



OTTAWA, July 31, 2025

## STATEMENT OF REASONS

Concerning the termination of the dumping investigation with respect to

### **CORROSION-RESISTANT STEEL SHEET ORIGINATING IN OR EXPORTED FROM THE REPUBLIC OF TÜRKIYE BY BORÇELİK ÇELİK SANAYİ TİCARET A.Ş.**

## DECISION

On July 16, 2025, pursuant to subsection 41(1)(a) of the *Special Import Measures Act*, the Canada Border Services Agency terminated the dumping investigation in respect of certain corrosion-resistant steel sheet originating in or exported from the Republic of Türkiye by Borçelik Çelik Sanayi Ticaret A.Ş., as the goods were not dumped.

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

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## **SUMMARY OF EVENTS**

- [1] On December 5, 2024, pursuant to subsection 31(1) of *Special Import Measures Act* (SIMA), the CBSA, on its own initiative, initiated an investigation respecting the dumping of corrosion-resistant steel sheet (COR) from the Republic of Türkiye (Türkiye) by Borçelik Çelik Sanayi Ticaret A.Ş. (Borçelik).
- [2] Upon receiving notice of the initiation of the investigation, 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 of the above-mentioned goods have caused injury or are threatening to cause injury to the Canadian industry producing the like goods.
- [3] On February 3, 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 of COR originating in or exported from the Türkiye by Borçelik has caused injury to the domestic industry.
- [4] On February 26, 2025, the CBSA notified interested parties that the preliminary stage of the investigation will be extended pursuant to subsection 39(1) of SIMA.
- [5] On April 17, 2025, as a result of the CBSA's preliminary investigation and pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determination of dumping of COR originating in or exported from Türkiye by Borçelik.
- [6] On the same date, pursuant to subsection 8(1) of SIMA, provisional duties were imposed on imports of dumped goods that are of the same description as any goods to which the preliminary determination apply, and that are released during the period commencing on the day the preliminary determination was made and ending on the earlier of the day on which the CBSA causes the investigation 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.
- [7] Based on the available evidence, the CBSA is satisfied that COR originating in or exported from the Türkiye by Borçelik was not dumped. Therefore, on July 16, 2025, the CBSA terminated the dumping investigation, pursuant to paragraph 41(1)(a) of SIMA, in respect of those goods.
- [8] Provisional duties that have been collected since the preliminary determination will be refunded to the importers and will no longer continue to be imposed.

## **PERIOD OF INVESTIGATION**

- [9] The Period of Investigation (POI) is October 1, 2023 to September 30, 2024.

## **PROFITABILITY ANALYSIS PERIOD**

[10] The Profitability Analysis Period (PAP) is October 1, 2023 to September 30, 2024.

## **INTERESTED PARTIES**

### **Domestic Industry**

[11] The domestic industry is comprised of three producers, ArcelorMittal Dofasco G.P. (AMD), Material Sciences Corporation, and Stelco Inc. (Stelco). At initiation of the investigation, the CBSA sent a particular market situation (PMS) request for information (RFI) to these three producers. Responses were received from AMD and Stelco.

### **Trade Union**

[12] The United Steelworkers has been identified as representing persons employed in the production of like goods in Canada.

### **Importers**

[13] At the time of initiation of the investigation, the CBSA identified 11 potential importers of the subject goods from CBSA import documentation. Two importers provided a response to the Importer RFI.<sup>1</sup>

### **Exporter**

[14] The exporter and producer of the subject goods, Borçelik in Türkiye, was asked to respond to the CBSA's Dumping RFI, and provided a response. Borçelik represents 100% of the volume of subject goods during the POI. Producers and suppliers of hot-rolled or cold-rolled steel used as input in the production of subject and like goods, that are related to Borçelik, were also requested to respond to parts of the RFI. None of Borçelik's associated producers or suppliers of such input provided a response.

### **Government**

[15] At the initiation of the investigation, the CBSA sent a PMS RFI to the Government of Türkiye (GOT), to which the GOT responded.

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<sup>1</sup> EXH 021 (NC) and 023 (NC) - Responses to Importer Request for Information (RFI)

## PRODUCT INFORMATION

### Definition

[16] For the purposes of this investigation, subject goods are defined as:

*Corrosion-resistant flat-rolled steel sheet products of carbon steel including products alloyed with the following elements:*

- *Boron (B) not more than 0.01%,*
- *Niobium (Nb) not more than 0.100%,*
- *Titanium (Ti) not more than 0.08%, or*
- *Vanadium (V) not more than 0.300%*

*in coils or cut lengths, in thicknesses up to 0.168 in. (4.267 mm) and widths up to 72 inch (1,828.8 mm) with all dimensions being plus or minus allowable tolerances contained in the applicable standards, with or without passivation and/or anti-fingerprint treatments, originating in or exported from the Republic of Türkiye by Borçelik Çelik Sanayi Ticaret A.Ş., and excluding:*

- *corrosion-resistant steel sheet products for use in the manufacture of passenger automobiles, buses, trucks, ambulances or hearses or chassis therefor, or parts thereof, or accessories or parts thereof;*
- *steel products for use in the manufacture of aeronautic products;*
- *steel sheet that is coated or plated with tin, lead, nickel, copper, chromium, chromium oxides, both tin and lead (“terne plate”), or both chromium and chromium oxides (“tin free steel”);*
- *stainless flat-rolled steel products;*
- *corrosion-resistant steel sheet products that have been pre-painted, including with lacquers or varnishes, or permanently coated in plastic;*
- *galvanized armouring tape, which is narrow flat steel tape of 3 in. or less, that has been coated by a final operation with zinc by either the hot-dip galvanizing or the electrogalvanizing process so that all surfaces, including the edges, are coated;*
- *perforated steel,*
- *and tool steel.*

## Additional Product Information<sup>2</sup>

- [17] The product definition includes COR where the substrate is coated with a corrosion-resistant material such as zinc, aluminum, and other alloys. The coating may be applied by a variety of processes including hot-dip galvanizing or electro-galvanizing.
- [18] The product definition includes galvanized steel. Galvanized steel is produced by passing the steel through an annealing furnace after it completes the hot-dip galvanizing process and while the zinc is still liquid. This causes the iron and zinc layers to diffuse into each other, creating a zinc-alloy layer at the surface.
- [19] Passivation refers to a material becoming “passive”, that is, less affected or corroded by the environment of future use. Passivation involves creation of an outer layer of shield material that is applied as a micro-coating, created by chemical reaction with the base material, or allowed to build from spontaneous oxidation in the air. As a technique, passivation is the use of a light coat of a protective material, to create a shell against corrosion.
- [20] Corrosion-resistant steel with anti-fingerprint coatings (whether as part of a passivation treatment or separate) is also included within the product definition.
- [21] COR is usually produced from cold-rolled carbon steel sheet (“CRS”) and sometimes from hot-rolled carbon steel sheet (“HRS”). However, additions of certain elements, such as titanium, vanadium, niobium or boron, during the steel-making process enable the steel to be classified as alloy steel. Therefore, COR produced from either carbon steel or alloy steel is included in the definition of the subject goods.
- [22] The subject goods (and like goods produced by the domestic industry) are manufactured to meet certain American Society for Testing and Materials (ASTM), Society of Automotive Engineering (SAE) or equivalent specifications, including, but not limited to:
- ASTM A653/653M
  - ASTM A792/A792M
  - SAE J403
  - SAE J1392
  - SAE J2329
  - SAE J1562

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<sup>2</sup> Corrosion-resistant Steel Sheet, December 1, 2020, NQ-2019-002, *Statement of Reasons* (CITT), paras. 36-43

- [23] The product definition includes “seconds”. Seconds are goods that do not meet some aspect of the original specification. This could include dimensions, grade, or coating. It could also include a coil that has been damaged. Seconds are sold at a discount. Seconds may meet ASTM, SAE or other specifications or may be re-certified to meet a standard. For example, a coil that is damaged along the edge may be a “second”. However, if the damaged edge is slit and the damage is removed the coil could be classified as a primary coil produced to the new width. Seconds are graded and sold on a scale of five.
- [24] For greater clarity, the product definition does not cover:
- Corrosion-resistant steel for use in automobiles and automobile parts, hereafter referred to as “Automotive”. Automotive end users include Original Equipment Manufacturers (“OEMs”) and auto part producers. Such excluded goods may fall under Customs Tariff item 9959.00.00.
  - Pre-painted steel and steel permanently coated in plastic. Pre-painted steel is steel on which paint has been applied by coil coating at the manufacturing facility. The paint may be applied to one or both sides. The paint may be applied as a liquid, paste, powder, varnish or lacquer. Paints may include, but are not limited to, primers, finishing coats, polyesters polymers, plastisol paints, polyurethanes, polyvinylidene fluorides, and epoxy. Steel permanently coated in plastic is steel to which plastics, including films or laminates, are permanently attached.

### **Manufacturing Process<sup>3</sup>**

- [25] The subject goods are usually produced from CRS and sometimes from HRS sheet. The steel sheet to be coated is commonly referred to as steel substrate. Hot-dip galvanizing and electro-galvanizing are the two processes that can be used to coat the substrate steel sheet with zinc, aluminum, or other alloys. AMD uses hot-dip galvanizing.
- [26] In the hot-dip galvanizing process, the first step is to clean the surfaces to improve the adhesion of the coating. After cleaning, the substrate enters a continuous annealing furnace. The furnace heats the substrate to the temperature necessary to develop the desired metallurgical properties of the final product. The substrate is then placed in a molten coating bath and, as it emerges from the bath, an air, nitrogen or steam wipe is used to control the thickness of the coating. The galvanized steel sheet is then cooled in a cooling tower.

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<sup>3</sup> Corrosion-resistant steel sheet 2 - Statement of Reasons - Final decisions (CBSA), paras 44 - 46

- [27] In the electro-galvanizing process, charged steel passes through a plating bath and opposite electrical charges cause the zinc solution to coat the steel. Cold-rolled steel coils are batch annealed in multi-stack furnaces or in off-line continuous annealing process, often skin passing on a temper mill, before being electro-galvanized with a thin coating of zinc on a continuous processing line.

#### **Product Use<sup>4</sup>**

- [28] Common applications for COR falling within the product definition include, but are not limited to, production of farm buildings, grain bins, culverts, garden sheds, roofing material, siding, floor decks, roof decks, wall studs, drywall corner beads, doors, door frames, ducting (and other heating and cooling applications), flashing, hardware products and appliance components.

#### **Classification of Imports**

- [29] Beginning January 1, 2022, under the revised customs tariff schedule, subject goods are normally classified under the following tariff classification numbers:

7210.30.00.00	7212.20.00.10	7212.50.00.40	7225.92.00.30
7210.49.00.40	7212.20.00.20	7212.50.00.50	7225.92.00.40
7210.49.00.50	7212.20.00.30	7212.50.00.60	7226.99.00.11
7210.49.00.60	7212.20.00.40	7225.91.00.10	7226.99.00.12
7210.49.00.70	7212.30.00.10	7225.91.00.20	7226.99.00.13
7210.61.00.10	7212.30.00.20	7225.91.00.30	7226.99.00.19
7210.61.00.20	7212.30.00.30	7225.91.00.40	
7210.69.00.10	7212.30.00.40	7225.92.00.10	
7210.69.00.20	7212.50.00.30	7225.92.00.20	

- [30] These tariff classification numbers may also include non-subject goods, and subject goods may also fall under additional tariff classification numbers.

#### **LIKE GOODS AND CLASS OF GOODS**

- [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 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.

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<sup>4</sup> Corrosion-resistant steel sheet 2 - Statement of Reasons - Final decisions (CBSA), para 47

[32] In its preliminary injury inquiry for this investigation, the CITT further reviewed the matter of like goods and classes of goods. On February 18, 2025, the CITT issued its preliminary inquiry *Statement of Reasons*<sup>5</sup> for the investigation, indicating that it considered that domestically produced COR are like goods to the subject goods and that there is one class of goods.

## **IMPORTS INTO CANADA**

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

[34] The following table presents the CBSA’s analysis of imports of COR for the purposes of the final decision:

**Import Volume of COR**  
(October 1, 2023 to September 30, 2024)

<b>Exporter / Country</b>	<b>% of Total Import Volume</b>
Borçelik / Türkiye	13.9%
All Other Imports	86.1%
<b>Total Imports</b>	<b>100%</b>

## **INVESTIGATION PROCESS**

[35] Regarding the investigation, information was requested from Borçelik and all known and potential importers and vendors, concerning shipments of COR released into Canada during the POI. Information was also requested from all associated suppliers of inputs that are a significant factor in the production of COR, if any.

[36] As information available to the CBSA at initiation demonstrated that a PMS may exist with respect to Türkiye due to evidence of distorted input costs, the CBSA also requested information from the GOT<sup>6</sup> as well as from Canadian producers with respect to the possible PMS.<sup>7</sup>

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<sup>5</sup> Canadian International Trade Tribunal; Corrosion-Resistant Steel Sheet 3 Determination and Reasons (February 18, 2025), PI 2024-003

<sup>6</sup> EXH 034 (PRO) and 035 (NC) - Response to RFI from the Government of Türkiye (GOT)

<sup>7</sup> EXH 030 (PRO) and 031 (NC) - Response to RFI - particular market situation (PMS) from Stelco Inc. (“Stelco”); and EXH 032 (PRO) and 033 (NC) -Response to RFI - PMS from ArcelorMittal Dofasco G.P. (AMD)

- [37] Borçelik was 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 and the assessment of anti-dumping duties on subject goods being based on facts available to the CBSA. Further, the company was notified that determinations on the basis of facts available could be less favorable to them than if complete verifiable information was made available.
- [38] Several parties (i.e., importers, the exporter, a related supplier of input material and the GOT) requested an extension to respond to their respective RFI. The CBSA reviewed each request on a case-by-case basis. Where reasons for making the request constituted unforeseen circumstances or unusual burdens, an extension was granted.
- [39] After reviewing Borçelik's RFI response,<sup>8</sup> three supplemental RFIs (SRFIs) were sent to seek additional information and clarification. Borçelik provided responses to these SRFIs.<sup>9</sup> An on-site verification was also conducted by the CBSA at Borçelik's premises in Gemlik. The GOT and the Canadian producers were also sent SRFIs and provided their responses.<sup>10</sup>
- [40] Details pertaining to the information submitted by the exporter in response to the dumping RFIs as well as the results of the CBSA's investigation are provided in the *Dumping investigation* section of this document.
- [41] Following the close of the record, the CBSA's precursory PMS analysis was made available to interested parties and those parties were invited to make representations.
- [42] As part of the final phase of the investigation, representations on the precursory PMS analysis, case briefs, and reply submissions were provided on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc., Borçelik as well as the GOT. Details of the representations are provided in **Appendix 1**.

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<sup>8</sup> EXH 037 (PRO) and 038 (NC) – Response to RFI from Borçelik Çelik Sanayii Ticaret A.Ş. (Borçelik)

<sup>9</sup> EXH 051 (PRO) and 052 (NC) – Response to SRFI#1; EXH 065 (PRO) and 066 (NC) – Response to SRFI #2; EXH 070 (PRO) and 071 (NC) - Additional information submitted by counsel for Borçelik (refers to EXH 065 and 066); and EXH 075 (PRO) and 076 (NC) - response to SRFI #3

<sup>10</sup> EXH 046 (PRO) and 047 (NC)- Response to SRFI #1 dumping from AMD; EXH 048 (PRO) and 049 (NC) - Response to SRFI #1 dumping from the GOT; and EXH 050 (PRO) and 051 (NC) - Response to SRFI#1 dumping from Stelco

## **DUMPING INVESTIGATION**

- [43] The following presents the final results of the investigation into the dumping of COR originating in or exported from Türkiye by Borçelik.

### **Normal Value**

- [44] 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.
- [45] If, in the opinion of the President, domestic sales of like goods in the country of export do not permit a proper comparison with the sales of the goods to the importer in Canada because a PMS exists, the sale of such goods, in accordance with paragraph 16(2)(c) of SIMA, will not be taken into account in determining the normal value under section 15. The CBSA will then look to one of the methodologies set out in section 19. A PMS can be found to exist in respect of any goods of a particular exporter or of a particular country.
- [46] Where, in the opinion of the President 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**

- [47] 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.

### **Margin of Dumping**

- [48] 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 imported into Canada during the POI are included in the determination 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.

## Particular Market Situation (PMS)

- [49] The CBSA investigated whether a PMS existed in Türkiye for Borçelik, which would not permit a proper comparison of Borçelik's domestic sales of like goods with their sales of subject goods to the importers in Canada.
- [50] Pursuant to paragraph 16(2)(c) of the SIMA, the President of the CBSA may form the opinion that a PMS exists, which affects the sales of like goods for use in the country of export, such that a proper comparison with export sales is not permitted. According to subsection 16(2.1) of SIMA, a PMS may be found to exist in respect of any goods of a particular exporter or of a particular country, as appropriate in the circumstances.
- [51] In accordance with paragraph 16(2)(c) of SIMA, the CBSA will not consider any sales of like goods for use in the country of export in determining the normal values of goods under section 15, if, in the opinion of the President of the CBSA, a PMS exists which does not permit a proper comparison with the sales of the goods to the importer in Canada.
- [52] Although the SIMA does not define PMS, the President of the CBSA may form the opinion that a PMS exists, which does not permit a proper comparison with the sales of the goods to the importers in Canada. For example, certain factors (such as government regulations, significant volatility in economic conditions in the home market of the exporter and distorted input costs) have had a significant impact on the domestic sales of like goods in the country of export, such that the PMS does not permit a proper comparison between these sales and export sales to Canada.
- [53] If the President is of the opinion that the domestic sales of like goods in the country of export do not permit a proper comparison with the sales of the goods to the importers in Canada because of a PMS, the normal values of those goods will be determined under section 19 of SIMA, where possible, or section 29 of SIMA.
- [54] Additionally, if the President forms the opinion that a PMS exists which does not permit a proper comparison of the sales of like goods with the sales of the goods to the importer in Canada, such that the acquisition cost of an input used in the production of the subject good does not reasonably reflect the actual cost of that input, the cost of the input shall be substituted in accordance with subsection 11.2(2) of the SIMR, in the first of the amounts prescribed in paragraphs (a) to (e) that reasonably reflects the actual cost of the input so as to permit a proper comparison.
- [55] This investigation is specific to one exporter. As such, the market being assessed is the market for Borçelik's domestic sales of COR meeting the product definition; and the relevant point of inquiry is whether there was, during the POI, a PMS that precluded a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada.

[56] In order to form an opinion, pursuant to paragraph 16(2)(c) of the SIMA, that a PMS existed in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their sales of subject goods to the importers in Canada, sufficient information on the record would have been required to demonstrate that:

- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik;
- The PMS had an impact on the domestic sales of Borçelik; and
- As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

[57] At the initiation of the investigation, the CBSA sent PMS RFIs<sup>11</sup> to the GOT and Canadian domestic producers. The Dumping RFI<sup>12</sup> sent to Borçelik also included questions relating to PMS. During the investigation, the CBSA further sent SRFIs to the GOT, Canadian domestic producers and Borçelik to collect additional information relating to PMS. Responses<sup>13</sup> to the RFIs and SRFIs were received by the CBSA. Additional information<sup>14</sup> was also submitted by Canadian domestic producers. In the final phase of the investigation, an on-site verification<sup>15</sup> was held at Borçelik's premises in Türkiye. The CBSA also included on the record a variety of available information<sup>16</sup> gathered by the CBSA, such as media articles, academic papers, industry information, pricing data, analysis, etc.

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<sup>11</sup> Exhibit 013 (NC) - Request for information (RFI) - particular market situation - Canadian industry; Exhibit 014 (NC) - Request for information (RFI) - particular market situation - Government of Türkiye.

<sup>12</sup> Exhibit 011 (NC) - Request for information (RFI) - dumping sent to exporter.

<sup>13</sup> Exhibit 030 (PRO) and 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc. ("Stelco"); Exhibit 032 (PRO) and 033 (NC) - Response to request for information (RFI) - particular market situation from ArcelorMittal Dofasco G.P.; Exhibit 034 (PRO) and 035 (NC) - Response to request for information (RFI) from the Government of Türkiye; Exhibit 037 (PRO) and 038 (NC) - Response to request for information (RFI) from Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 046 (PRO) and 047 (NC) - Response to supplemental request for information (SRFI) #1 dumping from ArcelorMittal Dofasco G.P. ("AMD"); Exhibit 048 (NC) - Response to supplemental request for information (SRFI) #1 dumping from the Government of Türkiye; Exhibit 049 (PRO) and 050 (NC) - Response to supplemental request for information (SRFI) #1 dumping from Stelco Inc. ("Stelco"); Exhibit 051 (PRO) and 052 (NC) - Response to supplemental request for information (SRFI) #1 from Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 065 (PRO) and 066 (NC) - Response to supplemental request for information (SRFI) #2 from Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 070 (PRO) and 071 (NC) - Additional information submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. (refers to exhibits 065 and 066); Exhibit 075 (PRO) and 076 (NC) - Response to supplemental request for information (SRFI) #3 from Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 093 (PRO) and 094 (NC) - Additional information relating to data prior to the period of investigation (POI) submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 095 (PRO) and 096 (NC) - Additional appendices submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş..

<sup>14</sup> Exhibit 043 (PRO) and 044 (NC) - Comments submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD") and Stelco Inc. ("Stelco") regarding the responses to requests for information; Exhibit 067 (PRO) and 068 (NC) - Additional information submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD"); Exhibit 069 (NC) - Information relating to hot-rolled coil (HRC) grades from ArcelorMittal Dofasco G.P.; Exhibit 072 (PRO) and 073 (NC) - Comments submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD") and Stelco Inc. ("Stelco") regarding exhibits 045-071.

<sup>15</sup> Exhibit 099 (PRO) and 100 (NC) - Verification exhibits - Borçelik Çelik Sanayii Ticaret A.Ş..

<sup>16</sup> Exhibit 081 (NC) - Articles, reports and CBSA research; Exhibit 101 (PRO) - Corrosion-resistant steel sheet imports; Exhibit 102 (NC) - Fastmarkets publications; Exhibit 103 (NC) - Financial information for three public

- [58] The GOT submitted their comments<sup>17</sup> regarding the preliminary determination before the date of closing of the record. On the date of closing of the record, Borçelik and Canadian domestic industry submitted additional attachments<sup>18</sup>.
- [59] The CBSA published its precursory PMS analysis<sup>19</sup> on the record and invited comments from interested parties<sup>20</sup>. Representations<sup>21</sup> on the CBSA's precursory PMS analysis were received from the GOT, Canadian domestic producers and Borçelik. Further, Borçelik and Canadian domestic industry also filed case briefs<sup>22</sup> and reply submissions<sup>23</sup> for this investigation.
- [60] The information on the record was used to evaluate whether a PMS existed in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their sales of subject goods to the importers in Canada; and whether the application of subsection 11.2(2) of the SIMR is warranted.
- [61] The CBSA has concluded that the information on the record was insufficient for the CBSA to form the opinion, pursuant to paragraph 16(2)(c) of SIMA, that a PMS existed in Türkiye for Borçelik due to the distorted input costs (caused by the significant volumes of HRC imports from China, Russia, Japan and India), which did not permit a proper comparison of Borçelik's domestic sales of like goods with their sales of subject goods to the importers in Canada.
- [62] The CBSA considered the arguments submitted by Canadian domestic producers, as well as the evidence on the record. The information on the record was insufficient for the CBSA to form the opinion, pursuant to paragraph 16(2)(c) of SIMA, that a PMS existed in Türkiye for Borçelik due to the PMS factors alleged by the Canadian domestic producers, so as not to permit a proper comparison of Borçelik's domestic sales of like goods with their sales of subject goods to the importers in Canada. These alleged PMS factors were, *inter alia*, volatile economic conditions, distorted inputs, presence of dumped COR in the Turkish market, Government support programs, and Turkish inward processing Regime (IPR).

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companies; Exhibit 104 (PRO) - Pricing information issued by one publication; Exhibit 107 (PRO) - Additional pricing information issued by one Publication; Exhibit 108 (NC) - Additional articles, reports and CBSA research.

<sup>17</sup> Exhibit 106 (NC) - Comments submitted by the Government of Türkiye regarding preliminary determinations on particular market situation (PMS).

<sup>18</sup> Exhibit 109 (PRO) and 110 (NC) - Close of record - attachments from Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 111 (PRO) and 112 (NC) - Close of record - attachments from ArcelorMittal Dofasco G.P. and Stelco Inc.

<sup>19</sup> Exhibit 113 (PRO) and 115 (NC) - CBSA particular market situation (PMS) analysis.

<sup>20</sup> Exhibit 114 (NC) - Notice sent to parties regarding the particular market situation (PMS) analysis.

<sup>21</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the particular market situation (PMS); Exhibit 123 (PRO) and 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS); Exhibit 125 (NC) - Comments submitted by counsel for ArcelorMittal Dofasco G.P. and Stelco Inc. regarding the particular market situation (PMS).

<sup>22</sup> Exhibit 117 (PRO) and 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.; Exhibit 119 (PRO) and 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.

<sup>23</sup> Exhibit 126 (PRO) and 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.; Exhibit 128 (PRO) and 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş..

## 1. Investigated Possible PMS Factor - Distorted Input Costs Caused by Significant Volumes of HRC Imports from China, Russia, Japan and India

- [63] Given the evidence available to the CBSA at the initiation of the investigation that hot rolled coil (HRC) imports from China, Russia, Japan and India were dumped and caused material injury to the Turkish domestic industry, the CBSA chose to further investigate whether unfairly traded or low-priced HRC imports from China, Russia, Japan and India did in fact cause a price distortion that led to a PMS in the Turkish COR market.
- [64] Through the investigation, the CBSA did not form the opinion, based on the information on the record, that:
- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and Russia;
  - The PMS had an impact on the domestic sales of Borçelik; and
  - As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

### 1.1 Inputs (HRC and CRC) for COR

- [65] HRCs and cold rolled coils (CRCs) are both major inputs for the production of COR. Generally, HRC accounts for the majority of the cost of CRC. As such, COR can be considered to be produced from HRC directly or indirectly.<sup>24</sup> HRC, CRC and COR are considered as mature products in the steel industry and have standardized manufacturing processes. They are produced and sold according to well-established standards that specify their chemical composition, mechanical properties, dimensional tolerances, surface finish, etc.<sup>25</sup>
- [66] Price sensitivity among HRC, CRC and COR purchasers plays a crucial role in shaping market trends and influencing the production strategies of their respective manufacturers. By their nature, HRC, CRC and COR are commodity products. HRC, CRC and COR offered by one supplier is easily substitutable by another supplier and domestic supply can be easily substituted by imports. In light of this characteristic, purchasers of HRC, CRC and COR are price sensitive when selecting their supply source.<sup>26</sup>

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<sup>24</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 17.

<sup>25</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 18.

<sup>26</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 19.

## 1.2 Turkish HRC Market

- [67] According to the GOT, the primary and most important raw material for the production of all flat-rolled steel products (including CRC and COR) are HRCs; and the HRC market in Türkiye was an open market and was closer to a perfect competition market.<sup>27</sup>
- [68] Based on an analysis<sup>28</sup> of the information submitted by the GOT for the Turkish HRC market, for the period of January 2023 to September 2024, the CBSA concluded that the Turkish HRC market was open and fairly competitive; considered price as a major factor for competition; did not have indications of market dominance or strength by the four largest participants; and had significant imports from China, Russia, Japan and India.
- [69] Given these conditions in the Turkish HRC market, an influx of unfairly traded or low-priced HRC imports from China, Russia, Japan and India may have lowered both domestic HRC prices in Türkiye and HRC import prices from other countries.

## 1.3 Turkish CRC Market

- [70] According to the GOT, the CRC market in Türkiye was also an open market and was closer to a perfect competition market.<sup>29</sup>
- [71] Based on an analysis<sup>30</sup> of the information submitted by the GOT for the Turkish CRC market, for the period of January 2023 to September 2024, the CBSA concluded that the Turkish CRC market was open and fairly competitive; considered price as a major factor for competition; and did not have indications of market dominance or strength by the four largest participants. The CBSA reached the same conclusion when the information submitted by the GOT for the Turkish CRC market was updated with production information submitted by Borçelik.
- [72] As discussed in the subsection 1.2 and as HRC is the major input for CRC, given the aforementioned market conditions of the Turkish CRC market (e.g. open, fairly competitive, price as a major factor for competition and no indications of market dominance or strength by the four largest participants), the Turkish domestic CRC prices and Turkish CRC import prices may have been subsequently lowered as well in order to remain competitive.

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<sup>27</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 21, 23.

<sup>28</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 27-44.

<sup>29</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 48.

<sup>30</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 49-64.

#### 1.4 Turkish COR Market

[73] According to the GOT, the COR market in Türkiye was an open market and was closer to a perfect competition market.<sup>31</sup>

[74] Based on an analysis<sup>32</sup> of the information submitted by the GOT for the Turkish COR market, for the period of January 2023 to September 2024, the CBSA concluded that the Turkish COR market was open and fairly competitive; considered price as a major factor for competition; and did not have indications of market dominance or strength by the four largest participants.

[75] As discussed in the subsection 1.2 and as HRC is the major input for CRC and COR, given the aforementioned market conditions of the Turkish CRC and COR markets (open, fairly competitive, price as a major factor for competition and no indications of market dominance or strength by the four largest participants), the COR prices in Türkiye may have been lowered as well.

#### 1.5 Significant Volumes of Unfairly-Traded or Low-Priced HRC Imports into Türkiye from China, Russia, Japan and India

[76] Based on an analysis<sup>33</sup> of the information submitted by the GOT for HRC imports into the Turkish market, for the period of January 2023 to September 2024, the CBSA concluded that there were significant volumes of HRC imports from China, Russia, Japan and India; as determined by the GOT, HRC imports from China, Russia, Japan and India during the period of January 2023 to June 2023 were dumped and caused material injury to Turkish domestic industry; and HRC imports from China, Russia, Japan and India during the period of July 2023 to September 2024 were low-priced.

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<sup>31</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 67.

<sup>32</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 69-84.

<sup>33</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 87-107.

[77] In order to evaluate whether the increased volumes of unfairly-traded or low-priced HRC imports from China were exerting downward pressure on the Turkish domestic COR prices, the CBSA assessed the pricing relationship between Chinese HRC export prices and the Turkish domestic COR prices using a correlation coefficient. A high correlation coefficient indicates a strong relationship between the prices. Based on an analysis<sup>34</sup> of the correlation coefficients between Chinese HRC export prices, the Turkish HRC/CRC prices and the Turkish domestic COR prices, the CBSA concluded that the Turkish COR prices are perfectly correlated with Turkish HRC/CRC prices, which are perfectly correlated with Chinese HRC export prices. However, the CBSA was unable to conclude that changes in Turkish COR prices were caused by Chinese HRC export prices. In order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish HRC and COR markets were impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices, and export volumes.<sup>35</sup> These factors were considered as possible causes of observed correlations. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to conclude that these factors did not cause the observed correlations and that there was a causal link between changes in COR prices in the Turkish market and the importation of Chinese HRC.

[78] In their representation<sup>36</sup> regarding PMS, Borçelik calculated correlation coefficients using the Turkish domestic HRC prices as published by Fastmarkets, and HRC imports data from the Turkish Statistical Institute (“TUIK”). The CBSA considered that this proposed approach should not be adopted due to the following reasons:

- When calculating the cross-correlation between steel price time series from two markets, the pricing information for both markets should be produced consistently and representatively during the analysis period, in order to appropriately discern if there is a strong correlation relationship between the prices;
- Both the Chinese HRC export prices and the Turkish domestic HRC prices used by the CBSA are published by the same leading commodity price reporting agency, Fastmarkets, which adopts the price-discovery process to produce consistent and representative indicators of value for specific markets over defined trading periods;<sup>37</sup>

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<sup>34</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 113-114.

<sup>35</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 28 to 47.

<sup>36</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS): paras. 18-19.

<sup>37</sup> Exhibit 102 (NC) - Fastmarkets publications: fm-mb-ferrous-metals-methodology-specifications.

- Information<sup>38</sup> on the record indicates that HRC product characteristics impact their prices. In this situation, it is more appropriate to use the pricing information for representative product group(s) to reflect real pricing trend/level in the market, as the average unit price of all different types of purchased/imported HRC may not be able to reflect real pricing trend/level in the market due to significant impact from the composition of the different types of purchased/imported HRC.

[79] In its representation<sup>39</sup> regarding PMS, Borçelik also calculated correlation coefficients by using the Turkish domestic COR prices as published by Fastmarkets, and the alleged HRC imports data from the TUIK. The CBSA considered that this proposed approach should not be adopted due to the same reasons as described in the paragraph above.

[80] In addition to imports from China, it should also be noted that a considerable volume of HRC was imported from Russia during the period of January 2023 to September 2024. As a response to Russia's invasion of Ukraine on February 24, 2022, several major steel-consuming countries imposed sanctions on Russia, including restrictions on trade and the revocation of Russia's Most-Favoured-Nation (MFN) status. The export of Russian steel products including HRC, was particularly affected by the revocation of Russia's MFN status by several countries including EU member states, the United Kingdom, the USA, Canada and Japan.

[81] However, Türkiye did not impose these sanctions on Russia. The revocation of Russia's MFN status resulted in a major trade barrier for Russian products, including HRC. Further, any increase in domestic consumption to make up for losses of export markets was quite unlikely for Russia considering that economic sanctions were also creating a range of economic challenges in the country's steel consuming industries. These conditions suggest that a large volume of Russian excess HRC supply was available to be sold to the markets that were still willing to take them at significantly-discounted prices, such as Türkiye who had not imposed sanctions on Russia.

[82] Given the relationships between HRC, CRC and COR products, the features and relationships of the Turkish HRC, CRC and COR markets, and the correlations between these markets, the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India may have subsequently lowered prices in the Turkish COR market, due to the competitive nature of these markets where price was a major factor for competition.

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<sup>38</sup> Exhibit 052 (NC) - Response to supplemental request for information (SRFI) #1 from Borçelik Çelik Sanayii Ticaret A.Ş.: Response to question 19 c); Exhibit 068 (NC) -Additional information submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD").

<sup>39</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS): paras. 25-26.

## 1.6 Methodology Applied to Evaluate Price Distortions (Selection of Benchmarks)

- [83] In order to evaluate if a situation has caused price distortions to a market under investigation, there are different methodologies the CBSA may employ.
- [84] Under the first methodology, absolute values are selected or established as benchmark values. These benchmark values represent what the prices should be if a situation under investigation becomes present in the market but price distortions to the market have not been caused by this situation. Actual prices in the market are measured and then compared to these benchmark values to evaluate the difference. Price distortions are found to exist if the difference is considered significant. For example, if market A and market B have comparable economic factors, comparable industry structures, comparable costing levels and comparable market conditions for the product, the prices of the product in market A would be comparable to the prices of the product in the market B. When a new situation becomes present in market A, the prices of the product in market B during the same period can be utilized (with necessary adjustments) as the benchmark values to evaluate if price distortions have been caused by this situation to the prices of the product in market A. If a significant difference is found between the actual prices of product in market A and the benchmark values (i.e. the prices of the product in market B with necessary adjustments), then it can be concluded that price distortions have been caused by this situation to the prices of the product in market A, if all other market factors are substantially unchanged.<sup>40</sup> For this case, the CBSA was unable to apply this methodology as sufficient adjustment information was not available to the CBSA.<sup>41</sup>
- [85] In this case, the CBSA used a methodology wherein the relationship between prices in two comparable markets (such as A and B) is used as the benchmark relationship. Specifically, for the period before a situation becomes present in market A, and is not present in market B, the relationship between the absolute prices of the product in market A and B is analyzed and used as the benchmark relationship. When the situation under investigation becomes present in market A, but does not appear in market B, the absolute prices of the product in market A and B are measured again and the relationship between the absolute prices of the product in market A and B (“relationship under investigation”) is summarized and then compared to the benchmark relationship. If a significant difference is found between the relationship under investigation and the benchmark relationship, then it can be concluded that price distortions have been caused by this situation to the prices of the product in market A, if all other market factors are substantially unchanged.<sup>42</sup>

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<sup>40</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 119

<sup>41</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 122

<sup>42</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 118-122.

[86] Based on the CBSA's analysis<sup>43</sup> of the information on the record, the CBSA concluded that the Italian HRC market and the Southern European CRC/COR markets are the most appropriate markets to be used to evaluate if price distortions happened in the Turkish markets. This is due to their geographical proximity; their close relationship; their free trade agreements; the stable economic conditions in the EU; and the EU's trade defence measures. Further, the period of February 2019 to December 2019 was selected as the appropriate period as this is prior to the POI of the GOT's injury finding on HRC imports from China, Russia, Japan and India; the EU imposed definitive safeguard measures on imports of certain steel products since February 1, 2019; and there were not any other apparent distortions in the markets at that time.

#### 1.7 Insufficient Information to Evaluate Borçelik's Specific Purchases of HRC and to Conclude a Casual Link

[87] Information on the record was insufficient for the CBSA to evaluate Borçelik's specific purchases of HRC (i.e., from China, Russia, Japan, India for the period of July 2023 to September 2024, and from other countries and the Turkish domestic producers) and to conclude that the prices of Borçelik's for those HRC purchases had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market.

[88] A comparison of the relationship between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices for the period of February 2019 to December 2019 and for the period of January 2023 to September 2024 was used to evaluate if Turkish HRC prices (domestic and import) were distorted during the period of January 2023 to September 2024. Turkish HRC prices (domestic and import) and Italian domestic HRC prices were gathered from Fastmarkets.

[89] The CBSA analyzed<sup>44</sup> the correlation coefficients between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices, based on the pricing information from Fastmarkets:

- For the period of February 2019 to December 2019, the period of January 2023 to September 2024 and the POI of this investigation, the correlation coefficients indicate perfect or very strong associations between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices, which supports the CBSA's selection of Italian domestic HRC prices in the evaluation of price distortions;
- The correlation coefficients between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices decreased from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the POI of this investigation. This demonstrates that the association

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<sup>43</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 118-132.

<sup>44</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 136, 138.

between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices weakened, especially considering the perfect correlation during the period of February 2019 to December 2019.

- [90] In their representation<sup>45</sup> regarding PMS, Borçelik questioned the CBSA's use of monthly prices (instead of weekly prices) to calculate correlation coefficients between the Turkish domestic HRC prices and the Italian domestic HRC prices. The CBSA considered that it is more appropriate to use monthly prices, due to a consideration of the price transmission time required between these two closely intertwined and integrated markets.
- [91] Further, the CBSA assessed<sup>46</sup> the statistical distributions of differences between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices for those different periods: there are significant changes in the statistical distributions (such as, mean, median, standard deviation, sample variance, minimum, maximum, range, etc.) of differences between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the CBSA's POI, which further supports that significant changes happened to the association between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices. Especially, there are significant increases in the means of the statistical distributions of the differences between the Turkish HRC prices (domestic and import) and the Italian domestic HRC prices from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the CBSA's POI. This indicates that the Turkish HRC prices (domestic and import) for the period of January 2023 to September 2024 and the CBSA's POI moved away significantly from the Italian domestic HRC prices and the differences between the Turkish HRC prices and the Italian domestic HRC prices increased significantly.

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<sup>45</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS) : paras. 37-38.

<sup>46</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 140.

- [92] However, the CBSA was unable to conclude that the changes in price correlations and/or increased pricing difference between the Turkish HRC prices and the Italian domestic HRC prices were caused by the significant volumes of low-priced HRC imports from China, Russia, Japan and India for the whole period of July 2023 to September 2024. In order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish HRC market was impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices, and export volumes<sup>47</sup>. These factors were considered as possible causes of observed correlations. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the changes in price correlations and/or increased pricing difference between the Turkish HRC prices and the Italian domestic HRC prices were caused by the significant volumes of low-priced HRC imports from China, Russia, Japan and India for the whole period of July 2023 to September 2024. Consequently, the CBSA was unable to conclude that Turkish HRC prices had been lowered or otherwise affected by the significant volumes of low-priced HRC imports from China, Russia, Japan and India for the whole period of July 2023 to September 2024.
- [93] This is an exporter-specific investigation. Without an evaluation of Borçelik's specific commercial practices, the CBSA was not able to conclude that all Borçelik's HRC input costs would have been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market. This conclusion could be reached only after Borçelik's specific commercial practices (i.e. purchases of HRC) are specifically evaluated. Further details are discussed in the following three paragraphs.
- [94] Information on the record indicates that HRC prices depend on HRC product characteristics and sales terms. For example, Borçelik reported<sup>48</sup> that prices of HRC vary depending on specification, grade, size, thickness, width, form and chemistry and the variations in price can be significant; information<sup>49</sup> from AMD and information<sup>50</sup> from Borçelik also indicate that several factors impacted HRC prices. As reported<sup>51</sup> by Borçelik, Borçelik purchased many different types of HRC products.

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<sup>47</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 28-40.

<sup>48</sup> Exhibit 052 (NC) - Response to supplemental request for information (SRFI) #1 from Borçelik Çelik Sanayii Ticaret A.Ş.: Response to question 19 c).

<sup>49</sup> Exhibit 068 (NC) - Additional information submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD").

<sup>50</sup> Exhibit 110 (NC) - Close of record - attachments from Borçelik Çelik Sanayii Ticaret A.Ş.: CR-82 AMD Price Book 2025 – ENGLISH.

<sup>51</sup> Exhibit 076 (NC) - Response to supplemental request for information (SRFI) #3 from Borçelik Çelik Sanayii Ticaret A.Ş.: Exhibit S3-7 Revised Appendix 5 – Import and Exhibit S3-9 Revised Appendix 5 – Domestic; Exhibit 094 (NC) - Additional information relating to data prior to the period of investigation (POI) submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş.: Exhibit S4-3 PrePOI Appendix 5 – Import and Exhibit S4-4 PrePOI Appendix 5 – Domestic.

[95] During the investigation, the CBSA collected benchmark prices information through RFIs and SRFIs, as well as the CBSA's own research. The record includes the benchmark prices information from several publications, such as Fastmarkets, CRU and MEPS. However, the benchmark prices from those publications can not be used to evaluate Borçelik's specific purchases of HRC (i.e., from China, Russia, Japan, India for the period of July 2023 to September 2024, and from other countries and the Turkish domestic producers, if any), due to the following reasons:

- The product characteristic information for the products associated with published benchmark prices is not detailed enough and does not allow the CBSA to make a proper comparison between the same or the substantially same products;
- No information is available to adjust the published benchmark prices to permit a proper comparison with Borçelik's purchase prices.

[96] As described previously, in order to demonstrate a causal relationship, other known possible causes would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish HRC market was impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices, and export volumes<sup>52</sup>. These factors were considered as possible causes of changes in Borçelik's purchases prices of HRC. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was not able to evaluate those factors in order to conclude that the prices of Borçelik's HRC purchases (i.e., from China, Russia, Japan, India for the period of July 2023 to September 2024, and from other countries and the Turkish domestic producers) had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market, even if the lowering down or changes of Borçelik's purchasing prices of those HRC are observed.

[97] In summary:

- While the CBSA observed changes in price correlations and/or increased pricing difference between the Turkish HRC prices and the Italian domestic HRC prices, the CBSA was unable to conclude that these were caused by the significant volumes of low-priced HRC imports from China, Russia, Japan and India for the whole period of July 2023 to September 2024, or whether these were caused by other factors.
- As a result, the CBSA was unable to conclude that Turkish HRC prices were impacted by the significant volumes of low-priced HRC imports from China, Russia, Japan and India for the whole period of July 2023 to September 2024.

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<sup>52</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 28 to 40.

- In addition, the CBSA was unable to obtain sufficient evidence to conclude that the prices of Borçelik’s purchases of HRC (i.e., from China, Russia, Japan, India for the period of July 2023 to September 2024, and from other countries and the Turkish domestic producers) had been impacted by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.

#### 1.8 Insufficient Information to Evaluate Borçelik’s Specific Purchases of CRC and to Conclude a Casual Link

- [98] Information on the record was insufficient for the CBSA to evaluate Borçelik’s specific purchases of CRC and to conclude that the prices of Borçelik’s CRC purchases had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market.
- [99] A comparison of the relationship between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices for the period of February 2019 to December 2019 and for the period of January 2023 to September 2024 was used to evaluate if the Turkish CRC prices (domestic and import) were distorted during the period of January 2023 to September 2024. The Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices were gathered from Fastmarkets.
- [100] The CBSA analyzed<sup>53</sup> the correlation coefficients between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices, based on the pricing information from Fastmarkets:
- For the period of February 2019 to December 2019, the period of January 2023 to September 2024 and the POI of this investigation, the correlation coefficients indicate very strong or strong associations between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices, which supports the CBSA’s selection of Southern European domestic CRC prices in the evaluation of price distortions;
  - The correlation coefficients between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices declined from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the POI of this investigation. This demonstrates that the association between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices weakened, especially in comparison to the perfect or very strong correlation during the period of February 2019 to December 2019.

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<sup>53</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 147, 149.

- [101] Further, the CBSA assessed<sup>54</sup> the statistical distributions of differences between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices for those different periods: there are significant changes in the statistical distributions (such as mean, median, standard deviation, sample variance, minimum, maximum, range, etc.) of differences between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the CBSA's POI, which further supports that significant changes happened to the association between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices. Especially, there are significant increases in the means of the statistical distributions of the differences between the Turkish CRC prices (domestic and import) and the Southern European domestic CRC prices from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the CBSA's POI. This indicates that the Turkish CRC prices (domestic and import) for the period of January 2023 to September 2024 and the CBSA's POI moved away significantly from the Southern European domestic CRC prices and the differences between the Turkish CRC prices and the Southern European domestic CRC prices increased significantly.
- [102] However, the CBSA was unable to conclude that the changes in price correlations and/or increased pricing difference between the Turkish CRC prices and the Southern European domestic CRC prices were caused by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India. In order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish HRC market was impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices, and export volumes<sup>55</sup>. Due to close relationships between HRC and CRC, these factors were considered as possible causes of observed correlations between the Turkish CRC prices and the Southern European domestic CRC prices. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the changes in price correlations and/or increased pricing difference between the Turkish CRC prices and the Southern European domestic CRC prices were caused by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India. Consequently, the CBSA was unable to conclude that Turkish CRC prices had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.

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<sup>54</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 151.

<sup>55</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 28 to 40.

- [103] This is an exporter-specific investigation. Without an evaluation on Borçelik's specific commercial practices, the CBSA was not able to conclude that Borçelik's CRC input costs would have been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market. This conclusion could be reached only after Borçelik's specific commercial practices (i.e. purchases of CRC) are specifically evaluated. Further details are discussed in the following three paragraphs.
- [104] Information on the record indicates that CRC prices depend on CRC product characteristics and sales terms. For example, Borçelik reported in their response<sup>56</sup> to the SRFI#1 that prices of Full Hard vary depending on specification, grade, size, thickness, width, form and chemistry and the variations in price can be significant; information<sup>57</sup> from AMD and information<sup>58</sup> from Borçelik also indicate that several factors impacted CRC prices. As reported in Appendix 5<sup>59</sup> submitted by Borçelik, Borçelik purchased many different types of CRC products.
- [105] During the investigation, the CBSA collected benchmark prices information through RFIs and SRFIs, as well as the CBSA's own research. The record includes the benchmark prices information from several publications, such as Fastmarkets, CRU and MEPS. However, the benchmark prices from those publications can not be used to evaluate Borçelik's specific purchases of CRC, due to the following reasons:
- The product characteristic information for the products associated with published benchmark prices is not detailed enough and does not allow the CBSA to make a proper comparison between the same or the substantially same products;
  - No adjustment information is available to adjust those published benchmark prices to permit a proper comparison with Borçelik's purchase prices.

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<sup>56</sup> Exhibit 052 (NC) - Response to supplemental request for information (SRFI) #1 from Borçelik Çelik Sanayii Ticaret A.Ş. \_Redacted: Response to question 19 c).

<sup>57</sup> Exhibit 068 (NC) - Additional information submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD").

<sup>58</sup> Exhibit 110 (NC) - Close of record - attachments from Borçelik Çelik Sanayii Ticaret A.Ş.: CR-82 AMD Price Book 2025 – ENGLISH.

<sup>59</sup> Exhibit 076 (NC) - Response to supplemental request for information (SRFI) #3 from Borçelik Çelik Sanayii Ticaret A.Ş.: Exhibit S3-7 Revised Appendix 5 – Import and Exhibit S3-9 Revised Appendix 5 – Domestic; Exhibit 094 (NC) - Additional information relating to data prior to the period of investigation (POI) submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş.: Exhibit S4-3 PrePOI Appendix 5 – Import and Exhibit S4-4 PrePOI Appendix 5 – Domestic.

[106] As discussed previously, in order to demonstrate a causal relationship, other known possible causes would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish HRC market was impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices, and export volumes<sup>60</sup>. Due to close relationships between HRC and CRC, these factors were considered as possible causes of changes in Borçelik's purchases prices of CRC. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the prices of Borçelik's CRC purchases had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market, even if the lowering down or changes of Borçelik's purchasing prices of CRC were observed.

[107] In summary:

- While the CBSA observed changes in price correlations and/or increased pricing difference between the Turkish CRC prices and the Southern European domestic CRC prices, the CBSA was unable to conclude that these were caused by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India, or whether these were caused by other factors.
- As a result, the CBSA was unable to conclude that Turkish CRC prices were impacted by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.
- In addition, the CBSA was unable to obtain sufficient evidence to conclude that the prices of Borçelik's purchases of CRC had been impacted by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.

#### 1.9 Insufficient Information to Evaluate Borçelik's Domestic Sales of COR and to Conclude a Casual Link

[108] Information on the record was insufficient for the CBSA to evaluate Borçelik's specific domestic sales of COR and to conclude that the prices of Borçelik's domestic sales of COR had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market.

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<sup>60</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 28 to 40.

[109] A comparison of the relationship between the Turkish domestic COR prices and the Southern European domestic COR prices for the period of February 2019 to December 2019 and for the period of January 2023 to September 2024 was used to evaluate if the Turkish domestic COR prices were distorted during the period of January 2023 to September 2024. The Turkish domestic COR prices and the Southern European domestic COR prices information were gathered from Fastmarkets.

[110] The CBSA analyzed<sup>61</sup> the correlation coefficients between the Turkish domestic COR prices and the Southern European domestic COR prices, based on the pricing information from Fastmarkets:

- For the period of February 2019 to December 2019, the period of January 2023 to September 2024 and the POI of this investigation, the correlation coefficients indicate perfect or very strong associations between the Turkish domestic COR prices and the Southern European domestic COR prices, which supports the CBSA's selection of the Southern European domestic COR prices in the evaluation of price distortions;
- The correlation coefficients between the Turkish domestic COR prices and the Southern European domestic COR prices decreased from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the POI of this investigation. This demonstrates that the association between the Turkish domestic COR prices and the Southern European domestic COR prices weakened, especially in comparison to the perfect correlation during the period of February 2019 to December 2019.

[111] In their representation<sup>62</sup> regarding PMS, Borçelik questioned the CBSA's use of monthly prices (instead of weekly prices) to calculate correlation coefficients between the Turkish domestic COR prices and the Southern European domestic COR prices. The CBSA considered that it is more appropriate to use monthly prices due to a consideration of price transmission time required between these two closely intertwined and integrated markets.

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<sup>61</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 158, 160.

<sup>62</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS): paras. 40-41.

- [112] Further, the CBSA assessed<sup>63</sup> the statistical distributions of differences between the Turkish domestic COR prices and the Southern European domestic COR prices for those different periods: there are significant changes in the statistical distributions (such as mean, median, minimum, maximum, etc.) of differences between the Turkish domestic COR prices and the Southern European domestic COR prices from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the CBSA's POI, which further supports that significant changes happened to the association between the Turkish domestic COR prices and the Southern European domestic COR prices. Especially, there are significant decreases in the means of the statistical distributions of the differences between the Turkish domestic COR prices and the Southern European domestic COR prices from the period of February 2019 to December 2019 to the period of January 2023 to September 2024 and the CBSA's POI. This indicates that the Turkish domestic COR prices moved closer significantly to Southern European domestic COR prices for the period of January 2023 to September 2024 and the CBSA's POI and the differences between the Turkish domestic COR prices and the Southern European domestic COR prices decreased significantly. It should be noted that the COR products associated with Fastmarkets' published Turkish domestic COR prices were thinner and sold at smaller order quantity (consequently more expensive) than the COR products associated with Fastmarkets' published Southern European domestic COR prices.
- [113] The CBSA further observed that the Turkish domestic COR prices and the Southern Europe domestic COR prices follow an almost perfect trajectory for the period of February 2019 to December 2019, while the COR prices no longer follow an almost perfect trajectory for the period of July 2023 to September 2024.<sup>64</sup>

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<sup>63</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 162.

<sup>64</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 165.

- [114] However, the CBSA was unable to conclude that the changes in price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices were caused by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India. As discussed previously, in order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish COR market was impacted by the factors such as the earthquake that happened in February 2023, local demand, and export volumes<sup>65</sup>. These factors were considered as possible causes of observed correlations. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the changes in price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices were caused by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India. Consequently, the CBSA was unable to conclude that Turkish domestic COR prices had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.
- [115] This is an exporter-specific investigation. Without an evaluation of Borçelik's specific commercial practices, the CBSA was not able to conclude that Borçelik's domestic COR prices would have been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market. This conclusion could be reached only after Borçelik's specific commercial practices (i.e. domestic sales of COR) are specifically evaluated. Further details are discussed in the following three paragraphs.
- [116] Information on the record indicates that COR prices depend on COR product characteristics and sales terms. For example, information<sup>66</sup> from AMD and information<sup>67</sup> from Borçelik indicate that several factors impacted COR prices. As reported in Appendix 3A<sup>68</sup> submitted by Borçelik, Borçelik sold many different types of COR products domestically.

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<sup>65</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41 to 47.

<sup>66</sup> Exhibit 068 (NC) - Additional information submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD").

<sup>67</sup> Exhibit 110 (NC) - Close of record - attachments from Borçelik Çelik Sanayii Ticaret A.Ş.: CR-82 AMD Price Book 2025 – ENGLISH.

<sup>68</sup> Exhibit 076 (NC) - Response to supplemental request for information (SRFI) #3 from Borçelik Çelik Sanayii Ticaret A.Ş.: Exhibit S3-4 Revised Appendix 3A.

[117] During the investigation, the CBSA collected benchmark prices information through RFIs and SRFIs, as well as the CBSA's own research. The record includes the benchmark prices information from several publications, such as Fastmarkets, CRU and MEPS. However, the benchmark prices from those publications cannot be used to evaluate Borçelik's specific domestic sales of COR, due to the following reasons:

- The product characteristic information for the products associated with published benchmark prices is not detailed enough and does not allow the CBSA to make a comparison between the same or the substantially same products;
- No information is available to adjust the published benchmark prices to permit a proper comparison with Borçelik's domestic sales prices.

[118] As discussed previously, in order to demonstrate a causal relationship, other known possible causes would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish COR market was impacted by the factors such as the earthquake that happened in February 2023, local demand, and export volumes<sup>69</sup>. These factors were considered as possible causes of changes in Borçelik's domestic sales prices of COR. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the prices of Borçelik's domestic sales of COR had been lowered or otherwise affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India into the Turkish market, even if the lowering down or changes of the prices of Borçelik's domestic sales of COR are observed.

[119] In summary:

- While the CBSA observed changes in price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic CRC prices, the CBSA was unable to conclude that these were caused by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India, or whether these were caused by other factors.
- As a result, the CBSA was unable to conclude that Turkish domestic COR prices were impacted by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.
- In addition, the CBSA was unable to obtain sufficient evidence to conclude that the prices of Borçelik's domestic sales of COR had been impacted by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India.

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<sup>69</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41 to 47.

## 2. Other Investigated Possible PMS Factors

- [120] The CBSA also reviewed all other PMS factors that the Canadian domestic producers (AMD and Stelco) alleged to contribute to a PMS in Türkiye for Borçelik, which does not permit a proper comparison of Borçelik's domestic sales with their export sales of subject goods to Canada.
- [121] AMD and Stelco alleged that the following PMS factors, individually and/or cumulatively, contributed to a PMS in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada:
- Volatile economic conditions;
  - Distorted inputs;
  - Lack of inflation accounting adjustments;
  - Presence of dumped COR in the Turkish market;
  - Government support programs;
  - Turkish Inward Processing Regime (IPR).
- [122] Through the investigation, the CBSA did not form the opinion, based on the information on the record, that:
- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the alleged PMS factors;
  - The PMS had an impact on the domestic sales of Borçelik; and
  - As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

## 2.1 Volatile Economic Conditions

- [123] In the response<sup>70</sup> to the PMS RFI, Stelco submitted that Türkiye's economic instability and volatility, together with the GOT's policies, created a PMS that distorted prices of COR in the Turkish market and the input costs of COR incurred by Turkish producers; when inflation occurred at a rapid rate, this directly distorted the domestic selling prices of COR and inputs in Türkiye, as the value of the domestic sale relative to the export sale may be fundamentally different during the period (the value of the domestic sale may decline relative to the sale to the importer in Canada between the date of sale and the date of payment), which made a proper comparison between domestic and export selling prices impossible. In the response<sup>71</sup> to the PMS RFI, Stelco submitted that, as a result of rapid currency depreciation, the selling prices and cost data for Turkish COR were unreliable. In the response<sup>72</sup> to the PMS RFI, Stelco submitted that the unconventional interventions by the Turkish Central Bank further exacerbated the PMS existing in the Turkish market.
- [124] AMD submitted similar information to the CBSA in their responses<sup>73</sup> to the PMS RFI.
- [125] In the response<sup>74</sup> to the SRFI#1, AMD submitted that Türkiye has a very high degree of macro-economic volatility. Stelco provided a same response in their response<sup>75</sup> to the SRFI#1.
- [126] In their case brief<sup>76</sup>, AMD and Stelco submitted that economic conditions in Türkiye remained volatile as hyperinflation, severe currency depreciation, and heavy-handed policies from the Turkish government had contributed to the distorted costing and pricing for Turkish COR. AMD and Stelco further submitted<sup>77</sup> that:

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<sup>70</sup> Exhibit 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc. ("Stelco"): Response to question 9.

<sup>71</sup> Exhibit 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc. ("Stelco"): Response to question 10.

<sup>72</sup> Exhibit 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc. ("Stelco"): Response to question 11.

<sup>73</sup> Exhibit 033 (NC) - Response to request for information (RFI) - particular market situation from ArcelorMittal Dofasco G.P. ("AMD"): Responses to questions 9, 10 and 11.

<sup>74</sup> Exhibit 047 (NC) - Response to supplemental request for information (SRFI) #1 dumping from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 1.

<sup>75</sup> Exhibit 050 (NC) - Response to supplemental request for information (SRFI) #1 dumping from Stelco Inc. ("Stelco"): Response to question 1.

<sup>76</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 6-12.

<sup>77</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 60-73.

- Türkiye's economy was in a state of hyperinflation. When inflation occurred at such a rapid rate, the selling prices and cost data during the 60-day period prescribed by section 15(d) of SIMA were unreliable, as the value of the domestic sale relative to the export sale may be fundamentally different from the beginning to the end of that period. The value of the domestic sale may decline relative to the sale to the importer in Canada between the date of sale and the date of payment. A proper comparison becomes impossible under these conditions;
- Türkiye's economic situation was further compounded by a depreciating currency. Like hyperinflation, rapid currency depreciation renders the selling prices and cost data during the 60-day period prescribed by section 15(d) of SIMA unreliable;
- The GOT's intervention in monetary policy further contributed to market distortions, particularly by disrupting price signals.

[127] In their reply submission, Borçelik submitted that mismatching of revenues and expenses is not a concern in Borçelik's case since costs and expenses were both denominated and settled in USD, typically within short settlement cycles; Borçelik's auditors have confirmed that IAS 29 (Financial Reporting in Hyperinflationary Economies) was not applicable to the company and, as such, delays in the adoption of hyperinflationary accounting policies are not relevant; there was no disassociation between cost of goods sold and sales revenues since both were measured in a stable currency environment (USD); the GOT's monetary policies requiring the conversion of foreign currency revenues to TRY did not impact Borçelik: the steel industry was largely exempted from these requirements and, in any event, there was no prohibition on immediate reconversion to USD<sup>78</sup>; and Borçelik's entire commercial ecosystem was constructed around foreign currencies, particularly the USD and EUR<sup>79</sup>.

[128] In their representation regarding PMS, the GOT submitted<sup>80</sup> that it has not been demonstrated how the economic challenges have created a PMS within the steel market.

[129] Information<sup>81</sup> on the record indicates that volatile economic conditions existed in Türkiye.

[130] Having considered the information on the record and the representations made by the parties, the CBSA did not form the opinion that a PMS existed in Türkiye for Borçelik which did not permit a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada, due to volatile economic conditions in Türkiye:

<sup>78</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 13.

<sup>79</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 19.

<sup>80</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the PMS: p. 9,10.

<sup>81</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 187, 188, 190-193.

- The record includes the benchmark pricing information from several publications, such as Fastmarkets, CRU and MEPS. The CBSA was able to use the methodology as described in the subsection 1.6 to perform a pricing correlation analysis similar to the analysis as described in the subsection 1.9. However, the CBSA was unable to conclude that the changes in the price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices were caused by volatile economic conditions in Türkiye. In order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish COR market was impacted by other factors, such as the earthquake that occurred in February 2023, local demands, and export volumes<sup>82</sup>. These factors were considered as possible causes of observed correlations. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the changes in the observed correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices were caused by volatile economic conditions in Türkiye. Consequently, the CBSA was unable to conclude that Turkish domestic COR prices had been affected by volatile economic conditions in Türkiye.
- This is an exporter-specific investigation. Without an evaluation on Borçelik's specific commercial practices, the CBSA was unable to conclude that Borçelik's domestic COR prices would have been affected by volatile economic conditions in Türkiye. This conclusion could be reached only after Borçelik's specific commercial practices (i.e. domestic sales of COR) are specifically evaluated. As discussed in the subsection 1.9, Borçelik sold many different types of COR products domestically and the information on the record was not able to be used to evaluate Borçelik's specific domestic sales of COR. As such, the information on the record was insufficient for the CBSA to evaluate Borçelik's specific domestic sales of COR and to conclude that the prices of Borçelik's domestic sales of COR had been affected by volatile economic conditions in Türkiye. In order to demonstrate a causal relationship, other known possible causes would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish COR market was impacted by the factors such as the earthquake that happened in February 2023, local demand, and export volumes<sup>83</sup>. These factors were considered as possible causes of changes in Borçelik's domestic sale prices of COR. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the prices of Borçelik's domestic sales of COR had been affected by volatile economic conditions in Türkiye, even if the changes of the prices of Borçelik's domestic sales of COR are observed.

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<sup>82</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41-47.

<sup>83</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41 to 47.

[131] In summary:

- While the CBSA observed changes in price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices, the CBSA was unable to conclude that these were caused by volatile economic conditions in Türkiye, or whether these were caused by other factors.
- As a result, the CBSA was unable to conclude that Turkish domestic COR prices were impacted by volatile economic conditions in Türkiye.
- In addition, the CBSA was unable to obtain sufficient evidence to conclude that the prices of Borçelik's domestic sales of COR had been impacted by volatile economic conditions in Türkiye.

[132] In conclusion, the CBSA did not form the opinion, based on the information on the record, that:

- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to volatile economic conditions in Türkiye;
- The PMS had an impact on the domestic sales of Borçelik; and
- As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

## 2.2 Distorted Inputs

[133] In the response to the PMS RFI, Stelco submitted that the principal effect of the PMS in Türkiye, both in respect of COR and its primary input (HRC and/or CRC), was to cause Turkish input and COR pricing to be lower than other markets<sup>84</sup>.

[134] In the response to the PMS RFI, AMD submitted that Turkish steel producers such as Borçelik were incentivized to seek out low-cost inputs, and to source major inputs such as HRC from other countries at very low prices; large volumes of dumped HRC were imported into the Turkish market during the POI at prices that undercut Turkish domestic prices; and the availability of low-priced Russian HRC in Türkiye further distorted the pricing at which HRC was sold in Türkiye<sup>85</sup>.

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<sup>84</sup> Exhibit 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc.: Responses to questions 6, 7 and 8.

<sup>85</sup> Exhibit 033 (NC) - Response to request for information (RFI) - particular market situation from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 9.

- [135] In the response<sup>86</sup> to the SRFI#1, AMD submitted that the Turkish market was significantly impacted by trade with the major input used in the production of COR from countries that were non-market economies, as well as countries subject to economic sanctions from most other countries in the world. Stelco provided a same response in the response<sup>87</sup> to the SRFI#1.
- [136] In their case brief<sup>88</sup>, AMD and Stelco submitted that there is sufficient evidence on the record to support a determination that a PMS existed in the Turkish COR market over the POI; this existing PMS had been exacerbated by the dumping of HRC from China and Russia in the Turkish steel market, which had in turn distorted significant input costs in Türkiye for downstream products such as cold-rolled steel and COR, and in particular for the exported subject goods, which benefited significantly from the IPR established by the GOT; there have been market distortions for significant input materials caused by large volumes of dumped Chinese HRC available in the Turkish market at heavily discounted prices with the effect of depressing and suppressing Turkish COR prices generally; and the PMS in the Turkish COR sector renders Turkish domestic sales and exporter costs inappropriate for the purposes of calculating normal values.
- [137] In their case brief<sup>89</sup>, AMD and Stelco submitted that:
- There was the influx of dumped HRC in the Turkish market. The trade measures have not remedied the effects of Chinese and Russian HRC on the Turkish steel market;
  - Following the outbreak of the Russia-Ukraine War, Türkiye continued to import huge volumes of Russian steel, including slab and other flat-rolled products. Turkish buyers had reportedly taken advantage of the diminished market for Russian steel by demanding steep discounts from Russian producers. The surge in Russian slab imports had not only granted Turkish COR producers a large supply of inexpensive inputs, but also dragged down the price of slab imports from other countries. The price of Russian slab imports to Türkiye had steadily declined since 2021. The availability of low-priced Russian slab imports created the distorting effect on input costs in Türkiye. This in turn distorted Turkish flat steel prices. The use of Russian slab in the production of COR in Türkiye was not only distorting the costs of Turkish COR producers who used Russian inputs but also the costs of Turkish COR producers that did not use Russian inputs, due to the price-suppressing effect of Russian imports in the Turkish market.

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<sup>86</sup> Exhibit 047 (NC) - Response to supplemental request for information (SRFI) #1 dumping from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 1.

<sup>87</sup> Exhibit 050 (NC) - Response to supplemental request for information (SRFI) #1 dumping from Stelco Inc. ("Stelco"): Response to question 1.

<sup>88</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 6-12.

<sup>89</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 74-85.

- [138] In their case brief, Borçelik submitted that it cannot be inferred that HRC imports from China, Russia, Japan and India continued to be dumped and cause injury after the GOT's period of investigation<sup>90</sup>. In their representation regarding PMS, the GOT provided a similar comment to the CBSA.<sup>91</sup>
- [139] In their reply submission, Borçelik submitted that there was a lack of connection to any evidence that Rus was actually used in any COR production in Türkiye and there was no evidence on the record that Russian slab imports distorted COR inputs<sup>92</sup>.
- [140] As described previously in the section 1 based on the information on the record, the CBSA did not form the opinion that:
- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and Russia;
  - The PMS had an impact on the domestic sales of Borçelik; and
  - As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.
- [141] With regard to the alleged low-priced Russian slab imports, having considered the information on the record and the representations made by the parties, due to a lack of sufficient information for the Turkish slab market and due to the reasons similar to those as described in the subsections 1.7 to 1.9, the CBSA did not form the opinion that:
- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the alleged low-priced Russian slab imports;
  - The PMS had an impact on the domestic sales of Borçelik; and
  - As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

### 2.3 Lack of Inflation Accounting Adjustments

- [142] In their case brief, AMD and Stelco submitted that producer costs, financial statements, and accounting records were distorted and unreliable due to the lack of inflation accounting adjustments.<sup>93</sup>

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<sup>90</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 28.

<sup>91</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the PMS: p. 3.

<sup>92</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 16-18.

<sup>93</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 86-96.

- [143] In their reply submission, Borçelik submitted that mismatching of revenues and expenses is not a concern in Borçelik's case since costs and expenses were both denominated and settled in USD, typically within short settlement cycles; Borçelik's auditors have confirmed that IAS 29 (Financial Reporting in Hyperinflationary Economies) is not applicable to the company and, as such, delays in the adoption of hyperinflationary accounting policies are not relevant; there was no disassociation between cost of goods sold and sales revenues since both were measured in a stable currency environment (USD); the GOT's monetary policies requiring the conversion of foreign currency revenues to TRY did not impact Borçelik: the steel industry was largely exempted from these requirements and, in any event, there was no prohibition on immediate reconversion to USD<sup>94</sup>; and Borçelik's entire commercial ecosystem was constructed around foreign currencies, particularly the USD and EUR<sup>95</sup>.
- [144] This is an exporter-specific investigation. During the investigation, the CBSA verified the information submitted by Borçelik and did not find that Borçelik's costs, financial statements and accounting records are distorted and unreliable due to the lack of inflation accounting.

#### 2.4 Presence of Dumped COR in the Turkish Market

- [145] In their case brief<sup>96</sup>, AMD and Stelco submitted that, on December 25, 2024, the Turkish government launched an investigation into the dumping of cold-rolled steel and galvanized and painted coil from China and South Korea; and while the outcome of this investigation is yet to be determined, this trade action indicates a high likelihood that there was an oversupply of dumped imported COR in the Turkish market.
- [146] In their reply submission, Borçelik submitted that the initiation of the GOT's investigation into dumped coated steel products from China and South Korea provided no legal or factual support for the PMS allegation<sup>97</sup>.
- [147] As already noted by AMD and Stelco, the outcome of the GOT's investigation is yet to be determined. There was no finding at this time that COR imports from South Korea and China were dumped and caused material injury to the Turkish domestic COR industry.

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<sup>94</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 13.

<sup>95</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 19.

<sup>96</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 97.

<sup>97</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 20.

## 2.5 Government Support Programs

[148] In their case brief<sup>98</sup>, AMD and Stelco submitted that GOT's support programs were available to the Turkish COR producers/exporters:

- There were subsidies and support mechanisms for Türkiye's Steel Industry and Exporters.
  - There were Government support programs relating to steel industry;
  - There were Government support programs previously identified by the CBSA;
  - United States also identified the GOT's support measures;
  - There were also other GOT's subsidies and support programs.
- The GOT was involved in the means of production of COR. Beyond the direct subsidies and support programs, Türkiye also provides support for key inputs to produce COR;
- The GOT was involved through industry associations in exporting COR. The GOT provides additional state support for the steel industry, including COR production, through its steel producing and exporting associations.

[149] The GOT submitted their export support and promotion measures for Turkish exporters.<sup>99</sup>

[150] Borçelik reported that they had indeed benefitted from export support programs and a 5% corporate income tax reduction on earnings exclusively derived from export activities.<sup>100</sup>

[151] In their reply submission, Borçelik submitted that, to the extent that Borçelik may have received minor subsidies, those subsidies would carry through to domestic and export sales equally<sup>101</sup>.

[152] The Turkish government promotes export growth through various initiatives and policies, such as export promotion programs, financial supports, market research and information services, export training and capacity building, and taxation preferences.<sup>102</sup>

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<sup>98</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 98-124.

<sup>99</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 208.

<sup>100</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: para. 209.

<sup>101</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 21.

<sup>102</sup> Exhibit 115 (NC) - particular market situation (PMS) analysis: paras. 206-207.

[153] Having considered the information on the record and the representations made by the parties, due to the reasons similar to those as described through the paragraphs 130 and 131 the CBSA did not form the opinion that:

- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the GOT's support programs;
- The PMS had an impact on the domestic sales of Borçelik; and
- As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

## 2.6 Turkish Inward Processing Regime (IPR)

[154] In the response<sup>103</sup> to the PMS RFI, AMD submitted that the Turkish IPR caused distortions in the costs and prices of COR.

[155] In their comments, AMD and Stelco submitted<sup>104</sup> the information about the operation of Turkish IPR and submitted<sup>105</sup> that the program incentivized COR exports using dumped HRC; the existence of macro-economic conditions which contributed to PMS conditions in Türkiye, combined with the facilitation of the use of dumped HRC inputs for processing into COR for export, enabled Borçelik to dump COR into the Canadian market at non-competitive prices; Borçelik's COR sales which had derived a benefit from the IPR do not permit a proper comparison with its domestic sales for the purposes of calculating a normal value; this program clearly distorted pricing within the Turkish market, creating a PMS within the meaning of subsection 16(2)(c); and more information was required to trace IPR inputs for COR production.

[156] In their case brief<sup>106</sup>, AMD and Stelco submitted that IPR counteracts benefits from Turkish anti-dumping measure on Chinese HRC; the IPR permitted businesses to be exempt from import duties under both a duty suspension system and a duty drawback system and issued corresponding types of IPR Certificates; the effects of a duty suspension system differed from those of a duty drawback system; under a duty suspension system, the duty exemption applied to all imports of raw material (inputs) regardless of whether the actual input was sold domestically or exported, so long as a corresponding finished product was exported within the D1 certificate's time limit; and the duty suspension system of the IPR allowed both domestic and export sales to benefit from lower input costs through the continued use of dumped inputs.

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<sup>103</sup> Exhibit 033 (NC) - Response to request for information (RFI) - particular market situation from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 9.

<sup>104</sup> Exhibit 073 (NC) - Comments submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD") and Stelco Inc. ("Stelco") regarding exhibits 045-071: paras. 13-29.

<sup>105</sup> Exhibit 073 (NC) - Comments submitted by counsel for ArcelorMittal Dofasco G.P. ("AMD") and Stelco Inc. ("Stelco") regarding exhibits 045-071: paras. 13-29.

<sup>106</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 125-133.

[157] In their reply submission, Borçelik submitted that there is no evidence on the record of Borçelik using D1 certificates to avoid antidumping duties on inputs used in the production of either domestic or export sales; and the POI in this investigation ended prior to the imposition of measures on HRC in Türkiye and, as a factual matter, there is no evidence of D1 certificates being used after those measures were imposed<sup>107</sup>.

[158] Both the GOT and Borçelik provided the information about IPR.

[159] In response to SRFI#1, the GOT provided the following information regarding IPR:<sup>108</sup>

- IPR is a system allowing Turkish manufacturers/exporters to obtain raw materials, intermediate unfinished goods that are used in the production of the exported goods without paying customs duty including VAT and without being subject to commercial policy measures;
- Türkiye has a system in place to confirm which inputs, and in what amounts are consumed in production of the exported products under IPR; and
- If companies utilized the IPR, they were exempt from paying duties, including trade remedy measures, otherwise, they were required to pay all applicable duties and taxes.

[160] In the response to SRFI#1, Borçelik provided the following information regarding the IPR:<sup>109</sup>

- Borçelik has an Inward Processing Authorization Certificate / Permission (“IPC”) and imported HRCs under Türkiye’s IPR during the POI.
- Exports to Canada were used to satisfy the conditions under which Borçelik imported certain duty exempted HRCs;
- Companies are not required to declare whether imported inputs will be used to produce goods for domestic consumption or for export. Once the goods are imported under the IPR, no taxes or duties are payable and the remaining commitment is to demonstrate that a certain volume of corresponding exports have been made; and
- Pursuant to Article 5 of the IPR legislation, domestically sourced inputs can be used in the production of a finished product and the importation of the inputs can be realized afterwards.

[161] During the investigation, the costing information (including costing information for inputs) submitted by Borçelik had been verified by the CBSA through SRFIs and on-site verification.

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<sup>107</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 23.

<sup>108</sup> Exhibit 048 (NC) - Response to supplemental request for information (SRFI) #1 dumping from the Government of Türkiye: Response to question 13.

<sup>109</sup> Exhibit 052 (NC) - Response to supplemental request for information (SRFI) #1 from Borçelik Çelik Sanayii Ticaret A.Ş.: Response to question 14.

[162] Having considered the information on the record and the representations made by the parties, due to the reasons similar to those as described through the paragraphs 130 and 131 the CBSA did not form the opinion that:

- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the Turkish IPR;
- The PMS had an impact on the domestic sales of Borçelik; and
- As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

## 2.7 The Cumulative Effects of All Alleged Factors

[163] In the response<sup>110</sup> to the PMS RFI, Stelco submitted that several PMS factors (such as Government support programs, significant volatility in economic conditions in the home market, distorted input costs, the GOT's regulations on HRC and COR, the GOT's taxation policies, and state-owned or state-controlled suppliers and purchasers) individually and cumulatively demonstrate the existence of a PMS in the Turkish COR market. In the response<sup>111</sup> to the PMS RFI, Stelco submitted that the impact of PMS on domestic selling prices is different from the impact on prices for export to Canada due to variations in market dynamics, trade policies and demand conditions.

[164] In the response<sup>112</sup> to the PMS RFI, AMD submitted that several PMS factors (such as the significant volatility in the economic conditions in Türkiye, distorted input costs caused by the remission of duties on dumped inputs, the availability of Russian inputs at pricing distorted by sanctions in other markets) are particularly relevant in this investigation. In the response<sup>113</sup> to the PMS RFI, AMD submitted that PMS factors (such as high inflation, significant currency volatility, the lack of sanctions on Russian goods, the remission of antidumping duties on HRC used to produce exported COR) had impacted the prices of COR sold in the Turkish domestic market that do not permit a proper comparison between domestic sale prices and export prices.

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<sup>110</sup> Exhibit 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc. ("Stelco"): Response to question 13.

<sup>111</sup> Exhibit 031 (NC) - Response to request for information (RFI) - particular market situation from Stelco Inc. ("Stelco"): Response to question 14.

<sup>112</sup> Exhibit 033 (NC) - Response to request for information (RFI) - particular market situation from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 13.

<sup>113</sup> Exhibit 033 (NC) - Response to request for information (RFI) - particular market situation from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 14.

- [165] In the response<sup>114</sup> to the SRFI#1, AMD submitted that an assessment of whether a PMS exists must be undertaken by considering the cumulative impact of all factors (such as the significant volatility in the economic conditions in Türkiye; distorted input costs). Stelco provided a same response in the response<sup>115</sup> to the SRFI#1.
- [166] In their case brief<sup>116</sup>, AMD and Stelco submitted that Borçelik’s operational environment necessarily impacted its business; and the PMS in Türkiye necessarily affected Borçelik’s COR pricing in domestic and export sales, as well as its input costs. Further, AMD and Stelco argued that several factors contribute to a PMS in Türkiye and these factors include volatile economic conditions<sup>117</sup>, distorted inputs<sup>118</sup>, a lack of inflation accounting adjustments<sup>119</sup>, presence of dumped COR in the Turkish market<sup>120</sup>, Government support programs<sup>121</sup>, and IPR<sup>122</sup>.
- [167] In their reply submission<sup>123</sup>, AMD and Stelco also provided comments on HRC price depression analysis, conditions of competition in Türkiye, use of pricing correlations, and effects of distorted HRC prices on CRC and COR markets.
- [168] In their reply submission<sup>124</sup>, Borçelik submitted that Stelco and AMD’s alleged distortions must be quantified and shown to be significant, otherwise, there is no statutory or WTO-consistent foundation for rejecting Borçelik’s domestic sales on the basis that they do not permit a proper comparison with its export sales; and absent such quantification, any finding that Borçelik’s sales “do not permit a proper comparison” is purely speculative and contrary to the plain wording of article 2.2 of the WTO Antidumping Agreement and paragraph 16(2)(c) of SIMA.
- [169] The CBSA reviewed all the PMS factors alleged by the Canadian domestic producers and evaluated the cumulative effects of all the alleged PMS factors.

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<sup>114</sup> Exhibit 047 (NC) - Response to supplemental request for information (SRFI) #1 dumping from ArcelorMittal Dofasco G.P. ("AMD"): Response to question 4.

<sup>115</sup> Exhibit 050 (NC) - Response to supplemental request for information (SRFI) #1 dumping from Stelco Inc. ("Stelco"): Response to question 4.

<sup>116</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc. - COR3 2024 IN - Stelco Inc. - Submission of Stelco Inc. to the Case Brief of AMD\_Stelco Inc. - NON-CONFIDENTIAL: para. 10.

<sup>117</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc: paras. 60-73.

<sup>118</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 74-85.

<sup>119</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 86-96.

<sup>120</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 97.

<sup>121</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 98-124.

<sup>122</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 125-133.

<sup>123</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.

<sup>124</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 25.

[170] Having considered the information on the record and the representations made by the parties, the CBSA did not form the opinion that a PMS existed in Türkiye for Borçelik which did not permit a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada, due to the alleged PMS factors:

- The record includes the benchmark pricing information from several publications, such as Fastmarkets, CRU and MEPS. The CBSA was able to use the methodology as described in the subsection 1.6 to perform a pricing correlation analysis similar to the analysis as described in the subsection 1.9. However, the CBSA was unable to conclude that the changes in the price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices were caused by the alleged PMS factors. In order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish COR market was impacted by the factors such as the earthquake that happened in February 2023, local demand, and export volumes<sup>125</sup>. These factors were considered as possible causes of observed correlations. However, the issue was raised too late for the CBSA to seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the changes in the price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices were caused by the alleged PMS factors. Consequently, the CBSA was unable to conclude that Turkish domestic COR prices had been actually affected by the alleged PMS factors.
- This is an exporter-specific investigation. Without an evaluation on Borçelik's specific commercial practices, the CBSA was not able to conclude that Borçelik's domestic COR prices had been actually affected by the alleged PMS factors. This conclusion could be reached only after Borçelik's specific commercial practices (i.e. domestic sales of COR) are specifically evaluated. As discussed in the subsection 1.9, Borçelik sold many different types of COR products domestically and the information on the record can not be used to evaluate Borçelik's specific domestic sales of COR. As such, the information on the record was insufficient for the CBSA to evaluate Borçelik's specific domestic sales of COR and to conclude that the prices of Borçelik's domestic sales of COR had been actually affected by the alleged PMS factors. In order to demonstrate a causal relationship, other known possible causes would be required to be evaluated. In their case brief, Borçelik raised the issue that the Turkish COR market was impacted by the factors such as the earthquake that happened in February 2023, local demand, and export volumes<sup>126</sup>. These factors were considered as possible causes of changes in Borçelik's domestic sales prices of COR. However, the issue was raised too late for the CBSA to

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<sup>125</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41 to 47.

<sup>126</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41 to 47.

seek out the information that would be required to address it. As such, the CBSA was unable to evaluate those factors in order to conclude that the prices of Borçelik's domestic sales of COR had been actually affected by the alleged PMS factors, even if the changes of the prices of Borçelik's domestic sales of COR are observed.

[171] In summary:

- While the CBSA observed changes in price correlations and/or decreased pricing difference between the Turkish domestic COR prices and the Southern European domestic COR prices, the CBSA was unable to conclude that these were caused by the alleged PMS factors, or whether these were caused by other factors.
- As a result, the CBSA was unable to conclude that Turkish domestic COR prices were impacted by the alleged PMS factors.
- In addition, the CBSA was unable to obtain sufficient evidence to conclude that the prices of Borçelik's domestic sales of COR had been impacted by the alleged PMS factors.

[172] Having considered the information on the record and the representations made by the parties, the CBSA did not form the opinion that:

- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik, due to the alleged PMS factors;
- The PMS had an impact on the domestic sales of Borçelik; and
- As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

### **3. Conclusion on PMS**

[173] With a consideration of all the information on the record, for the final decision, the information on the record was insufficient for the CBSA to form the opinion that a PMS existed in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to the importers in Canada.

## **RESULTS OF THE DUMPING INVESTIGATION**

### **Borçelik**

[174] Borçelik is the producer and exporter and is responsible for shipping the subject goods to Canada. Borçelik produces hot-dip galvanized steel, cold-rolled steel, and pickled & oiled hot-rolled steel. The administration, production, sale and distribution activities of the company are undertaken at Borçelik's facility in Gemlik, Bursa.

- [175] Borçelik represents 100% of the volume of subject goods exported to Canada and 13.9% of COR imports from all countries during the POI. Borçelik provided a complete response to the Dumping RFI and subsequent SRFIs. An on-site verification was also conducted at Borçelik's premises.
- [176] As per the CBSA's review and verification of Borçelik's information, all of the issues raised during the course of the investigation were addressed, with the exception that the costing information requested from associated suppliers and producers of HRS and CRS input used in the production of some of the subject and like goods. Borçelik's submission was considered to be substantially complete and reliable for purposes of the final decision, with the exception of the lack of information from the associated suppliers and producers of these input.
- [177] Pursuant to subsection 11.2(1) of the SIMR, if an input used in the production of the goods is acquired by the exporter or producer from an associated person and is a significant factor in the production of the goods, the cost of that input in the country of export is considered to be the greater of (a) the price paid in respect of that input by the exporter or producer to the associated person; (b) the cost incurred by the associated person in the production of that input, including the administrative, selling and all other costs with respect to that input; and (c) the price in the country of export of the same or substantially the same inputs, if sufficient information is available to enable the price to be determined on the basis of either (i) the selling prices of those inputs in the country of export, in the same or substantially the same quantities, between parties who are not associated persons, or (ii) the published prices of those inputs in the country of export.
- [178] Where sufficient information was not available to determine the cost incurred by an associated person in the production of an input used in the production of subject goods, and is a significant factor in the production of the goods, the normal values of the goods produced from such input were determined under a Ministerial Specification pursuant to Section 29 of the SIMA, based on the export price, plus an amount equal to the highest instance by which a normal value exceeded an export price on an individual transaction for that exporter for the final decision, excluding any anomalies, expressed as a percentage of the export price, multiplied by the export price.

- [179] Where insufficient information was provided to determine the costs incurred by an associated person in the production of an input used in the production of domestically sold like goods, the domestic sales of like goods produced from such input were excluded from consideration under paragraph 16(2)(b) of the SIMA, pursuant to a Ministerial Specification. The provisions of paragraph 16(2)(b) provide for the exclusions of certain sales at a loss from being included in the population of domestic sales used for the purposes of determining normal values and a reasonable amount for profits. Pursuant to a Ministerial Specification, the domestic sales of like goods produced from such input were thus excluded from the profitability testing under paragraph 16(2)(b), and as such, excluded from the population of domestic sales used for the purposes of determining normal values and a reasonable amount for profits.
- [180] Borçelik had domestic sales of like goods during the PAP. Where applicable, normal values were either determined in accordance with the methodology of section 15 of the SIMA, based on domestic selling prices of like goods or in accordance with the methodology of paragraph 19(b) of the SIMA, based on the aggregate of cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.
- [181] For the purposes of paragraph 19(b) of SIMA amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR by using Borçelik's profitable domestic sales of goods that were of the same general category as the subject goods exported to Canada during the POI (i.e. all COR).
- [182] During the POI, all of the subject goods exported to Canada by Borçelik were sold to unrelated importers. Export prices were determined pursuant to section 24 of the SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.
- [183] For purposes of the final decision, the total normal value compared to the total export price results in a margin of dumping of 0% for Borçelik, expressed as a percentage of the export price.

## Summary of Final Results

[184] A summary of the final results of the dumping investigation respecting all subject goods released into Canada during the POI are as follows:

### Margin of Dumping

Period of Investigation (October 1, 2023 to September 30, 2024)

Exporter / Country of Origin or Export	Margin of Dumping (% of Export Price)	Estimated Volume of Subject Goods (% of Total Imports)
Borçelik / Türkiye	0%	13.9%
All Other Imports		86.1%
<b>Total</b>		<b>100%</b>

[185] 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.

[186] The CBSA determined that the subject goods have not been dumped. Therefore, the CBSA is required to terminate the dumping investigation in respect of certain COR exported to Canada from Türkiye by Borçelik.

## **DECISION**

[187] On July 16, 2025, pursuant to paragraph 41(1)(a) of the SIMA, the CBSA terminated the dumping investigation in respect of COR originating in or exported from Türkiye by Borçelik.

## **FUTURE ACTION**

[188] As a result of the termination, any provisional duty paid or security posted will be refunded, as appropriate.

[189] The termination of this investigation does not affect the existing measure in force on corrosion-resistant steel sheet originating in or exported from the Republic of Türkiye produced or exported by any other party. As such, the existing COR2 finding remains in force.

## **PUBLICATION**

[190] A notice of the termination of the dumping investigation with respect to COR exported to Canada from Türkiye by Borçelik will be published in the Canada Gazette pursuant to paragraph 41(4)(a) of SIMA.

## **CONTACT US**

For further information, please contact the CBSA at:

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

## **ATTACHMENT**

**Appendix 1: Summary of Representations**

## **APPENDIX 1**

### **SUMMARY OF REPRESENTATIONS**

During the investigation, representations were received on behalf of:

- ArcelorMittal Dofasco G.P. (AMD) and Stelco Inc.<sup>1</sup> (Stelco)
- Borçelik Çelik Sanayii Ticaret A.Ş.<sup>2</sup> (Borçelik)
- Government of Türkiye<sup>3</sup> (GOT)

Certain details provided in case briefs, representations on Particular Market Situation (PMS) and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the Canada Border Services Agency (CBSA) to discuss all issues raised in these submissions. The material issues raised by the parties are summarized as follows:

#### **Accuracy, completeness, and reliability of the exporters' information**

##### **Case briefs**

Counsel for AMD and Stelco argued that Borçelik's information remains inaccurate, incomplete and not reliable for the intended purposes, warranting the calculation of dumping margins by way of a Ministerial Specification under section 29 of the *Special Import Measures Act* (SIMA).

The Canadian producers argued that Borçelik ought to have provided information on the costs of production and sale from its associated suppliers, to permit the CBSA to verify its input costs.<sup>4</sup> The Canadian producers also argued that Borçelik's input pricing was unreliable and distorted.<sup>5</sup> Further, they alleged that there are inconsistencies between Borçelik's response and those of importers, with respect to reported quantities and shipping terms, and that the importer responses were incomplete.<sup>6</sup>

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<sup>1</sup> Exhibit 119 (PRO) and 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.; Exhibit 125 (NC) - Comments submitted by counsel for ArcelorMittal Dofasco G.P. and Stelco Inc. regarding the PMS; Exhibit 126 (PRO) and 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.

<sup>2</sup> Exhibit 117 (PRO) and 118 (NC) - Case brief filed on behalf of Borçelik; Exhibit 123 (PRO) and 124 (NC) - Comments submitted by counsel for Borçelik regarding the PMS; Exhibit 128 (PRO) and 129 (NC) - Reply submission filed on behalf of Borçelik

<sup>3</sup> Exhibit 106 (NC) - Comments submitted by the Government of Türkiye regarding preliminary determinations on PMS; Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the PMS

<sup>4</sup> Exhibit 120 (NC) Case Brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc., para. 4

<sup>5</sup> Exhibit 120 (NC) Case Brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc., paras. 5-13

<sup>6</sup> Exhibit 120 (NC) Case Brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc., paras. 14-26

Borçelik, on the other hand argues that while the CBSA determined that Borçelik's unverified responses to the RFI and Supplemental RFI's (SRFI) were incomplete and unreliable for the purposes of the preliminary determination, all concerns raised in the preliminary determination, and that formed the basis for the application of section 29 of SIMA, have been addressed, with the exception of cost data from related input suppliers.<sup>7</sup> Borçelik's representations regarding the cost data from associated input suppliers/producers are addressed further below.

### **CBSA's response**

Further to the CBSA's analysis of Borçelik's response and all information on the record, including reconciliations with its own internally generated data from its Facility Information Retrieval and Management System (FIRM), and further to its on-site verification at Borçelik's premises, the CBSA is satisfied that the concerns raised at the time of the preliminary determination were addressed, with the exception of cost data from related input suppliers. Overall, the CBSA determined that with the exception of cost data from related input suppliers, it was satisfied that Borçelik's response was complete and accurate for the intended purposes. The CBSA's position with respect to the unreported costing data from the associated input suppliers/producers are addressed further below.

### **Application of Subsection 11.2(1) of the SIMR**

#### **Case briefs**

With respect to the application of subsection 11.2(1) of the *Special Import Measures Regulations* (SIMR), Borçelik submitted that all intragroup transactions are conducted on an arm's length basis and comply with the Organisation for Economic Co-operation and Development (OECD) transfer pricing principles. Borçelik also argued that only a small proportion by volume of its reported export sales were produced using raw materials acquired from an associated person, and that the proportion of domestic sales made from raw materials acquired from an associated person was also not significant.

Borçelik further suggested that if the CBSA were to nevertheless consider that Borçelik's purchases of inputs from associated persons were a significant factor in the production of subject and like goods, the application of subsection 11.2(1) raises concerns about whether doing so would be consistent with Canada's obligations under Article 2.2.1.1 of the World Trade Organization (WTO) Antidumping Agreement. Borçelik argued that while it may be open to the CBSA to conclude that an exporter's acquisition prices do not reasonably reflect the costs associated with the production and sale of goods when those prices do not reflect arm's length prices, simply choosing a higher price because it considers it to be more reasonable is not permitted under Article 2.2.1.1 and WTO jurisprudence.

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<sup>7</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik, paras. 4-5.

Furthermore, Borçelik maintained that the ArcelorMittal companies' refusal to respond to the CBSA's RFI means that the cost information referred to in subparagraph 11.2(1)(b) of the SIMR is not on the record. Borçelik further argued that due to differences in grades, conditions of sale, levels of trade, quantities and other differences affecting price comparability, it is not possible to determine the prices referred to in subparagraph 11.2(1)(c) of the SIMR. In the circumstances, Borçelik submits that the prices referred to in subparagraph 11(2)(1)(a) should be used.

On the other hand, counsel for AMD and Stelco disagreed with Borçelik's interpretation of the term "significant factor", maintaining that per the CBSA's practice, significant factor is considered as a type of input that is significant in relation to the overall production process. The producers argue that in this case, hot-rolled coils (HRC) and cold-rolled coils (CRC) constitute a significant factor which would require an adjustment under 11.2(1). The Canadian producers argued that Borçelik ought to have provided information on the costs of production and sale from its related suppliers, to permit the CBSA to verify its input costs. Thus, it was suggested that the CBSA should disregard Borçelik's transactions with the associated entity if it chooses to use Borçelik's costs of production to construct normal values under paragraph 19(b) of the SIMA.

### **CBSA's response**

The CBSA agrees with AMD and Stelco that HRC and CRC constitute a significant factor in the production of COR. In the course of the investigation, costing information was requested from the associated producers and suppliers of these input, in order to assess the completeness of the production costs submitted by Borçelik and for the purposes of the application of Subsection 11.2(1) of the SIMR. The requested information from the associated persons was not provided to the CBSA.

After giving consideration to the volume of goods produced from input supplied by the associated persons and to the other circumstances specific to this case, as discussed in the *Results of the Dumping Investigation* section of the *Statement of Reasons*, where sufficient information was not available to determine the costs incurred by an associated person in the production of an input used in the production of domestically sold like goods, the domestic sales of like goods produced from such input were excluded from consideration under paragraph 16(2)(b) of the SIMA, pursuant to a Ministerial Specification. As mentioned earlier, the provisions of paragraph 16(2)(b) provide for the exclusions of certain sales at a loss from being included in the population of domestic sales used for the purposes of determining normal values and a reasonable amount for profits. Pursuant to a Ministerial Specification, the domestic sales of like goods produced from such input were thus excluded from the profitability testing under paragraph 16(2)(b), and as such, excluded from being included in the population of domestic sales used for the purposes of determining normal values and a reasonable amount for profits.

Further, where sufficient information was not available to determine the cost incurred by an associated person in the production of an input used in the production of subject goods, and is a significant factor in the production of the goods, the normal values of the goods produced from such input were determined under a Ministerial Specification pursuant to Section 29 of the SIMA, based on the export price, plus an amount equal to the highest instance by which a normal value exceeded an export price on an individual transaction for that exporter for the final decision, excluding any anomalies, expressed as a percentage of the export price, multiplied by the export price.

## **Adjustments to Normal Values**

### **Case briefs**

Borçelik claimed downward adjustments to normal values pursuant to paragraph 5(d) of the SIMR for differences in extended credit terms in the domestic and export markets<sup>8</sup> as well as pursuant to section 10 of the SIMR where “any taxes or duties that are borne by like goods or any materials or components forming a part thereof are not borne by the goods sold to the importer in Canada.”<sup>9</sup>

### **Reply Submissions**

The Domestic Producers replied that Borçelik has failed to provide information and support to warrant such a downward adjustment pursuant to paragraph 5(d) of the SIMR, and claimed that Borçelik provided only the average number of days outstanding for unpaid invoices and not the actual average collection days for Borçelik’s domestic or export customers.<sup>10</sup>

### **CBSA’s response**

The CBSA agrees with the Canadian producers that Borçelik failed to provide reliable information to allow for an adjustment to normal values pursuant to paragraph 5(d). Rather than providing the actual date of payment for each sales, as requested in the RFI, Borçelik “estimated” a date of payment on the basis of each customer’s average age of receivables for all sales of any product over the entire POI. Further to the on-site verification, the CBSA concluded that the use of the customers’ average age of receivables did not provide a reasonable estimate of the actual payment date and did not allow for a proper comparison of the number of days allowed to make payment between subject and like goods. As a result, no adjustment was granted pursuant to paragraph 5(d) of the SIMR.

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<sup>8</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik, para. 52.

<sup>9</sup> Exhibit 76 (NC) - Response to supplemental request for information (SRFI) #3 from Borçelik, response to question 9

<sup>10</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc., Paras. 6-9

## **Particular Market Situation (PMS)**

### **Unfairly-traded or low-priced HRC imports**

#### **Representations**

The GOT argued that the POIs of GOT's investigations on HRC imports from China, Russia, Japan and India predate the CBSA's POI; and it is neither factually accurate nor logically sound to base the current allegations on conditions that do not overlap temporally;<sup>11</sup> and determining a PMS requires a distinct and independent analysis of whether specific market conditions which prevent a proper comparison of normal value with export price, which cannot be assumed solely based on the presence of dumping.<sup>12</sup>

Counsel for Borçelik argued that there is no evidence on the record of dumped or injurious HRC that is contemporaneous to the POI in this investigation.<sup>13</sup>

#### **Reply submissions**

Counsel for AMD and Stelco argued that the persistence of low-priced HRC enabled by the Turkish inward processing Regime (IPR) reflects price distortions caused by dumped HRC, which impact production costs of producers of CRC and COR as downstream consumers.<sup>14</sup>

#### **CBSA's response**

The CBSA examined the influx of significant volumes of HRC imports from China, Russia, Japan and India during the period of January 2023 to September 2024. The CBSA's POI for this investigation is October 2023 to September 2024.

The GOT issued definitive anti-dumping duties on HRC imports from China, Russia, Japan and India in October 2024. The GOT's injury investigation period was January 2020 to June 30, 2023 and the dumping investigation period was July 1, 2022 to June 30, 2023.

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<sup>11</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the particular market situation (PMS): p. 3.

<sup>12</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the particular market situation (PMS): p. 6.

<sup>13</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS) \_Redacted: para. 29.

<sup>14</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 31.

Information on the record<sup>15</sup> indicates that HRC imports from China, Russia, Japan and India during the period of January 2023 to June 30, 2023 were unfairly-traded. The CBSA's analysis<sup>16</sup> indicates that HRC imports from those four countries during the period of July 2023 to September 2024 were low-priced.

More details have been discussed in the PMS section of the *Statement of Reasons*.

## **Accounting for non-PMS factors affecting markets**

### **Case briefs**

Counsel for Borçelik argued that no PMS existed in the Turkish COR market; Turkish domestic COR prices were driven by normal market forces rather than distortive intervention; and the evidence does not support a conclusion that a PMS existed in Türkiye, which prevents a proper comparison between Borçelik's domestic and export sales;<sup>17</sup> declining HRC prices in Türkiye was part of a general global down cycle;<sup>18</sup> the Turkish HRC market was impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices, and export volumes;<sup>19</sup> the Turkish COR market was impacted by the factors such as the earthquake that happened in February 2023, local demands, and export volumes;<sup>20</sup> demand and supply fundamentals ultimately determine steel prices in all markets and changes in those fundamentals may change price correlations between products and markets but those changes are not distortions; a number of legitimate factors can explain why Turkish COR prices may have diverged from those in other markets for a time, but none of those factors are manifestations of a PMS in the Turkish COR market; price movements must be interpreted in light of circumstances; and evidence does not demonstrate that Turkish HRC or Turkish COR prices were distorted by imports of HRC into the Turkish market.<sup>21</sup>

Counsel for AMD and Stelco argued that the totality of the evidence on the record supports a determination that there exists a PMS in the Turkish COR sector, which renders Turkish domestic sales and exporter costs inappropriate for the purposes of calculating normal values.<sup>22</sup>

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<sup>15</sup> Exhibit 115 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 100-106.

<sup>16</sup> Exhibit 115 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 107.

<sup>17</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 14.

<sup>18</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 24-27.

<sup>19</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 28-40.

<sup>20</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 41-47.

<sup>21</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 48-49.

<sup>22</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 12.

## Representations

Counsel for AMD and Stelco argued that the combined weight of the evidence from the CBSA's precursory PMS Analysis and information provided by the domestic producers support the existence of a PMS in Türkiye, which distorts the pricing of COR through COR inputs (i.e., hot-rolled and cold-rolled steel).<sup>23</sup>

The GOT argued that selectively using specific data points without adequate context and drawing conclusions based on unbalanced comparisons does not constitute a sound or objective basis for establishing the existence of a PMS;<sup>24</sup> even if a PMS is identified, the authority must objectively examine whether and to what extent it distorts price comparability—such as by artificially lowering domestic prices;<sup>25</sup> the conditions for establishing a PMS in the Turkish COR market during the POI are not satisfied;<sup>26</sup> the ADA requires objective and specific evidence showing how the PMS actually impacts domestic pricing and inferring price distortion solely from input cost irregularities, without establishing a measurable impact on domestic sale prices, renders the conclusion speculative and inconsistent with WTO jurisprudence; in this case, the CBSA failed to demonstrate that domestic prices were depressed to aberrant or artificial levels or that they no longer reflected market forces.<sup>27</sup>

Counsel for Borçelik argued that the Turkish COR and HRC markets fluctuated in response to a series of factors that were entirely unrelated to imports of HRC.<sup>28</sup>

## Reply submissions

Counsel for AMD and Stelco argued that the internal supply and demand conditions mentioned by Borçelik exist in every other market and can cause fluctuations that may not be visible from a published or reported pricing; these are simply typical market fluctuations which do not in any way detract from the validity and utility of a price-based correlation or depression analysis in the determination of a PMS in Türkiye;<sup>29</sup> supply and demand, and other market specific events may contribute to influencing steel prices in ordinary and normal circumstances, but price correlations can identify the effects of pricing in one market (i.e., Türkiye) relative to other markets, and in particular whether there are price distortions in that market;<sup>30</sup> and it is a confluence of factors and observed effects, including from the IPR, that contribute to the existence of a PMS in Türkiye.<sup>31</sup>

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<sup>23</sup> Exhibit 125 (NC) Comments submitted by counsel for ArcelorMittal Dofasco G.P. and Stelco Inc. regarding the particular market situation (PMS).

<sup>24</sup> Exhibit 122 (NC) Comments submitted by the Government of Türkiye regarding the PMS: p. 4.

<sup>25</sup> Exhibit 122 (NC) Comments submitted by the Government of Türkiye regarding the PMS: p. 5.

<sup>26</sup> Exhibit 122 (NC) Comments submitted by the Government of Türkiye regarding the PMS: p. 5.

<sup>27</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the PMS: p. 9.

<sup>28</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS): para. 43.

<sup>29</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 23.

<sup>30</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 27.

<sup>31</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 29.

## **CBSA's response**

To evaluate whether there were price distortions in the Turkish markets due to the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India, the CBSA analyzed the price relationships between the Italian/Southern European markets and the Turkish markets for HRC, CRC, and COR. The pricing relationships between these markets during the period of February 2019 to December 2019 were selected as benchmarks.

Through its analysis, the CBSA observed changes in price correlations and increased/decreased pricing difference between the Turkish prices and the Italian/Southern European prices. However, the CBSA was unable to conclude that changes in price correlations and increased/decreased pricing difference between the Turkish prices and the Italian/Southern European prices were caused by the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India (i.e. HRC for the period of July 2023 to September 2024 and CRC/COR for the period of January 2023 to September 2024).

In order to demonstrate a causal relationship, other known possible causes of the observed correlations would be required to be evaluated. In their case brief, Borçelik submitted that the Turkish HRC and COR market were impacted by the factors such as the earthquake that happened in February 2023, local demand, scrap prices and export volumes<sup>32</sup>. The CBSA was unable to evaluate those factors in order to conclude that the changes in the price correlations and/or increased/decreased pricing difference between the Turkish prices and the Italian/Southern European prices were caused by the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India. Consequently, the CBSA was unable to conclude that Turkish prices had been affected by the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India.

This investigation is specific to one exporter, Borçelik. In order to demonstrate that Borçelik's specific commercial practices (i.e. purchases of HRC/CRC and domestic sales of COR) had been affected by the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India, other known possible causes (such as the earthquake that happened in February 2023 in Türkiye, local demand in Türkiye, scrap prices in Türkiye and export volumes by Türkiye) would be required to be evaluated. The CBSA was unable to evaluate those possible factors in order to conclude that the prices of Borçelik's all purchases of HRC/CRC and/or domestic sales of COR had been affected by the significant volumes of unfairly traded or low-priced HRC imports from China, Russia, Japan and India.

As such, having considered the information on the record and the representations made by the parties, the CBSA did not form the opinion that a PMS existed in Türkiye for Borçelik due to the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and Russia, which did not permit a proper comparison between Borçelik's domestic sales and Borçelik's export sales to Canada.

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<sup>32</sup> Exhibit 118 (NC) - Case brief filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 28 to 47

Based on the information on the record, due to the same reasons, the CBSA did not form the opinion that a PMS existed in Türkiye for Borçelik due to the PMS factors alleged by the Canadian domestic producers, which did not permit a proper comparison between Borçelik's domestic sales and Borçelik's export sales to Canada.

More details have been discussed in the PMS section of the *Statement of Reasons*.

## **PMS analysis in an exporter-specific investigation**

### **Case briefs**

Counsel for AMD and Stelco argued that Borçelik's operational environment necessarily impacts its business; and the PMS in Türkiye necessarily affects Borçelik's COR pricing.<sup>33</sup>

### **Representations**

The GOT argued that this investigation only covers Borçelik and Borçelik's imports should be evaluated to make a fair and complete analysis.<sup>34</sup>

Counsel for Borçelik argued that this investigation is concerned exclusively with whether its own domestic sales permit a proper comparison with its export sales; considering Borçelik's limited market share, CBSA has not (and cannot) demonstrate that trends in the Turkish COR market as a whole are representative of Borçelik's commercial practices; there are no benchmarks on the record that form a reasonable basis for comparison with Borçelik's own domestic sales; the benchmark data on the record fundamentally differ from Borçelik's domestic sales in terms of product mix, terms of sale (spot versus contract), level of trade, quantities and other factors affecting price comparability; and any attempt to compare benchmark price data with Borçelik's domestic selling prices (which are the subject of the proper comparison test) without first adjusting for all differences affecting price comparability would be contrary to law.<sup>35</sup>

### **CBSA's response**

This investigation is specific to one exporter, Borçelik. In this PMS analysis, the market being assessed is the market for Borçelik's domestic sales of COR meeting the product definition; and the relevant point of inquiry is whether there was, during the POI, a PMS that precluded a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada.

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<sup>33</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc: para. 10.

<sup>34</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the PMS: p. 9.

<sup>35</sup> Exhibit 124 (NC) - Comments submitted by counsel for Borçelik Çelik Sanayii Ticaret A.Ş. regarding the particular market situation (PMS): para. 35.

In order to form the opinion, pursuant to paragraph 16(2)(c) of the SIMA, that a PMS existed in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their sales of subject goods to the importers in Canada, sufficient information on the record would have been required to demonstrate that:

- A PMS existed in respect of COR originating in or exported from Türkiye by Borçelik;
- The PMS had an impact on the domestic sales of Borçelik; and
- As a result of the PMS, a proper comparison cannot be made between Borçelik's domestic sales and Borçelik's export sales to Canada.

As such, without an evaluation on Borçelik's specific commercial practices (such as purchases of HRC/CRC and domestic sales of COR), the CBSA was unable to conclude that Borçelik's input costs and domestic selling prices of COR had been lowered or affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India or the PMS factors alleged by the Canadian domestic producers. This conclusion could be reached only after Borçelik's specific commercial practices are specifically evaluated.

However, information on the record was insufficient for the CBSA to evaluate Borçelik's specific commercial practices and to conclude that Borçelik's specific commercial practices had been affected by the significant volumes of unfairly-traded or low-priced HRC imports from China, Russia, Japan and India and/or the PMS factors alleged by the Canadian domestic producers.

More details have been discussed in the PMS section of the *Statement of Reasons*.

### **Application of paragraph 11.2(2)(e) of SIMR (Substitution of input costs)**

#### **Case briefs**

Counsel for AMD and Stelco argued that an average of MEPS pricing for Southern and Eastern European countries constitutes the most appropriate surrogate pricing group for HRC, CRC and COR under subsection 11.2(2)(e) of the SIMR, or alternatively, combined pricing from Italy and Spain published by MEPS is an appropriate surrogate.<sup>36</sup>

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<sup>36</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 30-57.

## **Reply submissions**

Counsel for Borçelik argued that, while Stelco and AMD devote considerable effort to the selection of a benchmark for substituted costs, no effort is made to explain how those benchmarks (or any benchmark) would be “adjusted to reflect the differences relating to price comparability with the country of export”; if CBSA were to apply subparagraph 11.2(2)(e), adjustments would be required for all differences affecting price comparability between reported benchmark prices and Borçelik’s costs; at a minimum, this would require adjustments for differences relating to grades, sizes, coating weight, quantities, level of trade, terms of sale (spot versus contract), trade measures in different countries, source of product and all market conditions (including, but not limited to, demand fluctuations, seasonality’s, supply disruptions and tax regimes); importantly, the adjustments would have to take time of purchase into account since goods sold or shipped in a particular month may have been produced with inputs purchased many months and, in some cases, more than a year prior; and, in the end, Stelco and AMD offer no input into how these required adjustments would be made.<sup>37</sup>

## **CBSA’s response**

With a consideration of all the information on the record, the CBSA did not form the opinion that a PMS existed in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik’s domestic sales of like goods with their export sales of subject goods to the importers in Canada. As such, paragraph 11.2(2)(e) of SIMR is not applicable for the determination of normal values for Borçelik.

Pursuant to paragraph 11.2(2)(e) of SIMR, the prices of the same or substantially the same inputs are determined on the basis of the published prices outside the country of export; and adjustments are made to reflect the differences relating to price comparability with the country of export.

Information on the record indicates that several factors impacted HRC/CRC prices and Borçelik purchased many different types of HRC/CRC. Information on the record was insufficient to determine the prices of the same or substantially the same inputs on the basis of the published prices outside the country of export.

Further, no information is available on the record to make adjustments to reflect the differences relating to price comparability between the benchmark/surrogate country and the country of export (Türkiye).

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<sup>37</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 9.

## **PMS factors alleged by the Canadian domestic producers<sup>38</sup>**

### **Case briefs**

Counsel for AMD and Stelco argued that several factors contribute to a PMS in Türkiye and these factors include volatile economic conditions<sup>39</sup>, distorted inputs<sup>40</sup>, a lack of inflation accounting adjustments<sup>41</sup>, presence of dumped COR in the Turkish market<sup>42</sup>, Government support programs<sup>43</sup>, and IPR<sup>44</sup>.

### **Representations**

The GOT argued that mentioning any alleged export support programs of Türkiye in a PMS analysis is not acceptable, while Canada already applies subsidy measure against COR products.<sup>45</sup>

### **Reply submissions**

Counsel for AMD and Stelco argued that the domestic producers have provided ample evidence and maintain their position taken in their case brief that a PMS exists in Türkiye.<sup>46</sup>

Counsel for Borçelik provided comments<sup>47</sup> on the factors alleged by AMD and Stelco and argued that Stelco and AMD's alleged distortions must be quantified and shown to be significant; otherwise, there is no statutory or WTO-consistent foundation for rejecting Borçelik's domestic sales on the basis that they do not permit a proper comparison with its export sales; absent such quantification, any finding that Borçelik's sales "do not permit a proper comparison" is purely speculative and contrary to the plain wording of article 2.2 of the WTO Antidumping Agreement and paragraph 16(2)(c) of SIMA; and Stelco and AMD have failed to demonstrate the existence of a PMS "which does not permit a proper comparison with the sale of goods to the importer in Canada."<sup>48</sup>

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<sup>38</sup> Details in the section 2 of this *Statement of Reasons*.

<sup>39</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 60-73.

<sup>40</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 74-85.

<sup>41</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 86-96.

<sup>42</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 97.

<sup>43</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 98-124.

<sup>44</sup> Exhibit 120 (NC) - Case brief filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: paras. 125-133.

<sup>45</sup> Exhibit 122 (NC) - Comments submitted by the Government of Türkiye regarding the PMS: p. 8-9.

<sup>46</sup> Exhibit 127 (NC) - Reply submission filed on behalf of ArcelorMittal Dofasco G.P. and Stelco Inc.: para. 16.

<sup>47</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: paras. 10-24.

<sup>48</sup> Exhibit 129 (NC) - Reply submission filed on behalf of Borçelik Çelik Sanayii Ticaret A.Ş.: para. 25.

## **CBSA's response**

The CBSA reviewed the PMS factors that the Canadian domestic producers (AMD and Stelco) alleged to contribute to a PMS in Türkiye for Borçelik, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada.

Based on its analysis, the CBSA was unable to conclude that the Turkish domestic COR prices had been impacted by the PMS factors alleged by the Canadian domestic producers; and the CBSA was also unable to obtain sufficient evidence to conclude that the prices of Borçelik's domestic sales of COR had been impacted by the alleged PMS factors.

Specifically, the record does not contain the information necessary to evaluate Borçelik's specific domestic COR selling prices and to demonstrate that Borçelik's domestic selling prices of COR had been affected by the alleged PMS factors.

As such, based on the information on the record, the CBSA did not form the opinion that a PMS existed in Türkiye for Borçelik due to the PMS factors alleged by the Canadian domestic producers, which did not permit a proper comparison of Borçelik's domestic sales of like goods with their export sales of subject goods to Canada.

More details have been discussed in the PMS section of the *Statement of Reasons*.