



OTTAWA, January 22, 2026

CISP 2025 IN

STATEMENT OF REASONS

Concerning the final determinations with respect to the dumping and subsidizing of

CAST IRON SOIL PIPE ORIGINATING IN OR EXPORTED FROM CHINA

DECISIONS

On January 7, 2026, pursuant to subsection 41(1)(b) of the *Special Import Measures Act*, the Canada Border Services Agency made final determinations respecting the dumping and subsidizing of cast iron soil pipe originating in or exported from the People's Republic of China.

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

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SUMMARY

[1] On May 22, 2025, the Canada Border Services Agency (CBSA) received a written complaint from Canada Pipe Company ULC, d/b/a Bibby-Ste-Croix (Ste-Croix, Quebec) (hereinafter, the complainant) alleging that imports of cast iron soil pipe (CISP) originating in or exported from the People's Republic of China (China) are being injuriously dumped and subsidized.

[2] On June 12, 2025, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainant that the complaint was properly documented. On June 20, 2025, the CBSA informed the Government of China that a properly documented complaint had been filed. At that time, the Government of China was provided with a non-confidential version of the subsidy complaint and was invited for consultations pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*, prior to the initiation of the subsidy investigation. The CBSA did not receive any request for consultations.

[3] The complainant provided evidence to support the allegations that CISP from China has been dumped and subsidized, as well as evidence that discloses a reasonable indication that the dumping and subsidizing have caused injury or are threatening to cause injury to the Canadian industry producing like goods.

[4] On July 11, 2025, pursuant to subsection 31(1) of SIMA, the CBSA initiated investigations respecting the dumping and subsidizing of CISP from China.

[5] Upon receiving notice of the initiation of the investigations, the Canadian International Trade Tribunal (CITT) commenced a preliminary injury inquiry, pursuant to subsection 34(2) of SIMA, into whether the evidence discloses a reasonable indication that the dumping and subsidizing of the above-mentioned goods have caused injury or are threatening to cause injury to the Canadian industry producing the like goods.

[6] On September 9, 2025, pursuant to subsection 37.1(1) of SIMA, the CITT made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping and subsidizing of CISP from China have caused or are threatening to cause injury to the domestic industry.

[7] On October 9, 2025, as a result of the CBSA's preliminary investigations and pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing of CISP originating in or exported from China.

[8] On the same date, pursuant to subsection 8(1) of SIMA, provisional duties were imposed on imports of dumped and subsidized goods that are of the same description as any goods to which the preliminary determinations apply, and that are released during the period commencing on the day the preliminary determinations were made and ending on the earlier of the day on which the CBSA causes the investigations in respect of any goods to be terminated pursuant to subsection 41(1) of SIMA or the day the CITT makes an order or finding pursuant to subsection 43(1) of SIMA.

[9] Based on the available evidence, the CBSA is satisfied that CISP originating in or exported from China have been dumped and subsidized. Therefore, on January 7, 2026, the CBSA made final determinations of dumping and subsidizing pursuant to paragraph 41(1)(b) of SIMA in respect of those goods.

[10] The CITT's inquiry into the question of injury to the Canadian industry is continuing, and the CITT will issue its decision by February 6, 2026. Provisional duties will continue to be imposed on the subject goods from China until the CITT renders its decision.

PERIOD OF INVESTIGATION

[11] The Period of Investigation (POI) for the investigations is April 1, 2024 to March 31, 2025.

PROFITABILITY ANALYSIS PERIOD

[12] The Profitability Analysis Period (PAP) for the investigations is April 1, 2024 to March 31, 2025.

INTERESTED PARTIES

[13] Interested parties were notified at the initiation of the investigations and were sent Requests for Information (RFI). Refer to the Initiation [*Statement of Reasons*](#) for additional information on interested parties.

Exporters

[14] Four exporters and three producers provided substantially complete responses to the CBSA's dumping RFI and supplemental RFIs (SRFIs) in sufficient time to be considered for the final determination:

Table 1: Cooperative Exporters and Producers – Dumping

Exporter	Producer
Dinggin Hardware (Dalian) Co., Ltd. ¹	Wuan City Yongtia Foundry Industry Co., Ltd. ²
Global Metal & Investment HK Ltd. ³	Dingxiang County Yutai Forging and Casting Co., Ltd. ⁴
Max International Supply Limited ⁵	Shanxi Golden Autumn Foundry Co., Ltd. ⁶
Shijiazhuang Sunrise International Trading Co., Ltd. ⁷	

[15] One exporter, Shanxi Xuanshi Industrial Group Co., Ltd., which provided a substantially complete response to the dumping RFI⁸ for purposes of the preliminary determination, did not respond to the CBSA's subsequent SRFI request⁹. The company's response has therefore been considered deficient for purposes of the final determination of dumping.

¹ Exhibits 62 (PRO) and 63 (NC) – Response to dumping RFI – Dinggin Hardware (Dalian) Co., Ltd.; Exhibits 176 (PRO) and 177 (NC) – Response to SRFI#1 – Dinggin Hardware (Dalian) Co., Ltd; Exhibits 204 (PRO) and 205 (NC) – Response to SRFI#2 – Dinggin Hardware (Dalian) Co., Ltd.

² Exhibits 97 (PRO) and 98 (NC) – Response to dumping RFI – Wuan City Yongtia Foundry Industry Co., Ltd.; Exhibits 178 (PRO) and 179 (NC) – Response to SRFI#1 – Wuan City Yongtia Foundry Industry Co., Ltd.; Exhibits 206 (PRO) and 207 (NC) – Response to SRFI#2 – Wuan City Yongtia Foundry Industry Co., Ltd.

³ Exhibits 89 (PRO) and 90 (NC) – Response to dumping RFI – Global Metal & Investment HK Ltd.; Exhibits 183 (PRO) and 184 (NC) – Response to SRFI#1 – Global Metal & Investment HK Ltd.; 208 (PRO) and 209 (NC) – Response to SRFI#2 – Global Metal & Investment HK Ltd.

⁴ Exhibits 87 (PRO) and 88 (NC) – Response to dumping RFI – Dingxiang County Yutai Forging and Casting Co., Ltd.; Exhibits 124 (PRO) and 125 (NC) – Response to Deficiency Letter and SRFI#1 – Dingxiang County Yutai Forging and Casting Co., Ltd.; Exhibits 190 (PRO) and 191 (NC) – Response to SRFI#2 – Dingxiang County Yutai Forging and Casting Co., Ltd.

⁵ Exhibits 103 (PRO) and 104 (NC) – Response to dumping RFI – Max International Supply Limited.; Exhibits 186 (PRO) and 187 (NC) – Response to SRFI#1 – Max International Supply Limited; Exhibits 212 (PRO) and 213 (NC) – Response to SRFI#2 – Max International Supply Limited

⁶ Exhibits 110 (PRO) and 111 (NC) – Response to dumping RFI – Shanxi Golden Autumn Foundry Co., Ltd.; Exhibits 129 (PRO) and 130 (NC) – Response to Deficiency Letter and SRFI#1 – Shanxi Golden Autumn Foundry Co., Ltd.; Exhibits 194 (PRO) and 195 (NC) – Response to SRFI#2 – Shanxi Golden Autumn Foundry Co., Ltd.; Exhibits 216 (PRO) and 217 (NC) – Response to SRFI#3 – Shanxi Golden Autumn Foundry Co., Ltd.

⁷ Exhibits 93 (PRO) and 94 (NC) – Response to dumping RFI – Shijiazhuang Sunrise International Trading Co., Ltd.; Exhibits 181 (PRO) and 182 (NC) – Response to SRFI#1 – Shijiazhuang Sunrise International Trading Co., Ltd.; Exhibits 210 (PRO) and 211 (NC) – Response to SRFI#2 – Shijiazhuang Sunrise International Trading Co., Ltd.

⁸ Exhibits 81 (PRO) and 82 (NC) – Response to dumping RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

⁹ Exhibit 140 (PRO) – SRFI#1 sent to Shanxi Xuanshi Industrial Group Co., Ltd.

[16] The CBSA received three responses to the CBSA’s section 20 RFI:

Table 2: Section 20 Responses

Company
Dingxiang County Yutai Forging and Casting Co., Ltd. & Global Metal & Investment HK Ltd., ¹⁰
Shanxi Golden Autumn Foundry Co., Ltd., Shijiazhuang Sunrise International Trading Co., Ltd. & Max International Supply Limited; ¹¹ and
Shanxi Xuanshi Industrial Group Co., Ltd. ¹²

[17] Eight companies provided responses to the CBSA’s subsidy RFI:

Table 3: Subsidy Responses

Company
Dinggin Hardware (Dalian) Co., Ltd. ¹³
Dingxiang County Yutai Forging and Casting Co., Ltd. ¹⁴
Global Metal & Investment HK Ltd. ¹⁵
Max International Supply Limited ¹⁶
Shanxi Golden Autumn Foundry Co., Ltd. ¹⁷
Shanxi Xuanshi Industrial Group Co., Ltd. ¹⁸
Shijiazhuang Sunrise International Trading Co., Ltd. ¹⁹
Wuan City Yongtia Foundry Industry Co., Ltd. ²⁰

¹⁰ Exhibits 52 (PRO) and 53 (NC) – Response to Section 20 RFI – Dingxiang County Yutai Forging and Casting Co., Ltd. and Global Metal & Investment HK Limited

¹¹ Exhibits 64 (PRO) and 65 (NC) – Response to Section 20 RFI – Shanxi Golden Autumn Foundry Co., Ltd., Shijiazhuang Sunrise International Trading Co., Ltd. and Max International Supply Limited

¹² Exhibits 71 (PRO) and 72 (NC) – Responses to Section 20 RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

¹³ Exhibits 99 (PRO) and 100 (NC) – Response to subsidy RFI – Dinggin Hardware (Dalian) Co., Ltd.

¹⁴ Exhibits 95 (PRO) and 96 (NC) – Response to subsidy RFI – Dingxiang County Yutai Forging and Casting Co., Ltd.

¹⁵ Exhibits 85 (PRO) and 86 (NC) – Response to subsidy RFI – Global Metal & Investment HK Limited

¹⁶ Exhibits 105 (PRO) and 106 (NC) – Response to subsidy RFI – Max International Supply Limited

¹⁷ Exhibits 107 (PRO) and 108 (NC) – Response to subsidy RFI – Shanxi Golden Autumn Foundry Co., Ltd.

¹⁸ Exhibits 83 (PRO) and 84 (NC) – Response to subsidy RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

¹⁹ Exhibits 91 (PRO) and 92 (NC) – Response to subsidy RFI – Shijiazhuang Sunrise International Trading Co., Ltd.

²⁰ Exhibits 101 (PRO) and 102 (NC) – Response to subsidy RFI – Wuan City Yongtia Foundry Industry Co., Ltd.

Importers

[18] Seven importers provided a response to the CBSA's importer RFI: 9513-9085 Quebec Inc.²¹, Central Plumbing Supply Inc.²², Lucky58 Plumbing and Mechanical Systems Ltd.²³, One World Supply Inc.²⁴, Pagaz Inc.²⁵, PSA International Trading Ltd.²⁶, and Tuffco Inc.²⁷

Surrogates

[19] The CBSA received two responses to the Surrogate Producer RFI from Charlotte Pipe and Foundry Company²⁸ and Tyler Pipe.²⁹

Government

[20] The CBSA did not receive a response from the Government of China to the government Section 20 RFI or government subsidy RFI.

PRODUCT INFORMATION

DEFINITION

[21] For the purpose of these investigations, subject goods are defined as:

Cast iron soil pipe originating in or exported from the People's Republic of China, whether finished or unfinished, regardless of industry or proprietary specifications, and regardless of wall thickness, length, surface finish, end finish, or stenciling, having a nominal outside diameter from 1.5 inches to 18 inches. Cast iron soil pipe is non-malleable iron pipe of various designs and sizes, including but not limited to both hubless and hub and spigot cast iron soil pipe.

For greater certainty, the product definition includes all pipe meeting the physical description set forth above, whether or not produced according to a particular standard or specification.

²¹ Exhibits 34 (PRO) & 35 (NC) – Response to Importer RFI – 9513-9085 Québec Inc.

²² Exhibits 45 (PRO) & 46 (NC) – Response to Importer RFI – Central Plumbing Supply Inc.

²³ Exhibit 49 (NC) – Response to Importer RFI – Lucky58 Plumbing and Mechanical Systems Ltd.

²⁴ Exhibits 50 (PRO) & 51 (NC) – Response to Importer RFI – One World Supply Inc.

²⁵ Exhibits 73 (PRO) & 74 (NC) – Response to Importer RFI – Pagaz Inc.

²⁶ Exhibits 41 (PRO) & 42 (NC) – Response to Importer RFI - PSA International Trading Ltd.

²⁷ Exhibits 38 (PRO) & 39 (NC) – Response to Importer RFI - Tuffco Inc.

²⁸ Exhibits 75 (PRO) & 76 (NC) – Response to Surrogate Producer RFI - Charlotte Pipe and Foundry Company

²⁹ Exhibits 79 (PRO) & 80 (NC) – Response to Surrogate Producer RFI - Tyler Pipe

ADDITIONAL PRODUCT INFORMATION³⁰

[22] CISP is a non-malleable cast iron pipe produced in a variety of sizes and used as a component for sanitary and storm drain, waste, and vent piping. CISP may be called “soil pipe”, “drainage pipe” or simply “pipe” and is used in residential, commercial, and industrial construction, as well as public buildings such as schools and hospitals. Additionally, CISP may be used for storm drainage from roofs, yards, areaways, and courts.

[23] CISP is classified as either hub and spigot pipe or hubless pipe. CISP is generally distinguished from other types of non-malleable cast iron pipe by the manner in which it is connected to cast iron soil pipe fittings. Hub and spigot pipe has hubs into which the spigot (plain end) of another pipe or of a fitting is inserted. The joint is sealed with a compression gasket or molten lead and oakum. Hubless pipe is manufactured without a hub and is joined to a fitting or another pipe using a hubless coupling that fits over the ends of the pipe and fitting or the ends of the pipes and is tightened to seal the joint.

[24] In Canada, CISP is governed by Canadian Standards Association (CSA) specification B70, while in the United States (U.S.), CISP is governed by Cast Iron Soil Pipe Institute (CISPI) 301 as well as American Society for Testing and Materials (ASTM) A888 and A74 standards.

[25] There are four types of cast iron: (1) gray cast iron (i.e.: CISP, non-malleable cast iron); (2) white cast iron; (3) ductile cast iron; and (4) malleable cast iron. Gray iron contains interconnected graphite flakes which form during solidification of the iron. Non-malleable cast iron does not include ductile iron, white cast iron, or malleable iron, which are all different products sold for different uses at different price points. Ductile cast iron (also referred to as ductile iron) contains graphite that occurs as spheroids owing to the addition of a small amount of magnesium to the molten iron and malleable cast iron contains graphite which occurs as irregularly shaped nodules as a result of heat treatment after the castings are formed. The form in which the graphite occurs in the cast iron determines a range of properties in the cast iron. Ductile cast iron is typically used for pressurized water transmission and is sold at higher prices compared to gray cast iron due to higher costs of production. Notably, it can be downward substitutable in applications that require gray cast iron or CISP, although the opposite is not possible as gray cast iron is non-malleable. White cast iron derives its name from its silvery or white appearance. White cast iron has a brittle and hard cementite microcrystalline structure.

³⁰ Exhibit 1 (PRO) & 2 (NC) - CISP Complaint, paras. 12-15

PRODUCTION PROCESS³¹

[26] CISP is manufactured by melting scrap iron (or pig iron and/or iron ore) and alloys in a cupola furnace and casting the metal into the desired shapes.³² The first step in producing CISP is to screen all scrap metal for radiation and to remove any contaminated materials. The scrap metal is then transferred to a storage area until it is time to melt the metal in the cupola furnace. In a vertically erected, cylindrical cupola furnace, an initial layer of coke is ignited and then the scrap and alloys, coke, and limestone (which helps remove coke ash and other impurities), are loaded in alternating layers. Alloys added to the melt include ferrosilicon and ferromanganese, among others, although alloys only account for around 1 to 2 percent of the total volume of metal. Tuyeres (nozzles) inject combustion air or blast air heated up to 600 degrees Fahrenheit into the furnace. As the initial inputs are reduced, additional scrap, coke, and limestone are added to the furnace, resulting in a melting process that is usually continuous. The molten metal is discharged through a tap hole near the bottom of the furnace and is stored in a holding furnace.

[27] The molten metal from the cupola furnace is cast into CISP in spinners using centrifugal casting. In the centrifugal pipe casting process, molten metal transported from the cupola furnace is added to a metal mold. The ends of the mold are then sealed. The mold is rotated on a horizontal axis to create a centrifugal force while the molten metal is added to the mold. The centrifugal force causes the molten metal to spread uniformly onto the mold's inner surface to the desired dimensions of the pipe. The molten iron is allowed to cool inside the rotating mold until the iron solidifies, at which point the pipe is removed from the mold and moved to the foundry's cleaning and finishing department.

[28] Cleaning the CISP after it is removed from the molds involves removing burrs and sharp edges on the ends of the pipe. After the CISP is cleaned, it is inspected and tested before it receives any finishing it might need. For example, CISP may be finished with an asphaltic coating, applied by dipping the pipe into a bath of coating material.

CLASSIFICATION OF IMPORTS

[29] The subject goods are normally imported under the following tariff classification numbers:

7303.00.00.10 7303.00.00.90

[30] The listing of tariff classification numbers is for convenience of reference only. The tariff classification numbers include non-subject goods. Also, subject goods may fall under tariff classification numbers that are not listed. Refer to the product definition for authoritative details regarding the subject goods.

³¹ Exhibit 1 (PRO) & 2 (NC) - CISP Complaint, paras. 13, 17-19, 48

³² Producers of CISP may use a different "recipe" of the main raw material inputs (pig iron, coke and scrap) to achieve the desired product.

LIKE GOODS AND CLASS OF GOODS³³

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

[32] With respect to the domestically produced CISP, the complainant stated that they are capable of producing goods that are either identical to or directly competitive with the CISP products included in the scope of the complaint. The complaint submits that domestically produced CISP and CISP imported from China have the same general inputs and methods of manufacturing, the same market characteristics and fulfill the same customer needs.

[33] For the purposes of these investigations, like goods consist of domestically produced CISP described in the product definition.

[34] After considering questions of use, physical characteristics and all other relevant factors, the CBSA is of the opinion that subject goods and like goods constitute only one class of goods.

[35] In its preliminary injury inquiry for these investigations, the CITT further reviewed the matter of like goods and classes of goods. On September 29, 2025 the CITT issued its preliminary inquiry statement of reasons, indicating that:

“With respect to classes of goods, the Tribunal finds that differences in diameter, length, weight, composition and end features of CISP are insufficient, in light of the evidence on the record, to justify a differentiation of classes of goods. Fundamentally, the Tribunal is of the view that the CISP products are similar in terms of physical characteristics and market characteristics, including channels of distribution and end uses. The Tribunal will therefore conduct its analysis on the basis of a single class of goods.”³⁴

THE CANADIAN INDUSTRY

DOMESTIC PRODUCERS

[36] Besides the complainant, there are no other known producers of CISP in Canada.

³³ Exhibit 1 (PRO) & 2 (NC) - CISP Complaint, paras. 27-33

³⁴ Canadian International Trade Tribunal; Preliminary Injury Inquiry – Cast Iron Soil Pipe – *Statement of Reasons* (September, 2025), PI-2025-004, para. 28

IMPORTS INTO CANADA

[37] During the final phase of the investigations, the CBSA refined the estimated volume and value of imports based on information from CBSA import entry documentation and other information received from exporters and importers.

[38] The following table presents the CBSA's analysis of imports of CISP for the purposes of the final determinations:

Table 4: Import volume of CISP
(April 1, 2024 to March 31, 2025)

Country	% of total import volume
China	79.6 %
Other	20.4 %
Total	100 %

INVESTIGATIONS PROCESS

[39] Regarding the dumping investigation, information was requested from all known and potential exporters, producers, vendors and importers, concerning CISP shipped to Canada during the POI.

[40] Regarding the subsidy investigation, information related to potential actionable subsidies was requested from all known and potential exporters and producers of subject goods. Information was also requested from the Government of China concerning financial contributions made to exporters or producers of CISP shipped to Canada during the POI. The Government of China was also requested to forward the RFIs to all subordinate levels of government that had jurisdiction over the exporters.

[41] The Government of China and the exporters/producers were also notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits or the desk audits may result in the margin of dumping, the amount of subsidy and the assessment of dumping and/or countervailing duties on subject goods being based on facts available to the CBSA. Further, the Government of China and the exporters/producers were notified that determinations on the basis of facts available could be less favorable to them than if complete, verifiable information was made available.

[42] After reviewing the RFI responses, SRFIs were sent to responding parties, in order to clarify information provided and request additional information, where necessary.

[43] Deficiency letters were sent to responding parties that did not provide complete information in response to the Dumping RFI. These notices were sent to parties to inform them that certain information was missing and explain that responses to the deficiency notice would only be taken into consideration to the extent that time and resources are available to analyze and verify the information provided.

[44] Details pertaining to the information submitted by companies in response to the dumping and subsidy RFIs, as well as the results of the CBSA's investigations, are provided in the *Results of the Dumping Investigation* and *Results of the Subsidy Investigation* sections of this document, respectively.

[45] As part of the final phase of the investigations, case briefs and reply submissions were provided by counsel representing the complainant and on behalf of one exporter of subject goods from China. A summary of the representations is provided in **Appendix 2**.

DUMPING INVESTIGATION

[46] The following presents the final results of the investigation into the dumping of CISP originating in or exported from China.

NORMAL VALUE

[47] Normal values are generally determined based on the domestic selling prices of like goods in the country of export, in accordance with the methodology of section 15 of SIMA, or on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits, in accordance with the methodology of paragraph 19(b) of SIMA.

[48] Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, normal values are determined pursuant to a ministerial specification in accordance with subsection 29(1) of SIMA.

EXPORT PRICE

[49] The export price of goods sold to importers in Canada is generally determined in accordance with the methodology of section 24 of SIMA based on the lesser of the adjusted exporter's sale price for the goods or the adjusted importer's purchase price. These prices are adjusted where necessary by deducting the costs, charges, expenses, duties and taxes resulting from the exportation of the goods as provided for in subparagraphs 24(a)(i) to 24(a)(iii) of SIMA.

[50] Where there are sales between associated persons and/or a compensatory arrangement exists, the export price is based on the importer's resale price of the imported goods in Canada to unrelated purchasers, less deductions for all costs incurred in preparing, shipping and exporting the goods to Canada that are additional to those incurred on the sales of like goods for use in the country of export, all costs included in the resale price that are incurred in reselling the goods (including duties and taxes) or associated with the assembly of the goods in Canada and an amount representative of the average industry profit in Canada as provided for in paragraphs 25(1)(c) and 25(1)(d) of SIMA.

[51] Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, export prices are determined pursuant to a ministerial specification under subsection 29(1) of SIMA.

MARGIN OF DUMPING

[52] The margin of dumping by exporter is equal to the amount by which the total normal value exceeds the total export price of the goods, expressed as a percentage of the total export price. All subject goods shipped to Canada during the POI are included in the calculation of the margins of dumping of the goods. Where the total normal value of the goods does not exceed the total export price of the goods, the margin of dumping is zero.

[53] Further information, including the margins of dumping determined for each exporter, is detailed below.

BACKGROUND OF SECTION 20 INQUIRIES

[54] Section 20 is a provision of SIMA that may be applied to determine the normal value of goods in a dumping investigation where certain conditions prevail in the domestic market of the exporting country. In the case of a prescribed country under paragraph 20(1)(a) of SIMA, it is applied where, in the opinion of the CBSA, the government of that country substantially determines domestic prices and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.³⁵

[55] The provisions of Section 20 are applied on a sector basis rather than on the country as a whole. The sector reviewed will normally only include the industry producing and exporting the goods under investigation.

[56] The complainant alleges that the conditions described in Section 20 of SIMA prevail in the iron pipe sector in China. That is, the complainant alleges that this sector does not operate under competitive market conditions and consequently, domestic prices of CISP established in China would not be reliable for determining normal values.

³⁵ China is a prescribed countries under Section 17.1 of the *Special Import Measures Regulations*.

[57] The CBSA would like to draw parallels between iron, more particularly cast iron, and steel. Iron is a naturally occurring metallic element, whereas steel is an alloy of concentrated iron, containing additional elements such as manganese, nickel, chromium, etc., with a minute amount of carbon. Carbon content ranges from 2% to 4% in cast iron and from 0.15% to 2% in steel.³⁶

[58] The CBSA is of the view that iron and steel are related in the metallurgy realm; they both have the same roots but are engineered differently. Therefore, information available for steel products, with regard to the existence section 20 conditions, may apply to iron products.

[59] Based on the CBSA research³⁷ and for the purposes of this investigation, the iron pipe sector encompasses metallic pipes manufactured from ferrous materials or iron-containing alloys, with iron predominating by weight over each of the other contained elements, including, among others, cast iron pipes, carbon steel pipes, alloy steel pipes and stainless steel pipes. Cast iron pipes include CISP (grey cast iron), white cast iron, ductile cast iron, malleable cast iron and others. As such, for the purposes of the Section 20 inquiry, the iron pipe sector in China is the sector under review.

[60] In the event that the CBSA forms the opinion that domestic prices of CISP in China are substantially determined by the government, and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be if they were determined in a competitive market, the normal values of the goods under investigation will be determined, pursuant to paragraph 20(1)(c) of SIMA, where such information is available, on the basis of the domestic selling prices or the aggregate of the cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits of like goods sold by producers in any country designated by the CBSA and adjusted for price comparability; or, pursuant to paragraph 20(1)(d) of SIMA, where such information is available, on the basis of the selling price in Canada of like goods produced and imported from any country designated by the CBSA and adjusted for price comparability.

ANALYSIS OF SECTION 20 CONDITIONS

Government Control Analysis

[61] This section will present the CBSA's analysis of the extent the Government of China exerts control over the iron pipe sector in China, by examining the following:

- Government ownership and control over the domestic iron and steel industry;
- Government control over the domestic price of iron;
- Government subsidization of the domestic CISP industry; and
- Government intervention to provide low-priced input for CISP production.

³⁶ Exhibits 1 (PRO) and 2 (NC) - CISP Complaint, Public Exhibit 2-05; [Iron and Steel Industry](#); [Steel vs Iron: Exploring the Key Differences and Their Impact on Structures](#); [Cast Iron vs Steel- Know The Difference, Property, Pros & Cons](#).

³⁷ [Types Of Pipes \(A Comprehensive Guide\) - bills pipes](#); [Types of Pipes: Classification of Pipes – What Is Piping](#).

Government ownership and control over the domestic iron and steel industry

[62] The State-owned Assets Supervision and Administration Commission (SASAC) is a powerful agency under China's State Council. The Party Committee of SASAC performs the responsibilities mandated by the Central Committee of the Chinese Communist Party.

[63] It acts as the investor on behalf of the state, supervising the preservation and growth of state-owned assets; appoints and removes top executives of SOEs, evaluates their performance, and administers rewards or sanctions; guides restructuring and modernization of SOEs, including improving corporate governance and aligning with market-oriented practices; ensures SOEs comply with national laws, regulations, and workplace safety standards; manages the budgeting and financial planning related to state-owned capital operations; drafts laws and regulations concerning state asset management and supervises local asset management efforts.³⁸

[64] According to the World Trade Organization November 19, 2024 Trade Policy Review report of China, the number of SOEs in both the industrial and construction sectors increased over the review period. While SOEs can act as instruments for implementing government policies, supporting national industrial goals, and maintaining state control over critical sectors, the authorities state that China's SOEs consistently base their actions on commercial considerations and engage in business activities according to market-oriented principles and the rule-of-law.³⁹

[65] State ownership of companies in China coexists with diverse private ownership forms, ranging from wholly SOEs to mixed-ownership structures. The authorities consider that the state-owned economy is the leading force of the national economy, and the non-public economy is an important component of the socialist market economy.⁴⁰

[66] According to the Chinese authorities, in 2023, the crude steel output of private steel enterprises accounted for about 60% of the national total, while the state-owned enterprises accounted for around 40%, and the top 10 steel enterprises accounted for 41% of the national crude steel output. The industry has several large state-owned groups that are owned via shareholdings by local authorities, provincial governments, and the Central Government.⁴¹

[67] The table below updates the figures for the top 10 steel enterprises' percentage of the national steel output for 2024, which amounts to 43.7%, an increase of 2.7% from the previous year. The top 6 SOEs represent 30.6% of the total steel production in 2024, which is considerable. Steel SOEs are big and organized, hence their influence over the market, whereas private steel enterprises are small and scattered.

³⁸ SASAC [What We Do](#).

³⁹ [WTO | Trade Policy Reviews - gateway, Results list](#), p. 12, para. 27.

⁴⁰ *Ibid.* p. 87, para. 3.189.

⁴¹ *Ibid.* p. 135, para. 4.119.

Table 5: Top Steel Producers in China

Top 10 Steel Producers in China in 2024 by Volume⁴²	2024 Production (MT)	State-Owned
China Baowu Group	130.09	Yes
Ansteel Group	59.55	Yes
HBIS Group	42.28	Yes
Shagang Group	40.22	No
Jianlong Group	39.37	No
Shougang Group	31.57	Yes
Delong Steel	29.33	No
Hunan Steel Group	24.9	Yes
Jingye Group	22.72	No
Shandong Steel Group	19.45	Yes
Sum of Production of Top 10 Steel Producers	439.48	
Steel Production All China 2024	1,005.1	
% Top 10 of Total China Steel Production in 2024	43.7%	
% Top 6 SOEs of Total China Steel Production in 2024	30.6%	

[68] Through its research, the CBSA has identified key SOEs in the iron pipe sector in addition to key players in the cast iron pipe subsector.⁴³ The following table summarizes the results.

Table 6: SOEs and Key Players

State-owned Enterprise (SOE)	Cast Iron Pipe Company Subsidiary of an SOE
China Baowu Steel Group Corporation Limited	Xinxing Ductile Iron Pipes Co., Ltd. ⁴⁴
HBIS Group Co., Ltd	
Ansteel Group Corporation Limited	Benxi Beitai Ductile Cast Iron Pipes Co., Ltd. ⁴⁵
Shougang Group Co., Ltd	
Hunan Steel Group	
Shandong Iron & Steel Group Co., Ltd	Shandong Ductile Pipes Co., Ltd. ⁴⁶
Anyang Iron & Steel Co., Ltd	Angang Group Yongtong Ductile Cast Iron Pipe Co., Ltd. ⁴⁷
Tianjin Pipe Group Co., Ltd	Tianjin Ductile Iron Pipes Group ⁴⁸

⁴² [World Steel in Figures - worldsteel.org](https://www.worldsteel.org/).

⁴³ [Cast Iron Drainage Pipe Market Research Report 2033; Cast Iron Pipe Market Size, Share, Growth Report 2034](#).

⁴⁴ [Baowu Group to acquire second largest steelmaker in Xinjiang](#).

⁴⁵ [China's steel industry consolidation accelerates as Anshan absorbs Benxi | SEAIISI; Ansteel Group - Wikipedia](#).

⁴⁶ [Shandong Ductile Iron Pipes Co., Ltd. Iron .China; About us JIGANG GROUP](#).

⁴⁷ [Yongtong data - Angang Group Yongtong Ductile Cast Iron Pipe Co.,Ltd.](#)

⁴⁸ [Tianjin Pipe Corporation - Wikipedia](#).

[69] The CBSA has also noticed that some of the identified key players in the cast iron subsector are privately owned companies namely: Jiangsu Yongyi Pipe Co., Ltd., HengTong Casting Co., Ltd., and Shanxi Ductile Iron Pipes Co., Ltd. To sum up, out of the eight key cast iron pipe companies identified five were subsidiaries of SOEs.

[70] Additionally, the majority of the SOEs and key cast iron companies identified are members of the China Iron and Steel Association (CISA), which adds another layer of control since the association is guided by the Chinese Communist Party's lines, rules and policies.⁴⁹

[71] It is worthy of note that exporters that responded to the RFI are privately owned companies, none of which are subsidiaries of an SOE, a key player or a CISA member. However, it is difficult to determine whether SOE-owned cast iron pipe companies dominate this subsector due to unavailable public statistical data.

[72] In sum, China's Central Government maintains firm control over the domestic iron pipe sector through a dual approach of state ownership oversight and industry self-regulation. The SASAC acts as the government's equity representative, appointing leadership, approving mergers, and restructuring major iron and steel, including pipe, producers to form national champions.

[73] Meanwhile, CISA serves as the industry's coordinating body, uniting domestic iron and steel output under a single non-profit umbrella. CISA not only aggregates production data and advocates policy positions, but also negotiates on behalf of Chinese iron and steel enterprises in international forums.

[74] Together, SASAC's capital-allocation mechanisms and CISA's market-coordination functions ensure that China's iron pipe industry remains both strategically directed and competitively positioned. This governance model tightly integrates state priorities such as infrastructure development, environmental targets, and national security with the sector's commercial imperatives, enabling swift policy implementation and collective industry responses.

Government control over the domestic price of iron

[75] Iron and steel prices are shaped by shifts in supply, demand, and production costs. From the 2023–2024 “Work Plan for Stabilizing Growth in the Steel Industry”, the most impactful measures fall into three categories: supply-side, demand-side, and market-policy environment.

⁴⁹ [CISA](#).

[76] On the supply-side measures: upgrading blast furnaces with advanced emission controls raises their capital and operating costs, which pushes up mill price quotes when compliance fees or carbon levies are passed on; strict swap rules and the retirement of small, outdated mills remove cheap steel supply, tightening overall capacity and underpinning domestic prices; incentives for scrap-based electric-arc furnace (EAF) projects boost flexible, market-responsive output. This shifts volume from coal-based routes and introduces more volatility due to scrap price swings; and fast-tracking new mines and overseas partnerships secures ore availability, smoothing raw-material shortages and capping sudden steel price spikes.

[77] On the demand-side measures: driving public-building retrofits, bridges, tunnels, and modular projects boosts demand for specialized profiles and lifts premiums on higher-grade steel; channeling steel into 5G towers, data centers, rural revitalization, renewables, and smart-tech programs expands tonnage demand and pushes up broad steel quotes; and reclassifying high-tech steels and steering volumes toward global tenders tightens domestic supply, nudging local prices higher.

[78] On the market-policy environment measures: merging mid-tier players into super-large groups boosts market concentration, strengthens pricing power, and curbs undercutting; R&D super-deductions, energy-saving credits, green-finance channels, and insurance subsidies lower financing and operating costs, easing either prices or fueling reinvestments; exempting green/EAF projects from dual-control energy and resource caps unlocks preferential access to power and materials, creating cost advantages and price differentiation; and enhanced project tracking and regular pricing analyses enable swift quote adjustments, preventing abrupt price collapses or runaway spikes.

[79] Additionally, the 14th Five-Year Plan (FYP)⁵⁰ introduces a capacity replacement policy across steel and other raw-materials sectors. It orders the retirement of outdated steelmaking capacity before any new projects can proceed and sets energy-intensity and emissions-reduction targets. By proactively controlling capacity additions and retirements, central or provincial governments directly shape supply growth trajectories, and thus price dynamics, in the domestic iron and steel markets.⁵¹

[80] The Government of China interference is evidenced in the following: In August 2025, local authorities in Tangshan, the country's top steel-making hub, were ordered to impose temporary shutdowns of blast furnaces and steel mills ahead of a military parade in Beijing. By curbing supply on a predetermined schedule, this directive helped underpin onshore iron ore and steel prices despite weak global markets.⁵²

[81] China's National Development and Reform Commission (NDRC) and allied ministries released a plan in May 2024 mandating continued limits on annual crude steel output for environmental and anti-overcapacity reasons. This plan explicitly targets steel output, reinforcing China's ability to restrain domestic steel volumes and bolstering prices.⁵³

⁵⁰ [CSET Original Translation: China's 14th Five-Year Plan.](#)

⁵¹ [China releases development plan for raw materials industry | S&P Global.](#)

⁵² [Iron ore prices climb as China orders temporary steel mill shutdowns.](#)

⁵³ [Iron ore price slips after China reiterates steel output control - MINING.COM.](#)

[82] In 2023, the CISA highlighted government-backed development of the West Anshan iron-ore project to produce 10 million mt annually. This state-led project aims to mitigate reliance on seaborne ore and smooth out price swings by boosting domestic supply of iron ore concentrate, a principal input into pig iron and steelmaking.⁵⁴

[83] Beyond volume controls, the National Development and Reform Commission (NDRC) routinely publishes “benchmark” price ranges for bulk commodities (including iron ore) and conveys price-stabilization targets to provincial price bureaus. These non-binding but closely watched “guidance prices” serve as reference levels for state-owned mills and traders, effectively anchoring onshore trading at or near government-recommended price bands.⁵⁵

[84] In sum, the Government of China has at its disposal all the tools in its arsenal to control the price of iron/steel products, including pipes, in the way it desires. The combination of supply rationalization, demand stimulation, and policy incentives is poised to support a firmer iron/steel-price environment with moderate volatility. Cost pressures from green upgrades will push base prices upward, while structural consolidation and predictable demand will curb wild price swings. Continuous monitoring of key indicators will be essential to anticipate turning points in the market and the consequent Government of China action.

Government subsidization of the domestic CISP industry

[85] In the past, the CBSA has found that the Government of China subsidized the iron pipe sector and that the amounts of subsidy were not insignificant. This is evidenced in the carbon steel welded pipe, large diameter carbon and alloy steel line pipe, carbon and alloy steel line pipe, oil country tubular goods, steel piling pipe, seamless carbon or alloy steel oil and gas well casing and seamless casing previous investigations, re-investigations, normal value reviews, and administrative reviews.

[86] Such subsidies distort Chinese domestic selling price of iron pipes, including CISP, and prove the existence of section 20 conditions and support the initiation of a section 20 inquiry in the CISP investigation.

[87] The CBSA acknowledges that although the extent of direct subsidies provided to Chinese exporters is unclear without a response to the CBSA’s questionnaire sent to the Government of China, a longstanding history of direct subsidies made available to state-owned enterprises in the steel industry supports the opinion that section 20 conditions exist in the domestic iron pipe sector.

⁵⁴ [China Pushes For Domestic Iron Ore Development To Ensure Raw Material Stability For Steel Industry | SMM.](#)

⁵⁵ [【Department of Price】-National Development and Reform Commission \(NDRC\) People's Republic of China.](#)

Government intervention to provide low-priced input for CISP production

[88] China's central and local governments have intervened to furnish the iron pipe sector with below-market-price inputs encompassing energy, raw materials, and finance, among others, thereby undercutting market costs and distorting both domestic and global competition. Below are some pieces of evidence:

Influence over iron ore and other material input prices

[89] Regulatory measures: China's National Development and Reform Commission and State Administration for Market Regulation have imposed direct rules to curb speculative hoarding and stabilize prices by: shortening free-storage periods for traders, raising the cost of excessive port-side inventories; guiding port operators to force inventories back to reasonable levels and regularly monitor price swings; and cracking down on false information, price gouging and other anti-competitive practices through targeted investigations and enforcement actions.⁵⁶

[90] Additionally, the China Iron and Steel Association set up a dedicated working group, including giants Baowu, Ansteel and Shougang, to investigate sudden price surges, discipline non-standard trading and maintain normal market competition.⁵⁷

[91] Market consolidation: China engineered a state-run behemoth to centralize iron ore purchasing and tame wild price swings. In 2022, China Mineral Resources Group (CMRG) was created under direct government oversight to act as a single powerful buyer. Within three years, CMRG became China's largest importer, negotiating with global miners like BHP and Rio Tinto on behalf of over half the country's steel mills. Its vast port stockpiles, estimated at around 20 million tonnes, function as a national reserve, released or built in counter-cyclical fashion to smooth futures volatility.⁵⁸

[92] Subsidies and financial support: beyond direct regulation and consolidation, the Government of China has deployed fiscal and credit measures that indirectly prop up iron ore demand and prices. It has offered targeted credit support to steel producers, including subsidized loans and lower reserve requirements for banks to boost mill financing; issued infrastructure bonds and approved large-scale public works (hydropower, transport, urban renewal), driving sustained steel, and thus iron ore, consumption; and cut mortgage rates and eased home-purchase rules to shore up the property sector, a key end-market for steel and iron ore inputs.⁵⁹

[93] In sum, by combining tighter regulation, a consolidated purchasing entity and generous financial incentives, the central government wields direct levers over both supply dynamics and demand drivers, shaping domestic iron ore prices to smooth volatility and support broader economic policy goals.

⁵⁶ [Regulators vow order in iron ore market.](#)

⁵⁷ [Chinese government to step up efforts to investigate & regulate iron ore prices-Yieh Corp Steel News.](#)

⁵⁸ [Xi's giant iron ore trader is shaking up a \\$130 billion market - MINING.COM.](#)

⁵⁹ [Iron Ore's Rocky Road: Can China's Regulatory Tightrope Stabilize Prices?.](#)

Influence over energy inputs

[94] China's blended approach of tariff ceilings, administrative dispatch, and coal-price interventions ripples through power markets, investments, and environmental objectives. While smoothing short-term electricity bills, these measures introduce distortions that affect generation mix, fiscal balance, and the country's decarbonization roadmap.

[95] Benchmark pricing and off-market power deals: China's provinces routinely set a "coal benchmark electricity price," which is a government-mandated floor and ceiling that selected coal-fired plants can charge regardless of market conditions. These plants operate under "out-of-market" dispatch commitments, meaning grid operators order them to run to ensure baseload supply, even when market prices on day-ahead or spot markets fall well below their generation costs.⁶⁰

[96] State-imposed caps on coal-fired electricity: in October 2021, the National Development and Reform Commission issued a notice raising the allowable ceiling on coal-fired power prices to 20% above the benchmark (up from 10%). This cap is fixed throughout the year and does not automatically adjust for sharp fluctuations in coal prices. High-energy-consumption sectors are entirely exempt from the cap, and many provinces swiftly saw average coal-power tariffs hit that upper limit, reflecting deliberate state intervention in price formation.⁶¹

[97] Government influence over coal prices and supply: following the 2021 power crunch, the Central Government approved a wave of mine expansions, particularly in Inner Mongolia and Shaanxi, and fast-tracked new coal projects to stabilize prices and guarantee fuel availability. The government also formalized strategic coal reserves at national and provincial levels, mirroring oil stockpile schemes, and adjusted import policies (e.g., resuming Australian coal purchases). These moves directly shaped domestic coal prices and curtailed disorderly spikes on commodity exchanges.⁶²

[98] Administrative dispatch reinforcing price controls: beyond formal caps, grid dispatch remains heavily administrated; during low-demand periods, provincial grid operators often continue to import coal-generated power under pre-planned, off-market contracts. This practice sidelines cheaper renewables, locks in high coal usage, and reflects the state's grip over both supply scheduling and the ultimate price paid by end users.

[99] In sum, China's regulatory framework for coal-fired electricity, through tariff ceilings, administrative dispatch, and direct coal-price interventions, has successfully dampened short-term volatility and guaranteed baseload security. However, it also embeds hidden subsidies, skews market signals, and sidelines renewables, forcing provincial governments and state grids to shoulder fiscal strains. In the absence of transparent price formation, investment in low-carbon technologies remains uncertain, and the country's ambitious decarbonization targets risk being delayed.

⁶⁰ [China's overuse of coal is causing negative power prices | News | Eco-Business | Asia Pacific.](#)

⁶¹ [China Raises Cap on Electricity Price: What has Changed and Possible Impact for Business.](#)

⁶² [China's coal and energy strategy — Breakwave Advisors.](#)

Influence over export taxes

[100] China's recent overhaul of import duties and export taxes on steelmaking materials marks a pivotal effort to recalibrate both domestic production costs and global trade flows. By slashing import duties to zero on scrap, pig iron, billets and iron ore while imposing new export levies on high-purity pig iron, ferrosilicon and ferrochrome, the Central Government seeks to lower on-shore input expenses, curb outbound shipments of key feedstocks, and discourage exports of higher-value finished products.

[101] Impact on domestic steel prices: by cutting import duties to zero on scrap, pig iron, billet and iron ore, China substantially lowered the cost of key raw materials for its steelmakers. Domestic mills can now source cheaper inputs, reducing overall production costs and, in theory, exerting downward pressure on onshore steel prices.⁶³

[102] At the same time, eliminating the 13% VAT rebate on exports discouraged outbound shipments of higher-value steel products. With more material retained for the domestic market, supply expanded and further restrained local prices, despite record-high billet and hot-rolled coil levels in early 2021, thanks to prior tightness in capacity and surging energy costs.⁶⁴

[103] Impact on international steel prices: export tax hikes on high-purity pig iron (15%), ferrosilicon (25%) and ferrochrome (20%) curbed Chinese exports of these semi-finished inputs. As China is a major global supplier, reduced overseas availability lifted prices abroad, especially for high-value alloys used in specialty steels.

[104] Meanwhile, the removal of export rebates on finished products like hot-rolled coil and rebar made Chinese steel less competitive on world markets. Buyers facing higher landed costs began sourcing from other regions, which fed into firmer international steel prices, particularly in Southeast Asia and Europe where demand was rebounding in 2021.⁶⁵

[105] In sum, China's elimination of import duties has meaningfully reduced raw material costs for local mills, expanding domestic supply and tempering onshore iron and steel prices. Simultaneously, the removal of export VAT rebates on finished products and the introduction of export taxes on specialty inputs have restrained Chinese shipments abroad, tightening global availability and underpinning higher international prices for alloys and premium steels. Together, these measures illustrate China's strategic balancing act: supporting domestic industry amid environmental and capacity-control goals, while subtly influencing global steel competitiveness.

⁶³ [China cuts billet, scrap, pig iron import tax to zero: non-ASEAN semis sellers to benefit.](#)

⁶⁴ [China cancels steel export tax rebates to boost supply | Latest Market News.](#)

⁶⁵ Ibid.

Influence over labour costs in China

[106] Restricted unionization: in China, independent labour unions are illegal and only the All-China Federation of Trade Unions (ACFTU) is permitted to operate. The ACFTU is controlled by the state and the Chinese Communist Party, limiting its ability to represent workers' interests or engage in genuine collective bargaining. As a result, enterprises, including iron and steel mills, set wages and working conditions unilaterally, suppressing upward pressure on labour costs.⁶⁶

[107] Hukou system: the household registration (hukou) system ties access to social welfare, healthcare, education, and housing to a worker's place of origin. Rural migrants in steel-producing regions lack urban hukou, which forces them into low-paid, precarious jobs without public benefits. This segmented labour pool is highly dependent on wages alone, weakening bargaining power and keeping overall labour costs in the sector low.⁶⁷

[108] Non-compliance with international labour standards: although China's 1994 Labour Law and 2009 Labour Contract Law codify standards on minimum wage, overtime pay, written contracts, and safe working hours, enforcement is notoriously weak. Local officials prioritize GDP growth and political stability over workers' rights, often failing to inspect steel plants or penalize violations. Employers routinely delay or underpay wages and disregard overtime limits with little fear of sanction.⁶⁸

[109] Surplus labour and state-owned enterprise structure: many large state-owned iron and steel enterprises maintain staffing levels well above efficient labour requirements. Since these SOEs can rely on government bailouts, debt-to-equity swaps, and ongoing financial support, there is little incentive to rationalize headcounts. The resulting surplus labour depresses wages across the industry, as mills can keep offering below-market rates without losing their workforce.⁶⁹

[110] State subsidies and financial interventions: central and local governments deploy a range of subsidies, cheap credit from state banks, tax breaks, land grants, and direct equity infusions, to shore up steel producers. State-directed mergers and relocations under five-year plan targets preserve uncompetitive capacity, enabling firms to avoid market-driven wage increases. For example, Tianjin Steel Pipe Group benefited from tens of billions of RMB in debt relief and new loans when absorbed into CITIC Special Steel.⁷⁰

⁶⁶ [Labor relations in China - Wikipedia](#).

⁶⁷ [Hukou - Wikipedia](#).

⁶⁸ [The Debate Over Raising Chinese Labor Standards Goes International – Harvard Law & Policy Review](#).

⁶⁹ [Labor Productivity and Surplus Labor in Chinese Iron and Steel Firms | SpringerLink](#).

⁷⁰ https://www.wiley.com/assets/html/documents/Wiley_Shell%20Game%20Case%20Studies%20in%20Chinese%20Steel%20Subsidies_2024.pdf.

[111] In sum, by restricting genuine union representation, segmenting the labour force through hukou, under-enforcing labour laws, sustaining surplus SOE employment, and funneling subsidies, China's central and local governments effectively cap labour costs in the iron and steel industry. These mechanisms combine to shield firms from market pressures that would otherwise drive up wages and reduce overcapacity, perpetuating a cycle of low-cost production with significant social and economic ramifications.

Iron and steel industry excess capacity remains persistent

[112] China's iron and steel industry has expanded rapidly over the past two decades, driven by massive infrastructure spending and urbanization. This surge in capacity has outpaced domestic demand, leading to persistently low utilization rates across mills. The iron pipe sector, in particular, illustrates this imbalance as production capacity exceeds market needs.

[113] This has materialized in a slowdown in construction and infrastructure projects, which has eroded the iron-pipe sector's natural pull, leaving producers with more capacity than buyers.⁷¹ As domestic orders dwindle, mills have flooded overseas markets with discounted pipe volumes, sustaining output but transferring excess supply onto global buyers at thin margins.

[114] Additionally, numerous small- and medium-sized pipe makers operate independently, many with single lines. This fragmentation inhibits scale economies and forces marginal players to keep running below optimal utilization just to cover fixed costs. On the financing policy front, cheap credit and governments emphasis on GDP growth encouraged mills to expand or replace capacity rather than retire outdated facilities, locking in oversupply. Furthermore, the reluctance to retire legacy assets have slowed the permanent shutdown of inefficient blast furnaces and aging pipe-making lines, to preserve social-stability and local employment priorities.⁷²

[115] In sum, excess capacity in China's iron and steel industry, and especially the iron pipe segment, stems from a combination of policy incentives, fragmented production, and slowing downstream demand. The oversupply will eventually depress global prices, trigger trade disputes, and squeeze margins domestically and abroad.

Summary of government control analysis

[116] The iron pipe sector is steered through a tightly coordinated state-market partnership in which SASAC and CISA align capital allocation, executive appointments, capacity planning, and international engagement with China's strategic goals. The government's toolkit spans supply-side mandates such as shuttering inefficient capacity, centralizing ore purchases via CMRG, enforcing speculative-hoarding curbs and energy-price ceilings and demand-side stimulus, including infrastructure bonds, subsidized credit and preferential tax treatment.

⁷¹ [Steel industry in China in 2023 – excess capacity recorded — GMK Center; China's steel industry at critical crossroads of overcapacity and green transition | Wood Mackenzie.](#)

⁷² [Decoding China's Steel Capacity Replacement Policies: A Decade-Long Journey, Pausing to Forge Ahead - Transition Asia.](#)

[117] It clamps down on labour costs through the hukou system and a single, state-run, union and reshapes trade flows by zeroing import duties on key feedstocks while slapping export levies on high-value alloys. Environmental mandates and green-technology upgrades have lifted the industry's cost floor even as regulatory price bands, reserve releases and off-market dispatch commitments dampen volatility. These interlocking measures have succeeded in securing ample, low-cost inputs and anchoring domestic iron and steel prices, but they have also fueled chronic overcapacity, distorted global markets and maintained pressure on wages.

[118] Finally, the CBSA research confirms the complainant's allegations that the wide range of intervention measures used by the Government of China has indirectly impacted domestic CISP prices, such that they may not be substantially the same as they would be if they were determined in a competitive market.

[119] In conclusion, no information was presented during the course of the investigation proceedings that contradicts the presence of section 20 conditions in China, and the Government of China's non-response to the RFI further supports that finding. Moreover, the record indicates that domestic CISP prices may not be substantially the same as they would be if determined in a competitive market.

Price Analysis

[120] The CBSA was unable to find representative pricing data for CISP sold in China from any publicly available sources.

[121] In its price analysis, the CBSA relied on the responses from four producers that provided domestic sales databases, namely Dingxiang County Yutai Forging and Casting Co., Ltd.,⁷³ Shanxi Golden Autumn Foundry Co., Ltd.,⁷⁴ Wuan City Yongtia Foundry Industry Co., Ltd.⁷⁵ and Shanxi Xuanshi Industrial Group Co., Ltd.⁷⁶

[122] The CBSA has also relied on the responses from two surrogate producers in the U.S. namely Charlotte Pipe and Foundry Company⁷⁷ and Tyler Pipe.⁷⁸ The CBSA compared the Chinese domestic CISP weighted average net selling prices with prices in the United States, where information was available to do so. The results showed that prices of CISP sold domestically in China during the POI were lower than prices in the United States.

⁷³ Exhibits 87 (PRO) and 88 (NC) – Response to dumping RFI – Dingxiang County Yutai Forging and Casting Co., Ltd.

⁷⁴ Exhibits 110 (PRO) and 111 (NC) – Response to dumping RFI – Shanxi Golden Autumn Foundry Co., Ltd.

⁷⁵ Exhibits 97 (PRO) and 98 (NC) – Response to dumping RFI – Wuan City Yongtia Foundry Industry Co., Ltd.

⁷⁶ Exhibits 81 (PRO) and 82 (NC) – Response to dumping RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

⁷⁷ Exhibits 75 (PRO) and 76 (NC) – Response to Surrogate Producer RFI – Charlotte Pipe and Foundry Company.

⁷⁸ Exhibits 79 (PRO) and 80 (NC) – Response to Surrogate Producer RFI – Tyler Pipe.

[123] The CBSA updated the weighted average net selling prices in China and the U.S. based on information received from Shanxi Golden Autumn Foundry Co., Ltd.,⁷⁹ Wuan City Yongtia Foundry Industry Co., Ltd.,⁸⁰ Dingxiang County Yutai Forging and Casting Co., Ltd.,⁸¹ Charlotte Pipe and Foundry Company⁸² and Tyler Pipe⁸³ during the final phase of the dumping investigation. Despite minor changes in China and U.S. figures, Chinese CISP domestic prices have been trending lower than their U.S. counterparts during the POI.

[124] The Chinese CISP domestic prices are lower across all models when compared with the U.S. CISP domestic prices. It does not appear that lower CISP prices are model specific but rather an industry trend.

[125] Information on the record supports the allegation that the domestic prices of CISP in China are not substantially the same as they would be if they were determined in a competitive market.

Results of the section 20 Inquiry of China

[126] Despite the influence of global demand shifts, raw material costs, and supply-chain dynamics on China's iron pipe market, government intervention remains a pivotal price driver. Central authorities wield macroeconomic tools such as fiscal stimulus, and large-scale infrastructure spending, while provincial and municipal bodies deploy microeconomic measures like production quotas, environmental mandates, and targeted subsidies. These layered interventions often outweigh purely market-driven forces, creating price adjustments that reflect policy goals as much as economic fundamentals. In sum, although broad economic factors set the stage, it is the strategic decisions of central and local governments that ultimately steer iron pipe pricing in China.

[127] For the purposes of the final determination of dumping, the CBSA has formed the opinion that domestic prices in the iron pipe sector in China are substantially determined by the Government of China and that domestic prices are not substantially the same as they would be in a competitive market.

⁷⁹ Exhibits 216 (PRO) and 217 (NC) – Response to (SRFI) #3 from Shanxi Golden Autumn Foundry Co., Ltd.

⁸⁰ Exhibits 206 (PRO) and 207 (NC) – Response to (SRFI) #2 from Wuan City Yongtia Foundry Industry Co., Ltd.

⁸¹ Exhibits 190 (PRO) and 191 (NC) – Response to (SRFI) #2 from Dingxiang County Yutai Forging and Casting Co., Ltd.

⁸² Exhibits 220 (PRO) and 221 (NC) – Verification exhibits - Charlotte Pipe and Foundry Company.

⁸³ Exhibits 218 (PRO) and 219 (NC) – Verification exhibits - Tyler Pipe.

RESULTS OF THE DUMPING INVESTIGATION

COOPERATIVE EXPORTERS

[128] At the initiation of the section 20 inquiry of China's iron pipe sector, the CBSA identified the U.S., France and India as reasonable surrogate countries for China. These countries were selected as they produce comparable goods, have globally competitive producers, and operate under market conditions. Surrogate RFIs were sent to 12 potential producers and exporters of CISP in the U.S., France and India. The CBSA received two responses to the Surrogate Producer RFI from producers of CISP in the U.S., namely: Charlotte Pipe and Foundry Company⁸⁴ and Tyler Pipe⁸⁵. However, there was not sufficient information to determine normal values for like goods pursuant to paragraph 20(1)(c) of SIMA.

[129] In addition, as part of the section 20 inquiry, the RFIs sent to importers requested information on resales in Canada of CISP imported from sources other than China. The CBSA received seven responses to the importer RFI; however, the importers did not provide information concerning the purchase and/or resale of like goods from non-named countries.

[130] For the exporters of subject goods from China that submitted substantially complete responses to the dumping RFI and SRFI(s), and where the respective producers also provided substantially complete information for purposes of the final determination, normal values were determined pursuant to a ministerial specification in accordance with subsection 29(1) of SIMA. The determination of normal values follows a methodology similar to that of section 20 of SIMA, based on the weighted average domestic selling prices of CISP provided by surrogate producers from the U.S.

[131] Global Metal & Investment HK Ltd. submitted information at the close of the record with regard to using India as a surrogate country and provided an alternate methodology for determining normal values that could not be verified in a timely and proper manner. Accordingly, the analysis relied on the best available and verifiable information on the record submitted by Tyler Pipe and Charlotte Pipe and Foundry Company.

[132] During the POI, all of the subject goods exported to Canada by the cooperative exporters were sold to unrelated importers. For the exporters of subject goods from China that submitted substantially complete responses to the dumping RFI and SRFI(s), and where the respective producers also provided substantially complete information for purposes of the final determination, export prices were determined using the methodology of section 24 of SIMA, as described in the "*Export Price*" section above.

⁸⁴ Exhibits 75 (PRO) and 76 (NC) – response to Surrogate Producer RFI – Charlotte Pipe and Foundry Company

⁸⁵ Exhibits 79 (PRO) and 80 (NC) – response to Surrogate Producer RFI – Tyler Pipe

[133] One exporter, Global Metal & Investment HK Ltd., exported goods manufactured by two producers during the POI. However, only one of the two producers, Dingxiang County Yutai Forging and Casting Co., Ltd., responded to the CBSA's Dumping RFI. For sales where producer information was available, the CBSA has determined normal values and export prices, as discussed above. For sales where the producer did not provide a response to the CBSA's dumping RFI, the CBSA has determined normal values and export prices using alternate methodologies under subsection 29(1) of SIMA. Normal values for these sales are based on the export price plus an amount equal to the highest amount by which a normal value exceeded the export price, on an individual transaction found for a cooperative exporter at the final determination. Export prices for these sales are determined based on the declared selling price to the Canadian importer. Additional information is available in the *All Other Exporters* section below.

[134] Table 7, below, summarizes the cooperative exporters' determination of margins of dumping.

ALL OTHER EXPORTERS

[135] In establishing the methodology for determining the normal values and export prices for all other exporters, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the preliminary determination, information submitted by parties who responded to the dumping RFI and surrogate producer RFI, and CBSA customs entry documentation.

[136] The CBSA decided that the normal values for all other exporters of subject goods from China would be established based on information from the exporters of subject goods from China whose submissions were substantially complete for purposes of the final determination. The CBSA finds this information to be more relevant and reflective of the trading practices of exporters of subject goods than the information provided in the complaint or estimated at the preliminary determination.

[137] Based on the facts available, for all other exporters that did not provide a substantially complete response to the dumping RFI and/or SRFIs, or where the respective producer(s) did not provide substantially complete information for purposes of the final determination, normal values of subject goods originating in or exported from China were determined based on the highest amount by which a normal value exceeded the export price (expressed as a percentage of the export price), on an individual transaction basis for a cooperative exporter during the POI.

[138] This methodology relies on information related to goods that originated in China (for the export price) and the U.S. (for the normal value) and in general, provides an incentive for exporters and producers to participate by ensuring that companies that have provided the necessary information requested in a dumping investigation will have a more favourable outcome than those that did not participate. The transactions were examined to ensure that no anomalies were considered, such as very low volumes and values, effects of seasonality, or other business factors. No such anomalies were identified.

[139] The CBSA considered that the information submitted on the CBSA customs entry documentation was the best information on which to determine the export price of the goods as it reflects actual import data.

[140] Using the above methodologies, for the final determination, the margin of dumping for all other exporters is 444.2%, expressed as a percentage of the export price.

SUMMARY OF FINAL RESULTS – DUMPING

[141] A summary of the final results of the dumping investigation respecting all subject goods shipped to Canada during the POI are as follows:

**Table 7: Summary of Final Results – Dumping
Period of Investigation (April 1, 2024 to March 31, 2025)**

Country of Origin or Export/Exporter	Margin of Dumping (% of Export Price)	% of Total Imports (by volume)
China		79.6%
Dinggin Hardware (Dalian) Co., Ltd.	155.5%	2.8%
Global Metal & Investment HK Ltd.	294.2%	48.1%
Max International Supply Limited	243.1%	9.9%
Shijiazhuang Sunrise International Trading Co., Ltd.	191.6%	1.0%
All other exporters	444.2%	17.8%
All other countries	N/A	20.4%
Total		100%

[142] In order to make a final determination of dumping, the CBSA must be satisfied that:

- i) the subject goods have been dumped; and,
- ii) that the margin of dumping of a particular exporter is not insignificant.

[143] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of any goods of an exporter if it is satisfied that the goods have not been dumped or the margin of dumping of the goods of that exporter is insignificant, meaning a margin of dumping that is less than 2% of the export price of the goods.

[144] The margins of dumping of CISP determined for all exporters of subject goods originating in or exported from China are greater than the threshold of 2% and are therefore not considered insignificant. As a result, the legislative requirements are satisfied for making a final determination of dumping respecting CISP originating in or exported from China.

[145] A summary of the margins of dumping by exporter is presented in **Appendix 1**.

SUBSIDY INVESTIGATION

[146] In accordance with section 2 of SIMA, a subsidy exists where there is a financial contribution by a government of a country other than Canada that confers a benefit on persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods. A subsidy also exists in respect of any form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade, 1994, being part of Annex 1A to the World Trade Organization (WTO) Agreement that confers a benefit.

[147] Pursuant to subsection 2(1.6) of SIMA, a financial contribution exists where:

- a. practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities;
- b. amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected;
- c. the government provides goods or services, other than general governmental infrastructure, or purchases goods; or
- d. the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) above where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ in a meaningful way from the manner in which the government would do it.

[148] A state-owned enterprise (SOE) may be considered to constitute “government” for the purposes of subsection 2(1.6) of SIMA if it possesses, exercises, or is vested with, governmental authority. Without limiting the generality of the foregoing, the CBSA may consider the following factors as indicative of whether the SOE meets this standard: 1) the SOE is granted or vested with authority by statute; 2) the SOE is performing a government function; 3) the SOE is meaningfully controlled by the government; or 4) some combination thereof.

[149] If a subsidy is found to exist, it may be subject to countervailing measures if it is specific. A subsidy is considered to be specific when it is limited, in law or in fact, to a particular enterprise or is a prohibited subsidy. An “enterprise” is defined under SIMA as also including a “group of enterprises, an industry and a group of industries”. Any subsidy which is contingent, in whole or in part, on export performance or on the use of goods that are produced or that originate in the country of export is considered to be a prohibited subsidy and is, therefore, specific according to subsection 2(7.2) of SIMA for the purposes of a subsidy investigation.

[150] In accordance with subsection 2(7.3) of SIMA, notwithstanding that a subsidy is not specific in law, a subsidy may also be considered specific in fact, having regard as to whether:

- there is exclusive use of the subsidy by a limited number of enterprises;
- there is predominant use of the subsidy by a particular enterprise;
- disproportionately large amounts of the subsidy are granted to a limited number of enterprises; and
- the manner in which discretion is exercised by the granting authority indicates that the subsidy is not generally available.

[151] For purposes of a subsidy investigation, the CBSA refers to a subsidy that has been found to be specific as an “actionable subsidy”, meaning that it is countervailable.

RESULTS OF THE SUBSIDY INVESTIGATION

[152] At the initiation of the subsidy investigation, the CBSA sent subsidy RFIs to the Government of China, as well as to all known and potential exporters/producers of subject goods.

[153] The Government of China was also requested to forward the subsidy RFI to all subordinate levels of government that had jurisdiction over the exporters. The exporters/producers were requested to forward a portion of the subsidy RFI to their input suppliers, that were asked to respond to questions pertaining to their legal characterization as SOEs.

[154] The Government of China and the exporters/producers were also notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the subsidy RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits may result in the amount of subsidy and the assessment of countervailing duties on subject goods being based on facts available to the CBSA. Further, they were notified that a determination on the basis of facts available could be less favourable than if complete, verifiable information was made available.

GOVERNMENT OF CHINA

[155] The determination of subsidy amounts are based primarily on the information provided by the government authorities concerning the nature of the subsidy programs and the benefits provided to producers or exporters.

[156] At the initiation of the subsidy investigation, the CBSA requested information on 29 subsidy programs that could potentially confer benefits to producers/exporters of CISP. For the full list of programs, refer to the subsidy RFI.

[157] The Government of China did not respond to the CBSA's Government subsidy RFI. The lack of response from the Government of China limited the CBSA's ability to determine the amount of subsidy in the prescribed manner as the required information relating to financial contribution, benefit and specificity was not provided. It also limited the CBSA's ability to determine whether producers, or other suppliers of goods and services are public bodies.

[158] Due to a lack of cooperation from the Government of China:

- The CBSA cannot determine if any of the alleged programs identified by the CBSA are specific, a condition that is necessary in determining that a program constitutes an actionable subsidy under SIMA;
- The CBSA cannot verify the legal basis and eligibility criteria for any of the alleged programs as the Government of China did not provide copies of the required legislation, regulations and notices concerning the alleged programs; and/or
- The CBSA cannot verify the actual amount of subsidies/benefits provided by the Government of China for the programs used and provided by the cooperative exporters.

[159] As such, the CBSA is unable to determine an amount of subsidy for all cooperative exporters pursuant to subsection 30.4(1). Accordingly, subsidy amounts for all exporters were determined pursuant to subsection 30.4(2) of SIMA, based on a ministerial specification.

ALL EXPORTERS – CHINA

[160] The CBSA received eight responses to the exporter subsidy RFI from companies involved in the sale and/or production of CISP. However, as noted above, the Government of China did not provide a response to the government subsidy RFI.

[161] The Government of China's lack of response prevents the CBSA from being able to calculate exporter-specific subsidy rates. In the absence of the required information, the CBSA must rely on the best information available to determine the amount of subsidy.

[162] In establishing the methodology for determining the amount of subsidy for all exporters of subject goods from China, the CBSA considered all of the information on the administrative record, including the RFI submissions, the complaint filed by the domestic industry, and the CBSA's estimates at the initiation of the investigation. Due to the absence of a sufficient response from the Government of China, for all exporters, the CBSA relied on its initiation methodology to determine the amount of subsidy of subject goods originating in or exported from China. This methodology compares costs of production, using information provided in the complaint, with export prices and is consistent with the approach used at the preliminary determination. In the final phase of the investigation, export sales volumes and values were further revised using data provided by exporters.

[163] Using the above methodology, for the final determination, the amount of subsidy for all exporters is 28.5%, expressed as a percentage of the export price.

SUMMARY OF FINAL RESULTS – SUBSIDY

[164] A summary of the final results of the subsidy investigation respecting all subject goods shipped to Canada during the POI follows:

Table 8: Summary of Final Results – Subsidy
Period of Investigation (April 1, 2024 to March 31, 2025)

Exporter	Amount of Subsidy (% of Export Price)	% of Total Imports (by Volume)
China		79.6%
Dinggin Hardware (Dalian) Co., Ltd.	28.5%	2.8%
Global Metal & Investment HK Ltd.	28.5%	48.1%
Max International Supply Limited	28.5%	9.9%
Shijiazhuang Sunrise International Trading Co., Ltd.	28.5%	1.0%
All other exporters	28.5%	17.8%
All other countries	N/A	20.4%
Total		100 %

[165] In order to make a final determination of subsidizing, the CBSA must be satisfied that:

- i) the subject goods have been subsidized; and that
- ii) the amount of subsidy of a particular exporter is not insignificant.

[166] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of any goods of an exporter if the CBSA is satisfied that the goods have not been subsidized or the amount of subsidy on the goods of that exporter is insignificant.

[167] Pursuant to subsection 2(1) of SIMA, an amount of subsidy of less than 1% of the export price of the goods, for a developed country, is defined as insignificant.

[168] The amount of subsidy determined for all exporters of CISP originating in or exported from China is greater than the 1% threshold and is therefore not considered insignificant. As a result, the legislative requirements are satisfied for making a final determination of subsidy respecting CISP originating in or exported from China.

[169] A summary of the results of the subsidy investigation respecting the subject goods shipped to Canada during the subsidy POI are presented in **Appendix 1**.

DECISIONS

[170] On January 7, 2026, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made final determinations respecting the dumping and subsidizing of CISP originating in or exported from China.

FUTURE ACTION

[171] The provisional period began on October 9, 2025, and will end on the date the CITT issues its finding. The CITT is expected to issue its decision by February 6, 2026. Provisional duties will continue to be imposed on the subject goods from China until the CITT renders its decision. For further details on the application of provisional duty, refer to the [Statement of Reasons](#) issued for the preliminary determinations.

[172] If the CITT finds that the dumped and subsidized goods have not caused injury and do not threaten to cause injury, all proceedings will be terminated. In this situation, all provisional duty paid or security posted by importers will be returned.

[173] If the CITT finds that the dumped and subsidized goods have caused injury, the anti-dumping duty and/or countervailing payable on subject goods released by the CBSA during the provisional period will be finalized pursuant to section 55 of SIMA. Imports released by the CBSA after the date of the CITT's finding will be subject to anti-dumping duty equal to the margin of dumping and countervailing duty equal to the amount of subsidy.

[174] The importer in Canada shall pay all applicable duties. Importers must properly describe the goods that they are importing, whether the information is submitted in paper or electronic format. Customs [Memorandum D17-1-1: Documentation requirements for commercial shipments](#) explains the normal customs requirements. However, these requirements are often not enough for SIMA purposes. Consult the "Information Required on Customs Documents" section on the [Measures in Force](#) for specific information required for each SIMA measure, as well as [Memorandum D14-1-7: Assessment and payment of duties are required under the Special Import Measures Act \(SIMA\)](#) for more general information.

[175] The CBSA's Assessment and Revenue Management (CARM) system will generally assign the SIMA code on Commercial Accounting Declarations (CADs). However, when populating pre-CARM entries into CARM, or when accounting for CLVS goods on a Type F CAD, you may be required to self-declare the SIMA code on the CAD. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the customs documents, an administrative monetary penalty could be imposed. The provisions of the Customs Act apply with respect to the payment, collection or refund of any duty collected under SIMA. As a result, failure to pay duty within the prescribed time will result in the application of interest.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

[176] Under certain circumstances, anti-dumping and/or countervailing duty can be imposed retroactively on subject goods imported into Canada. When the CITT conducts its inquiry on material injury to the Canadian industry, it may consider if dumped and/or subsidized goods that were imported close to or after the initiation of the investigations constitute massive importations over a relatively short period of time and have caused injury to the Canadian industry. Should the CITT issue a finding that there were recent massive importations of dumped and/or subsidized goods that caused injury, imports of subject goods released by the CBSA in the 90 days preceding the day of the preliminary determinations could be subject to anti-dumping and/or countervailing duty.

[177] In respect of importations of subsidized goods that have caused injury, this provision is only applicable where the CBSA has determined that the whole or any part of the subsidy on the goods is a prohibited subsidy. In such a case, the amount of countervailing duty applied on a retroactive basis will equal the amount of subsidy on the goods that is a prohibited subsidy. An export subsidy is a prohibited subsidy according to subsection 2(1) of SIMA.

PUBLICATION

[178] A notice of these final determinations of dumping and subsidizing will be published in the Canada Gazette pursuant to paragraph 41(3)(a) of SIMA.

INFORMATION

[179] This *Statement of Reasons* is available through the CBSA's website at the address below. For further information, please contact the email address identified below:

Email: simaregistry-depotlmsi@cbsa-asfc.gc.ca

Website: www.cbsa-asfc.gc.ca/sima-lmsi



Sean Borg
a/Executive Director
Trade and Anti-dumping Programs Directorate

ATTACHMENTS

Appendix 1: Summary of Margins of Dumping and Amount of Subsidy
Appendix 2: Dumping and Subsidy Representations

**APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING AND AMOUNTS OF
SUBSIDY**

Country of Origin or Export / Exporter	Margin of Dumping (% of Export Price)	Amount of Subsidy (% of Export Price)
China		
Dinggin Hardware (Dalian) Co., Ltd.	155.5%	28.5%
Global Metal & Investment HK Ltd.	294.2%	28.5%
Max International Supply Limited	243.1%	28.5%
Shijiazhuang Sunrise International Trading Co., Ltd.	191.6%	28.5%
All other exporters	444.2%	28.5%

Note: The margins of dumping reported in the table above are the margins determined by the CBSA for the purposes of the final determination of dumping. These margins do not reflect the anti-dumping duty to be levied on future importations of dumped goods. In the event of an injury finding by the CITT, normal values have been provided to the exporters which provided sufficient information for future shipments to Canada and these normal values would come into effect the day after the injury finding. Information regarding normal values of the subject goods should be obtained from the exporter. Imports of subject goods from exporters/producers that did not provide sufficient information to the CBSA during the dumping investigation and that are not listed in the table above will be subject to the All Other Exporters anti-dumping duty rate pursuant to a ministerial specification.

As reported in the table above, the amounts of subsidy (as a percentage of export price) are the amounts determined by the CBSA for purposes of the final determination of subsidizing. These amounts do not reflect the countervailing duty to be levied on future importations of subsidized goods originating in or exported from China, which will be based on the specific amounts of subsidy (Chinese yuan per metric tonne), converted into Canadian dollars.

Normally, normal values will not be applied retroactively. However, normal values may be applied retroactively in cases where the exporter does not adjust export prices to account for increases in prices and/or costs. Therefore, where substantial changes occur in prices, market conditions, costs associated with production and sales of the goods, the onus is on the concerned parties to increase the export price accordingly to ensure that any sale made to Canada is not only above the normal value but at or above selling prices and full costs and profit of the goods.

Please consult the [SIMA Self-Assessment Guide](#) for more detailed information explaining how to determine the amount of SIMA duties owing.

APPENDIX 2 – DUMPING AND SUBSIDY REPRESENTATIONS

During the investigations, representations were received on behalf of the following parties:

- The complainant;⁸⁶ and
- Global Metal & Investment HK Ltd.⁸⁷

Following the closing of the record on November 24, 2025, case arguments and reply submissions were received on behalf of the following parties:

- The complainant;⁸⁸ and
- Global Metal & Investment HK Ltd.⁸⁹

Certain details provided in case briefs and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions. The material issues raised by the parties are summarized as follows:

DUMPING REPRESENTATIONS

Allegations of Section 20 Conditions in China

Counsel for the complainant, in case briefs and representations submitted during the dumping investigation, argues that the CBSA should find that section 20 conditions exist in China.

Counsel for the complainant argued that the Government of China's reply to the Section 20 RFI is essential to verify Chinese producer responses. Counsel mentioned that its refusal to cooperate should be taken as evidence that any withheld information would not contradict the existence of non-market conditions in China's iron pipe industry.

⁸⁶ Exhibits 122 (PRO) and 123 (NC) – Comments submitted by counsel for the complainant regarding responses to requests for information (RFI) – Dumping; Exhibits 126 (PRO) and 127 (NC) – Comments submitted by counsel for the complainant regarding the application of section 20; Exhibits 214 (PRO) and 215 (NC) – Comments submitted by counsel for the complainant regarding the preliminary determinations – section 20 report

⁸⁷ Exhibit 224 (NC) – Close of record attachment from Global Metal & Investment HK Ltd.

⁸⁸ Exhibits 225 (PRO) and 226 (NC) – Case brief filed on behalf of the complainant; Exhibits 229 (PRO) and 230 (NC) – Reply submission filed on behalf of the complainant

⁸⁹ Exhibits 227 (PRO) & 228 (NC) – Case brief and reply submission filed on behalf of Global Metal & Investment HK Ltd.

Additionally, counsel for the complainant argued that the claims from Dingxiang County Yutai Forging and Casting Co., Ltd., and Shanxi Golden Autumn Foundry Co., Ltd. that they are not aware of all Chinese policies, are weakened by the section 20 RFI response from Shanxi Xuanshi Industrial Group Co., Ltd. It mentioned that the latter documents extensive Government of China influence on CISP production and pricing and implies other Chinese producers are likely aware of that involvement.⁹⁰

Furthermore, counsel for the complainant argued that the price analysis of two major key inputs in the production of CISP i.e., pig iron/iron ore and steel scrap does not explain CISP price difference between Chinese and North American markets. Rather, CISP Chinese domestic prices are substantially determined by the Government of China.⁹¹

CBSA's Response

The CBSA has considered the case briefs and reply submissions provided by the complainant's counsel, as well as any representations filed during the investigation before the close of record. After careful consideration, the CBSA has formed an opinion that section 20 conditions exist in the iron pipe sector in China. Please refer to the Analysis of Section 20 Conditions section of this document for more detailed information.

Surrogate Country and Producer Selections

On November 24, 2025, the day of the close of the record, counsel for Global Metal & Investment HK Ltd. filed a submission⁹² objecting the use of CISP producer data from the U.S. as a surrogate country and proposed an alternative methodology based on information from India.

In this submission as well as in its case brief⁹³, counsel for Global Metal & Investment HK Ltd. argued that the U.S. should not be selected as a surrogate country as it is not economically comparable to China and that its market is severely distorted by extraordinarily high anti-dumping duties, Section 301 tariffs, and retaliatory tariffs on Chinese goods, particularly cast iron soil pipe. Counsel argued that these distortions undermine any fair comparison of costs or prices. Counsel also argued that there appears to be a conflict of interest as the selection of surrogate data at the preliminary determination included the U.S. producer Tyler Pipe, which is affiliated with the complainant. Counsel submitted that this relationship compromises the objectivity and reliability of the U.S. data.

⁹⁰ Exhibits 126 (PRO) and 127 (NC) – Comments submitted by counsel for Bibby-Ste-Croix regarding the application of section 20.

⁹¹ Exhibits 214 (PRO) and 215 (NC) – Comments submitted by counsel for Bibby-Ste-Croix regarding the preliminary determinations - section 20 report.

⁹² Exhibit 224 (NC) – Close of record attachment from Global Metal & Investment HK Ltd.

⁹³ Exhibit 228 (NC) – Case brief and reply submission filed on behalf of Global Metal & Investment HK Ltd.

In regards to the proposed India surrogate methodology, counsel for Global Metal & Investment HK Ltd. submitted that India should be utilized as a surrogate country as it is more economically comparable to China. It submitted a constructed normal value based on Indian pig iron import data, information from the financial statements of three Indian producers, and with assumptions on raw materials, conversion costs, SG&A, financing costs, and profit.

In its case brief⁹⁴ and reply submission⁹⁵, counsel for the complainant argued that the U.S. remains an appropriate surrogate country as the U.S. has significant, well-established CISP production in a market economy; producers operate competitively; U.S. imports are substantial; U.S. trade remedies do not negate market conditions during the CBSA's PAP; and verified, model-specific sales and cost data are available from Tyler Pipe and Charlotte Pipe. In regards to the selection of Tyler Pipe as a surrogate producer, counsel for the complainant argued that Tyler Pipe's affiliation with the complainant does not taint the data; the CBSA has accepted verified affiliated data in other proceedings; and that the verified response of the other U.S. surrogate producer, Charlotte Pipe, provides independent corroboration.

In regards to the proposed India surrogate methodology from counsel for Global Metal & Investment HK Ltd., counsel for the complainant argued that the proposal by Global Metal & Investment HK Ltd. was late; unverifiable; non-model-specific; omitted key raw materials; and relies on financial information of producers that are not comparable CISP producers.

CBSA's Response

The CBSA considered the case arguments and reply submissions provided by counsel, as well as any representations filed during the investigation before the close of record.

At the initiation of the section 20 inquiry of China's iron pipe sector, the CBSA identified the U.S., France, and India as reasonable surrogate countries for China. These countries were selected as they produce comparable goods, have globally competitive producers, and operate under market conditions. Surrogate RFIs were sent to 12 potential producers and exporters of CISP in the U.S., France and India. The CBSA received two responses to the Surrogate Producer RFI from producers of CISP in the U.S., namely: Charlotte Pipe and Foundry Company and Tyler Pipe.

In addition, as part of the section 20 inquiry, the RFIs sent to importers requested information on resales in Canada of CISP imported from sources other than China. The CBSA received seven responses to the importer RFI; however, the importers did not provide information concerning the purchase and/or resale of like goods from non-named countries.

Although the CBSA identified India as a reasonable surrogate country, the information supplied by Global Metal & Investment HK Ltd. was not used for the purposes of determining normal values as it was filed on the date of the close of the record which prevented the CBSA from requesting additional information and verifying the accuracy and veracity of the response.

⁹⁴ Exhibit 226 (NC) – Case brief filed on behalf of the complainant

⁹⁵ Exhibit 230 (NC) – Reply submission filed on behalf of the complainant

For the purposes of the final determination of dumping, the CBSA determined that the verified information submitted by CISP producers in the U.S. was deemed appropriate as surrogate data in order to determine normal values for exporters of subject goods from China.

Accuracy and Completeness of Dumping RFI Responses

During the preliminary phase of the investigations, counsel for the complainant made representations concerning the RFI responses provided by Dinggin Hardware (Dalian) Co., Ltd. (Dinggin) and Wuan City Yongtia Foundry Industry Co., Ltd. (Yongtia).⁹⁶ These representations address the accuracy and completeness of certain cost and sales information and raise concerns with respect to other missing and/or unclear information provided in the RFI responses. Counsel for the complainant argued that aspects of the submissions are deficient and that Dinggin's response is unusable for purposes of calculating normal values and export prices due to these concerns.

CBSA's Response

The CBSA reviewed the RFI responses provided by Dinggin⁹⁷ and Yongtia⁹⁸. In the final phase of the investigation, each company also responded to two SRFIs.⁹⁹ Following a thorough review, the CBSA is satisfied with the information provided by Dinggin and Yongtia and considers their responses to be substantially complete for the purposes of the final determination of dumping. Accordingly, where appropriate, the information submitted by the parties was used in the CBSA's final calculations.

⁹⁶ Exhibits 122 (PRO) and 123 (NC) – Comments submitted by counsel for Bibby-Ste-Croix (“Bibby”) regarding the responses to the requests for information (RFI) - dumping from Dinggin Hardware (Dalian) Co., Ltd. (“Dinggin”) and Wuan City Yongtia Foundry Industry Co., Ltd. (“Yongtia”)

⁹⁷ Exhibits 62 (PRO) and 63 (NC) – Response to dumping RFI – Dinggin Hardware (Dalian) Co., Ltd.

⁹⁸ Exhibits 97 (PRO) and 98 (NC) – Response to dumping RFI – Wuan City Yongtia Foundry Industry Co., Ltd.

⁹⁹ Exhibits 176 (PRO) and 177 (NC) – Response to SRFI#1 – Dinggin Hardware (Dalian) Co., Ltd.; Exhibits 204 (PRO) and 205 (NC) – Response to SRFI#2 – Dinggin Hardware (Dalian) Co., Ltd.; Exhibits 178 (PRO) and 179 (NC) – Response to SRFI#1 – Wuan City Yongtia Foundry Industry Co., Ltd.; Exhibits 206 (PRO) and 207 (NC) – Response to SRFI#2 – Wuan City Yongtia Foundry Industry Co., Ltd.