Canada Border Services Agency | Agence des services frontaliers du Canada

OTTAWA, September 8, 2026

DONP2 2026 IN

STATEMENT OF REASONS

Concerning the preliminary determinations of the investigations into the dumping and subsidizing of

DECORATIVE AND OTHER NON-STRUCTURAL PLYWOOD ORIGINATING IN OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA

DECISIONS

Pursuant to subsection 38(1) of the *Special Import Measures Act*, the Canada Border Services Agency made preliminary determinations on August 24, 2026 respecting the dumping and subsidizing of decorative and other non-structural plywood originating in or exported from China.

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

Canada

TABLE OF CONTENTS

SUMMARY 1
PERIOD OF INVESTIGATION 2
PROFITABILITY ANALYSIS PERIOD 2
INTERESTED PARTIES 2
PRODUCT INFORMATION 5
  DEFINITION 5
IMPORTS INTO CANADA 6
INVESTIGATIONS PROCESS 6
REPRESENTATIONS 7
DUMPING INVESTIGATION 8
  NORMAL VALUE 8
  EXPORT PRICE 8
  MARGIN OF DUMPING 8
  BACKGROUND OF SECTION 20 INQUIRY 8
  ANALYSIS OF SECTION 20 CONDITIONS 9
    Government Control Analysis 9
    Subsidization 17
    Summary of Government Control Analysis 18
  PRELIMINARY RESULTS OF THE SECTION 20 INQUIRY 18
Preliminary Results of the Dumping Investigation 18
  COOPERATIVE EXPORTERS 18
  ALL OTHER EXPORTERS 26
  SUMMARY OF PRELIMINARY RESULTS – DUMPING 26
  NEGLIGIBILITY 27
  INSIGNIFICANCE 27
SUBSIDY INVESTIGATION 28
  PRELIMINARY RESULTS OF THE SUBSIDY INVESTIGATION 29
  GOVERNMENT OF CHINA 30
  COOPERATIVE EXPORTERS 31
  ALL OTHER EXPORTERS 34
  SUMMARY OF PRELIMINARY RESULTS – SUBSIDY 35
  NEGLIGIBILITY 35
  INSIGNIFICANCE 36
DECISIONS 36
PROVISIONAL DUTY 36
FUTURE ACTION 37
  THE CANADA BORDER SERVICES AGENCY 37
  THE CANADIAN INTERNATIONAL TRADE TRIBUNAL 37
RETROACTIVE DUTY ON MASSIVE IMPORTATIONS 38
UNDERTAKINGS 38
PUBLICATION 39
INFORMATION 39
APPENDIX 1 – SUMMARY OF ESTIMATED MARGINS OF DUMPING, ESTIMATED AMOUNTS OF SUBSIDY AND PROVISIONAL DUTIES PAYABLE 40

SUMMARY

[1] On February 18, 2026, the Canada Border Services Agency (CBSA) received a written complaint from Columbia Forest Products (CFP) and the Canadian Hardwood Plywood and Veneer Association (CHPVA) (hereinafter referred to as "the complainants") alleging that imports of decorative and other non-structural plywood (hereinafter, "DONP") originating in or exported from the People's Republic of China ("China"), are being injuriously dumped and subsidized.

[2] On March 11, 2026, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainants that the complaint was properly documented. On March 20, 2026, the CBSA informed the Government of China that a properly documented complaint had been filed. At that time, the Government of China was provided with a non-confidential version of the subsidy complaint and was invited for consultations pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*, prior to the initiation of the subsidy investigation. The CBSA did not receive any request for consultations.

[3] On April 10, 2026, pursuant to subsection 31(1) of SIMA, the CBSA initiated investigations respecting the dumping and subsidizing of DONP from China.

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

[5] On June 9, 2026, pursuant to subsection 37.1(1) of SIMA, the CITT made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping and subsidizing of DONP from China have caused and are threatening to cause injury to the domestic industry.

[6] On August 24, 2026, as a result of the CBSA's preliminary investigations and pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing of DONP originating in or exported from China.

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

PERIOD OF INVESTIGATION

[8] The Period of Investigation (POI) for the investigations are January 1, 2025 to December 31, 2025.

PROFITABILITY ANALYSIS PERIOD

[9] The Profitability Analysis Period (PAP) is January 1, 2025 to December 31, 2025.

INTERESTED PARTIES

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

Exporters

[11] The following nine exporters provided substantially complete responses to the CBSA's dumping and section 20 RFIs and subsequent supplemental RFIs (SRFI) in sufficient time to be considered for the preliminary determination:

- Dehua TB New Decoration Material Co., Ltd. ("Dehua TB");[1]
- Linyi Evergreen Wood Co., Ltd. ("Linyi Evergreen");[2]
- Linyi Jiahe Wood Industry Co., Ltd. ("Linyi Jiahe");[3]
- LinYi QianFeng Wood Factory ("Qianfeng");[4]
- Pingyi Fuwanjia Wooden Products Factory ("Pingyi Fuwanjia");[5]
- Pizhou Jiangshan Wood Co., Ltd. ("Pizhou Jiangshan");[6]
- Shandong Hengjia New Material Co., Ltd. ("Shandong Hengjia");[7]
- Suzhou Dongsheng Wood Co., Ltd. ("Suzhou Dongsheng");[8] and
- Xuzhou Meibang Wood Co., Ltd. ("Xuxhou Meibang").[9]

[1] Exhibit 145 (PRO) & 146 (NC) – Response to Dumping RFI and Exhibit 137 (PRO) & 138 (NC) – Response to section 20 RFI – Dehua TB.
[2] Exhibit 87 (PRO) & 88 (NC) – Response to Dumping RFI and Exhibit 89 (PRO) & 90 (NC) – Response to section 20 RFI – Linyi Evergreen.
[3] Exhibit 94 (PRO) & 95 (NC) – Response to Dumping RFI and Exhibit 163 (PRO) & 164 (NC) – Response to section 20 RFI – Linyi Jiahe.
[4] Exhibit 113 (PRO) & 114 (NC) – Response to Dumping RFI and Exhibit 107 (PRO) & 108 (NC) – Response to section 20 RFI – Qianfeng.
[5] Exhibit 76 (PRO) & 77 (NC) – Response to Dumping RFI and Exhibit 83 (PRO) & 83 (NC) – Response to section 20 RFI – Pingyi Fuwanjia.
[6] Exhibit 179 (PRO) & 180 (NC) – Response to Dumping RFI and Exhibit 147 (PRO) & 148 (NC) – Response to section 20 RFI – Pizhou Jiangshan.
[7] Exhibit 101 (PRO) & 102 (NC) – Response to Dumping RFI and Exhibit 105 (PRO) & 106 (NC) – Response to section 20 RFI – Shandong Hengjia.
[8] Exhibit 99 (PRO) & 100 (NC) – Response to Dumping RFI and Exhibit 103 (PRO) & 104 (NC) – Response to section 20 RFI – Suzhou Dongsheng.
[9] Exhibit 109 (PRO) & 110 (NC) – Response to Dumping RFI and Exhibit 111 (PRO) & 112 (NC) – Response to section 20 RFI – Xuxhou Meibang.

[12] The following ten exporters provided substantially complete responses to the CBSA's dumping and section 20 RFIs and subsequent supplemental RFIs (SRFI) in sufficient time to be considered for the preliminary determination:

- Dehua TB New Decoration Material Co., Ltd.;[10]
- Feixian Jianhao Wood Factory ("Feixian Jianhao");[11]
- Linyi Evergreen Wood Co., Ltd.;[12]
- Linyi Jiahe Wood Industry Co., Ltd.;[13]
- Pingyi Fuwanjia Wooden Products Factory;[14]
- Pizhou Jiangshan Wood Co., Ltd.;[15]
- Shandong Baozhu International Trading Co., Ltd ("Shandong Baozhu");[16]
- Shandong Hengjia New Material Co., Ltd.;[17]
- Suzhou Dongsheng Wood Co., Ltd.;[18] and
- Xuzhou Meibang Wood Co., Ltd..[19]

[13] Feixian Jianhao[20] and Shandong Baozhu[21] provided a deficient response to the dumping and/or section 20 RFIs and Qianfeng[22] provided a deficient response to the subsidy RFI. The CBSA sent a deficiency letter to the exporters; however, a complete response was not received by the CBSA in sufficient time to be considered for the preliminary determination.

[14] The CBSA also received responses to the CBSA's dumping and subsidy RFI from the following input suppliers, producers, and vendors:

- Huainan Mengping Import and Export Co., Ltd. ("Mengping", related trading company of Qianfeng);[23]
- Shandong Dongsheng Mingzhu Wood Panel Co., Ltd. ("Mingzhu", related producer of Shandong Baozhu);[24] and

[10] Exhibit 151 (PRO) & 152 (NC) – Response to Subsidy RFI – Dehua TB.
[11] Exhibit 78 (PRO) & 79 (NC) – Response to Subsidy RFI – Feixian Jianhao.
[12] Exhibit 175 (PRO) & 176 (NC) – Response to Subsidy RFI – Linyi Evergreen.
[13] Exhibit 161 (PRO) & 162 (NC) – Response to Subsidy RFI – Linyi Jiahe.
[14] Exhibit 141 (PRO) & 142 (NC) – Response to Subsidy RFI – Pingyi Fuwanjia.
[15] Exhibit 159 (PRO) & 160 (NC) – Response to Subsidy RFI – Pizhou Jiangshan.
[16] Exhibit 185 (PRO) & 186 (NC) – Response to Subsidy RFI – Shandong Baozhu.
[17] Exhibit 129 (PRO) & 130 (NC) – Response to Subsidy RFI – Shandong Hengjia.
[18] Exhibit 131 (PRO) & 132 (NC) – Response to Subsidy RFI – Suzhou Dongsheng.
[19] Exhibit 143 (PRO) & 144 (NC) – Response to Subsidy RFI – Xuzhou Meibang.
[20] Exhibit 157 (PRO) & 158 (NC) – Response to Dumping RFI and Exhibit 135 (PRO) & 136 (NC) – Response to section 20 RFI – Feixian Jianhao.
[21] Exhibit 187 (PRO) & 188 (NC) – Response to Dumping RFI – Shandong Baozhu.
[22] Exhibit 133 (PRO) & 134 (NC) – Response to Subsidy RFI – Qianfeng.
[23] Exhibit 113 (PRO) & 114 (NC) – Response to Dumping RFI and Exhibit 135 (PRO) & 136 (NC) – Response to Subsidy RFI – Qianfeng & Mengping.
[24] Exhibit 187 (PRO) & 188 (NC) – Response to Dumping RFI and Exhibit 189 (PRO) & 190 (NC) – Response to Subsidy RFI – Shandong Baozhu & Mingzhu.

- Zhejiang Dehua TB Import & Export Co., Ltd. ("Zhejiang Dehua", related trading company and input supplier of Dehua TB).[25]

Importers

[15] Twelve importers provided a response to the CBSA's importer RFI:

- Canusa Wood Products Limited;[26]
- Formations Inc.;[27]
- Hardwoods Specialty Products LP;[28]
- McCorry & Co Ltd.;[29]
- Metrie Canada Ltd.;[30]
- Nicobois Inc.;[31]
- Panoply Wood Products Inc.;[32]
- Patriot Timber Products, Inc.;[33]
- Richelieu Hardware Limited / Quincaillerie Richelieu Limitée;[34]
- Richmond International Forest Products, LLC;[35]
- Smart Wood Forest Products Ltd.;[36] and
- Weston Woods.[37]

Surrogates

[16] The CBSA received one response to the surrogate producer RFI from Columbia Forest Products, Inc., a producer of DONP located in the U.S.[38]

[25] Exhibit 149 (PRO) & 150 (NC) – Response to Dumping RFI and Exhibit 167 (PRO) & 168 (NC) – Response to Subsidy RFI – Zhejiang Dehua.
[26] Exhibit 63 (PRO) & 64 (NC) – Response to Importer RFI – Canusa Wood Products Limited.
[27] Exhibit 120 (PRO) & 121 (NC) – Response to Importer RFI – Formations Inc.
[28] Exhibit 59 (PRO) & 60 (NC) – Response to Importer RFI – Hardwoods Specialty Products LP.
[29] Exhibit 80 (PRO) & 81 (NC) – Response to Importer RFI – McCorry & Co Ltd.
[30] Exhibit 194 (PRO) & 195 (NC) – Response to Importer RFI – Metrie Canada Ltd.
[31] Exhibit 48 (NC) – Response to Importer RFI – Nicobois Inc.
[32] Exhibit 70 (PRO) & 71 (NC) – Response to Importer RFI – Panoply Wood Products Inc.
[33] Exhibit 61 (PRO) & 62 (NC) – Response to Importer RFI – Patriot Timber Products, Inc.
[34] Exhibit 153 (PRO) & 154 (NC) – Response to Importer RFI – Richelieu Hardware Limited / Quincaillerie Richelieu Limitée.
[35] Exhibit 45 (PRO) & 46 (NC) – Response to Importer RFI – Richmond International Forest Products, LLC.
[36] Exhibit 55 (PRO) & 54 (NC) – Response to Importer RFI – Smart Wood Forest Products Ltd.
[37] Exhibit 139 (PRO) & 140 (NC) – Response to Importer RFI – Weston Woods.
[38] Exhibit 155, 177 (PRO) & 156, 178 (NC) – Response to Surrogate Producer RFI – Columbia Forest Products USA.

Government

[17] The Government of China provided a partially complete response to the government subsidy RFI and subsequent supplemental RFI; however, it did not provide a response to the government section 20 RFI.[39]

PRODUCT INFORMATION

DEFINITION

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

> *Decorative and other non-structural plywood, whether or not surface coated or covered, and veneer core platforms for the production of decorative and other non-structural plywood, originating in or exported from the People's Republic of China. Decorative and other non-structural plywood is defined as a flat, multilayered plywood or other veneered panel, consisting of two or more layers or plies of wood veneers and a core, with the face and/or back veneer made of wood. The veneers, along with the core are glued or otherwise bonded together. Decorative and other non-structural plywood include products that meet the American National Standard for Hardwood and Decorative Plywood, ANSI/HPVA HP-1-2024 (including any revisions to that standard).*
>
> *Excluding:*
>
> a. *Structural plywood that (i) is manufactured to meet CSA O121 (Douglas fir plywood), CSA O151 (Canadian softwood plywood), CSA O153 (Poplar plywood), or U.S. Products Standard PS 1-09, PS 2-09, or PS 2-10 for Structural Plywood (including any revisions to that standard or any substantially equivalent domestic or international standard intended for structural plywood), (ii) which has both a face and a back veneer of coniferous wood, and (iii) which is for use in structural applications*
> b. *Finished plywood products for use as flooring*
> c. *Plywood which has a shape or design other than a flat panel*
> d. *Phenolic Film Faced Plyform (PFF), also known as Phenolic Surface Film Plywood (PSF), defined as a panel with an "Exterior" or "Exposure 1" bond classification as is defined by The Engineered Wood Association, having an opaque phenolic film layer with a weight equal to or greater than 90g/m3 permanently bonded on both the face and back veneers and an opaque, moisture resistant coating applied to the edges and*
> e. *Laminated veneer lumber door and window components with (1) a maximum width of 44 millimeters, a thickness from 30 millimeters to 72 millimeters, and a length of less than 2413 millimeters, (2) water boiling point exterior*

[39] Exhibit 173 (PRO) & 174 (NC) – Response to Government Subsidy RFI – Government of China.

adhesive, (3) a modulus of elasticity of 1,500,000 pounds per square inch or higher, (4) finger-jointed or lap-jointed core veneer with all layers oriented so that the grain is running parallel or with no more than 3 dispersed layers of veneer oriented with the grain running perpendicular to the other layers, and (5) top layer machined

[19] For additional product information, the production process, the classification of imports, like goods and classes of goods, and information on the Canadian industry, refer to the *Initiation Statement of Reasons*.

IMPORTS INTO CANADA

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

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

Table 1: Import volume of DONP
(January 1, 2025 to December 31, 2025)

Country of Origin or Export	Estimated % of Total Imports for POI (by volume)
China	66.6%
All Other Countries	33.4%
Total	**100.0%**

INVESTIGATIONS PROCESS

[22] Regarding the dumping investigation, information was requested from all known and potential exporters, producers, vendors and importers, concerning shipments of DONP released into Canada during the POI.

[23] Regarding the subsidy investigation, information related to potential actionable subsidies was requested from all known and potential exporters and producers in China. Information was also requested from the Government of China concerning specificity and financial contributions made to exporters or producers of DONP released into Canada during the POI. The Government of China was also requested to forward the relevant RFIs to all subordinate levels of government that had jurisdiction over the producers or exporters.

[24] The Government of China and the exporters/producers were also notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits, may result in the margin of dumping, the amount of subsidy and the assessment of dumping and/or countervailing duties on subject goods being based on the facts available to the CBSA. Further, they were notified that non-cooperative parties will not receive an advantage for failing to provide the necessary information.

[25] After reviewing the RFI responses, SRFIs were sent to respondents who submitted substantially complete submissions within the timeframe specified in the RFI instructions, in order to clarify information provided in the responses and request additional information, where necessary. Information that was submitted by cooperative respondents following their original RFI responses and that could not be taken into consideration for the preliminary determinations due to the timelines of the investigations, will be considered for the final determinations.

[26] For the responding parties that did not provide complete information, deficiency letters were sent, in order to notify them that information was missing and that without the missing information, preliminary determinations would be made on the basis of facts available.

[27] Preliminary determinations are based on the information available to the CBSA and received in sufficient time to allow the CBSA to make its preliminary determinations. During the final phase of the investigations, the CBSA will continue to collect and verify information, the results of which will be incorporated into the CBSA's final decisions, which must be made by November 23, 2026.

REPRESENTATIONS

[28] During the preliminary phase of the investigations, counsel for the complainants made representations concerning exhibits on the administrative record, including certain RFI responses. These representations concern topics including the accuracy and completeness of information provided, and other missing or unclear information provided in the RFI responses.[40]

[40] Exhibit 234 (PRO) & 235 (NC); Exhibit 244 (PRO) & 245 (NC); Exhibit 247 (PRO) & 248 (NC); Exhibit 257 (PRO) & 258 (NC); Exhibit 264 (PRO) & 265 (NC); Exhibit 275 (PRO) & 276 (NC); Exhibit 287 (PRO) & 288 (NC); Exhibit 294 (PRO) & 295 (NC) – Comments submitted by counsel for CFP and CHPVA

DUMPING INVESTIGATION

NORMAL VALUE

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

EXPORT PRICE

[30] 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

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

BACKGROUND OF SECTION 20 INQUIRY

[32] Section 20 is a provision of SIMA that may be applied to determine the normal value of goods in a dumping investigation where certain conditions prevail in the domestic market of the exporting country. In the case of a prescribed country under paragraph 20(1)(a) of SIMA, it is applied where, in the opinion of the CBSA, the government of that country substantially determines domestic prices and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.[41]

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

[41] China is a prescribed country under Section 17.1 of the *Special Import Measures Regulations.*

[34] The complainants alleged that the conditions described in section 20 of SIMA prevail in the engineered wood product sector in China, which includes the subject goods. That is, the complainants alleged that this industry sector in China does not operate under competitive market conditions and consequently, the domestic prices of DONP established in China, would not be reliable for determining normal values.

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

ANALYSIS OF SECTION 20 CONDITIONS

Government Control Analysis

[36] This section will present the CBSA's analysis of the extent to which the Government of China exerts control over the engineered wood product sector in China, by examining the following:

- Government of China's State-Ownership and Control of Producers in the Engineered Wood Product Sector;
- Government of China's Plans, Policies and Directives Impacting the Engineered Wood Product Sector and Associated Industries;
- Government of China's Systemic and Sectoral Control;
- Government of China Intervention in the Cost of Production of Raw Material Inputs; and
- Subsidization

Government of China's State-Ownership and Control of Producers in the Engineered Wood Product Sector

[37] A number of Chinese producers in the forestry industry, including some DONP producers, are state-owned enterprises (SOEs) vested with government authority and responsible for executing Government of China policies that influence prices. Despite some public declarations of the Government of China's intention to transition the Chinese forestry industry to a free market, some evidence suggests that state control is still prevalent in China.

[38] For example, a 2018 study by the University of Alberta's China Institute confirmed that SOEs continue to play a prominent role within Chinese forest products. A 2022 study confirmed the existence of 87 relevant SOEs located in China's Heilongjiang Province, Jilin Province, and the eastern part of the Inner Mongolia Autonomous region alone. These SOEs fall under the Inner Mongolia Forest Industry Group, Jilin Forest Industry Group, Changbai Mountain Forest Industry Group, Longjiang Forest Industry Group, Great Khingan Forestry Group, and Yichun Forest Industry Group.[42]

[39] Moreover, many major SOEs in China's forestry industry have subsidiaries and multiple arms to carry out industry-related activities, such as the Guangxi Forest Industry Group and its subsidiaries (i.e. Guangxi Guoxu Forestry Development Group Co., LTD., and Guangxi Neutralization Science and Technology Development Co., Ltd), all of which fall under the guidance of the Government of China's Forestry Bureau of the Autonomous Region.[43]

[40] Furthermore, the evidence asserts that Chinese SOEs own stakes in numerous international logging regions and are harvesting the timber for export to China. This means that many importers of timber in China are themselves exporters to China. The China Forestry Group Corporation ("CFGC"), a self-declared SOE with operating facilities in more than 20 provinces in China and other countries across the world, is set-up in this manner. The CFGC is also "the largest wood supplier in China," accounting for more than 20% of total imported wood. Under this approach, it is also likely determining the price of exported lumber to China as well.[44]

[41] Additionally, the Government of China exerts control over the engineered wood product sector through state ownership and control of companies producing resin, which is the second largest input of DONP after timber. This results in pricing that is not what it would be in a competitive market.[45]

[42] The Government of China's extensive ownership or majority control of significant Chinese timber companies means that these companies do not act according to market conditions or to maximize profit; rather, the companies produce and market their goods according to Government of China objectives and policies. As a result, these companies are able to sell inputs to DONP producers at non-market prices in alignment with Government of China policies, objectives and directions.[46]

[42] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 190-193.
[43] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 195.
[44] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 197.
[45] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 201.
[46] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 202.

[43] According to the Trade Policy Review – China Report released on November 19, 2024, the Secretariat of the World Trade Organization pointed out that the number of state-owned enterprises (SOEs) in both the industrial and construction sectors increased over the review period. The engineered wood product sector, including DONP specifically, is used in construction projects. While SOEs can act as instruments for implementing government policies, supporting national industrial goals, and maintaining state control over critical sectors, China's SOEs consistently base their actions on commercial considerations. Moreover, state ownership remains very important in the economy; even in many commercially oriented sectors, SOEs still have substantial market shares and account for a large portion of total assets and profits in the sectors.[47]

[44] It should be noted that the majority of the evidence concerns areas where no responding exporter is located, such as Jilin Province or Guangxi, as such, information provided by the exporters neither contradicts nor confirms much of the evidence. Furthermore, over fifty percent of wood products manufacturers are privately owned, implying that there can still be a very high percentage of government ownership, and does not reflect the size of these enterprises. The CBSA notes that while there are engineered wood product producers that are owned by private parties, their behavior can be influenced by the prices set by government-controlled competitors with large-scale production capacities and there is little ability to increase prices materially beyond the prices offered by government-controlled entities.

[45] From the information on the record it appears that while there is Government of China ownership in the forestry industry in China, it is unclear at this time how this impacts the engineered wood product sector.

Government of China's Plans, Policies and Directives Impacting the Engineered Wood Product Sector and Associated Industries

[46] Various plans, policies, directives, and measures from the Government of China direct the entire life cycle of the engineered wood product sector, from the production of inputs to the final use by the plywood downstream industries. Examples of five-year plans, national policy documents, and other government policies affecting the price the engineered wood product sector and associated industries in China are summarized below:

Five Year Plans

[47] As it does for other key industries, the Government of China issues Five-Year plans (FYPs) for forestry and forest products, which sets out production volume targets, employment targets and rates of increase for workers' incomes, as well as mechanization targets.[48] These include:

[47] WTO | Trade Policy Reviews - gateway, Results list, p.12, para. 27.
[48] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 61.

- The Government of China's *14th Five Year Plan for Economic and Social Development and Long-Range Objectives for 2025* (covering the period 2021 to 2025), which guides the development of the Chinese economy, including the Chinese forestry and manufacturing industries.

- The Chinese government's *13th* and *14th Five-Year Plans for Forestry* (covering the periods of 2016-2020 and 2021-2025, respectively), which establish that forests are state-owned.[49]

- The National Forest and Grassland Association (NFGA)'s *Forest and Grassland Industry Development Plan* (covering the period 2021 to 2025), which is a national blueprint for the development of the Chinese forest products industry. This plan sets more concrete targets for how China could achieve the economic progress planned by the Government of China and also directs its provincial counterparts to formulate and publish their own plans.

- Provincial plans stemming from the Government of China's FYPs, which provide their own guidance and production targets.[50] These include:
    - *Hebei Province Forestry and Grassland Industry Development Plan*[51]
    - *Jiangsu Province 14th Five-Year Plan for Forestry Development*[52]
    - *Yunnan Province Forestry and Grassland Industry Development Plan*[53]
    - Sichuan province's *National Reserve Forest Construction Plan*[54]

- Business commitments by SOEs and private enterprises stemming from the Government of China's FYPs.[55] Examples of these for companies involved in the production and sale of DONP include: Guangxi Forestry Industry Group Co., Ltd.; Luli Group Co., Ltd.; Feiya Wood Industry; the China Timber and Wood Products Distribution Association; and Dehua TB.[56]

State Directives on Forestry Development

[48] There are various national and provincial directives and notices that show that the Government of China views its forest product industry as a key industry. These include articles and directives: calling forestry a basic industry; discussing collective forest rights; developing national resource industries, and more.[57]

[49] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 80
[50] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 105-108
[51] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 109-114
[52] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 115-117
[53] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 118-126
[54] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 127
[55] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 129
[56] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 130-135
[57] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 143-151

The Government of China's Department Mandates

[49] There are two central agencies whose mandates are most relevant to China's forest product sector, namely the NDRC and the NFGA. It is explained that the NDRC functions include leading a "unified planning mechanism" as well as drafting "comprehensive industrial policies"; whereas, the NFGA's responsibilities include forestry policy-making and wood industry management.[58] The directives of the NDRC and the NFGA, both in isolation and in conjunction with each other, exert an impact on the price and volume of production of DONP in the Chinese market.[59]

Production License Management Catalog

[50] There is evidence that in September 2024, the Government of China added plywood to the National Production License Management Catalogue. This means that to produce plywood in China, a company must obtain the appropriate license and meet the required conditions, including facilities and equipment. This may suggest that the Chinese government exercises certain control of the engineered wood products sector in China.[60] However, the information provided indicates that this change is more to improve safety and quality of these industries, rather than control pricing.

Other Government of China Policies and Plans

[51] The Government of China has introduced several new policies and plans that may have an impact on the engineered wood product sector in China. These include: mandatory energy consumption standards on plywood that came into effect on February 1, 2026; the *Ecological and Environmental Protection Law of the People's Republic of China*, which takes effect on August 15, 2026; an update to the Chinese government's Catalogue of Industries Encouraging Foreign Investment, which occurred on February 1, 2026; and the Government's 15th Five Year Plan for National Economic and Social Development, which was announced on March 12, 2026.[61] All of these plans were introduced after the POI, and, therefore, were not considered as leading to government control during the POI.

[52] From the information on the record it appears that there are numerous Government of China plans and directives that outline the Government of China's vision for the forest products industry in general. However, the majority of the Government of China's plans and directives target the broader forestry and forest product industries, and presumes a direct effect on the engineered wood product sector. Moreover, while the evidence shows the existence of some plans, directives and policies directly impacting DONP producers, these measures have only recently become effective, limiting the CBSA's ability to evaluate the immediate impact within the sector.

[58] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 152
[59] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 153-159
[60] Exhibit 193 (NC) – Additional Information – Columbia Forest Products, Husky Plywood, and the Canadian Hardwood Plywood and Veneer Association, paras. 4-7
[61] Exhibit 193 (NC) – Additional Information – Columbia Forest Products, Husky Plywood, and the Canadian Hardwood Plywood and Veneer Association, paras. 8-12

Government of China's Systemic and Sectoral Control

[53] The Chinese government has the ultimate control over China's economy which is further augmented through an expansive network of Chinese Communist Party (CCP) cells, exerting control from the top-down, as well as the bottom-up. The European Union (EU) has found that the CCP cells: serve as a conduit for CCP interference in the business decisions of privately held companies and operate both throughout the Chinese economy at large and within China's engineered wood product sector specifically.

[54] According to Chinese corporate law, all companies, privately held or otherwise, are required to have "an organization of the Communist Party of China" internally embedded. Furthermore, the Company Law of the PRC requires that these organizations be established "in accordance with the Constitution of the Communist Party of China", which in turn requires the establishment of a CCP cell in any enterprise where there are "three or more full Party members."

[55] The role of CCP cells is set out in the Constitution of the CCP and outlines main tasks, directives and guidance on mandatory observance of laws and regulations, expressly tasking CCP cell members with ensuring that Chinese companies and their personnel comply with the Government's economic statutes and regulations.

[56] In 2020, the Government of China issued the "United Front Work Guidelines" which are a series of principles relating to enhancing the government's control over the private sector. The guidelines stress the importance of "continuously enhancing the Party's leadership over the private sector" and "uniting the vast number of private entrepreneurs more closely around the Party."

[57] Relevant examples of these CCP cells exerting control in the engineered wood product sector include the following:

[58] During the 2023 EU dumping investigation of Chinese okoumé plywood, a specific species of hardwood, it was revealed that the general manager of Jiangsu High Hope Arser Co., Ltd. also occupied the position of CCP branch secretary, and that the chairman of Jiangsu High Hope Arser's parent company also sat as that company's CCP committee secretary.

[59] In a 2025 investigation for another dumping case involving Chinese hardwood plywood, the EU found that two other major producers, Luli Group Co. Ltd., and Zhejiang Yuhua Wood Industry, each had significant CCP presence within them, and were each founded and retained by CCP members as key shareholders.

[60] The following Chinese wood-based panel product producers have a key person serving concurrently as a municipal politician or CCP member:

- Wanhua Ecological Industry Group Co., Ltd.
- Shouguang Luli Wood Industry Co., Ltd.
- Qiannianzhou New Material Technology Group Co., Ltd.

[61] From the information on the record it appears that there is evidence of government personnel that are linked to producers in upstream and associated industries related to the engineered wood products sector. Furthermore, the case is made that the Government of China is involved in all companies, embedded through CCP cells. However, a review of evidence by the CBSA does not reveal any Government associations based on the available evidence on the record.

Government of China Intervention in the Cost of Production of Raw Material Inputs

[62] The Chinese government's policies and ownership directly influence the costs and production of the main raw material inputs used in the production of DONP, especially logs (through forest resources) and resin.

Forest Resources

[63] China's forest resources are largely state-owned and collectively owned, with the government exercising strong control over both. Collective ownership refers to a system where forest resources are notionally "owned" collectively by members of a collective, which are normally organized at the village level.[62] The China Forestry Group, a state-owned enterprise, plays a central role in managing forestry operations and is involved in harvesting timber. Collectively owned forests are effectively under state control, with village-level governance acting as agents of the government.[63]

[64] Similarly, individuals' exercise of land-use rights ("LURs") in the forestry industry, is dictated by the Government of China's policy. LURs granted under China's *Collective Forest Tenure Reforms* in 2003 have not changed the top-down control; rather, the government still dictates timber harvest volumes and discourages private investment. Since 2012, China has re-centralized forestry management, restricting private rights and investment. As a result, it is argued that the Government of China still directly controls the lumber industry in China, even for those with supposed private forestry rights.[64]

[65] China's control of forest lands and resources create infrastructure through which finished wood products cannot be processed except under supervision by industry associations which are responsible for the distribution of raw wood inputs.[65] This control over China's forests is the result of the Government of China's plan to deepen control over a "forestry and grassland industry system" and the function of these forests are subject to Government of China logging quotas, dependent on the processing of wood for raw logs which depends on harvesting that is permissioned only by the Government of China.[66] Consequently, as harvested forest trees move to be processed into logs, manufacturers of downstream wood-based products cannot access these logs without the supervision of the NFGA.[67]

[62] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 160.
[63] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 161-162.
[64] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 163.
[65] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 164.
[66] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 165-166.
[67] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 167

Logs

[66] The primary input material for DONP is a log[68], which represents the largest cost component in the production of the subject goods.[69] From deciding which forests can be harvested to deciding how much of the logs can be processed for wood-based products (through logging quotas), the Government of China's involvement in the main input for DONP is significant. This top-down control means DONP producers do not obtain their raw materials in free-market conditions as they rely on government control and supervision of forestry management for raw wood inputs.[70] The Chinese government's control of forest resources, by way of logging quotas, indirectly affect the price of DONP. Through the imposition of strict quotas for logging, all while banning all non-governmental commercial logging, the Government of China ultimately decides the amount of domestic logs that can be cut to meet economic goals.[71]

[67] Another factor affecting the pricing of DONP in China is the issue of the procurement of black-market timber by Chinese wood product manufacturers. As the Government of China fails to enforce an end to the illegal timber supply chains, this amounts to a form of indirect pricing control. The evidence on the record shows a connection between China and Russia for illegal logging activity, bolstered by the geographic proximity of the two countries, along with evidence of Chinese companies circumventing the Russian timber sanctions. The Chinese government's persistent failure to impose sanctions, as well as its failure to enact or enforce laws restricting the import of illegally harvested Russian timber, constitutes indirect price control by allowing producers to access significant volumes of illegally sourced logs at inexpensive prices, and which also impacts the pricing of legally harvested logs. This has resulted in depressed Chinese log prices that are not substantially the same as they would be in a competitive market.

[68] Another aspect relates to the control of logging through log quotas that allow the Government of China to indirectly control pricing of goods made from both hardwood and softwood logs. In the case of softwood logs, the input is subject to the Government of China's pricing influence through the control of logging. China's softwood logs traditionally came from the vast state-owned forests of the Northeast and Inner Mongolia, which are largely off-limits by the natural forest logging ban. The Government of China is also the ultimate decision-maker in whether to increase or decrease a region or company's logging quota.[72]

[68] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint, para. 120(i).
[69] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint, para. 47.
[70] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 168
[71] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 172-176.
[72] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 182-183.

[69] In the case of hardwood logs, much of the hardwood resources in China come from plantations of fast-growing species (e.g. poplar and eucalyptus) that grow in China's forestry plantations under supervised harvest plans. DONP is produced with face and back veneers of hardwood species and is directly impacted by China's logging quotas. By adjusting provincial logging quotas, the Government of China can increase or restrict the supply of these plantation hardwood logs, thus controlling log harvests that equate to controlling veneer availability (as veneers are solely sourced from harvesting logs).[73]

Resin

[70] The Government of China exerts indirect influence on pricing of resin through state ownership and control of companies that produce the key input (mainly through the urea and formaldehyde components in resin) used in the production of DONP.[74]

[71] It is noted that there are several SOE producers of urea and formaldehyde, including: China National Petroleum Corp., China Blue Chemical Ltd., China Petroleum and Chemical Corporation, Hubei Chemical Fertilizer Company, Zhenhai Refining and Chemical Co., Yunnan Yuantiahua Co., and Nantong Jiangtian Chemicals.[75] This indirect control of companies producing the resin, by way of the direct government influence over the producers of the resin components, represent a form of connection to the Chinese government which provides benefit and affects pricing and costs for DONP producers, resulting in pricing based on distorted market conditions.

[72] From the information on the record, it appears that the Government of China may have an impact on the pricing of inputs used in the production of the engineered wood product sector. This is demonstrated by state-controlled harvest quotas, public ownership of forest lands, and the existence of a tolerated black market. To a lesser extent, the presence of SOEs in the resin industry is also evident. However, as much of the information on the record focuses on areas without participating exporters, the data gathered neither confirms nor refutes the aforementioned claims. Further review is required for the CBSA to determine the validity of the claims.

Subsidization

[73] A government can indirectly determine domestic prices through a variety of mechanisms that can involve the supply or price of the inputs (goods and services) used in the production of the subject goods or by influencing the supply of the subject goods in order to affect their price. One such mechanism is through the provision of direct financial subsidies or low-priced inputs in order to maintain the selling price of the product at a certain level.

[74] DONP producers in China are alleged to benefit from various subsidy programs including government grants, preferential loans, duty and tax exemptions and reductions; and the provision of various input materials at less than adequate remuneration.

[73] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), paras. 177-181.
[74] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix B (Section 20), para. 201.
[75] Exhibit 2 (NC) & 4 (NC) – DONP2 Complaint – Appendix A (Subsidies), para. 26.

[75] At the preliminary stage of the investigation, the CBSA received information from the Chinese government regarding subsidies provided to producers of goods in the engineered wood product sector, as well as information from participating exporters. However, an analysis of the evidence on the administrative record shows limited levels of subsidization provided to engineered wood product producers in China. Furthermore, the CBSA's preliminary determination of subsidy indicates a lack of subsidization in the sector. Further analysis will be required to determine the existence and extent of Government intervention over the domestic prices of engineered wood products in China.

Summary of Government Control Analysis

[76] The information on the record, including information from previous CBSA investigations of other key sectors in China suggest a level of government influence in the engineered wood product sector, which includes DONP. While there is some evidence of market distortions and cost advantages provided to Chinese producers in the engineered wood product sector through government plans and policies, the presence of SOEs, intervention of CCP cells, and low price inputs that may translate to distortions of DONP prices in China, there is insufficient evidence at this stage to form an opinion on whether the Government of China influences prices in the engineered wood product sector in China.

PRELIMINARY RESULTS OF THE SECTION 20 INQUIRY

[77] For the purposes of the preliminary determination of dumping, the CBSA has not formed the opinion that domestic prices in the engineered wood product sector in China are substantially determined by the Government of China and that domestic prices are not substantially the same as they would be in a competitive market.

[78] During the final phase of the investigation, the CBSA will continue to seek additional data on the domestic selling prices of DONP from producers in the subject and surrogate countries and continue its analysis on the section 20 allegations.

PRELIMINARY RESULTS OF THE DUMPING INVESTIGATION

COOPERATIVE EXPORTERS

Dehua TB New Decoration Material Co., Ltd.

[79] Dehua TB is a producer and exporter of subject goods located in China. It has a related export agent/input supplier, Zhejiang Dehua. All of the subject goods shipped to Canada by Dehua TB during the POI were produced at its production facility.

[80] Dehua TB's exports of subject goods represent 1.0% of imports from all countries during the POI. Dehua TB and its related companies provided substantially complete responses to the Dumping RFIs which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[81] Dehua TB's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of certain like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, only a subset of normal values could be estimated pursuant to the methodology of section 15 of SIMA. The remainder of Dehua TB's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[82] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Dehua TB's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[83] During the POI, all of the subject goods exported to Canada by Dehua TB were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[84] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 40.0% for Dehua TB, expressed as a percentage of the export price.

Linyi Evergreen Wood Co., Ltd.

[85] Linyi Evergreen is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Linyi Evergreen during the POI were produced at its production facility.

[86] Linyi Evergreen's exports of subject goods represent 3.2% of imports from all countries during the POI. Linyi Evergreen provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[87] Linyi Evergreen's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of certain like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, Linyi Evergreen's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[88] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[89] During the POI, all of the subject goods exported to Canada by Linyi Evergreen were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[90] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 6.1% for Linyi Evergreen, expressed as a percentage of the export price.

Linyi Jiahe Wood Industry Co., Ltd.

[91] Linyi Jiahe is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Linyi Jiahe during the POI were produced at its production facility.

[92] Linyi Jiahe's exports of subject goods represent 1.4% of imports from all countries during the POI. Linyi Jiahe provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[93] Linyi Jiahe's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of certain like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, only a subset of normal values could be estimated pursuant to the methodology of section 15 of SIMA. The remainder of Linyi Jiahe's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[94] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Linyi Jiahe's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[95] During the POI, all of the subject goods exported to Canada by Linyi Jiahe were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[96] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 8.4% for Linyi Jiahe, expressed as a percentage of the export price.

LinYi QianFeng Wood Factory

[97] Qianfeng is a producer and exporter of subject goods located in China. It has a related export agent, Mengping. All of the subject goods shipped to Canada by Qianfeng during the POI were produced at its production facility.

[98] Qianfeng's exports of subject goods represent 2.9% of imports from all countries during the POI. Qianfeng provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[99] Qianfeng's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, Qianfeng's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[100] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Qianfeng's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[101] During the POI, all of the subject goods exported to Canada by Qianfeng were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[102] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 27.4% for Qianfeng, expressed as a percentage of the export price.

Pingyi Fuwanjia Wooden Products Factory

[103] Pingyi Fuwanjia is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Pingyi Fuwanjia during the POI were produced at its production facility.

[104] Pingyi Fuwanjia's exports of subject goods represent 3.6% of imports from all countries during the POI. Pingyi Fuwanjia provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[105] Pingyi Fuwanjia's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, Pingyi Fuwanjia's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[106] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producer's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[107] During the POI, all of the subject goods exported to Canada by Pingyi Fuwanjia were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[108] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 13.9% for Pingyi Fuwanjia, expressed as a percentage of the export price.

Pizhou Jiangshan Wood Co., Ltd

[109] Pizhou Jiangshan is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Pizhou Jiangshan during the POI were produced at its production facility.

[110] Pizhou Jiangshan's exports of subject goods represent 0.7% of imports from all countries during the POI. Pizhou Jiangshan provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[111] Pizhou Jiangshan's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, Pizhou Jiangshan's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[112] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producer's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[113] During the POI, all of the subject goods exported to Canada by Pizhou Jiangshan were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[114] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 0.0% for Pizhou Jiangshan, expressed as a percentage of the export price.

Shandong Hengjia New Material Co., Ltd.

[115] Shandong Hengjia is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Shandong Hengjia during the POI were produced at its production facility.

[116] Shandong Hengjia's exports of subject goods represent 2.3% of imports from all countries during the POI. Shandong Hengjia provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[117] Shandong Hengjia's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of certain like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, only a subset of normal values could be estimated pursuant to the methodology of section 15 of SIMA. The remainder of Shandong Hengjia's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[118] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Shandong Hengjia's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[119] During the POI, all of the subject goods exported to Canada by Shandong Hengjia were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[120] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 6.1% for Shandong Hengjia, expressed as a percentage of the export price.

Suzhou Dongsheng Wood Co., Ltd.

[121] Suzhou Dongsheng is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Suzhou Dongsheng during the POI were produced at its production facility.

[122] Suzhou Dongsheng's exports of subject goods represent 1.7% of imports from all countries during the POI. Suzhou Dongsheng provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[123] Suzhou Dongsheng's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of certain like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, only a subset of normal values could be estimated pursuant to the methodology of section 15 of SIMA. The remainder of Suzhou Dongsheng's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[124] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Suzhou Dongsheng's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[125] During the POI, all of the subject goods exported to Canada by Suzhou Dongsheng were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[126] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 24.7% for Suzhou Dongsheng, expressed as a percentage of the export price.

Xuzhou Meibang Wood Co., Ltd.

[127] Xuxhou Meibang is a producer and exporter of subject goods located in China. All of the subject goods shipped to Canada by Xuxhou Meibang during the POI were produced at its production facility.

[128] Xuxhou Meibang's exports of subject goods represent 1.3% of imports from all countries during the POI. Xuxhou Meibang provided a substantially complete responses to the Dumping RFI which gave the CBSA sufficient information to estimate normal values and export prices of the subject goods under sections 15 to 28 of SIMA.

[129] Xuxhou Meibang's response to the Dumping RFI included a database of domestic sales of DONP during the PAP. However, there were insufficient sales of certain like goods that complied with all of the conditions referred to in sections 15 and 16 of SIMA. As such, only a subset of normal values could be estimated pursuant to the methodology of section 15 of SIMA. The remainder of Xuxhou Meibang's normal values were estimated using a cost-plus methodology pursuant to paragraph 19(b) of 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.

[130] The cost of production was estimated pursuant to paragraph 11(1)(a) of SIMR, based on the costs associated with the production of the subject goods. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Xuxhou Meibang's sales of DONP in their domestic market, during the PAP, of the same general category as the subject goods sold to Canada.

[131] During the POI, all of the subject goods exported to Canada by Xuxhou Meibang were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of 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.

[132] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 12.6% for Xuxhou Meibang, expressed as a percentage of the export price.

ALL OTHER EXPORTERS

[133] In establishing the methodology for estimating the normal values and export prices for all other exporters from China, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the initiation of the investigation, information submitted by parties who responded to the Dumping RFI, and CBSA customs entry documentation.

[134] The CBSA decided that the normal values and export prices estimated for the exporters, whose submissions were complete for purposes of the preliminary determination, rather than the information provided in the complaint or estimated at initiation, would be used to establish the methodology for estimating normal values for all other exporters of subject goods from China.

[135] The CBSA examined the difference between the estimated normal value and the estimated export price for each individual transaction of the exporters who provided a complete submission for purposes of the preliminary determination and considered that the highest amount (expressed as a percentage of the export price), was an appropriate basis for estimating normal values. The transactions were examined to ensure that no anomalies were considered, such as very low volume and value, effects of seasonality or other business factors. This methodology may result in a less favourable all-others-rate applied, to ensure that non-cooperative parties do not receive an advantage over those who did co-operate during the investigation.

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

[137] Using the above methodologies, for the preliminary determination, the estimated margin of dumping for all other exporters in China is 172.1%, expressed as a percentage of the export price.

SUMMARY OF PRELIMINARY RESULTS – DUMPING

[138] A summary of the preliminary results of the dumping investigation respecting all subject goods released into Canada during the POI is as follows:

Table 2: Summary of Preliminary Results - Dumping
(January 1, 2025 to December 31, 2025)

Exporters	**Estimated % of Total Imports for POI** (by volume)	**Estimated Margins of Dumping** (% of export price)
Dehua TB New Decoration Material Co., Ltd.	1.0%	40.0%
Linyi Evergreen Wood Co., Ltd.	3.2%	6.1%
Linyi Jiahe Wood Industry Co., Ltd.	1.4%	8.4%
LinYi QianFeng Wood Factory	2.9%	27.4%
Pingyi Fuwanjia Wooden Products Factory	3.6%	13.9%
Pizhou Jiangshan Wood Co., Ltd.	0.7%	0.0%
Shandong Hengjia New Material Co., Ltd.	2.3%	6.1%
Suzhou Dongsheng Wood Co., Ltd.	1.7%	24.7%
Xuzhou Meibang Wood Co., Ltd.	1.3%	12.6%
All Other Exporters - China	48.5%	172.1%
Total China	**66.6%**	**N/A**
All Other Countries	33.4%	N/A
Total	**100%**	**N/A**

NEGLIGIBILITY

[139] Pursuant to paragraph 35(1)(a) of SIMA, the CBSA is required to terminate an investigation prior to the preliminary determination if the volume of goods of a country is negligible.

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

[141] The table above confirms that the volume of imports from China is above 3% of the total volume of goods released into Canada. The volume of imports from China is therefore not negligible.

INSIGNIFICANCE

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

[143] The margin of dumping estimated for Pizhou Jiangshan Wood Co., Ltd. is below 2% of the export price and was, therefore, determined to be insignificant. As a result, the investigation will continue in respect of these goods but provisional anti-dumping duty will not be imposed on subject goods imported into Canada from this exporter during the provisional period.

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

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

SUBSIDY INVESTIGATION

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

[147] SIMA defines "government" in subsection 2(1) as, in relation to any country other than Canada, means the government of that country and includes:

a. any provincial, state, municipal or other local or regional government in that country,
b. any person, agency or institution acting for, on behalf of, or under the authority of, or under the authority of any law passed by, the government of that country or that provincial, state, municipal or other local or regional government, and
c. any association of sovereign states of which that country is a member,

[148] Pursuant to subsection 2(1.6) of SIMA, there is a financial contribution by a government of a country other than Canada where:

a. practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities;
b. amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected;
c. the government provides goods or services, other than general governmental infrastructure, or purchases goods; or

d. the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ in a meaningful way from the manner in which the government would do it.

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

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

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

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

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

PRELIMINARY RESULTS OF THE SUBSIDY INVESTIGATION

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

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

GOVERNMENT OF CHINA

[155] The Government of China provided a response to the government subsidy RFI. For the purposes of the preliminary determination, the CBSA is treating the Government of China's response as partially complete.

[156] At the initiation of the subsidy investigation, the CBSA requested information on 45 potential subsidy programs that could potentially confer benefits to producers/exporters of DONP in China. The programs were alleged in the complaint and/or were investigated by the CBSA in previous subsidy investigations. Some of these programs contain multiple sub-programs that may provide different incentives or various supports to producers/exporters of DONP in China.

[157] During the preliminary phase of the investigation, cooperative exporters were determined to have received benefits from a total of 45 potential subsidy programs/sub-programs. Thirty of these sub-programs may be linked to 15 of the original 45 potential subsidy programs under investigation. No additional sub-programs were identified as new potential subsidy programs requiring further investigation by the CBSA. As a result, the CBSA has evidence related to a total of 15 subsidy programs.

[158] At the time of the filing of the RFI response, the Government of China acknowledged that they were aware of a single specific exporter participating in the investigation. Consequently, they did not provide information on most of the 45 programs that the CBSA initiated upon. The Government of China has been requested to provide additional information to correct these issues, but the response was not received in time for consideration for purposes of the preliminary determination.

[159] In regard to the 45 subsidy programs under review, the Government of China's response fell into one of the three following categories:

i) Cooperative exporters benefited, and the Government of China provided sufficient information;
ii) Cooperative exporters benefited but the Government of China did not provide sufficient information;
iii) No exporters benefited, and the Government of China did not provide sufficient information.

[160] For programs in category i) the Government of China provided sufficient information regarding the programs. Where cooperative exporters reported receiving benefits, the amount of subsidy was included in both the exporter-specific subsidy calculations and the All Others Rate as described in **All Other Exporters** section below. Where no cooperative exporters reported receiving benefits, the programs were not included in the exporter-specific subsidy calculations but were included in the All Others Rate for purposes of the preliminary determination where positive evidence of exporters receiving benefits from a given program in previous investigations.

[161] For programs in categories ii) and iii), the Government of China did not provide sufficient information regarding the existence, operation, or specificity of the programs. Consequently, the CBSA relied on the information available on the administrative record. For category ii) programs, where cooperative exporters reported receiving benefits, the amount of subsidy was included in the exporter-specific subsidy calculations and the All Others Rate. For category iii) programs, where no cooperative exporters reported receiving benefits but where positive evidence of exporters receiving benefits from a given program in previous investigations, the programs were not included in the exporter-specific subsidy calculations but were included in the All Others Rate for purposes of the preliminary determination.

[162] For the preliminary determination, the CBSA determined 35 subsidy programs to be specific, and therefore actionable. The CBSA will continue to examine the information on the record to determine whether these programs remain in place and are specific within the meaning of SIMA.

[163] The CBSA may also consider any other potential subsidy programs that have not yet been identified, for the final determination.

COOPERATIVE EXPORTERS

Dehua TB New Decoration Material Co., Ltd.

[164] Dehua TB and its related company Zhejiang Dehua provided substantially complete responses to the subsidy RFI. For purposes of the preliminary determination, Dehua TB was found to have received countervailable benefits from nine subsidy programs, which include programs received by Zhejiang Dehua.

[165] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[166] For purposes of the preliminary determination, the estimated amount of subsidy for Dehua TB is 3.3%, expressed as a percentage of the export price. The CBSA will continue to collect and verify information from Dehua TB during the final phase of the investigation.

Feixian Jianhao Wood Factory

[167] Feixian Jianhao provided a substantially complete response to the Subsidy RFI. For purposes of the preliminary determination, Feixian Jianhao was found to have received no countervailable subsidies and as such there is no amount for subsidy for goods exported to Canada during the subsidy POI.

[168] The CBSA will continue to collect and verify information from Feixian Jianhao during the final phase of the investigation.

Linyi Evergreen Wood Co., Ltd.

[169] Linyi Evergreen provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Linyi Evergreen was found to have received countervailable benefits from three subsidy programs.

[170] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[171] For purpose of the preliminary determination, the estimated amount of subsidy for Linyi Evergreen is 0.6%, expressed as a percentage of the export price.

Linyi Jiahe Wood Industry Co., Ltd.

[172] Linyi Jiahe provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Linyi Jiahe was found to have received countervailable benefits from two subsidy programs.

[173] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[174] For purpose of the preliminary determination, the estimated amount of subsidy for Linyi Jiahe is 0.5%, expressed as a percentage of the export price.

Pingyi Fuwanjia Wooden Products Factory

[175] Pingyi Fuwanjia provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Pingyi Fuwanjia was found to have received no countervailable subsidies and as such there is no amount for subsidy for goods exported to Canada during the subsidy POI.

[176] The CBSA will continue to collect and verify information from Pingyi Fuwanjia during the final phase of the investigation.

Pizhou Jiangshan Wood Co., Ltd.

[177] Pizhou Jiangshan provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Pizhou Jiangshan was found to have received countervailable benefits from two subsidy programs.

[178] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[179] For purpose of the preliminary determination, the estimated amount of subsidy for Pizhou Jiangshan is 0.2%, expressed as a percentage of the export price.

Shandong Baozhu International Trading Co., Ltd.

[180] Shandong Baozhu and its related company Mingzhu provided substantially complete responses to the subsidy RFI. For purposes of the preliminary determination, Shandong Baozhu was found to have received countervailable benefits from one subsidy program, which include programs received by Mingzhu.

[181] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[182] For purpose of the preliminary determination, the estimated amount of subsidy for Shandong Baozhu is 1.5%, expressed as a percentage of the export price.

Shandong Hengjia New Material Co., Ltd.

[183] Shandong Hengjia provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Shandong Hengjia was found to have received countervailable benefits from two subsidy programs.

[184] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[185] For purpose of the preliminary determination, the estimated amount of subsidy for Shandong Hengjia is 1.9%, expressed as a percentage of the export price.

Suzhou Dongsheng Wood Co., Ltd.

[186] Suzhou Dongsheng provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Suzhou Dongsheng was found to have received no countervailable subsidies and as such there is no amount for subsidy for goods exported to Canada during the subsidy POI.

[187] The CBSA will continue to collect and verify information from Suzhou Dongsheng during the final phase of the investigation.

Xuzhou Meibang Wood Co., Ltd.

[188] Xuzhou Meibang provided a substantially complete response to the subsidy RFI. For purposes of the preliminary determination, Xuzhou Meibang was found to have received countervailable benefits from three subsidy programs.

[189] Further to its analysis of the information on the administrative record, the CBSA considers that financial contributions conferring a subsidy were provided to the exporter pursuant to the above subsidy programs. The CBSA also considers these programs as specific and therefore actionable.

[190] For purpose of the preliminary determination, the estimated amount of subsidy for Xuzhou Meibang is 0.1%, expressed as a percentage of the export price.

ALL OTHER EXPORTERS

[191] For exporters of subject goods originating in or exported from China that did not provide a response to the subsidy RFI, or did not furnish sufficient information to estimate an amount of subsidy, the CBSA estimated an amount of subsidy on the basis of the following methodology:

1. the highest amount of subsidy for each of the 15 programs, as found at the preliminary determination, for the exporter located in China for which the CBSA has sufficient information to estimate an amount of subsidy; plus

2. the highest amount of subsidy for the 15 programs listed in (1), applied to each of the remaining 20 potentially actionable subsidy programs for which sufficient information is not available, has not been provided at the preliminary determination and where cooperative exporters in previous investigations has positive evidence of benefits being received.

[192] In establishing the methodology for estimating the amount of subsidy for all other exporters from China, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the initiation of the investigation, and information submitted by the exporters and the Government of China, as well as their related affiliates in China who responded to the subsidy RFI. This methodology uses the best information available on the record. It applies that information to all other exporters such that non-cooperative parties do not receive an advantage for failing to provide the necessary information to calculate an amount of subsidy.

[193] Using this methodology, for the purposes of the preliminary determination, the estimated amount of subsidy for all other exporters in China is 55.4%, expressed as a percentage of the export price.

SUMMARY OF PRELIMINARY RESULTS – SUBSIDY

[194] A summary of the preliminary results of the subsidy investigation respecting all subject goods released into Canada during the POI is as follows:

Table 3: Summary of Preliminary Results - Subsidy
(January 1, 2025 to December 31, 2025)

Exporters	**Estimated % of Total Imports for POI** (by volume)	**Estimated Amounts of Subsidy** (% of Export Price)
Dehua TB New Decoration Material Co., Ltd.	1.0%	3.3%
Feixian Jianhao Wood Factory	0.3%	0.0%
Linyi Evergreen Wood Co., Ltd.	3.2%	0.6%
Linyi Jiahe Wood Industry Co., Ltd.	1.4%	0.5%
Pingyi Fuwanjia Wooden Products Factory	3.6%	0.0%
Pizhou Jiangshan Wood Co., Ltd.	0.7%	0.2%
Shandong Baozhu International Trading Co., Ltd	0.2%	1.5%
Shandong Hengjia New Material Co., Ltd.	2.3%	0.9%
Suzhou Dongsheng Wood Co., Ltd.	1.7%	0.0%
Xuzhou Meibang Wood Co., Ltd.	1.3%	0.1%
All Other exporters from China	50.9%	55.4%
Total China	**66.6%**	**N/A**
All Other Countries	33.4%	N/A
Total	**100%**	**N/A**

NEGLIGIBILITY

[195] Under section 35 of SIMA, if, at any time before making a preliminary determination, the CBSA is satisfied that the actual and potential volume of goods of a country is negligible, the CBSA is required to terminate the investigation with respect to goods of that country.

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

[197] As can be seen from the above table, the volume of subject goods from China is above 3% of the total volume of goods released into Canada from all countries. Based on the provisions above, the volume of subject goods from China is, therefore, not negligible.

INSIGNIFICANCE

[198] If, in making a preliminary determination, the CBSA determines that the amount of subsidy on the goods of an specific exporter is insignificant, pursuant to section 38 of SIMA, the investigation will continue in respect of those goods but provisional duties will not be imposed on goods of the same description imported during the provisional period.

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

[200] The amount of subsidy estimated for Feixian Jianhao Wood Factory; Linyi Evergreen Wood Co., Ltd.; Linyi Jiahe Wood Industry Co., Ltd.; Pingyi Fuwanjia Wooden Products Factory; Pizhou Jiangshan Wood Co., Ltd.; Shandong Hengjia New Material Co., Ltd.; Suzhou Dongsheng Wood Co., Ltd.; and Xuzhou Meibang Wood Co., Ltd. is below 1% of the export price and was, therefore, determined to be insignificant. As a result, the investigation will continue in respect of these goods but provisional countervailing duty will not be imposed on subject goods imported into Canada from this exporter during the provisional period.

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

[202] A summary of the estimated amounts of subsidy and provisional duties by exporter is presented in **Appendix 1**.

DECISIONS

[203] On August 24, 2026, pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing respecting DONP originating in or exported from China.

PROVISIONAL DUTY

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

[205] Imports of DONP originating in or exported from China, and released by the CBSA on or after August 24, 2026, will be subject to provisional duties equal to the sum of the estimated margin of dumping and estimated amount of subsidy, expressed as a percentage of the export price of the goods per exporter. **Appendix 1** contains the estimated margins of dumping, estimated amounts of subsidy and the rates of provisional duties.

[206] Importers are required to pay provisional duties in cash or by certified cheque. Alternatively, they may post security equal to the amount payable. Importers should contact their CBSA regional office if they require further information on the payment of provisional duties or the posting of security. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the import documents, an administrative monetary penalty could be imposed. The imported goods are also subject to the *Customs Act*. As a result, failure to pay duties within the specified time will result in the application of the provisions of the *Customs Act* regarding interest.

FUTURE ACTION

THE CANADA BORDER SERVICES AGENCY

[207] The CBSA will continue its dumping and subsidy investigations and will make final decisions by November 23, 2026.

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

THE CANADIAN INTERNATIONAL TRADE TRIBUNAL

[209] The CITT has begun its inquiry into the question of injury to the Canadian industry. The CITT is expected to issue its finding by December 22, 2026.

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

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

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

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

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

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

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

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

UNDERTAKINGS

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

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

[219] In view of the time needed for consideration of undertakings, written undertaking proposals should be made as early as possible, and no later than 60 days after the preliminary determinations of dumping and subsidizing. Further details regarding undertakings can be found in the CBSA's *Memorandum D14-1-9: Information pertaining to the acceptance, enforcement and renewal of undertakings in dumping and subsidy investigations*.

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

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

PUBLICATION

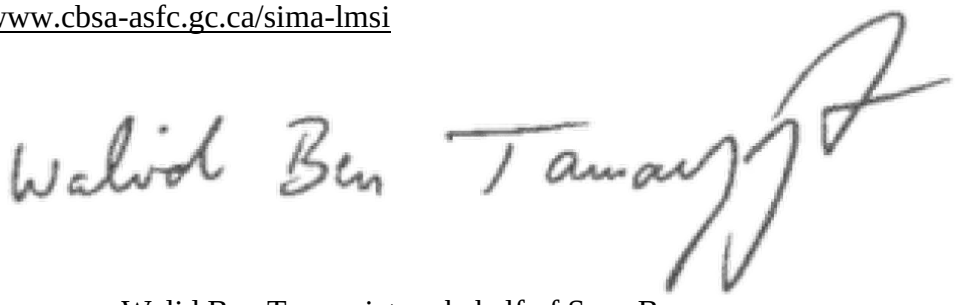
[222] A notice of these preliminary determinations of dumping and subsidizing will be published in the *Canada Gazette* pursuant to paragraph 38(3)(a) of SIMA.

INFORMATION

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

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Walid Ben Tamarzizt on behalf of Sean Borg
A/Executive Director
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APPENDIX 1 – SUMMARY OF ESTIMATED MARGINS OF DUMPING, ESTIMATED AMOUNTS OF SUBSIDY AND PROVISIONAL DUTIES PAYABLE

The following table lists the estimated margins of dumping, the estimated amounts of subsidy, and the provisional duties by exporter as a result of the decisions mentioned above. Imports of subject goods released from the Canada Border Services Agency on or after August 24, 2026, will be subject to provisional duties at the rate specified below.

Exporters	**Estimated Margins of Dumping** (% of Export Price)	**Estimated Amounts of Subsidy** (% of Export Price)	**Provisional Duties** (% of Export Price)
Dehua TB New Decoration Material Co., Ltd.	40.0%	3.3%	43.3%
Feixian Jianhao Wood Factory	172.1%	0.0%*	172.1%
Linyi Evergreen Wood Co., Ltd.	6.1%	0.6%*	6.1%
Linyi Jiahe Wood Industry Co., Ltd.	8.4%	0.5%*	8.4%
LinYi QianFeng Wood Factory	27.4%	55.4%	82.8%
Pingyi Fuwanjia Wooden Products Factory	13.9%	0.0%*	13.9%
Pizhou Jiangshan Wood Co., Ltd.	0.0%*	0.2%*	0.0%
Shandong Baozhu International Trading Co., Ltd	172.1%	1.5%	173.6%
Shandong Hengjia New Material Co., Ltd.	6.1%	0.9%*	6.1%
Suzhou Dongsheng Wood Co., Ltd.	24.7%	0.0%*	24.7%
Xuzhou Meibang Wood Co., Ltd.	12.6%	0.1%*	12.6%
All Other Exporters	172.1%	55.4%	227.5%

* A margin of dumping less that 2% and an amount of subsidy less than 1% are considered insignificant, therefore preliminary anti-dumping and/or countervailing duties will not be assessed for these exporters