’s injury finding in February of 2019.\(^{221}\)

**Impact of the finding on imports of Vietnamese OCTG**

[266] The Canadian producers stated that the finding significantly reduced imports of OCTG from Vietnam. From the beginning of 2017 to the end of 2019, 188 MT of Vietnamese OCTG were imported, translating to a total value of $401,196.\(^{222}\) When compared to the 10,971 MT of OCTG imported from Vietnam in 2014, it is evident that OCTG exporters from Vietnam cannot compete in the Canadian market without dumping.\(^{223}\)

**Parties Contending that Continued or Resumed Dumping is Unlikely**

[267] None of the parties expressly contended that resumed or continued dumping of subject goods from any of the named countries is unlikely should the CITT rescind its finding.

**CONSIDERATION AND ANALYSIS – DUMPING**

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

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\(^{220}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 135.

\(^{221}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 136.

\(^{222}\) Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.

\(^{223}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 137.
Before presenting the specific analysis with respect to each named country concerning
the likelihood of continued or resumed dumping in absence of the CITT’s finding, there are
certain issues that relate to the goods on a broader scale which are addressed as follows:

- Substitutability of OCTG;
- Capital intensive nature of steel production;
- Impact on Trade Patterns of Chinese Steel Exports;
- Global Excess Capacity of Steel and OCTG;
- Global Pandemic and the Oil Price War;
- International Trade Measures; and
- Global OCTG Consumption.

**Substitutability of OCTG**

The significant number of anti-dumping measures involving steel products, both in
Canada and other jurisdictions, can be related, in large part, to the very nature of the products
and the industry.

The factors that relate to the nature of the product include the substitutability of OCTG
made to API 5CT specification, as well as the capital-intensive nature of steel production. The
combined effects of these characteristics can have a significant impact on pricing.

Generally speaking, OCTG produced to the API 5CT specification or equivalent
proprietary standard by a producer in a given country is physically interchangeable with OCTG
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 characteristic means that OCTG must compete in a market that is
extremely price sensitive, where price is one of the primary factors affecting purchasing
decisions from customers. 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.

Given the substitutability and the commodity nature of OCTG, when anti-dumping
measures are put in place for OCTG from a particular country, other sources of OCTG emerge.
This is evident from the number of measures in Canada, both historically and currently, with
respect to OCTG.

**Capital-Intensive Nature of Steel Production**

A second characteristic of OCTG, as is the case across steel products, is the
capital-intensive nature of its production. Steel mills are capital intensive with high fixed costs.
In order to recover fixed expenses, steel mills must run at high levels of production capacity.
When home market demand drops, producers will search out foreign markets to maintain
capacity utilization to ensure that these fixed costs are recovered.
This is often referred to as the “economics of steel production.” This characteristic is particularly important when there are conditions of overcapacity, as a producer may find it more feasible to sell excess production in foreign markets at depressed prices rather than reduce production, as long as the producer’s variable costs are covered.

**Impact on Trade Patterns of Chinese Steel Exports**

The excess production capacity for OCTG in China is not a new issue, but rather a problem that has continued to plague the industry over a number of years, including throughout the POR. As the world’s largest steel producing country and the largest producer of OCTG, China is a major contributor with respect to the problem of excess capacity.

According to FastMarkets, China has an significant OCTG capacity while apparent consumption of OCTG in China is only estimated to be less than half of total capacity.

Taken together, the combined production capacity of Chinese seamless and welded OCTG producers represents well over the size of the total annualized Canadian market, which the CBSA estimated to be 663,000 MT for 2019.

The threat China poses to the Canadian market in the context of this expiry review is through its exports to other countries, which displace sales of OCTG from other countries, including the named countries, forcing those countries to seek other export markets. Given the trade measures that China faces for OCTG in Canada, the United States and abroad, this will continue to be a threat for the foreseeable future, so long as the great disparity between China’s consumption and capacity exists.

Consequently, China’s massive production capacity for OCTG continues to create pressure on other countries to find export markets for their OCTG, as China threatens to displace them. The threat of displacement increases the likelihood that the named countries will look to Canada as an attractive destination for their exports, particularly if the market is unrestrained by trade measures.

**Global Excess Capacity of Steel and OCTG**

China’s massive capacity capabilities and growth continue to create pressure for worldwide steel (including OCTG) producers to find other markets to sell their production. As stated by the CITT in its safeguard inquiry in certain steel goods, “China is responsible for 75 percent of new steel capacity since 2000, with its crude steelmaking capacity increasing sevenfold from 150 million tonnes in 2000 to an estimated 1,048 million tonnes in 2018—a level that represents more than 46 percent of total world crude steel capacity.”

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224 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 27, page 28 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.”

225 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 26, page 28 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.”

Many of China’s trading partners with their own domestic steelmaking capacity have sought out commitments to reduce excess capacity. China has acknowledged and made repeated commitments to reduce production capacity, but has failed to deliver meaningful results. Chinese crude steel making capacity has declined by 100 MMT since 2015, but when compared to the levels of growth experienced in the past, the marginal decline is not nearly enough.227

Global steel excess capacity has become such a large-scale issue that on October 22, 2019, the Canadian Steel Producers Association (CSPA) gathered alongside eighteen other steel industry associations from around the world. The associations were calling for governments of steel making economies to step up efforts to effectively tackle persistent global excess capacity in the steel sector, including by quickly implementing strong rules and remedies that reduce excess capacity, its impact and its causes.228

In September 2019, the OECD indicated that, worldwide, projects already underway have the potential to add an additional 42.2 MMT of global steel making capacity between 2020 and 2022, with nearly half of those projects being undertaken in China.229

The OCTG industry suffers from similar overcapacity issues. The decline in oil and gas prices in 2014 resulted in global reductions in OCTG consumption of between 40 and 50 percent from peak levels experienced between 2012 and 2013. As of 2019, consumption levels have yet to fully recover and are not forecasted to do so until 2023.230 Forecasts regarding the future consumption of OCTG were made prior to the global pandemic and could be overstated as a result.

In November 2018, in Seamless Casing, the CITT noted that Chinese seamless OCTG capacity was approximately double the size of the Chinese domestic market. The CITT also found that Chinese producers were continuing to add further capacity notwithstanding these long-standing concerns and China’s own recognition of its overcapacity issues.231

In Certain Seamless Casing, the CBSA also indicated that the combined production capacity of just three Chinese seamless OCTG producers represented more than 18 times the size of the seamless casing market in Canada. The CBSA concluded that “the Chinese steel industry has been experiencing an overcapacity crisis for many years, and without a major overhaul of the industry in China, overcapacity will continue.”232

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228 Exhibit 27 (NC) – CBSA Supplemental Research – Excess Capacity in the Global Steel Industry.
229 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC; Attachment 11 (NC).
230 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC; Attachment 28 (PRO).
231 CITT – Seamless Carbon or Alloy Steel Oil and Gas Well Casing, paragraph 65. https://decisions.citt-tcce.gc.ca/citt-tcce/s/en/item/418294/index.do
Global excess capacity of steel and OCTG driven by China has adversely impacted capacity utilization ratios amongst the OCTG2 countries, leading to increased competition amongst potential export markets.

**Global Pandemic and the Oil Price War**

The global pandemic has had a negative impact on the world energy sector. The outbreak has contributed to a dampened demand for oil, resulting in plummeting oil prices and production declines.233

Following the outbreak of the global pandemic, Russia and Saudi Arabia failed to reach a deal aimed at cutting production, despite holding several rounds of bilateral talks. As a result, the existing deal for output cuts expired in March 2020, allowing OPEC members, who are responsible for roughly 40 percent of the world’s oil production, to pump at will in an already oversupplied market.234

According to PricewaterhouseCoopers while facing the global pandemic, the energy sector can expect to face three headwinds: managing the issues of the health emergency all sectors face while simultaneously coping with a low oil-price scenario; decreased demand; and the need to shore up revenue and manage debt obligations.235

As a result of the global pandemic, global oil demand lost almost 3 million barrels per day in Q1 of 2020. As declining global fuel demand will strain onshore and offshore storage capacity, producers will also have to curb oil drilling to adjust to lower levels of demand. The global pandemic’s containment timeline is also highly unpredictable, but disruption on the global energy supply chain can be expected to last until Q2 or even Q3 given the current economic climate.236

From a domestic standpoint, the global pandemic and the oil price war have resulted in reductions in capital budgets amongst Canadian based producers totalling $6.25 billion CAD. According to The ARC Energy Research Institute, the budget cuts will be accompanied by a corresponding drop in drilling activity in 2020, with total well completions falling to 2,414, representing a 50 percent reduction from 2019 levels.237

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234 Exhibit 31 (NC) – Evraz Response to Producer ERQ; Attachment 13 (NC), pages 1-4.
236 Exhibit 39 (NC) – Close of record supporting documents from Evraz and WTC; Attachment 13 (NC) – Verisk Maplecroft: “COVID-19 shocks mean no respite for oil and gas in future,” pages 1-3.
237 Exhibit 31 (NC) – Evraz Response to Producer ERQ, page 12.
[294] According to Turkish OCTG producer Erbosan Erciyas, customer demand in both domestic and export markets such as the USA, EU and Middle East and North Africa (MENA) have decreased as a result of the global pandemic. The decreased demand has been met with a sharp decrease in export prices. Lockdowns imposed globally in attempts to limit the spread of the virus have exacerbated the situation, resulting in pauses in production by many OCTG2 producing countries.

[295] The production of OCTG is a capital intensive process with high fixed costs. In an effort to recover fixed expenses, steel mills must maintain high levels of capacity utilization. When facing a decrease in domestic demand, producers are forced to search out foreign markets to maintain production levels. Once restrictions imposed as a result of the global pandemic are eased, OCTG producers will be motivated to secure sales, while end users in Canada will look to examine all means possible to cut costs, including by sourcing the cheapest possible OCTG available on the market.

International Trade Measures

[296] On March 23, 2018, the USA imposed a 25 percent section 232 tariff on steel imported from all countries, with the exception of Canada and Mexico, which were deemed to present a special case and were therefore exempted from the tariff. However, this exemption expired and on May 31, 2018, the USA announced that tariffs of 25 percent on imports of Canadian steel and 10% on imports of Canadian aluminum would take effect on June 1, 2018, which ended on May 19, 2019.

[297] On September 27, 2019, in anticipation of a surge in steel imports that had been blocked from the U.S. market by the 232 tariff, the European Union imposed definitive safeguard measures on certain steel products. The measures imposed consist of a tariff rate quota with respect to 26 steel product categories, set at a level high enough to preserve traditional trade flows. A 25 percent tariff rate duty is applied beyond the set quantitative level of traditional trade flows, on a per-product-category basis.

[298] The respective measures taken by the US and EU may lead to a diversion of OCTG to other export markets, with a particular focus on markets that do not have similar measures in place.

238 Exhibit 39 (NC) – Close of record supporting documents from Evraz and WTC; Attachment 21 (NC), page 1.
239 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 61.
240 Exhibit 31 (NC) – Evraz Response to Producer ERQ; Attachment Q26-2 (NC) – Presidential Proclamation (9705) on Adjust Imports of Steel into the United States, page 1.
241 Steel and aluminum.
242 Exhibit 31 (NC) – Evraz Response to Producer ERQ; Attachment Q26-3 (NC) – EU Definitive Safeguards, page 28.
Global OCTG Consumption

[299] According to information on the record cited from Metal Bulletin FastMarkets (FastMarkets), apparent global OCTG consumption has been steady over the POR. 243

[300] FastMarkets estimates the Canadian market is the fourth largest in the world.244

[301] Almost three-quarters of apparent world OCTG consumption is produced using seamless tubes, with the balance produced from hot-rolled coil using the ERW production method. 245

[302] MBR projects apparent world OCTG consumption to grow in 2020 and 2021, respectively. 246 Consumption growth is projected to be led by Africa, Southeast Asia and South America.247

[303] China and the United States are by far the two largest OCTG consuming countries in the world.

[304] In relation to China, information on the record projects that:

“Growth in OCTG consumption is expected to increase nearly 8.6% in 2020 over 2019. China still relies heavily on OCTG exports to maintain capacity utilization rates at the domestic mills. With the hold up in export activity due to restricted movements in the first quarter, OCTG pricing will likely be affected by discounting, especially at Tier 2 mills.” 248

[305] Information on the record citing trade publication Metal Strategies Inc. stated that:

“US OCTG apparent consumption fell by 8.1% last year after two very strong recovery years – a 43.7% increase in 2017 and a 10.1% increase on 2018. Given that in December US OCTG apparent consumption was down by 25.7% year on year, including a 29.2% decline in domestic shipments and a 17.1% decline in US OCTG imports, [Metal Strategies Inc.] forecast that OCTG apparent consumption will decline at a steeper rate in 2020 – about 20%, including a 23% decline in domestic mill shipments and a 15% decline in OCTG imports.”

243 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 26, page 28 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.”
244 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 22, page 13 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.”
245 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 22, page 13 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.” FastMarkets data has seamless consumption at 11,673 MT and ERW at 4,044 MT.
247 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 26, page 26 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.”
248 Exhibit 26 (PRO) – Supplemental CBSA Research; Metal Market Magazine March 2020, page 27 of 60.
[306] FastMarkets also stated the following in regards to US OCTG consumption:

“Last year one of the few bright spots for the US OCTG producers was that the import decline had been much more pronounced – falling 16.2% – than that for domestic shipments which were just down 1.2% from 2018 levels.”

[307] Consequently, information on the record indicates that apparent world OCTG consumption is projected to climb and may potentially reach peak levels seen at the time of the original investigation POI by 2025. It is worth noting that these projections were made prior to the onset of the global pandemic and the oil price crash in early spring 2020.

**Chinese Taipei**

[308] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters or producers in Chinese Taipei. The CBSA, therefore, relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from Chinese Taipei is likely to resume or continue if the finding were to expire.

**Producers of OCTG in Chinese Taipei**

[309] Information on the record provided by the Canadian producers identified four OCTG producers in Chinese Taipei, namely, Chung Hung Steel Corp. (Chung Hung), Kao Hsing Chang Iron & Steel Corporation/Pintung Branch (Kao Hsing), Shin Yang Steel Co., Ltd. (Shin Yang), and Tension Steel Industries Co., Ltd. (Tension Steel). Information on the record indicates that there are two other producers, namely, Chung Hung Steel Corporation Lukang Branch of Pipe & Tube Department (Chung Hung Steel Lukang), and Far East Machinery Co. Ltd. (Far East), who are licensed to manufacture OCTG in Chinese Taipei.

[310] Information on the known active OCTG producers in Chinese Taipei was limited but some information regarding their OCTG output follows.
Chung Hung

[311] Chung Hung is a member of the China Steel Corporation Group and it was established in Kaohsiung City in 1983. Chung Hung’s main products include hot-rolled steel coils, cold-rolled steel coils, hot-dipped galvanized steel coils, JIS steel pipes, ASTM steel pipes, API steel pipes, and PE coated steel pipes.

[312] Chung Hung has a total of five production plants including the hot rolling department (designed annual capacity of 2.4 MMT), cold rolling department (designed annual capacity of 450,000 MT), Dafa steel pipe plant (designed capacity of 48,000 MT), and the pickling and galvanizing department.252

[313] Chung Hung participated in the CBSA’s original investigation253 and the subsequent re-investigation254 and received specific normal values. In the CBSA’s most recent re-investigation which concluded May 25, 2020, Chung Hung again participated and received specific normal values.255

Shin Yang

[314] Shin Yang, located in Kaohsiung, Chinese Taipei, is a manufacturer of OCTG with 10 pipe-forming manufacturing machines. According to Shin Yang’s website, it has an annual production capacity of 370,000 MT and claims to be the largest steel pipe and tube producer for both structural and ordinary piping in Chinese Taipei.256

[315] Shin Yang did not participate in the CBSA’s original investigation257 but did in the subsequent re-investigation258 and received specific normal values. In the CBSA’s most recent re-investigation which concluded May 25, 2020, Shin Yang again participated and received specific normal values.259

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253 Exhibit 27 (NC) – Supplemental CBSA Research – CBSA OCTG2 Final Determination Statement of Reasons.
254 Exhibit 27 (NC) – Supplemental CBSA Research – OSP Notice of Conclusion of Re-investigation 2015.
258 Exhibit 27 (NC) – Supplemental CBSA Research – OSP Notice of Conclusion of Re-investigation 2015.
Tension Steel

[316] Tension Steel was established in 1980 and has further extended its manufacturing factories in HsinChu and GanShan in 1990 and 2004 respectively. Tension produces various products which include plate, hot and cold-rolled coils, carbon steel pipes, carbon steel rectangular pipe, API pipes, galvanize pipes, structural pipes, fire control pipes, and pipes used in the automotive industry. The core product produced by Tension is API pipes with an annual output of 60,000 MT.260

[317] Tension Steel participated in the CBSA’s original investigation261 and the subsequent re-investigation262 and received specific normal values. In the CBSA’s most recent re-investigation which concluded May 25, 2020, Tension Steel again participated and received specific normal values.263

Other Facilities

[318] In addition to the three facilities described above, Chinese Taipei has three other facilities that are licensed by API 5CT to manufacture OCTG ERW casing and tubing.264 There is no information on the record with respect to Far East and its production capacity. Information on the record indicates that Kao Hsing has a large capacity at its welded mill to produce OCTG, however, Kao Hsing has not participated in past CBSA proceedings.265 Information on the record also indicates that in 2015, Chung Hung had open an affiliated plant, Chung Hung Steel Lukang, increasing capacity of welded products in Chinese Taipei by approximately 181,500 MT.266

Domestic Market in Chinese Taipei

[319] In April 2020, the IMF reported Chinese Taipei’s real GDP growth in 2019 to be 2.7% and forecast 2020 to have a contraction of -4.0%, with a recovery in 2021 to 3.5%.267

[320] According to the OECD, steel production in Chinese Taipei recorded moderate growth, of 1.1% when comparing the first half of 2019 to the same period in 2018.268

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261 Exhibit 27 (NC) – Supplemental CBSA Research – CBSA OCTG2 Final Determination Statement of Reasons.
262 Exhibit 27 (NC) – Supplemental CBSA Research – OSP Notice of Conclusion of Re-investigation 2015.
264 Exhibit 27 (NC) – Supplemental CBSA Research - List of Licensed OCTG Producers.
265 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Taiwan Market OCTG Intelligence Service, Metal Bulletin Research), page 10 of 198.
266 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 149.
267 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada: “IMF World Economic Outlook, April 2020;” page 346 of 413.
268 Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 17 of 61.
The World Steel Association (WSA) statistics report Chinese Taipei’s crude steel production has continued to grow up to 23.2 MMT in 2018 from 22.4 MMT in 2017. This ranks Chinese Taipei 12th in the world where leaders such as China has reportedly produced 928 MMT in the same period.\(^\text{269}\)

The WSA world steel figures also reported Chinese Taipei’s apparent steel use to remain relatively flat in 2018 at 17.9 MMT, compared to 17.7 MMT reported in 2017.\(^\text{270}\)

An article from the South China Morning Post published in April 2019 indicated that Chinese Taipei’s growth prospects are declining as the US-China trade war continues to place a strain on the domestic economy. The article also indicates that 77% of Chinese Taipei’s GDP is linked to exports.\(^\text{271}\)

The Canadian producers cited a steel industry report by Argus Media, indicating that Chinese Taipei is seeing imports of scrap metal in 2019 fall by 2.8% year-on-year. The decline was attributed to the weaker domestic steel demand and the decision by the Chinese Taipei government to hold off on funding large infrastructure projects.\(^\text{272}\)

The trend analysis indicates that Chinese Taipei’s production and consumption of steel will continue to remain relatively flat or decline in the near future as Chinese Taipei experiences volatility due to uncertainly tied to the resolution of the US-China trade war and the ongoing global pandemic.

**Domestic OCTG Market in Chinese Taipei**

There was limited information placed on the record in regards to OCTG manufacturing and sales in Chinese Taipei.

According to MBR data, the domestic market for OCTG products in Chinese Taipei is insignificant. The apparent domestic consumption during the original investigation remained unchanged when compared to the POR. Chinese Taipei reportedly consumed a relatively low amount between 2013 and 2019. Domestic consumption is projected to remain consistent to previous years in 2020 and 2021.\(^\text{273}\) This would indicate that OCTG producers in Chinese Taipei will continue to rely on export markets in the future.


\(^{271}\) Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada – Attachment 3: “South China Morning Post,” April 10, 2019, pages 14-20 of 413.

\(^{272}\) Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada; Attachment 11, pages 40-42.

\(^{273}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Taiwan Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 9 of 198.
Excess Production Capacity of OCTG in Chinese Taipei

[328] Confidential information available on the record provides an estimate of the combined production capacity of four Chinese Taipei companies producing tubular steel products. According the MBR data, of this capacity, approximately half is committed to OCTG production.\(^\text{274}\)

[329] Chung Hung’s annual report indicates that there is an additional steel pipe facility, Chung Hung Steel Lukang, located in Changhua County that has a designed annual capacity of 200,000 MT.\(^\text{275}\) This capacity does not appear to be reported by the MBR data, therefore, total tubular capacity in Chinese Taipei could be much higher.

[330] CBSA research and analysis estimates that the total production capacity of all OCTG producers in Chinese Taipei to be approximately 488,000 MT. In estimating the potential OCTG production capacity in Chinese Taipei, the CBSA relied on data published by MBR, annual reports from known OCTG producers in Chinese Taipei, and additional information on the administrative record. In addition, to include a reasonable amount of OCTG production for the Chung Hung Steel Lukang plant, the CBSA applied the same percentage of total effective OCTG capacity to total tubular capacity attributed to Chung Hung in the MBR report. This valuation would attribute an additional 118,000 MT of OCTG production capacity for Chinese Taipei.\(^\text{276}\)

[331] With a combined estimated production capacity of 488,000 MT in Chinese Taipei, based on the CBSA’s statistics, this represents approximately 74% of the Canadian market in 2019.\(^\text{277}\)

[332] With respect to Chinese Taipei producers capacity utilization rates, using MBR estimated domestic production of OCTG during the POR, it was estimated that producers operated with a capacity utilization rate of 45%, 32%, and 34% in 2017, 2018, and 2019 respectively.\(^\text{278}\)

[333] Furthermore, Chung Hung indicated in its annual report that one of its tangible actions listed under its business policies is to “make full use of resources and equipment production capacity.”\(^\text{279}\) With the reported low utilization rates by Chinese Taipei producers of OCTG and initiatives to increase capacity utilization rates, it is likely Chinese Taipei exporters will be seeking potential markets in order to sell their OCTG goods.

\(^{274}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Taiwan Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 10 of 198.
\(^{275}\) Exhibit 27 (NC) – Supplemental CBSA Research – Chinese Taipei – Chung Hung Steel Corp. 2018 Annual Report, page 15 of 326.
\(^{276}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Taiwan Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 10 of 198. Chung Hung Steel total effective OCTG capacity as a percentage of total tubular capacity (59% * 200,000 MT = 118,000 MT)
\(^{277}\) Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50 (488,000 / 663,073 = 73.6%).
\(^{278}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Taiwan Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 9 of 198.
\(^{279}\) Exhibit 27 (NC) – Supplemental CBSA Research – Chinese Taipei – Chung Hung Steel Corp. 2018 Annual Report, page 7 of 326.
Exports from Chinese Taipei

[334] According to the World Steel Association 2019 World Steel Figures, Chinese Taipei was the world’s 13th largest steel exporter in 2018 with 12.3 MMT in steel exports. In comparison, the volume of Chinese Taipei’s steel exports was approximately 18% of the total volume of the world’s largest steel exporter China, with 68.8 MMT.  

[335] Since 2016, Chinese Taipei went from operating at a steel trade deficit to a steel trade surplus and has maintained a trade surplus that has amounted to 4.55 MMT in 2018.  

[336] The ITA Global Steel Monitor reports that Chinese Taipei steel producers export to more than 130 countries and territories, representing 52.6% of the Chinese Taipei’s total production in 2018.  

[337] With respect to pipe and tube products, of the 12.3 MMT of steel exports, approximately 4% (483,000 MT) are pipe and tube products. As noted in the ITA Global Steel Monitor, the US received the largest share of Chinese Taipei’s pipe and tube exports at 66% (321,000 MT), followed by Canada at 6% (30,000 MT). This means that approximately 72% of total pipe and tube products exported from Chinese Taipei are destined for the North American market. This would demonstrate that Canada and the US are significant markets for Chinese Taipei pipe and tube exporters.  

[338] Regarding OCTG specifically, MBR data indicates that Chinese Taipei export volumes have declined significantly following the period of the original investigation but rebounded in 2017 with projections to remain strong going forward. MBR forecasts OCTG exports to increase in 2020 and 2021, and to further increase in 2022.  

[339] Volumes of exports from Chinese Taipei during the POR are higher than levels seen during the original investigation and the projected export volumes of OCTG from Chinese Taipei are significant.  

[340] Furthermore, a statement from Chung Hung’s 2018 annual report indicates that Chung Hung aims to expand to markets outside of the US for its steel pipe products and to continue to develop oil pipelines suitable for low-temperature environments. This further demonstrates Chinese Taipei’s producers propensity to export and the likelihood that Canada could be a targeted market.

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284 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Taiwan Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 9 of 198.  
CBSA data on Exports from Chinese Taipei to Canada

[341] The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period Chinese Taipei accounted for 2.5% of total imports.\textsuperscript{286}

[342] In the original investigation, both exporting parties Chung Hung and Tension Steel participated and were found to be dumping. Chung Hung, Tension Steel, and Shin Yang were issued normal values via the 2015 re-investigation\textsuperscript{287} and 2020 re-investigation.\textsuperscript{288}

[343] During the POR, Chinese Taipei accounted for a very small amount of imports.\textsuperscript{289} $59,145 in SIMA duties were collected on $3,868,341 worth of imports during the POR. Chinese Taipei accounted for no imports in 2017, 1,137 MT were imported with $50,482 in SIMA duties collected in 2018, and 1,662 MT with $8,662 in SIMA duties collected in 2019.\textsuperscript{290}

[344] The continued dumping which took place in Canada during the POR would indicate that Chinese Taipei’s aggressive pricing behaviour respecting subject goods continues to persist in today’s market. Should the finding be rescinded, it appears reasonable to expect that Chinese Taipei exporters would continue to dump OCTG products into the Canadian market.

Trade Measures against other Chinese Taipei steel products in Canada and Other Jurisdictions

[345] Canada has four other anti-dumping measures in effect against steel products from Chinese Taipei.\textsuperscript{291}

[346] Evidence on the record documents several anti-dumping measures against Chinese Taipei exporters in other jurisdictions respecting various steel products.

[347] A list of these measures are provided below and is separated into two sections, measures relating to pipe and tube products and measures pertaining to other steel products.

\textsuperscript{286} Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.

\textsuperscript{287} Exhibit 27 (NC) – Supplemental CBSA Research – OSP Notice of Conclusion of Re-investigation 2015.


\textsuperscript{289} Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50 (2,798 / 1,639,129 = 0.17%).

\textsuperscript{290} Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.

\textsuperscript{291} \url{https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/pla7-eng.html}. 
Table 4
Anti-dumping Actions Imposed by Canada and Other Jurisdictions292

<table>
<thead>
<tr>
<th>Country Imposing Anti-dumping Action</th>
<th>Description of Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tube and Pipe Products Originating in Chinese Taipei</strong></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>Certain carbon steel welded pipe</td>
</tr>
<tr>
<td>Brazil</td>
<td>Seamed tubes of austenitic stainless steel</td>
</tr>
<tr>
<td>Thailand</td>
<td>Stainless steel pipe and tube</td>
</tr>
<tr>
<td>Turkey</td>
<td>Welded stainless steel tubes, pipes and profiles</td>
</tr>
<tr>
<td>United States of America</td>
<td>Certain circular welded carbon steel pipes and tubes; Welded ASTM A-312 Stainless Steel Pipes</td>
</tr>
<tr>
<td><strong>Other Steel Products Originating in Chinese Taipei</strong></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>Hollow structural sections</td>
</tr>
<tr>
<td>Canada</td>
<td>Corrosion-resistant steel sheet</td>
</tr>
<tr>
<td>India</td>
<td>Hot-rolled steel flat sheets and plates</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Flat-rolled products of iron or non-alloy steel; I and H sections of other alloy steel</td>
</tr>
<tr>
<td>United States of America</td>
<td>Certain small diameter carbon and alloy seamless standard line and pressure pipe</td>
</tr>
</tbody>
</table>

[348] It should be noted that the above table only provides a sample of ongoing trade remedies against Chinese Taipei’s steel sector. According to the May 2019 ITA Global Steel Trade Monitor Report on Chinese Taipei steel exports, there are currently 41 anti-dumping trade remedies in effect against steel products from Chinese Taipei, the US representing 13 of these cases.293

[349] It is evident by the numerous measures currently in place by Canada and other jurisdictions that Chinese Taipei exporters have a propensity to dump steel products.


293 Exhibit 27 (NC) – Supplemental CBSA Research – United States ITA Steel Exports Report – TW May2019
**Determination Regarding Likelihood of Continued or Resumed Dumping from Chinese Taipei**

[350] Based on the information on the administrative record in respect of: the substantial excess production capacity in Chinese Taipei; OCTG producers’ dependence on exports; Chinese Taipei’s exporters inability to sell OCTG to Canada at non-dumped prices during the POR; and the propensity to dump as evidenced by the numerous anti-dumping measures concerning steel products in both Canada and other jurisdictions, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from Chinese Taipei.

**India**

[351] The CBSA relied on the information submitted by Maharashtra Seamless Ltd. and their related exporter, GVN Fuels, 294 the Canadian producers as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to India. No case briefs or reply submissions from exporters in India were received. Both parties also participated in the original investigation, the 2015 re-investigation 295 and in the most recent re-investigation, which concluded on May 25, 2020. 296

**Producers of OCTG in India**

[352] According to information on the record, there are five actively licensed production facilities for OCTG in India.

**Indian Seamless Metal Tubes (ISMT)**

[353] According to protected information from MBR, ISMT is capable of producing significant amounts of seamless OCTG per year at its Maharashtra facility. The company can produce up to 9.625 inches in outside diameter.

[354] ISMT can produce both tubing and casing, including heat-treated grades. The company exports to the United States and Middle East. 297

[355] The company participated in the most recent re-investigation, which concluded on May 25, 2020. 298

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294 Exhibits 46 (PRO), 47 (NC), 48 (PRO) and 49 (NC) – GVN Fuels & Maharashtra Seamless response to foreign producer/exporter ERQ.

295 Exhibit 27 (NC) – Supplemental CBSA Research. CBSA OCTG 2 Final Determination Statement of Reasons; CBSA Notice of Conclusion of OSP Re-investigation 2015.


Jindal Saw Limited (JSL)

[356] Similar to ISMT, JSL is capable of producing significant amounts of seamless OCTG at its Nashik facility. The company can produce between 2.325 and 7 inches in outside diameter. JSL can produce both low and high-strength tubing and casing.

[357] The company participated in the original investigation, the 2015 re-investigation and in the most recent re-investigation which concluded May 25, 2020.

Maharashtra Seamless Ltd. (two facilities)

[358] Maharashtra Seamless Ltd. (Maharashtra Seamless) is India’s largest OCTG producer, with two facilities. Information from MBR reported that the seamless facility is capable of producing more seamless OCTG per year than any other Indian producer, including heat-treated grades, while the ERW facility can produce significant quantities of ERW OCTG per year as well.

[359] The ERQ response from Maharashtra Seamless, however, provided different capacity figures but did not change the fact that the company has a massive capacity to produce OCTG and other tubular goods.

[360] According to the company, the seamless plant produces OCTG ranging from 2.375 inches to 13.375 inches in outside diameter. The ERW plant produces OCTG ranging from 8.625 to 13.375 inches in outside diameter.

Oil Country Tubular Ltd. (OCTL)

[361] According to MBR, OCTL is capable of producing a large quantity of seamless OCTG at its Nalgonda facility. The facility can produce between 2.375 and 13.375 inches outside diameter.

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300 Exhibit 27 (NC) – Supplemental CBSA Research: API List of Licensed OCTG Producers.
301 Exhibit 27 (NC) – Supplemental CBSA Research. CBSA OCTG 2 Final Determination Statement of Reasons; CBSA notice of Conclusion of OSP Re-investigation 2015.
303 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO) of Attachment 37 (PRO), page 16 of 24. Metal Bulletin Research Intelligence Service, India Tubular Capacity and Production Capabilities.
304 Exhibit 48 (PRO) – GVN Fuels & Maharashtra Seamless response to Foreign Producer/Exporter ERQ, Appendix 1.
305 Exhibit 49 (NC) – GVN Fuels & Maharashtra Seamless response to Foreign Producer/Exporter ERQ, Question 11.1.
306 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO) of Attachment 37 (PRO), page 16 of 24. Metal Bulletin Research Intelligence Service, India Tubular Capacity and Production Capabilities.

Trade and Anti-dumping Programs Directorate 65
Other Potential Indian Producers

[362] Although no information was available on the record of actual production, the following three pipe manufacturers in India are licensed by the American Petroleum Institute (API) to manufacture API-5CT specification, low-strength ERW casing and tubing (plain end).:

- Ratnamani Metals & Tubes Ltd. 308
- Surya Roshni Ltd. 309
- Tata Steel BSL Ltd. 310

[363] India also has an abundance of facilities which are licensed by API 5CT to further process and/or thread OCTG. Information on the record indicates there are at least 11 such licensed and active facilities in India. 311 The inclusion of these parties vastly increases the export potential from India beyond the facilities licensed to manufacture OCTG from raw material such as HRC (ERW) or billet (seamless).

Domestic Market in India

[364] In considering data from the first half of 2019, the OECD forecasted GDP growth in India to remain strong, reaching 7.2% in 2019 and 7.4% in 2020. Robust growth supported by public sector projects (e.g. infrastructure) were cited as key reasons for this projection.”

[365] Later in 2019, reports of India’s domestic economic situation changed as there had been a slowing of growth and a decline in demand for oil.

[366] By April 2020, the sentiment had further changed for India’s economy, given the world circumstances, as the IMF forecasted India’s GDP growth in 2020 to be a modest 1.9%, with a significant uptick in 2021 to 7.4%.

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307 Exhibit 27 (NC) – Supplemental CBSA Research: API List of Licensed OCTG Producers.
308 www.ratnamani.com
309 www.surya.co.in
310 www.tatasteelbsl.co.in
311 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada; Attachment 52 (NC) – API 5CT Processor Entities/Licenses, page 232-233 of 413. https://mycerts.api.org/Search/CompositeSearch.
312 Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 8 of 61.
314 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada: “IMF World Economic Outlook, April 2020,” pages 325, 330 of 413.
Information on the record from the World Steel Organization from 2018 indicates that India is the second largest producer of crude steel in the world at 106.5 MMT per year. Over that period, India reportedly consumed 96 MMT of finished steel. China, by comparison, is the number one producer of crude steel at 928.3 MMT per year and the number one user at 835 MMT. 315

More recent information from the OECD reported that India’s steel production grew 5% in the first half of 2019 in comparison to the same period in 2018. 316

Reports on the record project a decline in automotive and manufacturing demand in India, which would result in lower paced demand growth for steel.317 Even with such a decline, India still projects to have the largest domestic market for steel in Asia, outside of China.

**Domestic OCTG Market in India**

Information on the record reports that apparent consumption of OCTG in India has grown over the 2017-2019 period, continuing the recovery from its trough in 2015. 318

The Indian OCTG market is clearly one of the largest in the world. Information on the record ranked India the sixth largest OCTG market, behind the United States, China, Russia, Canada and Saudi Arabia.319

Other information on the record reinforces the size of the Indian OCTG market, as a Jindal Saw – Hunting Energy partnership seeks to supply the Indian market for premium connection goods, currently supplied 100% by imports. This market segment is estimated to be valued at $200 million USD. In terms of what this could equate to in volume, a high-value estimate of $2,000 USD/MT would translate to 100,000 MT of the market. In regards to the partnership, a report on the record stated:

“India’s demands for seamless pipe with premium connections has till now been covered through imports. Now with this partnership for manufacturing of seamless pipes in India, the nation can look at reduction in their imports,” said Jim Johnson, CEO of Hunting PLC… Jindal Saw will also not make any new investment in its plants. The company will use its existing assembly lines at its Nashik plant for producing high-end seamless oil casings under the transfer of technology from Hunting Energy.”320

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316 Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 17 of 61.

317 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada: “Steel demand to slow down on weak auto, manufacturing demand: Moody’s,” page 43 of 413.


319 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, Question 22.

320 Exhibit 27 (NC) – Supplemental CBSA Research; Article: “Make in India: Jindal Saw aims to capture $200 million OCTG imports market,” August 14, 2019.
MBR data supports the magnitude of imports in the Indian OCTG market and projects that Indian producers will increase production and sales to the domestic market from 2019 to 2020 and then slightly more in 2021.321

Given Maharashtra Seamless’ estimates the domestic market, it is likely that substantial tonnage will be available to export, given that the production and import projections are more than likely well beyond what the market can absorb.

Information on the record regarding pricing in the Indian domestic market was limited.322 There was no breakdown of Maharashtra Seamless’ OCTG sales into seamless versus ERW or by grade to permit a more detailed analysis.

**Excess Production Capacity of OCTG in India**

Information on the record rates India’s practical OCTG capacity at larger than the entire Canadian market.323

Over the three-year 2017-19 period, production of OCTG in India was reportedly significantly below that capacity threshold and despite projected upticks is expected to remain significantly below capacity in 2020 and 2021.324

The actual volume of excess capacity could be well over half the size of the Canadian market.325

**Production of Other Goods in India**

India’s OCTG facilities have the capability to produce other seamless and welded pipes that are currently used for non-OCTG products. Information on the record indicates that the country’s estimated capacity for tubular goods overall is well beyond just its OCTG capacity,326 and more than twice the size of the estimated Canadian market for OCTG.

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[373] Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; India Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 19 of 198.


[376] Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; India Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 19 and 26 of 198.

[377] The CBSA’s Estimated Canadian Market Table for 2019 reported 663,073 MT.

[378] Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; India Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 20 of 198.
**Exports from India**

[380] Going back to 2009, India’s steel exports are typically around 10% of total production.\(^3\)\(^2\)\(^7\)

[381] Information on the record from the most recent period available, reports that in 2018, India exported 10.6 MMT of steel, a decrease from the 15.9 MMT exported in 2017. Pipe and tube products accounted for a reported 1 MMT of exports in 2018. Canada was the second highest volume destination for pipe and tube in 2018, at roughly 110,000 MT behind Nigeria and ahead of the United States.\(^3\)\(^2\)\(^8\)

[382] Information on the record indicates that India’s export decreases were nearly across all top destinations:

“Between 2017 and 2018, the volume of India’s steel exports decreased to 9 of the country’s top 10 steel export markets. Exports by volume decreased significantly to Vietnam, down 70 percent from 2017 and the United States, down 58 percent, Malaysia (-57%), Indonesia (-47%), Italy (-43%), United Arab Emirates (-38%), and Belgium (-37%), and Spain (-29%). India’s 2018 exports only increased to Nepal (up 21%).”\(^3\)\(^2\)\(^9\)

[383] In terms of steel tubular products, data on the record which consolidates India’s exports of both seamless (7304) and welded (7306) tubes demonstrates India’s consistently strong export of steel tubulars, particularly in the welded classification.\(^3\)\(^3\)\(^0\)

### Table 5
India’s Exports of Tubular Products

<table>
<thead>
<tr>
<th>Year</th>
<th>MT</th>
<th>Value (USD)</th>
<th>$/MT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HS: 7304 (Seamless)</td>
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<td></td>
</tr>
<tr>
<td>2017</td>
<td>116,630</td>
<td>$267,957,797</td>
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</tr>
<tr>
<td>2018</td>
<td>125,724</td>
<td>$343,958,363</td>
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<tr>
<td></td>
<td>HS: 7306 (Welded)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>518,216</td>
<td>$527,004,823</td>
<td>$1,017</td>
</tr>
<tr>
<td>2018</td>
<td>459,742</td>
<td>$570,912,816</td>
<td>$1,242</td>
</tr>
</tbody>
</table>

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\(^3\)\(^2\)\(^7\) Exhibit 27 (NC) – Supplemental CBSA Research – ITA Global Steel Trade Monitor, Steel Exports Report: India, May 2019, pages 6 of 8.

\(^3\)\(^2\)\(^8\) Exhibit 27 (NC) – Supplemental CBSA Research – ITA Global Steel Trade Monitor, Steel Exports Report: India, May 2019, pages 1-3 of 8.


\(^3\)\(^3\)\(^0\) Exhibit 27 (NC) – Supplemental CBSA Research - UN Comtrade Data (Source: [https://comtrade.un.org/data](https://comtrade.un.org/data)).
Regarding OCTG specifically, information on the record consolidated by the Canadian producers from the Global Trade Atlas at the 8-digit HS classification level, indicates that India actively sells OCTG to export markets. That information also indicates that Canada is India’s number one export market for OCTG.  

Since the data cited by the Canadian producers from the Global Trade Atlas includes information that is not reconcilable to Canada’s tariff classification system, this dataset may be incomplete or include goods that are non-subject seamless and welded tubes. As such MBR data specific to OCTG was favoured in analyzing India’s exports.

The MBR data reveals that India’s export volumes of OCTG have declined since the period of the original investigation but remain significant.

Protected information submitted from Maharashtra Seamless demonstrates that Canada is still an import export market for India.

**Evidence of Dumping and CBSA Data on Exports from India to Canada**

The original investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, India accounted for 1.3% of total imports. Neither of the two participating exporters, namely, Maharashtra Seamless (exported through GVN Fuels) nor JSL were found to be dumping. Those companies have been issued normal values since the conclusion of the original investigation.

According to the CBSA’s import and enforcement statistics, over the three-year POR for this expiry review (2017-2019), India accounted for 0.45% of imports. In the most recent full-year period of 2019, India accounted for 1.9% of imports.

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331 Exhibit 16 (PRO) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Evraz Inc. NA Canada, Canadian National Steel Corporation and Welded Tube of Canada Corporation; Attachment 11, pages 246-262 of 842. **Source:** Global Trade Atlas 2016-19. Also Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 38 (NC), paragraph 126. **Note:** The attachment referenced in the Exhibit was a poor copy. As such, the submission to the CITT was referenced for the same data.

332 For example, much of the data from the Global Trade Atlas comes from classification code 73042990, which is not in Chapter 73 of Canada’s Customs Tariff Schedule.

333 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; India Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 19 of 198.

334 Exhibit 48 (PRO) – GVN Fuels & Maharashtra Seamless response to Foreign Producer/Exporter ERQ, Question 42 and Appendix 3. **Note:** The figures reported by the exporter on sales to Canada are significantly beyond the CBSA’s official import statistics in Exhibit 35 (NC).

335 Exhibit 27 (NC) – Supplemental CBSA Research – CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.


337 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50. 7,350/ 1,639,129 = 0.45%.

338 7,161/382,655 = 1.87%.
The CBSA’s statistics report that the volume of subject goods exported to Canada from India in 2019 was 7,161 MT at a value of $10,365,344 and the CBSA assessed $23,815 in SIMA duties.  

The Canadian producers cited “active and widespread participation by Indian OCTG producers in the NVR” as evidence of a “clear and demonstrated interest in the Canadian market.”

The Canadian producers also cited “stale-dated normal values,” the result of the CBSA not conducting a re-investigation of normal values since December 2015, as the reason subject goods from India began to re-enter the Canadian market starting in 2017.

The Canadian producers did not cite any evidence to support the position that the “stale-dated” normal values were favourable to the exporters (i.e. lower than they would otherwise be) based on conditions in their home market.

However, information submitted by Maharashtra Seamless/GVN Fuels does indicate subject goods exported from India were dumped during the period of review.

**Measures against other Indian Steel Products in Canada**

India has a history of dumping steel into Canada, given the SIMA measures against three other Indian steel products. These products are carbon steel welded pipe (both dumping and subsidy – 2012), corrosion-resistant steel sheet (dumping – 2019) and hot-rolled steel sheet (subsidy – 2001).

**Trade Measures in Other Jurisdictions against India**

Information on the record indicates that only the United States has anti-dumping measures against India for OCTG. 

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339 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50. Note: Maharashtra & GVN Fuels reported significantly more exports of OCTG to Canada than the official CBSA statistics but the CBSA data is considered more reliable for the time being, as certain imports from India may still be under review by CBSA Compliance from 2019.

340 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 11.

341 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 114.

342 Exhibit 48 (PRO) – GVN Fuels & Maharashtra Seamless response to Foreign Producer/Exporter ERQ, Appendix 3.

343 SIMA Website: Measures in Force. Note: the dumping order for India on hot-rolled steel sheet was rescinded at the last expiry review, as the CBSA determined it was unlikely to dump. https://www.cbsa-asfc.gc.ca/sima-lnsi/mif-mev/menu-eng.html.

344 Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 38, paragraph 79.
[397] On March 4, 2020, the US Department of Commerce (USDOC) completed its sunset review and continued its anti-dumping measures on OCTG from India, South Korea, Turkey and Vietnam, determining that the expiration of the measures would be likely to lead to continuation or recurrence of dumping.\(^\text{345}\)

[398] Other anti-dumping measures noted on the record concerning India are in Mexico for carbon steel tubing products and in the United States for welded carbon steel standard pipe, welded stainless pressure pipe, cold-drawn mechanical tubing of carbon and alloy steel and large diameter welded pipe.\(^\text{346}\)

[399] Given that the United States already has anti-dumping measures on OCTG from India, it is uncertain as to whether the US section 232 tariffs have had a compounding effect on the decrease in exports of OCTG from India to the United States. However, according to the information on the record, the trend in exports over the POR does show a substantial drop in exports such that by 2019, there were almost no reported OCTG exports from India to the United States.\(^\text{347}\)

[400] Trade measures in the United States given its proximity to Canada, pose a significant threat that the goods previously destined for that market may be diverted to Canada if the trade measures were removed.

**Evidence of India Dumping in Other Markets**

[401] The Canadian producers cited export data which was submitted as evidence that India would sell its OCTG at substantially lower prices than what it presently sells to Canada, if left unrestrained by the CITT finding.\(^\text{348}\)

[402] However, the CBSA’s review of the protected source information revealed that the information cited is inconclusive as it relates to the likelihood of dumping and has questionable reliability as it pertains to unit-selling prices.

[403] As such, the CBSA did not consider the export data provided by the producers to conclusively demonstrate that India would dump OCTG into its export markets if measures were removed.

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\(^{346}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A.

\(^{347}\) Exhibit 38 (PRO) – Close of Record Attachments from Evraz, Attachment 5.

\(^{348}\) Exhibit 41 (PRO) – Cases brief on behalf of Evraz and WTC, paragraph 113.
**Determination Regarding Likelihood of Continued or Resumed Dumping from India**

[404] Based on the information on the administrative record in respect of: weakening economic conditions, including in the weakening demand for oil in India; the large excess capacity to produce OCTG; a projected growth in OCTG exports, exacerbated by a weakening currency which encourages exports; evidence which demonstrates a major exporter dumped OCTG into Canada in 2019; anti-dumping measures on Indian welded pipe in Canada indicating a propensity to dump tubular goods; and the threat of divergence of OCTG given the recent renewal of anti-dumping measures and presence of section 232 tariffs in the United States, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from India.

**Indonesia**

[405] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters or producers in Indonesia. The CBSA therefore relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from Indonesia is likely to resume or continue if the finding were to expire.

**Producers of OCTG in Indonesia**

[406] Information on the record identified two active OCTG producers in Indonesia, namely, PT Citra Tubindo (Citra Tubindo) and PT Bakrie Pipe Industries (Bakrie Pipe).

[407] Information on the known active OCTG producers in Indonesia was limited but some information regarding their OCTG output follows.

**Citra Tubindo**

[408] According to the company’s annual report, Citra Tubindo’s heat-treatment facility can accommodate 120,000 MT per year for pipes with outside diameters ranging from 2.375 to 13.375 inches, for standards which include API 5CT, while the threading capacity of the facility is 300,000 MT per year.

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349 Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Evraz Inc. NA Canada, Canadian National Steel Corporation and Welded Tube of Canada Corporation; Attachment 10, paragraph 83.
350 Exhibit 27 (NC) – List of Licensed OCTG Producers.
Citra Tubindo participated in the original investigation, a normal value review which concluded in 2019 and the re-investigation which concluded May 25, 2020.

Bakrie Pipe

Bakrie Pipe claims to be the “largest and prominent steel pipe manufacturer in Indonesia” with a pipe manufacturing capacity of around 310,000 MT. The company has five facilities in Indonesia, which manufacture welded pipes, including OCTG and can produce pipes in outside diameters ranging from ½ to 24 inches.

Bakrie Pipe has not previously participated in any CBSA process related to the subject goods.

Other Facilities

Indonesia also has numerous facilities which are licensed by API 5CT to further process and thread OCTG. Information on the record indicates there are at least 36 such licensed facilities in Indonesia. The inclusion of these parties vastly increases the export potential from Indonesia beyond the facilities licensed to manufacture from raw material such as HRC (ERW) or billet (seamless).

Domestic Market in Indonesia

According to data from the OECD, in Q4-2019, real GDP growth in Indonesia was projected to be 5.1% in each of 2019 and 2020.

In April 2020, the IMF reported Indonesia’s real GDP growth in 2019 to be 5% and forecast 2020 to be a modest 0.5%, with a significant uptick in 2021 to 8.2%.

According to the OECD, steel demand in Indonesia recorded strong growth, of 11% in 2018, mainly driven by the construction sector.

354 Exhibit 31 (NC) – Exhibit 31 (NC) – Evraz response to Producer ERQ – Attachment 93 to Attachment 38 (NC), Bakrie Pipe profile, page 3 of 5.
355 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada; Attachment 52 (NC) – API 5CT Processor Entities/Licenses, page 232-233 of 413. https://mycerts.api.org/Search/CompositeSearch
356 Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 9 of 61.
357 Exhibit 27 (NC) – Close of Record Supporting Documents from Tenaris Canada: “IMF World Economic Outlook, April 2020;” pages 331, 346 of 413.
Indonesia’s steel consumption reportedly reached 15.1 MMT in 2018, up 17.1% from the 12.9 MMT reportedly consumed in 2014, according to data from the Indonesian Iron and Steel Industry Association (IISIA). The IISIA “forecasts that domestic steel demand could continue to grow by 6% in 2019, supported by the residential and non-residential buildings sector as a result of rapid urbanisation and industrialisation.”

Another report cited from the IISIA stated that Indonesia’s annual steel consumption was now 20.3 MMT.

The IISIA expects this growth to continue and potentially reach 22.7 MMT by 2024, which would represent an increase of about 50% over 2018.

Information on the record regarding Indonesia’s steel production varies depending on the source.

World Steel Association (WSA) statistics report Indonesia’s crude steel production has grown substantially in recent years up to 6.2 MMT in 2018 but is still far behind world leaders such as Japan with 105 MMT or China which reportedly produced 928 MMT in the same period.

Indonesia’s strength in steel production is in downstream goods, as many of its steel inputs are imported from other countries, such as China. For example, while Indonesia’s crude steel production was only 6.2 MMT, its production of hot-rolled products reported by the WSA for 2018 was over 10 MMT.

Information reported by an official of the IISIA stated that Indonesia produces 17 MMT of steel per year, considerably more than what appears to be reported by the WSA. The IISIA may be combining crude steel and finished steel figures to arrive at its total.

Regardless of the precise numbers respecting output and consumption, the trend analysis indicates that Indonesia’s production and consumption of steel is growing and is projected to further grow in the near future.

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359 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada – Attachment 7: “2020 Preview - Indonesian Steel Sector Upbeat,” American Metal Market, April 14, 2020, pages 26-28 of 413.
360 Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 44 of 61.
361 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada, Attachment 5: “Indonesia business urges govt to raise tariffs on China steel,” July 12, 2019, pages 23-24 of 413.
362 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada – Attachment 7: “2020 Preview - Indonesian Steel Sector Upbeat,” American Metal Market, April 14, 2020, pages 26-28 of 413.
365 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada, Attachment 5: “Indonesia business urges govt to raise tariffs on China steel,” July 12, 2019, pages 23-24 of 413.
Domestic OCTG Market in Indonesia

[424] There was limited information placed on the record in regards to OCTG manufacturing and sales in Indonesia.

[425] According to MBR data, Indonesia’s apparent domestic consumption of OCTG in 2019 is considerably less than it was at the time of the original investigation.366

[426] The MBR data on the record does not appear to consider Indonesia an OCTG “producing” country (i.e. domestic shipments are “zero”), presumably because the country may not manufacture the input tube, notwithstanding facilities licensed to do so under API 5CT. As such, the country’s consumption estimate according to MBR is based solely on imports minus exports.367

[427] MBR projects domestic consumption of OCTG in Indonesia to increase in 2020 and 2021.368 So while the projection for the domestic market for OCTG in Indonesia is strengthening, it is still substantially lower than it was at the time of the original investigation, increasing the likelihood that the country would once again want to sell to Canada in the event the finding were rescinded.

Excess Production Capacity of OCTG in Indonesia

[428] There is no information on the record on Indonesian production and capacity specifically for OCTG via MBR or other trade report. As earlier noted, the MBR data on the record does not appear to consider Indonesian OCTG output as domestic “production,” presumably because the country may not manufacture the input tube, notwithstanding facilities that are licensed to do so.

[429] However, information from Citra Tubindo did indicate that:

“The installed capacity of the heat-treatment plant is 120,000 metric tons per annum for pipes with diameters from 2-3/8” up to 13-3/8” in accordance with API 5CT, 5DP, 5L, and 5CRA standards or Premium Grade;” and “total production capacity of the threading division currently stands at 300,000 Eq. Metric Ton per annum.”369

[430] Citra’s ability to produce high-strength, heat-treated grades is particularly appealing to the Canadian market where drilling in harsher conditions has increased in recent years, commanding less interest in lower-grade products than previously.370

366 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Indonesia Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 25 of 198.
367 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Indonesia Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 25 of 198.
368 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Indonesia Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 25 of 198.
370 Exhibit 29 (NC) – Tenaris response to Producer ERQ, response to Q21.
Similarly, Bakrie Pipe states that its processing plant can achieve around 310,000 MT annual capacity.\(^{371}\)

The total shipments of OCTG from Indonesia reported by MBR in comparison to the capacity information above for these two producers alone reveal a large unused capacity to produce OCTG in Indonesia.

**Pressure to Increase Pipe Production due to HRC Oversupply in Indonesia**

As noted earlier, Indonesia is a prime destination for Chinese HRC, the primary input when manufacturing ERW OCTG.\(^{372}\) This concern was raised by the Indonesian Iron and Steel Industry Association (IISIA) in 2019. According to the IISIA, from January to March 2019, imports of steel from China, particularly HRC, increased 83% [year-on-year] to 147,000 MT.\(^{373}\) The association has petitioned the government of Indonesia to provide protection from China oversupplying the Indonesian steel market.\(^{374}\)

The influx of Chinese HRC has created an oversupply of the material in Indonesia, making it attractive for pipe manufactures to increase their production and capacity utilization at their facilities. Such increases would make additional volumes available for export markets, including Canada.

**Exports from Indonesia**

According to the World Steel Association (WSA), Indonesia’s exports of semi-finished and finished steel products in 2018 was 3.8 MMT.\(^{375}\) According to the South East Asia Iron and Steel Institute (SEAISI), finished steel exports from Indonesia alone rose 42% year-on-year to 1.6 MMT in the first six months of 2019.\(^{376}\)

In terms of tubular products specifically, the information on the record reveals that Indonesia has a significant presence on the export market.

Data on the record, which consolidates Indonesia’s exports of both seamless (7304) and welded (7306) pipes, demonstrates Indonesia’s strong exports of steel tubulars, particularly in the seamless classification:\(^{377}\)

\(^{371}\) Exhibit 31 (NC) – Evraz response to Producer ERQ – Attachment 93 to Attachment 38 (NC), Bakrie Pipe profile, page 3 of 5.

\(^{372}\) Exhibit 31 (NC) – Evraz response to Producer ERQ – Attachment 91 to Attachment 38 (NC) – Article: Jakarta Post, “Association Cries for Help Over Influx of Imported Steel” (July 12, 2019).

\(^{373}\) Exhibit 31 (NC) – Evraz response to Producer ERQ – Attachment 91 to Attachment 38 (NC) – Article: Jakarta Post, “Association Cries for Help Over Influx of Imported Steel” (July 12, 2019).

\(^{374}\) Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada – Attachment 5: “Indonesia business urges govt to raise tariffs on China steel,” July 12, 2019, pages 23-24 of 413.


\(^{376}\) Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada – Attachment 7: “2020 Preview – Indonesian Steel Sector Upbeat,” American Metal Market, April 14, 2020, pages 26-28 of 413.

\(^{377}\) Exhibit 27 (NC) – Supplemental CBSA Research – UN Comtrade Data (Source: [https://comtrade.un.org/data](https://comtrade.un.org/data)).
Table 6
Indonesia’s Exports of Tubular Products

<table>
<thead>
<tr>
<th>Year</th>
<th>MT</th>
<th>Value (USD)</th>
<th>$/MT</th>
</tr>
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<td></td>
<td>HS: 7304 (Seamless)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>155,440</td>
<td>$234,925,449</td>
<td>$1,511</td>
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<tr>
<td>2018</td>
<td>183,221</td>
<td>$471,270,760</td>
<td>$2,572</td>
</tr>
<tr>
<td></td>
<td>HS: 7306 (Welded)</td>
<td></td>
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<td>2017</td>
<td>20,587</td>
<td>$31,324,414</td>
<td>$1,522</td>
</tr>
<tr>
<td>2018</td>
<td>90,053</td>
<td>$83,737,023</td>
<td>$930</td>
</tr>
</tbody>
</table>

[438] Regarding OCTG specifically, information on the record consolidated by the Canadian producers from the Global Trade Atlas at the 8-digit HS classification level, indicates that Indonesia also actively sells OCTG to export markets.  

[439] Since the data cited by the Canadian producers from the Global Trade Atlas includes information that is not reconcilable to Canada’s tariff classification system, this dataset may be incomplete or include goods that are non-subject seamless and welded tubes. As such, MBR data specific to OCTG was favoured in analyzing Indonesia’s exports.

[440] The MBR data reveals that while Indonesia’s export volumes of OCTG have declined since the period of the original investigation, they are projected to rise substantially and be strong going forward.

[441] While not quite at the levels seen during the original investigation, these export volumes are comparable and the projected export volumes of OCTG from Indonesia are significant. By comparison, MBR’s projection for 2020 and 2021 are more than twice as much as the projected volumes of Indian exports over the same period. Given Indonesia’s continuing interest in the Canadian OCTG market, such volumes are a threat to the Canadian market should the finding be rescinded.

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378 Exhibit 16 (PRO) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Evraz Inc. NA Canada, Canadian National Steel Corporation and Welded Tube of Canada Corporation; Attachment 11, pages 246-262 of 842. Source: Global Trade Atlas 2016-19. Also Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 38 (NC), paragraph 126. Note: The attachment referenced in the Exhibit was a poor copy. As such, the submission to the CITT was referenced for the same data.

379 For example, much of the data from the Global Trade Atlas comes from classification code 73042990, which is not in Chapter 73 of Canada’s Customs Tariff Schedule.

380 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Indonesian Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 25 of 198.

381 MBR projects India to export 41,000 and 43,000 MT in 2020 and 2021 respectively.
CBSA Data on Exports from Indonesia to Canada

[442] The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, Indonesia accounted for 1.9% of total imports.\(^{382}\)

[443] In the original investigation, the only participating exporter, Citra Tubindo, was found to be dumping. Citra Tubindo has since been issued normal values via the 2019 normal value review and 2020 re-investigation.\(^{383}\) No other Indonesian exporter has been issued normal values since the conclusion of the original investigation according to the information on the record.

[444] Over the three-year period of review (POR) for this expiry review (2017-2019), Indonesia accounted for a very small amount of imports.\(^{384}\) $1,780 CAD in SIMA duties were collected during the POR, all in 2017. In the most recent full-year period of 2019, Indonesia accounted for no imports according to the CBSA’s import and enforcement statistics.

[445] Considering the company’s continued interest in the Canadian market through its participation in re-investigations of normal values, Citra Tubindo’s lack of exports from Indonesia suggests an inability to compete at the normal values issued to the company.

Trade Measures against other Indonesian Steel Products in Canada and Abroad

[446] Canada’s only other anti-dumping measures in Canada against steel products from Indonesia concern certain Steel Plate (2014).\(^{385}\)

[447] Other than Canada, information on the record indicates that Turkey has anti-dumping measures against Indonesian steel for “tube or pipe fittings.”\(^{386}\)

Evidence of Indonesia Dumping in Other Markets

[448] The Canadian producers cited information from UN Comtrade that they said demonstrates that Indonesia sells OCTG at substantially lower prices to markets unprotected by trade measures than it has to Canada.

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\(^{382}\) Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.


\(^{384}\) Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50 (418/ 1,639,129 = 0.03%).


\(^{386}\) Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A.
The UN Comtrade data provided by the Canadian producers was not provided in a format which could allow the CBSA to practicably analyze the raw information from which the tables were created. The raw data clearly contains seamless and welded OCTG, making country-to-country comparisons difficult, as it is unclear what product mix was sold to each country. The fact that the information is from 2018 also makes the data less timely and of less value.

The CBSA does note that the 2018 average unit-selling price of apparent OCTG from Indonesia to Canada of $2,969 CAD/MT is considerably higher than the official enforcement figures released by the CBSA of $2,645 CAD/MT for the same year.

Average prices to other markets protected by trade measures also raise questions as to the accuracy of this data set. For example, in the same 2018 period, the average unit-selling price to the United States was only $1,330 CAD/MT and was $28,637 CAD/MT to Spain.

Consequently, the CBSA found this information inconclusive as to Indonesian exporters’ pattern of pricing behaviour in other markets in respect of OCTG over the POR.

**Determination Regarding Likelihood of Continued or Resumed Dumping from Indonesia**

Based on the information on the administrative record in respect of: the number of potential Indonesian exporters of OCTG; the excess capacity to produce OCTG, including heat-treated grades; the pressure to increase pipe production due to an oversupply of HRC; the export dependence and forecasted increases in exports of OCTG in 2020 and beyond; and the inability to sell OCTG to Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from Indonesia.

**The Philippines**

*Producers of OCTG in the Philippines*

The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters or producers in the Philippines. The CBSA therefore relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from the Philippines is likely to resume or continue if the finding were to expire.

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387 Data was only provided in PDF, not Excel.
388 Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 27 to Attachment 37; Export Data, Subject Countries, 2016-2019.
389 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 122.
390 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
391 Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 27 to Attachment 37; Export Data, Subject Countries, 2016-2019, page 2 of 15.
**Producers of OCTG in the Philippines**

[455] Information on the record identified one active and licensed OCTG producer in the Philippines, namely, HLD Clark Steel Pipe Co., Inc. (HLD Clark).

**HLD Clark**

[456] Protected information available from MBR provided HLD Clark’s total tubular capacity along with its effective OCTG capacity. The company produces ERW pipe, ranging from 2.38 and 20 inches in outside diameter and dedicates the remaining capacity to the production of line pipe. 392

[457] HLD Clark participated in the original investigation, the 2015 re-investigation, 393 a normal value review which concluded in 2019 394 and the re-investigation which concluded on May 25, 2020. 395

**Domestic Market in the Philippines**

[458] The GDP of the Philippines grew by 5.6% in the first quarter of 2020, compared to growth of 6.3% experienced in the previous quarter. 396


[460] More recently, the Philippines has relied heavily on imports of steel to satisfy domestic consumption. The country is the world’s 17th largest steel importer, having imported a total value of $5.6 billion USD, which represents an increase over 2017 of 41% by value. The Philippines imports steel from more than 50 countries, with the majority coming from China, Russia, and Japan. 398 In 2018, 47% of steel imported by the Philippines originated in China. 399

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392 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Philippines Market Data, (OCTG Intelligence Service, Metal Bulletin Research) pages 7-8 of 198.


396 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada; Article: “Philippine Growth at Four-Year Low Boosts Odds of Rate Cut,” page 67 of 413.

397 Exhibit 27 (NC) – Supplemental CBSA Research: Philippines – Global Steel Trade Monitor, page 2.


399 Exhibit 27 (NC) – Supplemental CBSA Research: Philippines – Global Steel Trade Monitor, page 3.
Apparent steel consumption (i.e. demand) has increasingly outpaced production since 2009, reaching 9.5 MMT in 2017, in comparison to production of only 1.4 MMT.\footnote{Exhibit 27 (NC) – Supplemental CBSA Research: Philippines – Global Steel Trade Monitor, page 6.}

In addition to steel pipe producer HLD Clark, the Philippines maintains three steel-making companies: Steelasia Manufacturing Corp., Treasure Steelworks Corp. and Stronghold Steel. There are also a number of rolling mills, which produce long, flat, and wire products, pipe and tube, and galvanized products.\footnote{Exhibit 27 (NC) – Supplemental CBSA Research: Philippines – Global Steel Trade Monitor, page 6.}

Given the high domestic demand for steel, it is not likely that steel facilities would dedicate steel making capacity for the production of inputs for OCTG destined for export, or OCTG for export.

**Strong Domestic OCTG Market in the Philippines**

In 2019, total production of OCTG was 51,000 MT and is forecasted to remain at this level for both 2020 and 2021. It should be noted that production forecasts were made prior to the global pandemic, which could result in lower production due to temporarily halted production.\footnote{Exhibit 43 (PRO) – Case brief filed on behalf of Tenaris Canada, paragraph 40.}

Domestic consumption of OCTG in the Philippines has ranged between 6,600 MT to 16,800 MT while the finding has been in place. MBR forecasts consumption figures to increase dramatically over the next several years.\footnote{Exhibit 30 (PRO) – Evraz response to Producer ERQ: Attachment 28 (PRO), page 7.} According to the MBR projections, annual consumption of OCTG will match annual production by 2023 and exceed it from that point onwards to 2025.

Of the nine countries subject to the finding, the Philippines has both the lowest annual production capacity and annual production of OCTG. The CBSA’s estimated Canadian market for OCTG in 2019 was roughly 663,000 MT as per Table 2 of this report. As such, the Philippines annual OCTG production represents only a small proportion when compared to the total Canadian market. When considered alongside the strong growth in domestic consumption and steady levels of production, it can be seen that the likelihood of dumping of OCTG from the Philippines is decreased.

**Excess Production Capacity of OCTG in the Philippines**

Despite the effective OCTG capacity in the Philippines, its production is forecasted to be flat for the next five years. According to MBR, remaining excess capacity is dedicated to the production of line pipe.\footnote{Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Philippines Market Data, (OCTG Intelligence Service, Metal Bulletin Research), pages 7-8 of 198.} As such, the excess capacity for OCTG is purely theoretical, as there is no evidence historically or moving forward that this theoretical excess would be used for OCTG.

\[400\] \[401\] \[402\] \[403\] \[404\]
Exports of Steel from the Philippines

The Philippines maintains an export rule, through the Philippine Economic Zone Authority (PEZA), requiring mills to export 70% of production to qualify for an export tax credit. However, PEZA is open to negotiation of the export percentage in order to balance domestic needs.\[405\]

While steel exports from the Philippines have remained low for years, recent investments from China suggest that both steel production and exports may be increased in the coming years as steel mills begin production.

Exports of OCTG from the Philippines

When compared to CBSA enforcement data, UN Comtrade data placed on the record does not appear to accurately depict exports of OCTG from the Philippines.\[406\] As a result, MBR data placed on the record was favoured for the purposes of Philippine export analysis.

According to MBR, exports of OCTG from the Philippines are substantially lower than the time of the original investigation. Estimated quantities exported in 2019 are projected to be maintained each year from 2020 through 2025.\[407\]

The decrease in export emphasis is reflected in the aforementioned projected growth in domestic consumption of OCTG, which will alleviate export pressures seen in other countries that do not have a domestic market let alone one projected to grow substantially in the coming years.

CBSA Data on Exports from the Philippines to Canada

The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, the Philippines accounted for 2.4% of total imports.\[408\]

In the original investigation, the participating exporter and sole producer of OCTG in the Philippines, HLD Clark, was not found to be dumping. HLD Clark has had normal values since the final determination and through the latest re-investigation, which concluded May 25, 2020.\[409\]

\[405\] Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC; Attachment 106 (NC).
\[406\] CBSA Day 50 stats for 2017 and 2018 accounted for exports amounting to $20,493,980, while UN Comtrade data accounted for exports amounting to $12,352,566 over the same period.
\[407\] Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 7.
\[408\] Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.
Throughout the POR, the Philippines continued to export subject goods to Canada. In 2017, imports of subject goods totaled 7,951 MT and $10,359,421 CAD. In 2018, imports of subject goods decreased slightly to 6,953 MT and to $10,134,559 CAD. In 2019, imports of subject goods increased to 7,837 MT and to $14,614,813 CAD.\textsuperscript{410}

While imports of subject goods from the Philippines totalled $35,108,793 CAD during the POR, SIMA duties of only $2,434 CAD\textsuperscript{411} were collected over the same period. Such an insignificant amount of SIMA duties incurred on such a large amount of Philippine exports demonstrates the ability of the Philippines to compete in the Canadian market while selling OCTG at or above normal values.\textsuperscript{412}

**Evidence of the Philippines Dumping in Other Markets**

There was no evidence on the record of trade measures in effect against the Philippines for OCTG in other markets. Consequently, not only does the evidence on the record indicate that the lone Philippine producer has essentially not dumped OCTG into Canada dating back to the original investigation, in spite of commercially significant sales volumes but the absence of trade measures in other markets also strongly indicates they have not dumped OCTG in other markets as well, including the United States.

**Determination Regarding Likelihood of Continued or Resumed Dumping from the Philippines**

Based on the information on the administrative record in respect of: the lone Philippine producer of OCTG, HLD Clark and their low volume production of OCTG; strong projected domestic consumption of OCTG; decreased emphasis on exports in comparison to the period of the original investigation; absence of dumping from HLD Clark and demonstrated ability to compete at normal values during the POR; lack of trade measures against exports of OCTG from the Philippines in other markets; and a lack of any compelling evidence which suggests the Philippines would revert to dumping in absence of the finding, the CBSA determined that the expiry of the finding is unlikely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from the Philippines.

**South Korea**

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 by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from South Korea is likely to resume or continue if the finding were to expire.

\textsuperscript{410} Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
\textsuperscript{411} Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
\textsuperscript{412} The small SIMA duty collected during the POR was likely additional freight underestimated by the exporter at the time of sale, which lowered the export price.
Producers of OCTG in South Korea

[480] Information on the record provided by the Canadian producers identified three OCTG producers in South Korea, namely, Husteel Co., Ltd. (Husteel), Nexteel Co., Ltd. (Nexteel), and SeAH Steel Corp. (SeAH). Information on the record indicates that there are six other producers, namely, Aju Besteel Co. Ltd. (Aju Besteel), Dongbu Incheon Steel (Dongbu), Hyundai Steel (Hyundai), Iljin Steel Corporation (Iljin Steel), Kum Kang Kind, Co., Ltd. (Kum Kang) who are licensed to manufacture OCTG in South Korea. MBR data on the record identifies an additional producer, Yonghyun Base Materials Co., Ltd.

[481] Information on the known active OCTG producers in South Korea was limited.

Husteel

[482] Husteel has two mills operating out of Incheon, South Korea. Confidential information on the administrative record provides details with respect to the mills’ total tubular capacity of ERW and estimated total OCTG capacity.

[483] Husteel did not participate in the CBSA’s original investigation nor in its subsequent re-investigations concluding in 2015 and 2020. Husteel has not received any specific normal values.

Nexteel

[484] Nexteel is a South Korean based ERW producer with a large tubular capacity. According to confidential information on the administrative record, approximately half of its estimated total capacity is dedicated to OCTG production. Nexteel facilities have two threading lines, and have capabilities to quench and temper, along with annealing heat treatment capacity.

[485] Nexteel did not participate in the CBSA’s original investigation but did so in the subsequent re-investigation and received specific normal values. In the CBSA’s most recent re-investigation which concluded May 25, 2020, Nexteel did not participate, therefore, did not receive specific normal values.

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413 Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Evraz Inc. NA Canada, Canadian National Steel Corporation and Welded Tube of Canada Corporation; Attachment 11, paragraph 51.
414 Exhibit 27 (NC) – Supplemental CBSA Research – List of Licensed OCTG Producers.
415 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; South Korea Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 17 of 198.
416 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Company Description: South Korea (OCTG Intelligence Service, Metal Bulletin Research), page 18 of 198.
417 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Company Description: South Korea (OCTG Intelligence Service, Metal Bulletin Research), page 18 of 198.
418 Exhibit 27 (NC) – Supplemental CBSA Research – OSP Notice of Conclusion of Re-investigation 2015.
SeAH

[486] According the MBR, it is estimated that SeAH group has significant capacity to produce ERW pipe at its various South Korean mills.\(^{420}\)

[487] SeAH participated in the CBSA’s original investigation\(^{421}\) and the subsequent re-investigation\(^{422}\) and received specific normal values. In the CBSA’s most recent re-investigation which concluded May 25, 2020, SeAH again participated and received specific normal values.\(^{423}\)

Other Facilities

[488] In addition to the companies described above, there are five other companies that are licensed by API 5CT to manufacture OCTG ERW casing and tubing, including one licensed to produce seamless casing and tubing.\(^{424}\) These companies have significant capacity to produce OCTG that could vastly increase the export potential from South Korea.

Domestic Market in South Korea

[489] According to data available from the OECD in Q4-2019, real GDP growth in South Korea was projected to be 2.4% and 2.5% in 2019 and 2020 respectively. This represents a gradual contraction with real GDP growth reportedly 3.1% and 2.7% in 2017 and 2018 respectively.\(^{425}\)

[490] According to the Business Times, in October 2019, the Bank of Korea cut its policy interest rate for the second time in three months to a record low of 1.25% to support a faltering economy, and indicated that further easing may occur.\(^{426}\)

[491] In April 2020, the IMF reported South Korea’s real GDP growth in 2019 to be 2.0% and forecast 2020 to be -1.2%, with a modest increase in 2021 to 3.4%.\(^{427}\)

[492] According to the OECD, steel demand in South Korea had decreased by 4.9% in 2018 when compared to the previous year, with the decline being tied to the slowdown in the construction and shipbuilding sectors.\(^{428}\)

\(^{420}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Company Description: South Korea (OCTG Intelligence Service, Metal Bulletin Research), page 18 of 198.

\(^{421}\) Exhibit 27 (NC) – Supplemental CBSA Research – CBSA OCTG2 Final Determination Statement of Reasons.

\(^{422}\) Exhibit 27 (NC) – Supplemental CBSA Research – OSP Notice of Conclusion of Re-investigation 2015.


\(^{424}\) Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 9 of 61.

\(^{425}\) Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 14 of 61.
WSA statistics report South Korea’s crude steel production continues to increase up to 72.5 MMT in 2018 after a dip in 2016 to 68.6 MMT. This ranks South Korea 5th in the world in crude steel production, trailing the US, with an annual crude steel production in 2018 of 86.6 MMT.

The trend analysis indicates that the South Korean economy is currently facing a number of challenges, as domestic GDP gradually contracts, record low interest rates have been implemented by the Bank of Korea, and continued weakness in the domestic steel demand with only modest growth projected for the future.

**Domestic OCTG Market in South Korea**

There was limited information placed on the record in regards to OCTG manufacturing and sales in South Korea.

According to MBR data, the domestic market for OCTG products in South Korea is rather insignificant. The apparent domestic consumption of OCTG is slightly less than it was at the time of the original investigation. During the POR, domestic consumption was reportedly unchanged for 2017, 2018, and 2019. Domestic consumption is projected to increase in 2020 and 2021 respectively.

Given the number of producers and available production capacity of OCTG in South Korea, coupled with the weak domestic demand for OCTG products, South Korean mills are highly likely to resort to export markets in order to sell their OCTG products.

**Excess Production Capacity of OCTG in South Korea**

Confidential information on the record concerning OCTG capacity indicates that of the known eight producers in South Korea, there is a significant total effective capacity.

Furthermore, MRB data indicates that a country wide OCTG capacity utilization rate in 2018 has decreased by more than half in contrast with 2017. With an estimated full year 2019 capacity utilization rate to be only slightly higher than 2018, OCTG producers in South Korea are dealing with a significant excess capacity issue.

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431 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Indonesia Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 16 of 198.

432 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; South Korea Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 17 of 198.

433 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; South Korea Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 16 of 198.

Trade and Anti-dumping Programs Directorate
Based on the 2018 capacity utilization rates in South Korea, the amount of potential excess capacity is well above the size of the Canadian market in 2018, and furthermore in 2019.434

Exports from South Korea

In 2018, South Korea was the world’s fourth-largest steel exporter with exports to more than 150 countries and territories. According to the WSA, South Korea’s exports of semi-finished and finished steel products in 2018 was 30.1 MMT, down approximately 4% from 2017 exports of 31.4 MMT.435

Since 2009, South Korea’s trade in steel mill products has operated at a trade surplus, with annual exports rising 49%, while imports declined 27% between 2009 and 2018.436 Steel manufacturers having upheld a steel surplus in South Korea for such an extended period indicates a strong reliance on foreign markets to maintain production levels.

Although not OCTG specific, a report issued by the ITA Global Steel Trade Monitor in September 2019 shows the importance of the North American market for steel pipe and tube exporters in South Korea. The ITA reported that the US accounted for the largest share of South Korea’s pipe and tube market at 49% (429,000 MT), while Canada received the second largest share at 8% (67,000 MT).437 Therefore, in 2018 approximately 57% of total pipe and tube products from South Korea were destined for the North American market.

Regarding OCTG specifically, MBR data indicates that South Korea export volumes during the period of the original investigation were similar to export volumes report in 2017, but have declined significantly in 2018 with only a marginal recovery estimated in 2019. MBR forecasts OCTG exports to remain at 2019 levels in 2020 and begin to further increase in 2021.438

Furthermore, as detailed below, there are numerous anti-dumping measures in place against South Korea by Canada and the US, with multiple measures relating to pipe and tube products. Therefore, it is evident that pipe and tube exporters from South Korea have established channels of distribution within the North American market and subject goods are likely to be diverted to Canada should the finding be rescinded.

434 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
438 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Indonesian Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 16 of 198.
Export Pricing from South Korea

[506] Case briefs filed by the Canadian producers provided evidence to demonstrate potential pricing of OCTG products exported from South Korea.

[507] Export data obtained from the Korean Customs Service was provided to permit a comparison between the average unit value at a six-digit HS code level (7306.29) for exports to Canada, where trade protection measures are in place, and Kuwait. It was stated that Kuwait was appropriate as a proper comparison since it was South Korea’s largest export market for OCTG where no trade protection is in place.439

[508] Using 2018 for a full year comparison, the average unit export price to Canada was determined to be $1,545/MT, whereas the average unit export price to Kuwait was $1,204/MT, representing a 22.1% lower selling price.440

[509] In light of this comparison, upon further review of the source documentation used to derive the average unit value, it is notable that the same dataset indicates that the average unit prices to other countries without trade protection such as Vietnam, United Arab Emirates, and New Zealand are $5,446/MT, $2,274/MT, and $2,891/MT respectively, with the overall unprotected markets averaging a unit price of $3,859/MT. It should be also noted that the same dataset for unprotected export markets has average unit values ranging as low as $1,204/MT (Kuwait), to as high as $153,390/MT (Iraq).441

[510] The CBSA reviewed data collected from UN Comtrade that reported quantities and values for subject country OCTG exports at the six-digit level (i.e. 7306.29). With respect to South Korea, the data indicated that in 2018 the average unit export price was $1,326/MT for welded OCTG (7306.29).442 This represents an average unit export price that is 14.2% less than the average unit export price from South Korea to Canada ($1,545/MT) as reported by the Korean Customs Service in the previous paragraph.

439 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 82.
440 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraph 82.
441 Exhibit 31 (NC) – Evraz response to Producer ERQ; Public Attachment 27; Export Data, Subject Countries, 2016-2019, page 6 of 15.
442 Exhibit 27 (NC) – Supplemental CBSA Research – UN Comtrade Data (Source: https://comtrade.un.org/data). UN Comtrade data is reported in USD. A 2018 annual exchange rate from the Bank of Canada of 1.2986 was used to estimate a Canadian value for the purpose of comparison.
According to CBSA Enforcement data, there were no imports of subject goods from South Korea in 2018 or 2019 into Canada and only a minimal amount of imports reported in 2017 with an average unit export price of $1,302/MT. Further examining the CBSA Enforcement data, when comparing the South Korea export price for 2017 to export prices from named and other countries, it appears that South Korea’s export prices tend to be below other import prices. Table 7 below shows a summary of export prices.

Table 7

<table>
<thead>
<tr>
<th>OCTG</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average South Korean import price to Canada</td>
<td>$1,302</td>
</tr>
<tr>
<td>Average China import price to Canada</td>
<td>$1,885</td>
</tr>
<tr>
<td>Average Mexico import price to Canada</td>
<td>$2,046</td>
</tr>
<tr>
<td>Average US import price to Canada</td>
<td>$1,571</td>
</tr>
<tr>
<td>Average Canadian import price</td>
<td>$1,809</td>
</tr>
<tr>
<td>Ave. South Korean import price – Ave. Canadian import price</td>
<td>$(507)</td>
</tr>
</tbody>
</table>

Based on the pricing in the table above, it is evident that South Korean OCTG sells well below the major importers of OCTG in Canada with an import price 28% lower than the average Canadian import price. As such, considering the pricing information available, it is likely that subject goods originating or exported from South Korea would be at prices below the average Canadian import price should the finding be rescinded.

**CBSA Data on Exports from South Korea to Canada**

The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, South Korea accounted for 3.1% of total imports.

During the POR, imports of subject goods from South Korea were minimal, with only 84 MT imported in 2017 at a value of $109,208 CAD on which $0 of SIMA duties were assessed.

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443 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
444 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
445 Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.
446 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
[515] A total of five exporters received normal values in the CBSA’s 2015 re-investigation, and in spite of this, there were no imports of subject goods from South Korea in 2018 or 2019. The limited amount of imports may be attributed to exporters’ inability to compete in Canada at previously established normal values.

[516] It should be noted that the lack of importations may also be due to the diminishing demand in the Canadian market. The Canadian market has been experiencing a weak and declining demand for OCTG throughout the POR as an estimated 35% contraction had occurred between 2017 and 2019.\(^\text{447}\) The Canadian producers acknowledged the reduction in OCTG consumption in their case briefs stating, “the estimated total apparent market for OCTG \{in Canada\} declined sharply from 2017 and 2018 into 2019”.\(^\text{448}\)

[517] The CBSA recently concluded a re-investigation in May 2020 to update normal values. Only one South Korean exporter, SeAH, participated and was provided specific normal values upon conclusion.\(^\text{449}\)

**Trade Measures against other South Korean steel products in Canada and Other Jurisdictions**

[518] There is a propensity to dump steel products in Canada by South Korean exporters that is demonstrated by the numerous anti-dumping measures imposed by Canada against South Korea. As of January 1, 2020, the CBSA had anti-dumping measures in force for the following steel products originating in or exported from South Korea:\(^\text{450}\)

- Carbon steel welded pipe;
- Cold-rolled steel;
- Corrosion-resistant steel sheet;
- Fabricated industrial steel components;
- Hollow structural sections;
- Line pipe;
- Steel plate

[519] There is currently an anti-dumping measure in place in the US against certain OCTG from South Korea and other countries, and has been in effect since 2014. In a recent sunset review of the order conducted by the Department of Commerce, it was determined that the revocation of the anti-dumping duty orders on certain OCTG from South Korea, and other named countries, would likely lead to the continuation or recurrence of dumping.\(^\text{451}\)

\(^{447}\) Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.  
\(^{449}\) Notice of Conclusion of Re-investigation, May 25, 2020.  
\(^{451}\) Exhibit 27 (NC) – Supplemental CBSA Research – DOC Sunset Review of AD Order – OCTG from India, South Korea, Turkey, Vietnam.
Furthermore, according to the ITA’s Global Trade Monitor report issued for South Korea, as of September 2019, there were a total of 63 anti-dumping and/or countervailing measures in effect from various countries against steel mill products from South Korea. Of these measures, 22 were imposed by the US.452

Considering the number of anti-dumping measures in other jurisdictions against South Korea steel products, as well as the CBSA’s own measures in force concerning steel products, there is a clear and demonstrated pattern by South Korean exporters to dump steel products and a strong likelihood of continued dumping should the finding be rescinded.

**Determination Regarding Likelihood of Continued or Resumed Dumping from South Korea**

Based on the information on the administrative record in respect of: the current challenges that steel producers from South Korea continue to face due to worsening economic conditions in the domestic market; weak domestic demand for OCTG requiring producers to focus on export markets; the excess production capacity and excess capacity associated with OCTG producers in South Korea; the export dependency of OCTG producers in South Korea; the pricing data suggesting South Korean exporters sell OCTG to Canada and other markets at prices below other Canadian import prices of OCTG and; trade measures against other South Korean steel products in Canada and other jurisdictions, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from South Korea.

**Thailand**

The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters or producers in Thailand. The CBSA therefore relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from Thailand is likely to resume or continue if the finding were to expire.

**Producers of OCTG in Thailand**

Information on the record provided by the Canadian producers identified two OCTG producers in Thailand, namely, Boly Pipe Co. Ltd. (Boly Pipe), and Wuxi Seamless Oil Pipe Ltd. (WSP).453 Information on the record also indicated that two other producers, namely, Thai Oil Pipe Co., Ltd. (Thai Oil Pipe), and TSP Precision Steel Tube Manufacturing (Thailand) CO., Ltd. (TSP) are licensed OCTG manufactures in Thailand.454

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453 Exhibit 17 (NC) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Evraz Inc. NA Canada, Canadian National Steel Corporation and Welded Tube of Canada Corporation; Attachment 11, paragraph 85.
454 Exhibit 27 (NC) – Supplemental CBSA Research - List of Licensed OCTG Producers.
[525] Information on the known active OCTG producers in Thailand was limited but some information regarding their OCTG output follows.

**Boly Pipe**

[526] According the Boly Pipe’s website, Boly Pipe is a manufacturer of seamless steel pipes in Thailand, with an annual hot-rolling capacity of 200,000 MT and is equipped with one ACUROLL hot-rolling mill, two heat-treatment lines, and three threading lines. Boly Pipe mainly serves the energy, construction and vehicle industries with its main products including finished OCTG pipes, lines pipes, mechanical structural pipes, and other seamless carbon pipe products.455

[527] Boly Pipe did not participate in the CBSA’s original investigation, but did participate in the re-investigation which concluded May 25, 2020.456

**Thai Oil Pipe (TOP)**

[528] According to TOP’s website, TOP is located in Amata Industry Park in Thailand and is mainly engaged in the production of tubing, casing, line pipe design and providing after sales service. TOP asserts that its facilities are equipped with world class manufacturing equipment and OCTG production lines. The company has an annual output capacity of 100,000 MT of OCTG in a wide array of outside diameters and an additional 50,000 MT line pipe capacity.457

[529] TOP participated in the original investigation and the re-investigation which concluded May 25, 2020.458

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Other Facilities

[530] In addition to the two facilities described above, Thailand has another facility, known as TSP, that is licensed by API 5CT to manufacture OCTG seamless casing and tubing. Furthermore, information on the record indicates that OCTG producer WSP is an affiliate of Chinese producer Wuxi that began its Thai seamless operation in 2011. However, according to MBR, the current status of this mill is uncertain.

[531] Based on available information on the administrative record, it is apparent that producers in Thailand have a large capacity to produce OCTG.

Domestic Market in Thailand

[532] According to the economic outlook report by Deloitte, GDP growth in Thailand was projected to be 3.1% in 2019, down from economic growth of 4.1% realized in 2018.

[533] In April 2020, the IMF reported Thailand’s real GDP growth in 2019 to be 2.4% and forecast 2020 to have a large contraction of -6.7%, with a significant uptick in 2021 to 6.1%.

[534] With respect to steel, according to the OECD, steel demand in Thailand has slightly recovered, doing so by 1% in 2018, due to growth in the construction and manufacturing sectors.

[535] The Steel Business Briefing (SBB) reported in late 2019 that Thailand’s production of finished steel has fallen year-on-year over January to September with exports of finished steel falling over the same period. Furthermore, Thailand’s steel consumption of finished steel has fallen slightly as well year-on-year over January to September. Factors such as external risks from trade tensions, China’s economic outlook and advanced economies’ potential affect on domestic demand were cited by the Bank of Thailand’s monetary policy committee as contributing to Thailand’s economic slowdown.

[536] Thailand is a net importer of steel mill products and was ranked the world’s fourth-largest steel importer in 2018. Between 2017 and 2018, Thailand’s volume of steel imports increased by 8%. In the first three quarters of 2019 there was a further 10% increase to 8.3 MMT from 7.5 when comparing to the same period in 2018. Of the 8.3 MMT imported in the first three quarters of 2019, 3% (277,000 MT) were pipe and tube products.

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459 Exhibit 27 (NC) – Supplemental CBSA Research - List of Licensed OCTG Producers.
460 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Fastmarkets (OCTG Intelligence Service, Metal Bulletin Research), page 14 of 198.
462 Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada: “IMF World Economic Outlook, April 2020;” pages 331, 346 of 413.
464 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Thailand’s steel sector under pressure as economy slows, page 35 of 198.
The trend analysis indicates that Thailand’s production, exports and consumption of steel are continuing to decline into 2020 and the projection for future growth is not anticipated until 2021. In addition, although there continues to be a decline in domestic production and consumption of steel, the pressure of steel imports into Thailand continue to increase.

**Domestic OCTG Market in Thailand**

There was limited information placed on the record regards to OCTG manufacturing and sales in Thailand.

According to MBR data, Thailand’s apparent domestic consumption of OCTG during the POR is considerably less than it was at the time of the original investigation.\(^{466}\)

MBR projects domestic consumption of OCTG in Thailand to increase from levels reported during the POR in 2020 and 2021. So, while the projection for the domestic market for OCTG in Thailand is strengthening and getting closer to levels achieved during the original investigation, it is still substantially lower than levels reached in 2014.\(^{467}\)

It should be noted that MBR data indicates that Thailand is a substantial net importer of OCTG, with the majority of domestic demand being met by imports. With domestic apparent consumption forecasted to increase by 2021 from 2018 levels, demand is expected to be primarily met by increased imports along with a small percentage increase in domestic production.\(^{468}\)

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\(^{466}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Thailand Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 15 of 198.

\(^{467}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Thailand Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 15 of 198.

\(^{468}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Thailand Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 15 of 198.
Despite the forecasted increase in domestic apparent consumption of OCTG in Thailand and the corresponding increase in imports and domestic production to meet this demand, exports from domestic production are expected to remain flat as MBR forecasts export volumes to maintain at 2017 volumes through to 2022.\textsuperscript{469}

This would indicate that Thailand domestic producers will be improving capacity utilization rates by serving the domestic market. However, should OCTG producers look to improve capacity utilization rates, they would likely resort to export markets due to the large proportion of domestic consumption being fulfilled by imported OCTG.

**Exports from Thailand**

The Canadian producers cited a report from the Oxford Business Group in 2016 that indicated that Thailand’s export dependency had soared over the course of two decades and represented approximately two-thirds of Thailand’s GDP in 2015.\textsuperscript{470}

That same report indicated that Thailand’s exports have declined sharply leading into late 2015 and annual exports have dropped for the third straight year in 2015, recording their largest decline in six years of 5.8%. The agricultural and industrial sectors were noted as being hit particularly hard, with industrial goods falling by 4%.\textsuperscript{471}

Despite the declining exports, a report issued by the World Steel Association indicates that exports of semi-finished and finished steel products from Thailand have been recovering since 2015, with an increase of 31% between 2016 and 2018.\textsuperscript{472}

In terms of tubular products, the information on the record demonstrates that Thailand has a strong presence on the export market.

Data on the record, which consolidates Thailand’s exports of seamless (7304.29) and welded (7306.29) pipes, demonstrates Thailand’s strong exports of steel tubulars in the seamless classification.\textsuperscript{473}

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\textsuperscript{469} Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Thailand Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 15 of 198.

\textsuperscript{470} Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, paragraph 92.

\textsuperscript{471} Exhibit 37 (NC) – Close of Record – Supporting Documents submitted on behalf of Tenaris Canada – Attachment 40, page 189 of 413.

\textsuperscript{472} Exhibit 27 (NC) – Supplemental CBSA Research – WSA – Steel Statistical Yearbook 2019, page 11.

\textsuperscript{473} Exhibit 27 (NC) – Supplemental CBSA Research – UN Comtrade Data (Source: https://comtrade.un.org/data).
Table 8
Thailand’s Exports of Tubular Products

<table>
<thead>
<tr>
<th>Year</th>
<th>MT</th>
<th>Value (US$)</th>
<th>$/MT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>HS: 7304.29 (Seamless)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>97,314</td>
<td>$100,571,908</td>
<td>$1,033</td>
</tr>
<tr>
<td>2018</td>
<td>105,905</td>
<td>$115,590,205</td>
<td>$1,091</td>
</tr>
<tr>
<td></td>
<td>HS: 7306.29 (Welded)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>31</td>
<td>$1,598</td>
<td>$1,672</td>
</tr>
<tr>
<td>2018</td>
<td>100</td>
<td>$168,158</td>
<td>$1,680</td>
</tr>
</tbody>
</table>

[549] Regarding OCTG specifically, information on the record consolidated by the Canadian producers from the Global Trade Atlas at the 8-digit HS classification level, indicates that Thailand actively sells OCTG to export markets.474

[550] Since the data cited by the Canadian producers from the Global Trade Atlas includes information that is not reconcilable to Canada’s HS classification system, this dataset may be incomplete or include goods that are non-subject seamless and welded tubes. As such MBR data specific to OCTG was favoured in analyzing Thailand’s exports.475

[551] The MBR data shows that while Thailand’s export volumes of OCTG had a significant decline following the conclusion of the original investigation but have since recovered and surpassed previous highs in 2014 and are projected to rise further. MBR forecasts OCTG exports to increase in 2020 and maintain through to 2022.476

[552] The level of OCTG exported from Thailand during the original investigation has since recovered and is projected to grow substantially in 2021 and 2022 when compared to 2017 levels. A large proportion of the country’s domestic OCTG production was exported during the POR.477 With a substantial amount of domestic consumption being provided through imports, it appears that producers of OCTG in Thailand will continue to be highly reliant on exporting OCTG goods.

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474 Exhibit 16 (PRO) – CITT Administrative record (RR-2019-006). Submission to CITT in support of continuation of the finding on behalf of Evraz Inc. NA Canada, Canadian National Steel Corporation and Welded Tube of Canada Corporation; Attachment 11, pages 273-283 of 842. Source: Global Trade Atlas 2016-19. Also Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 38 (NC), paragraph 126. Note: The attachment referenced in the Exhibit was a poor copy. As such, the submission to the CITT was referenced for the same data.

475 For example, much of the data from the Global Trade Atlas comes from classification code 73042990, which is not in Chapter 73 of Canada’s Customs Tariff Schedule.

476 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Thailand Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 15 of 198.

477 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Thailand Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 15 of 198.
CBSA Data on Exports from Thailand to Canada

[553] The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, Thailand accounted for 1.2% of total imports.\(^{478}\)

[554] In the original investigation, the only participating exporter, TOP, was found to be dumping. TOP has recently been issued normal values at the conclusion of the 2020 re-investigation.\(^{479}\) In addition to TOP, Boly Pipe participated in the recent re-investigation and has also been issued normal values.\(^{480}\)

[555] Over the three-year POR for this expiry review (2017-2019), there were no imports of subject goods from Thailand.\(^{481}\) TOP’s lack of exports during the POR may suggest an inability to compete at the normal values issued to the company.

[556] Furthermore, TOP and Boly Pipe’s participation in the recent re-investigation may suggest that there is a renewed interest in the Canadian market.

Trade Measures against other Thailand Steel Products in Canada and Other Jurisdictions

[557] Canada’s only other anti-dumping measure against steel products from Thailand concern certain carbon steel welded pipe.\(^{482}\)

[558] Other than Canada, information on the record indicates that Thailand has three anti-dumping measures against similar steel products to OCTG in Australia, Brazil and the US.\(^{483}\)

[559] The current measure in place in Canada with respect to carbon steel welded pipe along with measures in place in other jurisdictions for similar steel products, demonstrates that producers and exporters in Thailand have a propensity to dump steel goods and are likely to resume or continue to dump subject goods should the finding be rescinded.

\(^{478}\) Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.
\(^{481}\) Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
\(^{482}\) [Link](https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/cswp2-eng.html).
Determination Regarding Likelihood of Continued or Resumed Dumping from Thailand

[560] Based on the information on the administrative record in respect of: the large capacity to produce OCTG; OCTG producers’ dependence on exports; the inability to sell OCTG in Canada at non-dumped prices; and trade measures against other steel products from Thailand in Canada and other jurisdictions, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from Thailand.

Turkey

[561] CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Turkey. The CBSA therefore relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from Turkey is likely to resume or continue if the finding were to expire.

Producers of OCTG in Turkey

[562] According to information on the record, there are two active producers of OCTG in Turkey, namely, Borusan Mannesmann and Cayirova Boru.484

Borusan Mannesmann (Borusan)

[563] According to MBR, Borusan is Turkey’s largest welded OCTG producer,485 The Gemlik facility can produce up to 13.38 inches outside diameter.

[564] In 2014, Borusan opened a production facility in the United States in Baytown, Texas. The facility has a 300,000 MT annual production capacity for OCTG.486 Turkey’s drop in production noted above starting in 2014 can be largely attributed to Borusan opening this facility in the United States, a previous large export market for production at Gemlik.

[565] Borusan participated in the original investigation and re-investigation in 2015 487 and in the most recent re-investigation which concluded May 25, 2020.488

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484 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 8 of 198.
485 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 8 of 198.
486 Exhibit 27 (NC) – Supplemental CBSA Research – Turkey – Borusan (Production Information).
488 Exhibits 79 (PRO) and 80 (NC) – OCTG 1 and 2 Re-investigation. 
Cayirova Boru (Cayirova)

[566] Cayirova is the second-largest OCTG producer in Turkey. The company can produce up to 12.75 inches in outside diameter.\(^\text{489}\)

Other Potential Turkish Producers

[567] Although no information was available on the record of actual production, the following two pipe manufacturers in Turkey are licensed by the American Petroleum Institute (API) to manufacture API-5CT specification, low-strength ERW casing and tubing (plain end).\(^\text{490}\)

- Toscelik Profile And Sheet Ind. Co. / Osmaniye ERW Pipe Facility \(^\text{491}\)
- Umran Celik Boru Sanayii A.S. / Akcakoca Facility \(^\text{492}\)

Domestic Market in Turkey

[568] Turkey’s domestic economic situation is volatile and attributed to a number of different factors.

[569] In terms of its GDP, based on data available for H1-2019, the OECD projected real GDP growth in Turkey to be -2.6% and 1.6% in 2019 and 2020 respectively.\(^\text{493}\) However, due largely to changes in the world economy in Q1-2020, information from the IMF in April 2020 reported Turkey’s real GDP growth in 2019 to be 0.9% and forecasts 2020 to regress to -5.0%, with a significant uptick in 2021 to 5.0%.\(^\text{494}\)

[570] Information on the record reported in the spring of 2019, that Turkey’s annual inflation rate had risen to an incredible 49%.\(^\text{495}\)

[571] In terms of its steel industry, information on the record cited from the World Steel Organization indicates that Turkey is the 8\(^{\text{th}}\) largest producer of crude steel in the world at 37.3 MMT per year. Turkey consumes 30.6 MMT of finished steel per year. As such, Turkey is a significant net exporter of steel.\(^\text{496}\)

\(^\text{489}\) Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), pages 8 of 198.

\(^\text{490}\) Exhibit 27 (NC) – Supplemental CBSA Research: API List of Licensed OCTG Producers.


\(^\text{492}\) www.umran.com

\(^\text{493}\) Exhibit 27 (NC) – Supplemental CBSA Research: OECD Steel Market Developments, Q4-2019, page 15 of 61.

\(^\text{494}\) Exhibit 37 (NC) – Close of Record Supporting Documents from Tenaris Canada: “IMF World Economic Outlook, April 2020;” page 345 of 413.

\(^\text{495}\) Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraphs 85-86; Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 50 (NC) – Forbes Article: “Turkey’s Inflationary Wars,” May 1, 2019.

The OECD stated that steel demand in Turkey as of Q4-2019 was still being negatively affected by the country’s currency crisis of August 2018 and continued volatility in the Turkish lira. The exchange rate situation is resulting in a cautious market, with prices near stationary and low transaction volumes. The depreciated currency also makes Turkish exports more attractive, as the lira is comparatively less expensive than before the crisis.

**Domestic OCTG Market in Turkey**

There was limited information placed on the record in regards to OCTG manufacturing and sales in Turkey.

According to MBR data, Turkey’s apparent domestic consumption of OCTG is comparable to what it was at the time of the original investigation. Based on MBR’s estimated OCTG consumption in Turkey in 2019, domestic consumption is projected to decrease in 2020 and further 2021. The projected decline in domestic consumption is notable for a country already heavily leveraged towards its export market.

The decline in projected consumption of OCTG in Turkey may be further exacerbated by the recent challenges it has faced that may threaten its ability to maintain these consumption targets.

For example, the domestic OCTG market has recently felt pressures from rising HRC costs, the primary input to ERW pipe. Prices of HRC in Turkey rose in late 2019, in the absence of any notable change in pipe demand, making it difficult to pass along the increased costs to the pipe purchasers in the market.

More recently, due to the global pandemic, the domestic market has seen a temporary halt in production at several Turkish steel mills, including Borusan, which reportedly paused output “at some of its mills in Turkey,” although it is unclear from the report on the record if the Gemlik facility which manufactures OCTG is one of them.

**Excess Production Capacity of OCTG in Turkey**

The CBSA considered confidential information on the administrative record from MBR with respect to the total effective capacity in Turkey for OCTG. Borusan accounts for a majority of this capacity.

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498 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 7 of 198.
499 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Steel Business Briefing: “Higher HRC costs put pressure on Turkish pipe prices,” December 10, 2019, page 44 of 198.
The Canadian producers also cited the tubular capacities of Toscelik and Umran Celik, the latter of which has a further 750,000 MT of tubular production capacity alone. The CBSA notes that there is no evidence on the record that these producers avail themselves of their license to produce API 5CT OCTG.

Turkish OCTG production has dropped substantially from the time of the original investigation POI of 2013 according to MBR. Based on MBR’s estimated OCTG production from Turkey in 2019, projected future production is to be slightly less in 2020 and 2021. This would equate to extremely low utilization rates for 2019 and 2020. MBR forecasts Turkey’s production to remain stable through 2022 at the levels reported for 2019.

Exports from Turkey

Turkey was the world’s eighth-largest steel exporter in 2018, with a reported 19.8 MMT of steel exports, a 22% increase from 16.2 MMT in 2017. Pipe and tube represented 2 MMT of that total.

According to data cited by the OECD, steel exports from Turkey increased by 16.7%, year-on-year, in the first three months of 2019.

The US section 232 tariffs had a profound effect on Turkey. Steel exports from Turkey to the United States decreased by 38% between 2017 and 2018. Over the same period, exports of Turkish steel to Canada increased by 92%, the highest increase for any of Turkey’s steel export markets according to the ITA Global Steel Trade Monitor.

Data on the record which consolidates Turkey’s exports of both seamless (7304) and welded (7306) pipes demonstrates Turkey’s strong exports of steel tubulars, particularly in the welded classification.
Table 9
Turkey’s Exports of Tubular Products

<table>
<thead>
<tr>
<th>Year</th>
<th>MT</th>
<th>Value (USD)</th>
<th>$/MT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>HS: 7304 (Seamless)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>16,303</td>
<td>$32,957,675</td>
<td>$2,022</td>
</tr>
<tr>
<td>2018</td>
<td>19,531</td>
<td>$40,103,272</td>
<td>$2,053</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HS: 7306 (Welded)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1,680,438</td>
<td>$1,154,675,977</td>
<td>$687</td>
</tr>
<tr>
<td>2018</td>
<td>1,602,876</td>
<td>$1,268,545,865</td>
<td>$791</td>
</tr>
</tbody>
</table>

[586] Regarding OCTG specifically, information on the record consolidated by the Canadian producers from the Global Trade Atlas at the 8-digit HS classification level, indicates that Turkey actively sells OCTG to export markets.510

[587] Since the data cited by the Canadian producers from the Global Trade Atlas includes information that is not reconcilable to Canada’s tariff classification system, this dataset may be incomplete or include goods that are non-subject seamless and welded tubes. As such MBR data specific to OCTG was favoured in analyzing Turkey’s exports.511

[588] MBR data reveals that, like most countries, Turkey’s export volumes of OCTG have dropped substantially since the period of the original investigation. Specifically, exports of OCTG from Turkey were significantly lower in 2017, 2018 and 2019. OCTG exports are forecasted to be relatively flat in 2020 and 2021.512

[589] Turkey is still a net exporter of OCTG and domestic consumption forecasts are well below production forecasts.513 Consequently, the country is still heavily leveraged towards export markets for its OCTG.

[590] Turkey’s export dependence for steel pipe has also been severely hampered by the US 232 Tariffs as exports dropped substantially in 2019 from 2018. The United States has traditionally been one of Turkey’s largest pipe customers.514

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Also Exhibit 31 (NC) – Evraz response to Producer ERQ; Attachment 38 (NC), paragraph 126. Note: The attachment referenced in the Exhibit was a poor copy. As such, the submission to the CITT was referenced for the same data.

511 For example, much of the data from the Global Trade Atlas comes from classification code 73042990, which is not in Chapter 73 of Canada’s Customs Tariff Schedule.

512 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 7 of 198.

513 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada; Turkey Market Data (OCTG Intelligence Service, Metal Bulletin Research), page 7 of 198.

514 Exhibit 27 (NC) – Supplemental CBSA Research – ITA Global Steel Trade Monitor, Steel Exports Report: Turkey, August 2019, page 4 of 8. The United States is identified as Turkey’s second highest market for Pipe and Tube Exports, behind Romania.
CBSA Data on Exports from Turkey to Canada

[591] In terms of OCTG specifically, the original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, Turkey accounted for 5.3% of total imports, by far the largest share of any of the nine named countries.515

[592] Over the three-year POR for this Expiry Review (2017-2019), Turkey accounted for only 0.19% of imports.516 In the most recent full-year period of 2019, Turkey accounted for only 76 MT of subject imports.

[593] The Canadian producers cited anti-dumping duty collected on exports of OCTG from Turkey while the finding has been in place as evidence that Turkey cannot compete in Canada on sales of OCTG without dumping.517

[594] The CBSA also notes that no dumping duties were collected in 2017 nor 2019 on exports of OCTG from Turkey according to the CBSA’s import and enforcement statistics.518

[595] The CBSA noted that information submitted by IMCO International Steel Trading Inc. (IMCO) indicated substantially more imports of OCTG from Turkey than reported in the CBSA import and enforcement statistics.519 For the purposes of the expiry review, the CBSA relied primarily on its own official import statistics.

[596] As previously noted, Borusan is currently the only producer in Turkey with normal values for OCTG.520 The company has had normal values since the conclusion of the original investigation.521 Borusan is also the only producer in Turkey identified on the record as having exported subject goods to Canada since the original investigation522 and was found to have a 0% margin of dumping at the final determination.523

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516 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50 (3,120/382,655 = 0.19%).
517 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraphs 96.
518 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
519 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
522 Exhibit 27 (NC) – Supplemental CBSA Research – CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 160 and Appendix 1.
While Borusan established an OCTG production facility in Baytown, Texas in 2014, the company has demonstrated a continued interest in the Canadian market through its participation in normal value re-investigations, in spite of not consistently demonstrating an ability to compete at those normal values. So while the company may service the North American market in part through the Baytown facility, there is clearly still interest to supply the Canadian market directly through the Gemlik facility in Turkey.

**Anti-dumping Measures on Similar Products in Canada**

In January 2019, the CBSA found that carbon steel welded pipe (CSWP) from Turkey was being dumped into Canada. The exporters involved included Cayirova Borusan with a margin of dumping of 8.8%. In February 2019, the CITT determined that this dumping was injurious to the Canadian domestic industry.  

The CBSA has also had anti-dumping measures on hollow structural sections (HSS) from Turkey since 2003.

The presence of the other known Turkish OCTG producer, Cayirova Boru, in the Canadian market in the CSWP investigation is not insignificant. It establishes that recent commercial relationships already exist in Canada for their tubular goods, notwithstanding their non-participation in previous OCTG proceedings in respect of the present finding.

**Measures in Other Jurisdictions against Turkey**

Information on the record indicates that other than Canada, the United States has anti-dumping measures against Turkish steel products, including OCTG.

On March 24, 2020, the US Department of Commerce (USDOC) completed its sunset review and continued its anti-dumping measures on OCTG from India, South Korea, Turkey and Vietnam, determining that the expiration of the measures would be likely to lead to continuation or recurrence of dumping.

The list of other anti-dumping measures in the United States includes:

- Light-walled rectangular pipe and tube;
- Circular welded carbon steel pipe and tube;
- Welded Line Pipe;
- Heavy-walled rectangular welded carbon steel pipe and tube;
- Large diameter welded pipe.

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524 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC, paragraphs 95 and 96.
528 Exhibit 44 (NC) – Case briefs on behalf of Tenaris Canada, Schedule A.
Determination Regarding Likelihood of Continued or Resumed Dumping from Turkey

[604] Based on the information on the administrative record in respect of: the Turkish domestic market volatility, including the depreciation of the domestic currency encouraging more exports; the insufficient domestic demand creating high export dependency of OCTG producers; the excess production capacity for OCTG; the continued interest in the Canadian OCTG market; the threat of divergence of exports to Canada due to the US section 232 tariffs; the existence of a recent anti-dumping finding in Canada for Turkish pipe; and the number of anti-dumping measures on similar goods, including OCTG, in the United States, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from Turkey.

Ukraine

[605] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters or producers in Ukraine. The CBSA therefore relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from Ukraine is likely to resume or continue if the finding were to expire.

Producers of OCTG in Ukraine

[606] The information on the record identified one active and licensed API-5CT OCTG producer in Ukraine, namely, Interpipe Niko Tube Limited Liability Company (Interpipe).

Interpipe

[607] Interpipe is the second largest OCTG producer by output in the CIS and operates two OCTG seamless pipe producing plants in Ukraine.

[608] The first plant, Nikopol Seamless Tube Plant (Nikotube), produces seamless tubing ranging from 1.65 to 4.69 inches in outside diameter. Confidential information on the administrative record provided confidential details concerning total tubular capacity and effective OCTG capacity.

[609] The second plant, Nizhnedneprovsk Tube Rolling Plant (NTRP), predominantly produces seamless casing, ranging from 5.51 to 13.39 inches in outside diameter. Confidential information on the administrative record provided confidential details concerning total tubular capacity and effective OCTG capacity.

529 Exhibit 27 (NC) – List of Licensed OCTG Producers.
530 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Fastmarkets (OCTG Intelligence Service, Metal Bulletin Research), pages 23-24 of 198.
531 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Fastmarkets (OCTG Intelligence Service, Metal Bulletin Research), pages 23-24 of 198.
532 Exhibit 36 (PRO) – Close of Record Supporting Documents from Tenaris Canada, Fastmarkets (OCTG Intelligence Service, Metal Bulletin Research), pages 23-24 of 198.
Domestic Market in Ukraine

[610] In 2018, Ukraine’s economic recovery posted its strongest year-to-date, driven by ongoing and unprecedented structural reforms, favourable export markets, solid macroeconomic fundamentals, and greater stability. Real GDP growth for the year was 3.3%, following increases of 2.5% in 2017 and 2.4% in 2016.\(^{533}\)

[611] The resurgent Ukrainian economy has also driven increased demand for steel products. In 2018, apparent steel consumption increased by 4% to 5.7 MMT. The increased level of consumption can be attributed to the construction sector, which accounted for 70% of steel consumption in 2018. Infrastructure development accounted for the majority of steel consumption within the construction sector, due to the pressing need to upgrade existent infrastructure, including buildings and roads, much of which were 30 to 40 years old.\(^{534}\)

[612] Ukraine’s crude steel production has steadily decreased from its peak of 25.9 MMT in 2011. In 2018, production totaled 15 MMT, representing a 1% increase from 2017 levels. Steel production is concentrated amongst three companies, namely, Metinvest Holding; PJSC Arcelor Mittal Kryvyu Rih; and Industrial Union of Donbass.\(^{535}\)

[613] The Ukrainian steel industry is highly export-oriented, having been the world’s 11\(^{th}\) largest exporter of steel in 2017.\(^{536}\) That year, the country exported 15.2 MMT of steel,\(^{537}\) while overseas sales of rolled-steel products, excluding pipes, accounted for 79% of total output.\(^{538}\)

[614] Ukraine also imports types of steel that are not produced domestically, produced in insufficient quantities to meet domestic demand, or that have better price-quality ratios. In 2018, this resulted in the importation of 1.4 MMT of steel.\(^{539}\)

Domestic OCTG Market in Ukraine

[615] Production of OCTG in Ukraine has increased significantly since reaching a low in 2016. Production climbed in 2018, and continued to increase in 2019 and is forecasted to slightly decrease in 2020. Annual production levels are projected to remain slightly below 2018 levels through to 2025.\(^{540}\)

[616] Domestic consumption of OCTG in Ukraine has been increasing since reaching a low in 2016. Consumption increased in 2018, continued to increase in 2019, is forecasted to remain close to 2019 levels in 2020, and is estimated to drop in future years.\(^{541}\) The increase in domestic consumption coincides with the previously mentioned economic recovery.

\(^{535}\) Exhibit 27 (NC) – Supplemental CBSA Research: Ukraine – Global Steel Trade Monitor, page 6 of 8.
\(^{536}\) Exhibit 27 (NC) – Supplemental CBSA Research: Ukraine – Global Steel Trade Monitor, page 1 of 8.
\(^{537}\) Exhibit 27 (NC) – Supplemental CBSA Research: Ukraine – Global Steel Trade Monitor, page 1 of 8.
\(^{540}\) Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 18.
\(^{541}\) Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 7.
The CBSA’s estimated Canadian market for OCTG in 2019 as per Table 2 of this report was roughly 663,000 MT. As such, MBR’s estimate for Ukraine’s 2020 OCTG production represents a material proportion of the total Canadian market, displaying the potential threat posed by increasing Ukrainian OCTG production levels.

**Excess Production Capacity of OCTG in Ukraine**

Information sourced from MBR provided estimates of Ukrainian OCTG producers effective capacity. While production of OCTG has increased significantly since 2016, production in 2019 still results in a large quantity of excess capacity. This underutilized capacity represents a material proportion of the CBSA estimate of the Canadian OCTG market.

**Financial Performance of the Ukrainian Exporter**

Interpipe experienced poor financial performance in 2017 and 2018, while the Ukrainian economy was in the midst of a robust recovery. The pipes segment of Interpipe accounted for the majority of total sales in 2018. The segment also posted losses in 2017 and 2018. In both of these years, it was the only segment of the company to experience losses, accentuating its poor performance.

As a result of the development of a strategic program designed to increase both the capacity and quality of production, Interpipe began making investments in its pipe producing facilities in 2018.

The poor financial performance of Interpipe is likely to prompt the company to increase its production and sales of OCTG to any available export markets to cover fixed costs and improve performance.

**Exports from Ukraine**

According to MBR data, exports of OCTG from Ukraine have increased dramatically since reaching their lowest level in 2016. Exports increased significantly by 2018, reached a peak in 2019, are forecasted to decrease slightly in 2020 and then remain slightly below 2020 levels per year through to 2025.

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542 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 18.
543 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 30 (PRO), page 10.
544 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 30 (PRO), page 3.
545 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 30 (PRO), page 30, 31.
546 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 67 (PRO), page 1; and, Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 66 (PRO), page 1.
547 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 18.
According to MBR, Ukraine will be the third largest exporter of OCTG by volume amongst countries subject to the current finding, trailing Chinese Taipei by a small margin. When taking into consideration the efforts made by Interpipe to both increase capacity and improve quality of pipe manufacturing, the current and future exporting potential of Ukraine appears to be very strong.

**CBSA Data on Exports from Ukraine to Canada**

The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, Ukraine accounted for 1% of total imports.

In the original investigation, the participating exporter and sole producer of OCTG in Ukraine, Interpipe, was found to be dumping. Interpipe has had normal values since the final determination and through the latest re-investigation, which concluded May 25, 2020.

During the POR, Ukraine did not export any subject goods into Canada. This demonstrates that Ukrainian exporters may have difficulty competing in the Canadian OCTG market at non-dumped prices.

**Trade Measures against Other Ukrainian Steel Products in Canada and Abroad**

According to the Global Steel Trade Monitor, there are currently 27 trade remedies in effect involving steel from Ukraine, of which, Canada currently accounts for three. The 27 trade remedies provide evidence that Ukrainian producers have a propensity to dump steel products in Canada and abroad.

**Evidence of Ukrainian Exporters Dumping in other Markets**

Information on the record from the WTO demonstrates that Ukrainian exporters are subject to anti-dumping measures against OCTG in the European Union, Russia, and the United States.

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548 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO).
549 Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.
551 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50
552 Exhibit 27 (NC) – Supplemental CBSA Research: Ukraine – Global Steel Trade Monitor, pages 1, 7.
553 Exhibit 31 (NC) – Evraz Response to Producer ERQ; Attachment 22 (NC) – WTO, Measures in Force Data.
The United States and Russia are two of the largest consumers of OCTG globally. The current measures in force against Ukrainian OCTG in these two countries greatly limit the options available to Ukrainian exporters, causing them to seek out and potentially increase exports to other markets.

**Determination Regarding Likelihood of Continued or Resumed Dumping from Ukraine**

Based on the information on the administrative record in respect of: the large and forecasted growth in capacity to produce OCTG; the substantial current and projected exports of OCTG; the poor financial performance of the sole exporter of OCTG, which will only encourage more exports of OCTG in an attempt to offset losses; the inability to sell OCTG in Canada at non-dumped prices; and the demonstrated propensity to dump in other major OCTG markets, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from Ukraine.

**Vietnam**

The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters or producers in Vietnam. The CBSA therefore relied on information submitted by participating parties, as well as other information on the administrative record, in considering whether the dumping of subject goods from Vietnam is likely to resume or continue if the finding were to expire.

**Producers of OCTG in Vietnam**

Information on the record identified three active OCTG producers in Vietnam, namely, SeAH Steel Vina Corporation (SeAH Steel), Sujia Steel Pipe Co. Ltd. (Sujia Steel), and Hot-Rolling Pipe.

**SeAH Steel**

According to MBR, SeAH Steel, located in Dong Nai, produces ERW pipe, ranging from 1 to 8 inches in outside diameter. Confidential information on the administrative record provided details concerning total tubular capacity and effective OCTG capacity of the plant.

**Sujia Steel**

According to MBR, Sujia Steel, located in Tay Ninh, produces ERW pipe, ranging from 2.375 to 6.625 inches in outside diameter. Confidential information on the administrative record provided details concerning total tubular capacity and effective OCTG capacity of the plant.

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554 Exhibit 28 (PRO) – Tenaris response to Producer ERQ, response to Question 26, page 28 of 35; FastMarkets Metal Bulletin “Global OCTG Apparent Consumption.”

555 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 10.

556 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 10.

557 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 10.
Hot Rolling Pipe

[635] According to MBR, Hot-Rolling Pipe, located in Dong Nai, produces seamless pipe, ranging from 2.38 to 13.375 inches in outside diameter. Confidential information on the administrative record provided details concerning total tubular capacity and effective OCTG capacity of the plant.558

Domestic Market in Vietnam

[636] According to the International Monetary Fund (IMF), Vietnam has experienced steady growth in GDP since 2011. Annual growth has only dropped below 6% on two occasions and is projected to remain above 6% for 2020,559 although the projection was made prior to the global pandemic and could be overstated as a result.

[637] Vietnam has a prominent presence in the global steel industry, having produced 14.1 MMT in 2018, resulting in year-over-year growth of 22.4%, ranking them as the world’s 17th largest producer.560 Vietnamese steel production is concentrated between five main producers, namely, HoaPhat, Hoa Sen, Minh Ngoc, TVP, and SeAH Steel, accounting for the majority of production in 2018.561

[638] Despite the excess capacity plaguing the global steel industry, Vietnamese steel pipe producers have continued to expand their production capacities. In 2018, Hoa Phat Group added a plant in Quang Ngai, which effectively added 4 MMT of production capacity, producing construction steel, high quality rolled steel and hot-rolled coil562 and in 2019, SeAH Steel increased its pipe production capacity by 140,000 MT.563

Domestic OCTG Market in Vietnam

[639] According to MBR, production of OCTG in Vietnam has increased significantly since reaching lows in 2015 and 2016. Production increased in 2017 and continued to increase in 2018; and was estimated to be again higher in 2019. Production is projected to continue increasing in 2020 thru to 2022, demonstrating continued and sustainable growth in domestic production.564

[640] Domestic consumption of Vietnamese OCTG remained steady from 2016 to 2019. Domestic consumption is projected to increase steadily between 2020 thru to 2022.565

558 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 10.
559 Exhibit 27 (NC) – Supplemental CBSA Research: World Economic Outlook – IMF, page 151.
561 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 102 (NC), page 3.
562 Exhibit 42 (NC) – Case Brief on behalf of Evraz and WTC; Attachment 105 (NC), page 3.
563 Exhibit 42 (NC) – Case Brief on behalf of Evraz and WTC; Attachment 97 (NC), page 2.
564 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 9.
565 Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 9.
The above OCTG production and consumption figures demonstrate that since the recovery began in 2017, Vietnamese OCTG production has outpaced domestic consumption and is forecasted to continue to do so by a significant and increasing margin through to 2025.\textsuperscript{566}

**Excess Production Capacity of OCTG in Vietnam**

Vietnamese producers have a significant effective OCTG capacity. According to MBR, domestic production of OCTG has lagged considerably behind effective OCTG capacity. In 2017, Vietnam’s excess capacity diminished although remained high in years 2018 and 2019.\textsuperscript{567}

Excess capacity is forecasted to remain high but below 2018 and 2019 levels each year until 2024, demonstrating a future trend of extremely low levels of capacity utilization amongst Vietnamese producers of OCTG.\textsuperscript{568} The situation is likely to be further exacerbated by the aforementioned continued expansion of production of OCTG amongst the producers.

**Exports from Vietnam**

According to MBR, there were no exports of OCTG from Vietnam during 2015. In 2016, only a small margin of OCTG was exported, while figures remained weak in 2017. From 2018 onwards, exports increased substantially and are forecasted to remain at increased levels per year through to 2025.

The above figures display strong growth in export orientation of OCTG from Vietnam. When this trend is considered alongside the increasing production figures and excess capacity of the producers, exports of OCTG from Vietnam pose a potentially sizable threat to the Canadian OCTG market.

**CBSA Data on Exports from Vietnam to Canada**

The original period of investigation covered all subject goods released into Canada over a 15-month period from January 1, 2013 to March 31, 2014. During that period, Vietnam accounted for 2.7% of total imports.\textsuperscript{569}

In the original investigation, the exporters of OCTG in Vietnam were found to be dumping.\textsuperscript{570}

\begin{itemize}
  \item \textsuperscript{566} Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 9.
  \item \textsuperscript{567} Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 9.
  \item \textsuperscript{568} Exhibit 30 (PRO) – Evraz response to Producer ERQ; Attachment 28 (PRO), page 9.
  \item \textsuperscript{569} Exhibit 27 (NC) – Supplemental CBSA Research: CBSA OCTG 2 Final Determination Statement of Reasons, paragraph 59.
  \item \textsuperscript{570} Notice of Conclusion of Re-investigation, May 25, 2020.
\end{itemize}
During the POR, the Vietnamese exporters shipped 241 MT by volume and $401,196 CAD by value worth of OCTG into the Canadian market. From 2017 to 2019, over 100,000 MT of OCTG were exported from Vietnam. When contrasting this with the small amount of OCTG exported into the Canadian market, it would appear that Vietnamese exporters are unable to compete without dumping.

**Evidence of Vietnam Dumping in Canada and Other Markets**

Vietnamese steel producers have a propensity to dump, as demonstrated by the evidence on the record. In 2019, Vietnamese steel producers, including OCTG producer SeAH Steel, were found to be dumping carbon steel welded pipe into Canada.

Steel producers from Vietnam are also subject to anti-dumping measures in the United States, Thailand, and Brazil. The measures cover: certain iron or steel pipe and tube, seamed tubes of austenitic stainless steel, welded stainless steel tubes, pipes, and profiles; and stainless steel pipe and tube.

Vietnamese producers are also subject to an OCTG finding in the United States, which took effect March 4th, 2020.

**Determination Regarding Likelihood of Continued or Resumed Dumping from Vietnam**

Based on the information on the administrative record in respect of: the widening gap between production and consumption of OCTG in Vietnam; the large excess capacity to produce OCTG in Vietnam; the forecasted increase in exports of OCTG from Vietnam; the inability of Vietnamese exporters to sell OCTG in Canada at non-dumped prices; and the propensity to dump as demonstrated by multiple anti-dumping findings against Vietnamese steel including OCTG producers, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain OCTG originating in or exported from Vietnam.

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571 Exhibit 35 (NC) – CBSA Import Stats & Market Table Day 50.
573 Exhibit 42 (NC) – Case briefs on behalf of Evraz and WTC; Attachment 22 (NC).
574 Final results of Expedited First Sunset Reviews of the Antidumping Duty Orders. [https://www.govinfo.gov/content/pkg/FR-2020-03-04/pdf/2020-04395.pdf](https://www.govinfo.gov/content/pkg/FR-2020-03-04/pdf/2020-04395.pdf)
CONCLUSION

[653] 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. Based on the foregoing consideration of pertinent factors and analysis of information on the record, on July 23, 2020 the CBSA made a determinations under paragraph 76.03(7)(a) of SIMA that the expiry of the finding made by the CITT on April 2, 2015, in Inquiry No. NQ-2014-002:

i. is likely to result in the continuation or resumption of dumping of certain oil country tubular goods originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, South Korea, Thailand, Turkey, Ukraine and Vietnam; and

ii. is unlikely to result in the continuation or resumption of dumping of certain oil country tubular goods originating in or exported from the Philippines.

FUTURE ACTION

[654] On July 24, 2020 the CITT initiated its inquiry to determine whether the expiry of the finding with respect to the dumping of the goods from Chinese Taipei, India, Indonesia, South Korea, Thailand, Turkey, Ukraine and Vietnam is likely to result in injury. The CITT’s Expiry Review schedule indicates that it will make its decision by December 30, 2020.

[655] If the CITT determines that the expiry of the finding with respect to the goods is likely to result in injury, the finding 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.

[656] If the CITT determines that the expiry of the finding with respect to the goods is not likely to result in injury, the finding will be rescinded 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 finding was scheduled to expire will be returned to the importer.
INFORMATION

[657] For further information, please contact the officer listed below:

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