



OTTAWA, October 24, 2025

CISP 2025 IN

STATEMENT OF REASONS

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

CAST IRON SOIL PIPE ORIGINATING IN OR EXPORTED FROM CHINA

DECISION

Pursuant to subsection 38(1) of the *Special Import Measures Act*, the Canada Border Services Agency made preliminary determinations on October 9, 2025, 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.

TABLE OF CONTENTS

SUMMARY	1
PERIOD OF INVESTIGATION	1
PROFITABILITY ANALYSIS PERIOD.....	1
INTERESTED PARTIES	2
PRODUCT INFORMATION	4
DEFINITION	4
ADDITIONAL PRODUCT INFORMATION	5
PRODUCTION PROCESS	6
CLASSIFICATION OF IMPORTS	6
LIKE GOODS AND CLASS OF GOODS.....	7
THE CANADIAN INDUSTRY	8
DOMESTIC PRODUCERS	8
IMPORTS INTO CANADA.....	8
INVESTIGATIONS PROCESS	8
REPRESENTATIONS	9
DUMPING INVESTIGATION	10
NORMAL VALUE	10
EXPORT PRICE.....	10
MARGIN OF DUMPING	10
BACKGROUND OF SECTION 20 INQUIRY	11
ANALYSIS OF SECTION 20 CONDITIONS.....	12
Preliminary Results of the Dumping Investigation.....	24
COOPERATIVE EXPORTERS	24
ALL OTHER EXPORTERS	24
SUMMARY OF PRELIMINARY RESULTS – DUMPING	25
NEGLIGIBILITY	26
INSIGNIFICANCE	26
Subsidy Investigation.....	26
Preliminary results of the subsidy investigation	27
GOVERNMENT OF CHINA	28
ALL EXPORTERS – CHINA	28
SUMMARY OF PRELIMINARY RESULTS – SUBSIDY	28
NEGLIGIBILITY	29
INSIGNIFICANCE	29
Decisions.....	29
Provisional duty	30
FUTURE ACTION.....	30
THE CANADA BORDER SERVICES AGENCY	30
THE CANADIAN INTERNATIONAL TRADE TRIBUNAL.....	31
RETROACTIVE DUTY ON MASSIVE IMPORTATIONS.....	32
UNDERTAKINGS	32
PUBLICATION	33
INFORMATION.....	33
APPENDIX 1 – SUMMARY OF ESTIMATED MARGINS OF DUMPING, ESTIMATED AMOUNT OF SUBSIDY AND PROVISIONAL DUTIES PAYABLE	34

SUMMARY

[1] As a result of a written complaint from Canada Pipe Company ULC, d/b/a Bibby-Ste-Croix (Ste-Croix, Quebec) (hereinafter, the complainant), on July 11, 2025, pursuant to subsection 31(1) of the *Special Import Measures Act* (SIMA), the CBSA initiated investigations respecting the dumping and subsidizing of cast iron soil pipe (CISP) originating in or exported from the People's Republic of China (China).

[2] 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.

[3] 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.

[4] 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.

[5] On the same date, pursuant to subsection 8(1) of SIMA, provisional duties were imposed on imports of dumped and/or 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.

PERIOD OF INVESTIGATION

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

PROFITABILITY ANALYSIS PERIOD

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

INTERESTED PARTIES

[8] Interested parties were notified at the initiation of the investigations and were sent Requests for Information (RFI). Refer to the [Statement of reasons—Initiation of investigations: Cast Iron Soil Pipe \(CISP 2025 IN\)](#) for additional information on interested parties.

Exporters

[9] Two exporters and one producer provided substantially complete responses to the CBSA's dumping RFI in sufficient time to be considered for the preliminary determination.

Table 1: Cooperative Exporters – Dumping

Exporter	Producer
Dinggin Hardware (Dailan) Co., Ltd. ¹	Wuan City Yongtia Foundry Industry Co., Ltd. ²
Shanxi Xuanshi Industrial Group Co., Ltd. ³	Shanxi Xuanshi Industrial Group Co., Ltd.

[10] Three additional trading companies provided responses to the CBSA's dumping RFI: Global Metal & Investment HK Ltd.⁴, Shijiazhuang Sunrise International Trading Co., Ltd.⁵ and Max International Supply Limited.⁶ The respective producers of the goods, Shanxi Golden Autumn Foundry Co., Ltd.⁷ and Dingxiang County Yutai Forging and Casting Co., Ltd.⁸ also provided responses to the CBSA's dumping RFI; however, the CBSA determined the producer responses to be deficient. As such, the CBSA was unable to substantiate the information reported by the trading companies and whether the manufacturer or the trading company was the exporter for SIMA purposes.

[11] The CBSA sent deficiency notices and supplemental RFIs to Golden Autumn Foundry Co., Ltd. and Dingxiang County Yutai Forging and Casting Co., Ltd.⁹ Dingxiang County Yutai Forging and Casting Co., Ltd. provided a response on September 17, 2025¹⁰ and Golden Autumn Foundry Co., Ltd. provided a response on September 19, 2025¹¹. These late responses were not considered for the purposes of the preliminary determinations.

¹ Exhibits 62 (PRO) and 63 (NC) – Response to dumping RFI – Dinggin Hardware (Dailan) Co., Ltd.

² Exhibits 101 (PRO) and 102 (NC) – Response to subsidy RFI – Wuan City Yongtia Foundry Industry Co., Ltd.

³ Exhibits 81 (PRO) and 82 (NC) – Response to dumping RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

⁴ Exhibits 89 (PRO) and 90 (NC) – Response to dumping RFI – Global Metal & Investment HK Limited

⁵ Exhibits 93 (PRO) and 94 (NC) – Response to dumping RFI – Shijiazhuang Sunrise International Trading Co., Ltd.

⁶ Exhibits 103 (PRO) and 104 (NC) – Response to dumping RFI – Max International Supply Limited

⁷ Exhibits 110 (PRO) and 111 (NC) – Response to dumping RFI – Shanxi Golden Autumn Foundry Co., Ltd.

⁸ Exhibits 87 (PRO) and 88 (NC) – Response to dumping RFI – Dingxiang County Yutai Forging and Casting Co., Ltd.

⁹ Exhibits 119 (PRO) and 120 (PRO) – Deficiency letters and supplemental requests for information (SRFIs) #1

¹⁰ Exhibits 124 (PRO) and 125 (NC) – Response to deficiency letter and supplemental request for information (SRFI) #1 from Dingxiang County Yutai Forging and Casting Co., Ltd.

¹¹ Exhibits 129 (PRO) and 130 (NC) – Response to deficiency letter and supplemental request for information (SRFI) #1 from Shanxi Golden Autumn Foundry Co., Ltd.

[12] The CBSA received three substantially complete responses to the Section 20 RFI:

Table 2: Section 20 Responses

Company
Dingxiang County Yutai Forging and Casting Co., Ltd. and Global Metal & Investment HK Limited ¹²
Shanxi Golden Autumn Foundry Co., Ltd., Shijiazhuang Sunrise International Trading Co., Ltd. and Max International Supply Limited ¹³
Shanxi Xuanshi Industrial Group Co., Ltd. ¹⁴

[13] Eight companies provided responses to the CBSA's subsidy RFI:

Table 3: Subsidy Responses

Company
Dinggin Hardware (Dalian) Co., Ltd. ¹⁵
Dingxiang County Yutai Forging and Casting Co., Ltd. ¹⁶
Global Metal & Investment HK Limited ¹⁷
Max International Supply Limited ¹⁸
Shanxi Golden Autumn Foundry Co., Ltd. ¹⁹
Shanxi Xuanshi Industrial Group Co., Ltd. ²⁰
Shijiazhuang Sunrise International Trading Co., Ltd. ²¹
Wuan City Yongtia Foundry Industry Co., Ltd. ²²

¹² 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

¹³ 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

¹⁴ Exhibits 71 (PRO) and 72 (NC) – Responses to Section 20 RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

¹⁵ Exhibits 99 (PRO) and 100 (NC) – Response to subsidy RFI – Dinggin Hardware (Dailan) Co., Ltd.

¹⁶ Exhibits 95 (PRO) and 96 (NC) – Response to subsidy RFI – Dingxiang County Yutai Forging and Casting Co., Ltd.

¹⁷ Exhibits 85 (PRO) and 86 (NC) – Response to subsidy RFI – Global Metal & Investment HK Limited

¹⁸ Exhibits 105 (PRO) and 106 (NC) – Response to subsidy RFI – Max International Supply Limited

¹⁹ Exhibits 107 (PRO) and 108 (NC) – Response to subsidy RFI – Shanxi Golden Autumn Foundry Co., Ltd.

²⁰ Exhibits 83 (PRO) and 84 (NC) – Response to subsidy RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

²¹ Exhibits 91 (PRO) and 92 (NC) – Response to subsidy RFI – Shijiazhuang Sunrise International Trading Co., Ltd.

²² Exhibits 101 (PRO) and 102 (NC) – Response to subsidy RFI – Wuan City Yongtia Foundry Industry Co., Ltd.

Importers

[14] Seven importers provided a response to the importer RFI: 9513-9085 Quebec Inc.²³, Central Plumbing Supply Inc.²⁴, Lucky58 Plumbing and Mechanical Systems Ltd.²⁵, One World Supply Inc.²⁶, Pagaz Inc.²⁷, PSA International Trading Ltd.²⁸, and Tuffco Inc.²⁹

Surrogates

[15] The CBSA received two responses to the Surrogate Producer RFI from Charlotte Pipe and Foundry Company³⁰ and Tyler Pipe.³¹

Government

[16] 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

[17] 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.

²³ Exhibits 34 (PRO) & 35 (NC) – response to Importer RFI – 9513-9085 Québec Inc.

²⁴ Exhibits 45 (PRO) & 46 (NC) – response to Importer RFI – Central Plumbing Supply Inc.

²⁵ Exhibit 49 (NC) – response to Importer RFI – Lucky58 Plumbing and Mechanical Systems Ltd.

²⁶ Exhibits 50 (PRO) & 51 (NC) – response to Importer RFI – One World Supply Inc.

²⁷ Exhibits 73 (PRO) & 74 (NC) – response to Importer RFI – Pagaz Inc.

²⁸ Exhibits 41 (PRO) & 42 (NC) – response to Importer RFI - PSA International Trading Ltd.

²⁹ Exhibits 38 (PRO) & 39 (NC) – response to Importer RFI - Tuffco Inc.

³⁰ Exhibits 75 (PRO) & 76 (NC) – response to Surrogate Producer RFI - Charlotte Pipe and Foundry Company

³¹ Exhibits 79 (PRO) & 80 (NC) – response to Surrogate Producer RFI - Tyler Pipe

ADDITIONAL PRODUCT INFORMATION³²

[18] 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.

[19] 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.

[20] In Canada, CISP is governed by Canadian Standards Association (CSA) specification B70, while in the United States, 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.

[21] 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.

³² Exhibit 1 (PRO) & 2 (NC) - CISP Complaint, paras. 12-15

PRODUCTION PROCESS³³

[22] 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.³⁴ 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.

[23] 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.

[24] 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

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

7303.00.00.10 7303.00.00.90

[26] 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.

³³ Exhibit 1 (PRO) & 2 (NC) - CISP Complaint, paras. 13, 17-19, 48

³⁴ 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 GOODS³⁵

[27] 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.

[28] 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.

[29] For the purposes of this analysis, like goods consist of domestically produced CISP described in the product definition.

[30] 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.

[31] 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.”³⁶

³⁵ Exhibit 1 (PRO) & 2 (NC) - CISP Complaint, paras. 27-33

³⁶ Canadian International Trade Tribunal; Preliminary Injury Inquiry – Cast Iron Soil Pipe – *Statement of Reasons* (September, 2025), PI-2025-004, para. 28

THE CANADIAN INDUSTRY

DOMESTIC PRODUCERS

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

IMPORTS INTO CANADA

[33] During the preliminary 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.

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

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

Country	% of total import volume
China	79%
Other	21%
Total	100%

INVESTIGATIONS PROCESS

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

[36] Regarding the subsidy investigation, information related to potential actionable subsidies was requested from all known and potential exporters and producers in China. 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.

[37] 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.

[38] After reviewing the RFI responses, supplemental RFIs were sent to respondents that filed submissions, in order to clarify information provided and request additional information, where necessary.

[39] For the responding parties that did not provide complete information, deficiency letters were sent in order to notify parties of the information that 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.

[40] Preliminary determinations are based on information that is available in sufficient time to allow the CBSA to make its decision. During the final phase of the investigations, the CBSA will continue to collect and verify information, the results of which will be incorporated into the CBSA's final decisions, which must be made by January 7, 2026.

REPRESENTATIONS

[41] During the preliminary phase of the investigations, counsel for the complainant made representations concerning RFI responses provided by Dinggin Hardware (Dalian) Co., Ltd. and Wuan City Yongtia Foundry Industry Co., Ltd.³⁷ These representations concern topics including the accuracy and completeness of information provided, and other missing or unclear information provided in the RFI responses. The complainant argued that aspects of the submissions are deficient and that Dinggin Hardware (Dalian) Co., Ltd.'s response is unusable for purposes of calculating normal values and export prices due to these concerns.

[42] Counsel for the complainant made additional representations concerning the existence of Section 20 conditions in China.³⁸ They argued that the logical inference to be drawn from the Government of China non-response to the section 20 RFI is its unrefuted control of domestic prices in the iron pipe sector. Counsel commented on the responses received from three exporters and noted the contradictions, as one exporter's response undermined the ones from the two others with regard to the Government of China significant influence on both CISP production and pricing.

³⁷ 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")

³⁸ Exhibits 126 (PRO) and 127 (NC) - Comments submitted by counsel for Bibby-Ste-Croix ("Bibby") regarding the application of section 20

[43] Additionally, counsel provided comparative cost and pricing analysis for CISP in North America and the Chinese market over the POI showing a considerable distortion in China. Hence, the conclusion that Chinese iron pipes, including CISP, are substantially determined by the Government of China.

[44] The CBSA has noted the arguments and evidence submitted and will take them into consideration in the course of verifying and analyzing information for the purposes of the final decisions.

DUMPING INVESTIGATION

NORMAL VALUE

[45] Normal values are generally estimated 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.

EXPORT PRICE

[46] The export price of goods sold to importers in Canada is generally estimated 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.

[47] Where there are sales between associated persons and/or a compensatory arrangement exists, the export price is estimated 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.

MARGIN OF DUMPING

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

BACKGROUND OF SECTION 20 INQUIRY

[49] 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.

[50] 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.

[51] 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.

[52] 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.³⁹

[53] 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.

[54] Based on the CBSA research⁴⁰ 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.

³⁹ 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](#).

⁴⁰ [Types Of Pipes \(A Comprehensive Guide\) - bills pipes](#); [Types of Pipes: Classification of Pipes – What Is Piping](#).

[55] In the event that the CBSA forms the opinion that domestic prices of CISP in China is 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

[56] 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;
- Government intervention to provide low-priced input for CISP production.

Government ownership and control over the domestic iron and steel industry

[57] 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.

[58] 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.⁴¹

⁴¹ SASAC [What We Do](#).

[59] 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.⁴²

[60] 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.⁴³

[61] 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.⁴⁴

[62] 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.

Top 10 Steel Producers in China in 2024 by Volume⁴⁵	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%

⁴² [WTO | Trade Policy Reviews - gateway, Results list](#), p. 12, para. 27.

⁴³ Ibid. p. 87, para. 3.189.

⁴⁴ Ibid. p. 135, para. 4.119.

⁴⁵ [World Steel in Figures - worldsteel.org](#).

[63] 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.⁴⁶ The following table summarizes the results.

State-owned Enterprise (SOE)	Cast Iron Pipe Company Subsidiary of an SOE
China Baowu Steel Group Corporation Limited	Xinxing Ductile Iron Pipes Co., Ltd. ⁴⁷
HBIS Group Co., Ltd	
Ansteel Group Corporation Limited	Benxi Beitai Ductile Cast Iron Pipes Co., Ltd. ⁴⁸
Shougang Group Co., Ltd	
Hunan Steel Group	
Shandong Iron & Steel Group Co., Ltd	Shandong Ductile Pipes Co., Ltd. ⁴⁹
Anyang Iron & Steel Co., Ltd	Angang Group Yongtong Ductile Cast Iron Pipe Co., Ltd. ⁵⁰
Tianjin Pipe Group Co., Ltd	Tianjin Ductile Iron Pipes Group ⁵¹

[64] 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.

[65] Additionally, the majority of the SOEs and key cast iron companies identified are members of the China Iron and Steel Association (CISA) members, which adds another layer of control since the association is guided by the Chinese Communist Party's lines, rules and policies.⁵²

[66] 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.

[67] 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.

⁴⁶ [Cast Iron Drainage Pipe Market Research Report 2033; Cast Iron Pipe Market Size, Share, Growth Report 2034.](#)

⁴⁷ [Baowu Group to acquire second largest steelmaker in Xinjiang.](#)

⁴⁸ [China's steel industry consolidation accelerates as Anshan absorbs Benxi | SEAIISI; Ansteel Group - Wikipedia.](#)

⁴⁹ [Shandong Ductile Iron Pipes Co., Ltd. ,Iron ,China; About us ,JIGANG GROUP .](#)

⁵⁰ [Yongtong data - Angang Group Yongtong Ductile Cast Iron Pipe Co.,Ltd.](#)

⁵¹ [Tianjin Pipe Corporation - Wikipedia.](#)

⁵² [CISA.](#)

[68] 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.

[69] 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

[70] 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.

[71] 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.

[72] 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.

[73] 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.

[74] Additionally, the 14th Five-Year Plan (FYP)⁵³ 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.⁵⁴

[75] 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.⁵⁵

[76] 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.⁵⁶

[77] 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.⁵⁷

[78] 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.⁵⁸

[79] 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

⁵³ [CSET Original Translation: China's 14th Five-Year Plan.](#)

⁵⁴ [China releases development plan for raw materials industry | S&P Global.](#)

⁵⁵ [Iron ore prices climb as China orders temporary steel mill shutdowns.](#)

⁵⁶ [Iron ore price slips after China reiterates steel output control - MINING.COM.](#)

⁵⁷ [China Pushes For Domestic Iron Ore Development To Ensure Raw Material Stability For Steel Industry | SMM.](#)

⁵⁸ [【Department of Price】-National Development and Reform Commission \(NDRC\) People's Republic of China.](#)

[80] 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 and re-investigations.

[81] Such subsidies contribute to the existence of section 20 conditions in different iron pipe subsectors in which Chinese domestic selling price of iron pipes were found to be distorted and therefore support the initiation of a section 20 inquiry in the CISP investigation.

[82] At the preliminary stage of the investigation, the CBSA has received no information from the Government of China regarding subsidies provided to producers of goods in the iron pipe sector, including CISP.

Government intervention to provide low-priced input for CISP production

[83] 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

[84] 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.⁵⁹

[85] 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.⁶⁰

[86] 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.⁶¹

⁵⁹ [Regulators vow order in iron ore market.](#)

⁶⁰ [Chinese government to step up efforts to investigate & regulate iron ore prices-Yieh Corp Steel News.](#)

⁶¹ [Xi's giant iron ore trader is shaking up a \\$130 billion market - MINING.COM.](#)

[87] 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.⁶²

[88] 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.

Influence over energy inputs

[89] 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.

[90] 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.⁶³

[91] 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.⁶⁴

[92] 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.⁶⁵

⁶² [Iron Ore's Rocky Road: Can China's Regulatory Tightrope Stabilize Prices?.](#)

⁶³ [China's overuse of coal is causing negative power prices | News | Eco-Business | Asia Pacific.](#)

⁶⁴ [China Raises Cap on Electricity Price: What has Changed and Possible Impact for Business.](#)

⁶⁵ [China's coal and energy strategy — Breakwave Advisors.](#)

[93] 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.

[94] 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.

Influence over export taxes

[95] 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.

[96] 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.⁶⁶

[97] 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.⁶⁷

[98] 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.

⁶⁶ [China cuts billet, scrap, pig iron import tax to zero: non-ASEAN semis sellers to benefit.](#)

⁶⁷ [China cancels steel export tax rebates to boost supply | Latest Market News.](#)

[99] 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 2021.⁶⁸

[100] 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.

Influence over labour costs in China

[101] 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.⁶⁹

[102] 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.⁷⁰

[103] 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.⁷¹

⁶⁸ Ibid.

⁶⁹ [Labor relations in China - Wikipedia](#).

⁷⁰ [Hukou - Wikipedia](#).

⁷¹ [The Debate Over Raising Chinese Labor Standards Goes International – Harvard Law & Policy Review](#).

[104] 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.⁷²

[105] 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.⁷³

[106] 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

[107] 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.

[108] 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.⁷⁴ 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.

⁷² [Labor Productivity and Surplus Labor in Chinese Iron and Steel Firms | SpringerLink](#).

⁷³ <https://www.wiley.com/doi/10.1111/j.1467-9892.2024.01001.x>

⁷⁴ [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](#).

[109] 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.⁷⁵

[110] 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

[111] 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.

[112] 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.

[113] In conclusion, the CBSA research confirms the complainant's allegations that the panoply 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.

Price Analysis

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

⁷⁵ [Decoding China's Steel Capacity Replacement Policies: A Decade-Long Journey, Pausing to Forge Ahead - Transition Asia.](#)

[115] 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.,⁷⁶ Shanxi Golden Autumn Foundry Co., Ltd.,⁷⁷ Wuan City Yongtia Foundry Industry Co., Ltd.⁷⁸ and Shanxi Xuanshi Industrial Group Co., Ltd.⁷⁹

[116] The CBSA has also relied on the responses from two surrogate producers in the United States namely Charlotte Pipe and Foundry Company⁸⁰ and Tyler Pipe.⁸¹ 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.

[117] The CBSA then analyzed the prices of two major key inputs in the production of CISP i.e., pig iron/iron ore and steel scrap. Pig iron prices were lower in China than in Europe and the United States, whereas steel scrap prices were higher in China than in the United States during the POI.

[118] During the final phase of the investigations, the CBSA will continue its analysis into whether CISP prices in China are substantially different than those in competitive markets.

Preliminary Results of the Section 20 Inquiry of China

[119] 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.

[120] For the purposes of the preliminary 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.

[121] During the final phase of the dumping investigation, the CBSA will continue the Section 20 inquiry and collect and analyze relevant information.

⁷⁶ Exhibits 87 (PRO) and 88 (NC) – Response to dumping RFI – Dingxiang County Yutai Forging and Casting Co., Ltd.

⁷⁷ Exhibits 110 (PRO) and 111 (NC) – Response to dumping RFI – Shanxi Golden Autumn Foundry Co., Ltd.

⁷⁸ Exhibits 97 (PRO) and 98 (NC) – Response to dumping RFI – Wuan City Yongtia Foundry Industry Co., Ltd.

⁷⁹ Exhibits 81 (PRO) and 82 (NC) – Response to dumping RFI – Shanxi Xuanshi Industrial Group Co., Ltd.

⁸⁰ Exhibits 75 (PRO) and 76 (NC) – Response to Surrogate Producer RFI – Charlotte Pipe and Foundry Company.

⁸¹ Exhibits 79 (PRO) and 80 (NC) – Response to Surrogate Producer RFI – Tyler Pipe.

PRELIMINARY RESULTS OF THE DUMPING INVESTIGATION

COOPERATIVE EXPORTERS

[122] As part of the Section 20 inquiry, the CBSA identified the United States, France and India as reasonable surrogate countries for China 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 United States, France and India. The CBSA received two responses to the surrogate producer RFI from producers of CISP in the United States, namely: Charlotte Pipe and Foundry Company⁸² and Tyler Pipe⁸³.

[123] As part of the Section 20 inquiry, the RFIs sent to importers requested information on re-sales 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.

[124] For the exporters that submitted substantially complete responses to the dumping RFI and were determined to be the exporter for SIMA purposes, normal values were estimated, following a methodology similar to that of subparagraph 20(1)(c)(i) of SIMA, based on domestic selling price information provided by surrogate producers in the United States.

[125] The following table summarizes the cooperative exporters' determination of margins of dumping.

Table 6: Summary of Determination of Margins of Dumping for Cooperative Exporters

Country	Exporter	Domestic Sales	Margin of Dumping (% of Export Price)
China	Dinggin Hardware (Dalian) Co., Ltd.	No	196.6%
	Shanxi Xuanshi Industrial Group Co., Ltd.	Yes	288.1%

[126] During the POI, all of the subject goods exported to Canada by the cooperative exporters were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of SIMA, as described in the “*Export Price*” section above.

ALL OTHER EXPORTERS

[127] In establishing the methodology for estimating 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 initiation of the investigation, information submitted by parties that responded to the dumping RFI and surrogate producer RFI, and CBSA customs entry documentation.

⁸² Exhibits 75 (PRO) and 76 (NC) – response to Surrogate Producer RFI – Charlotte Pipe and Foundry Company

⁸³ Exhibits 79 (PRO) and 80 (NC) – response to Surrogate Producer RFI - Tyler Pipe

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

[129] Based on the facts available, for all other exporters that did not provide a substantially complete response to the dumping RFI, normal values of subject goods originating in or exported from China were estimated based on the highest amount by which an estimated normal value exceeded the estimated export price (expressed as a percentage of the export price), on an individual transaction basis for the cooperative exporters during the POI. This methodology relies on information related to goods that originated in China (for the export price) and the United States (for the normal value) and in general, provides an incentive for exporters to participate by ensuring that exporters that have provided the necessary information requested in a dumping investigation will have a more favourable outcome than those that have not participated. 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.

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

[131] Using the above methodology, for the preliminary determination, the estimated margin of dumping for all other exporters of subject goods is 312.4%, expressed as a percentage of the export price.

SUMMARY OF PRELIMINARY RESULTS – DUMPING

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

Table 7:
Summary of Preliminary Results - Dumping
Period of Investigation (April 1, 2024 to March 31, 2025)

Exporter	Estimated Margin of Dumping (% of Export Price)	Estimated % of Total Imports (by Volume)
Dinggin Hardware (Dailan) Co., Ltd.	196.6%	2.9%
Shanxi Xuanshi Industrial Group Co., Ltd.	288.1%	4.3%
All other exporters	312.4%	71.8%
Total China	N/A	79%
All Other Countries	N/A	21%
Total	N/A	100%

NEGLIGIBILITY

[133] Under section 35 of SIMA, the CBSA is required to terminate an investigation prior to the preliminary determination if the volume of goods of a country is negligible.

[134] Pursuant to subsection 2(1) of SIMA, the volume of goods of a country is considered negligible if it accounts for less than 3% of the total volume of all goods of the same description that are released into Canada from all countries.

[135] The table above confirms that the volume of imports from China is above 3% of the total volume of goods released into Canada. Based on the definition above, the volume of imports from China are not negligible.

INSIGNIFICANCE

[136] If, in making a preliminary determination, the CBSA determines that the margin of dumping of the goods of an exporter is insignificant pursuant to section 38 of SIMA, the investigation will continue in respect of those goods but provisional anti-dumping duties will not be imposed on goods of the same description imported during the provisional period. Pursuant to subsection 2(1) of SIMA, a margin of dumping of less than 2% of the export price of the goods is defined as insignificant.

[137] For all exporters in China the estimated margin of dumping, expressed as a percentage of the export price, is above 2% and is, therefore, not insignificant. In respect of these goods, provisional anti-dumping duties will be imposed on goods of the same description imported during the provisional period.

SUBSIDY INVESTIGATION

[138] 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.

[139] 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.

[140] 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.

[141] 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.

[142] 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.

[143] 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.

PRELIMINARY RESULTS OF THE SUBSIDY INVESTIGATION

[144] At the initiation of the subsidy investigation, the CBSA sent subsidy RFIs to the Government of China, as well as to all known exporters/producers of CISP in China.

[145] 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.

GOVERNMENT OF CHINA

[146] The Government of China did not provide a response to the government subsidy RFI. The lack of response from the Government of China limited the CBSA's ability to examine and verify the information required to assess financial contribution, benefit and specificity, and therefore prevented it from estimating the amount of subsidy in the prescribed manner. It also limited the CBSA's ability to verify whether producers, or other suppliers of goods and services, are public bodies.

[147] 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 in China. For the full list of programs, refer to the subsidy RFI.

[148] The CBSA will continue to analyze the information on the administrative record during the final phase of the investigation. The CBSA may also consider any other potential subsidy programs that have not yet been identified.

ALL EXPORTERS – CHINA

[149] The CBSA received responses to the exporter subsidy RFI from four producers of CISP located in China and four trading companies. However, as noted above, the Government of China did not provide a response to the government subsidy RFI.

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

[151] In establishing the methodology for estimating the amount of subsidy for all exporters from China, the CBSA considered all of the information on the administrative record, including 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 amount of subsidy for subject goods originating in or exported from China was determined using the methodology applied at the initiation of the subsidy investigation, incorporating updated export volume and value information from exporters that provided substantially complete responses to the dumping RFI in sufficient time to be considered for the preliminary determination.

[152] Using the above methodology, for the preliminary determination, the estimated amount of subsidy for all exporters in China is 16.8% expressed as a percentage of the export price.

SUMMARY OF PRELIMINARY RESULTS – SUBSIDY

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

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

Exporter	Estimated Amount of Subsidy (% of Export Price)	Estimated % of Total Imports (by Volume)
Dinggin Hardware (Dailan) Co., Ltd.	16.8%	2.9%
Shanxi Xuanshi Industrial Group Co., Ltd.	16.8%	4.3%
All other exporters	16.8%	71.8%
Total China	N/A	79%
All Other Countries	N/A	21%
Total	N/A	100%

NEGLIGENCE

[154] Under section 35 of SIMA, the CBSA is required to terminate an investigation prior to the preliminary determination if the volume of goods of a country is negligible. Pursuant to subsection 2(1) of SIMA, a volume of goods of a country is considered negligible if it accounts for less than 3% of the total volume of all goods of the same description that are released into Canada from all countries.

[155] The table above confirms that the volume of imports from China is above 3% of the total volume of goods released into Canada. Based on the definition above, the volume of imports from China is not negligible.

INSIGNIFICANCE

[156] If, in making a preliminary determination, the CBSA determines that the amount of subsidy of the goods of an exporter is insignificant pursuant to section 38 of SIMA, the investigation will continue in respect of those goods but provisional countervailing duties will not be imposed on goods of the same description imported during the provisional period. Pursuant to subsection 2(1) of SIMA, an amount of subsidy of less than 1% of the export price of the goods is defined as insignificant.

[157] For all exporters, the estimated amount of subsidy, expressed as a percentage of the export price, is above 1% and is, therefore, not insignificant. In respect of these goods, provisional countervailing duties will be imposed on goods of the same description imported during the provisional period.

DECISIONS

[158] On October 9, 2025, pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing respecting CISP from China.

PROVISIONAL DUTY

[159] Pursuant to subsection 8(1) of SIMA, provisional duties payable by the importer in Canada will be applied to dumped and subsidized imports of CISP that are released from the CBSA during the period commencing on the day the preliminary determinations are made and ending on the earlier of the day on which the CBSA causes the investigations in respect of any goods to be terminated, in accordance with subsection 41(1), or the day on which the CITT makes an order or finding. The CBSA considers that the imposition of provisional duties is needed to prevent injury. As noted in the CITT's preliminary determination, there is evidence that discloses a reasonable indication that the dumping and subsidizing of CISP have caused or are threatening to cause injury to the domestic industry.

[160] Imports of CISP originating in or exported from China, and released by the CBSA on or after October 9, 2025, will be subject to provisional duties equal to the sum of the estimated margin of dumping and the estimated amount of subsidy, expressed as a percentage of the export price of the goods. **Appendix 1** contains the estimated margins of dumping, estimated amount of subsidy and the rates of provisional duties.

[161] Importers are required to pay provisional duties in cash or it may be guaranteed by posting a surety bond equal to the amount payable. Importers should contact their CBSA regional office if they require further information on the payment of provisional duties or the posting of security. 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](#) 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](#) for more general information.

[162] The CBSA's Assessment and Revenue Management (CARM) system will generally assign the SIMA code on Commercial Accounting Declarations (CAD). 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. Importers may be assessed an administrative monetary penalty if they fail to provide the required code for any goods subject to SIMA. The imported goods are also subject to the *Customs Act*. As a result, failure to pay duties within the specified time will result in the application of the provisions of the *Customs Act* regarding interest.

FUTURE ACTION

THE CANADA BORDER SERVICES AGENCY

[163] The CBSA will continue its investigations of the dumping and subsidizing of CISP and will make final decisions by January 7, 2026.

[164] If the margin of dumping or amount of subsidy of any exporter are found to be insignificant, the CBSA will terminate the investigation in respect of goods of that exporter and any provisional duties paid or security posted will be refunded to importers, as appropriate. If the CBSA is satisfied that the goods were dumped and/or subsidized, final determinations will be made.

THE CANADIAN INTERNATIONAL TRADE TRIBUNAL

[165] The CITT has begun its inquiry into the question of injury to the Canadian industry. The CITT is expected to issue its finding by February 6, 2026.

[166] If the CITT finds that the dumping has not caused injury, retardation or is not threatening to cause injury, the proceedings will be terminated and all provisional anti-dumping duty collected or security posted will be refunded.

[167] If the CITT makes a finding that the dumping has caused injury, retardation or is threatening to cause injury, anti-dumping duty in an amount equal to the margin of dumping will be levied, collected and paid on imports of CISP that are of the same description as goods described in the CITT's finding.

[168] If the CITT finds that the subsidizing has not caused injury, retardation or is not threatening to cause injury, the proceedings will be terminated and all provisional countervailing duty collected or security posted will be refunded.

[169] If the CITT makes a finding that the subsidizing has caused injury, retardation or is threatening to cause injury, countervailing duty in the amount equal to the amount of subsidy on the imported goods will be levied, collected and paid on imports of CISP that are of the same description as goods described in the CITT's finding.

[170] For purposes of the preliminary determinations of dumping or subsidizing, the CBSA has responsibility for determining whether the actual and potential volume of goods is negligible. After preliminary determinations of dumping or subsidizing, the CITT assumes this responsibility. In accordance with subsection 42(4.1) of SIMA, the CITT is required to terminate its inquiry in respect of any goods if the CITT determines that the volume of dumped or subsidized goods from a country is negligible.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

[171] 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.

[172] 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.

UNDERTAKINGS

[173] After a preliminary determination of dumping by the CBSA, other than a preliminary determination in which a determination was made that the margin of dumping of the goods is insignificant, an exporter may submit a written undertaking to revise selling prices to Canada so that the margin of dumping or the injury caused by the dumping is eliminated.

[174] Similarly, after the CBSA has rendered a preliminary determination of subsidizing, a foreign government may submit a written undertaking to eliminate the subsidy on the goods exported or to eliminate the injurious effect of the subsidy, by limiting the amount of the subsidy or the quantity of goods exported to Canada. Alternatively, exporters with the written consent of their government may undertake to revise their selling prices so that the amount of the subsidy or the injurious effect of the subsidy is eliminated.

[175] In view of the time needed for consideration of undertakings, written undertaking proposals should be made as early as possible, and no later than 60 days after the preliminary determinations of dumping and subsidizing. Further details regarding undertakings can be found in the [CBSA's Memorandum D14-1-9](#).

[176] Interested parties may provide comments regarding the acceptability of undertakings within nine days of the receipt of an undertaking by the CBSA. The CBSA will maintain a list of parties that wish to be notified should an undertaking proposal be received. Those who are interested in being notified should provide their name, telephone, mailing address and email address to the CBSA using the contact information identified in the "*Information*" section of this document.

[177] If undertakings were to be accepted, the investigations and the collection of provisional duties would be suspended. Notwithstanding the acceptance of an undertaking, an exporter may request that the CBSA's investigations be completed and that the CITT complete its injury inquiry.

PUBLICATION

[178] A notice of these preliminary determinations of dumping and subsidizing will be published in the *Canada Gazette* pursuant to paragraph 38(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

A handwritten signature in black ink, appearing to read 'S. Borg', with a stylized flourish at the end.

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

ATTACHMENTS

Appendix 1: Summary of Estimated Margins of Dumping, Estimated Amount of Subsidy and Provisional Duty Payable

**APPENDIX 1 – SUMMARY OF ESTIMATED MARGINS OF DUMPING,
ESTIMATED AMOUNT OF SUBSIDY AND PROVISIONAL DUTIES PAYABLE**

The following table lists the estimated margin of dumping, the estimated amount of subsidy, and the provisional duty by exporter as a result of the decisions mentioned above. Imports of subject goods released from the Canada Border Services Agency on or after October 9, 2025, will be subject to provisional duty at the rate specified below.

Exporter	Estimated Margin of Dumping (% of Export Price)	Estimated Amount of Subsidy (% of Export Price)	Provisional Duties (% of Export Price)
Dinggin Hardware (Dailan) Co., Ltd.	196.6%	16.8%	213.4%
Shanxi Xuanshi Industrial Group Co., Ltd.	288.1%	16.8%	304.9%
All other exporters	312.4%	16.8%	329.2%