OTTAWA, September 17, 2026

RACK 2026 IN

STATEMENT OF REASONS

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

STEEL RACKS

ORIGINATING IN OR EXPORTED FROM THE PEROPLE’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 September 2, 2026, respecting the dumping and subsidizing of steel racks originating in or exported from the People’s Republic of China.

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

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SUMMARY

[1] As a result of a written complaint from Arpac Storage Systems Corporation, Etalex Inc., Industries Cresswell Inc., North American Steel Equipment Inc., and Econo-Rack (2015) Group Inc. (collectively, the complainants), on April 20, 2026, pursuant to subsection 31(1) of the *Special Import Measures Act* (SIMA), the CBSA initiated investigations respecting the dumping and subsidizing of steel racks originating in or exported from the People's Republic of China (China).

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

[3] On June 18, 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 steel racks from China have caused or are threatening to cause injury to the domestic industry.

[4] Pursuant to subsection 38(1) of SIMA, after the sixtieth and on or before the ninetieth day after the initiation of an investigation under section 31, the CBSA shall make a preliminary determination of dumping or subsidizing with respect to the goods in respect of which the investigation has not been terminated. The CBSA may extend the ninety day period to 135 days pursuant to subsection 39(1) of SIMA; in this case, the period was extended on July 16, 2026.

[5] On September 2, 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 steel racks originating in or exported from China.

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

PERIOD OF INVESTIGATION

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

PROFITABILITY ANALYSIS PERIOD

[8] The Profitability Analysis Period (PAP) for the investigations is January 1, 2025 to December 31, 2025.

INTERESTED PARTIES

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

Exporters

[10] One exporter, Nanjing A-Plus Metal Products Co., Ltd. (A-Plus)[1] and one producer, Nanjing Furuilin Metal Manufacturer Co., Ltd. (Furuilin)[2] provided substantially complete responses to the CBSA's dumping, Section 20 and subsidy RFIs, and Supplemental RFIs[3] in sufficient time to be considered for the preliminary determinations.

Importers

[11] Four importers provided a response to the importer RFI: Tarin Enterprises Ltd.[4], Home Quarters Furnishings[5], Rayacom Print & Packing BC Ltd.[6], and Ckdpack Packaging Inc.[7]

Surrogates

[12] The CBSA sent Surrogate Producer RFIs to steel racks manufacturers located in India, Mexico and the United States (US), seeking their voluntary assistance. The CBSA did not receive a response to the Surrogate Producer RFI.

Government

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

[1] Exhibits 50 (PRO) and 51 (NC), Exhibits 61 (PRO) and 62 (NC), & Exhibits 59 (PRO) and 60 (NC) – Responses to dumping, Section 20 and subsidy RFIs – Nanjing A-Plus Metal Products Co., Ltd.
[2] Exhibits 53 (PRO) and 54 (NC), Exhibits 57 (PRO) and 58 (NC) & Exhibits 64 (PRO) and 65 (NC) – Responses to dumping, Section 20 and subsidy RFIs – Nanjing Furuilin Metal Manufacturer Co., Ltd.
[3] Exhibits 68 (PRO) and 69 (NC) – Responses to SRFI #1 – Nanjing A-Plus Metal Products Co., Ltd.; Exhibits 74 (PRO) and 75 (NC) – Responses to SRFI #1 – Nanjing Furuilin Metal Manufacturer Co., Ltd.
[4] Exhibit 38 (NC) – Response to Importer RFI – Tarin Enterprises Ltd.
[5] Exhibits 40 (PRO) and 41 (NC) – Response to Importer RFI – Home Quarters Furnishings
[6] Exhibits 45 (PRO) and 46 (NC) – Response to Importer RFI – Rayacom Print & Packing BC Ltd.
[7] Exhibits 55 (PRO) and 56 (NC) – Response to Importer RFI - Ckdpack Packaging Inc.

PRODUCT INFORMATION

DEFINITION

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

> *Certain components of steel storage systems of racks, assembled to any extent, or unassembled, being: posts or columns; bracing; beams; cantilever arms; beam connectors; base or foot plates; pallet safety or support bars; cross-aisle ties; row spacers; and wall ties, including parts thereof, with each component made of steel that is at least 1.0668 mm (0.042 inches) thick; each post or column having a width that is greater than 50.8mm (2.0 inches); and each beam having a height that is equal to or greater than 50.8mm (2.0 inches).*
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> *Including steel hardware (for example pins, anchors, nuts, bolts, washers and clips) and other components or accessories where the hardware, components or accessories are attached to, packaged with or shipped alongside the components listed in the first paragraph of this definition, but excluding, whether or not attached: rolled primary steel products not further worked; steel beams not further worked; stairs; conveyors; non-steel components or accessories; automated components or equipment; components of freestanding steel structures that are not for integration into a storage system; wheels, rollers and shuttles; shelving that sits on or fits into the horizontal supports to provide the horizontal storage surface of the steel racks, which may be referred to as "decks"; rack protection products, including end of aisle protectors, post protectors, guardrails and bollards; gates, fencing, netting and other security cages or enclosures; backstop panels and dividers; and signs.*
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> *Also excluding, assembled to any extent, or unassembled: heavy duty shelving, boltless shelving, wide-span shelving or light duty racking; wire shelving units; wall-mounted shelving and racks; ceiling-mounted shelving and racks; tubular racks such as garment racks and drying racks; and portable tier racks.*

[15] For information on additional product information, product uses, the production process, and information on the Canadian industry, refer to the *Statement of reasons—Initiation of investigations*.

CLASSIFICATION OF IMPORTS

[16] Prior to January 1, 2026, subject goods are normally classified under the following tariff classification numbers:

7326.90.90.90	9403.20.00.70	7308.90.00.60	7308.90.00.99

[17] Beginning January 1, 2026, under the revised customs tariff schedule, subject goods are normally classified under the following tariff classification numbers:

7308.90.00.61	7308.90.00.62	7308.90.00.63	7308.90.00.64
7308.90.00.68	7308.90.00.69	7308.90.00.70	7308.90.00.99
7326.90.90.90	9403.20.00.70		

[18] The above-listed tariff classification numbers cover both subject and non-subject goods and are for convenience of reference only. Refer to the product definition for the authoritative details regarding the subject goods.

IMPORTS INTO CANADA

[19] 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.

[20] The following table presents the CBSA's analysis of imports of steel racks for the purposes of the preliminary determinations:

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

Country	% of total import volume
China	24.4%
Other	75.6%
Total	**100%**

INVESTIGATIONS PROCESS

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

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

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

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

[25] Preliminary determinations are based on information that is available in sufficient time to allow the CBSA to make its decision. During the final phase of the investigations, the CBSA will continue to collect and verify information, the results of which will be incorporated into the CBSA's final decisions, which must be made by December 1, 2026.

REPRESENTATIONS

[26] During the preliminary phase of the investigations, counsel for the complainants provided additional information in support of their section 20 allegations[8] and made representations concerning RFI responses provided by A-Plus and Furuilin[9]. These representations concern topics including the completeness and accuracy of information provided in the responses to the dumping and subsidy RFIs.

[27] Counsel for A-Plus and Furuilin made representations regarding the application of certain SIMA sections for purposes of determining normal value[10].

DUMPING INVESTIGATION

NORMAL VALUE

[28] 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.

[8] Exhibit 73 (NC), Exhibits 95 (PRO) and 96 (NC) – Additional information regarding section 20 submitted by counsel for the complainants
[9] Exhibits 70 (PRO) and 71 (NC) – Comments submitted by counsel for the complainants regarding the responses to the Dumping and Subsidy RFIs from A-Plus and Furuilin
[10] Exhibit 93 (NC) – Comments submitted by counsel for Furuilin and A-Plus regarding potential application SIMA provisions for determining normal values

EXPORT PRICE

[29] 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.

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

MARGIN OF DUMPING

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

BACKGROUND OF SECTION 20 INQUIRY

[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.[11]

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

[34] The complainants alleged that the conditions described in section 20 of SIMA prevail in the steel storage systems sector in China. That is, the complainants allege that this sector does not operate under competitive market conditions and consequently, domestic prices of steel racks established in China would not be reliable for determining normal values.

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

[35] At the initiation of the investigation, the CBSA had reviewed the information provided in the complaint and conducted its own research. Based on this information, the CBSA believed that there was reasonable evidence to support an inquiry into the allegations that the measures taken by the Government of China substantially influence prices in the steel storage systems sector in China.

[36] Consequently, on April 20, 2026, the CBSA included in its dumping investigation a section 20 inquiry in order to determine whether the conditions set forth in paragraph 20(1)(a) of SIMA prevail in the steel storage systems sector, which was considered to be the sector under review.

[37] In the event that the CBSA forms the opinion that domestic prices of steel racks 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.

[38] The CBSA determined, based on information on the record and publicly available data, that India, Mexico and the United States would be appropriate surrogate countries, because they have domestic production of steel racks, are at a comparable level of economic development to China and operate under fair market conditions. As such, the CBSA sent surrogate country RFIs to known producers and exporters located in the aforementioned countries.

Summary of Section 20 responses

[39] The CBSA received responses to the CBSA's Section 20 RFI from both Furuilin[12] and A-Plus[13]. Neither responses provided new information that either reinforced or contradicted the CBSA's Section 20 analysis of steel storage systems sector in China from initiation.

[40] No Section 20 response was received from the Government of China as of the date of the preliminary determination.

[41] The CBSA did not receive any responses to the surrogate RFI from producers of steel racks in India, Mexico and the US.

[12] Exhibits 57 (PRO) and 58 (NC) – Response to Section 20 RFI – Furuilin
[13] Exhibits 61 (PRO) and 62 (NC) – Response to Section 20 RFI – A-Plus

[42] During the preliminary phase of the investigation, counsel for the complainants submitted supplemental information related to the section 20 inquiry. This submission included additional information to further support the allegations that the measures taken by the Government of China substantially influence prices in the steel storage systems sector in China. It also contained pricing data intended to demonstrate that prices of steel racks in China are distorted. Due to the submission date close to the date of preliminary determination, it was not considered for the purposes of the preliminary determination. During the final phase of the investigation, the CBSA will review and analyze all information on the administrative record, including this submission.

PRELIMINARY RESULTS OF THE SECTION 20 INQUIRY

[43] The CBSA examined and considered the information currently available on the administrative record with respect to section 20. The main elements of the information are summarized below.

[44] The information in the complaint included the steel industry and sectoral analysis of economy in China; various government policies at different levels of government; indications of state-owned entities (SOEs) in the one steel racks producer and in upstream industries that supply inputs such as hot-rolled coil; a variety of government subsidy programs for two specific steel racks producers and upstream steel industries; and distorted domestic prices of upstream material input to steel racks.

[45] While this information suggests some degree of government influence in industries related to steel storage systems sector, most of the government policies identified in the complaint pertain to sectors that are upstream to the steel storage systems sector such as logistic and transportation sector and steel industry. The evidence directly relating to the steel storage systems sector, specifically steel racks market, is limited and remains largely broad and generalized in nature. More importantly, there is insufficient information establishing whether or to what extent, government measures, the existence of SOEs and subsidies, and low input prices result in the distorted price of steel racks in China compared to other competitive markets.

[46] As a result, there was insufficient information for the CBSA to form an opinion with respect to section 20 of SIMA for the purposes of the preliminary determination.

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

PRELIMINARY RESULTS OF THE DUMPING INVESTIGATION

COOPERATIVE EXPORTER

[48] There was one exporter, A-Plus, that submitted a substantially complete response to the dumping RFI and Supplemental RFIs. Their normal values were estimated using a methodology that follows 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.

[49] As A-Plus did not have domestic sales of goods that meet the requirements of paragraph 11(1)(b) of the *Special Import Measures Regulations* (SIMR), the amount for profits was estimated based on profit derived from the exporter's financial statements.

[50] During the POI, all of the subject goods exported to Canada by A-Plus were sold to unrelated importers. Export prices were estimated using the methodology of section 24 of SIMA, as described in the "*Export Price"* section.

[51] The total estimated normal value compared to the total estimated export price results in an estimated margin of dumping of 0% for A-Plus, expressed as a percentage of the export price.

ALL OTHER EXPORTERS

[52] 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 that responded to the Dumping RFIs, and CBSA customs entry documentation.

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

[54] Based on the facts available, for all other exporters that did not provide a substantially complete response to the dumping RFI, normal values of subject goods originating in or exported from China were estimated based on the highest amount by which an estimated normal value exceeded the estimated export price, on an individual transaction for the cooperative exporter during the POI. 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. No such anomalies were identified.

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

[56] Using the above methodology, for the preliminary determination, the estimated margin of dumping for all other exporters of subject goods is 6.1%, expressed as a percentage of the export price.

Summary of Preliminary Results – Dumping

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

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

Exporter	**Estimated Margin of Dumping** (% of Export Price)	**Estimated % of Total Imports** (by Volume)
Nanjing A-Plus Metal Products Co., Ltd.	0%	1.1%
All other exporters	6.1%	23.3%
Total – China		**24.4%**
All Other Countries	N/A	75.6%
Total	N/A	**100%**

Negligibility

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

[59] 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.

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

INSIGNIFICANCE

[61] 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.

[62] The margin of dumping estimated for A-Plus is below 2% of the export price and is, therefore, 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 A-Plus during the provisional period.

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

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

SUBSIDY INVESTIGATION

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

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

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

[67] 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.

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

[69] 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.

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

PRELIMINARY RESULTS OF THE SUBSIDY INVESTIGATION

[71] 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 steel racks in China.

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

[73] The Government of China did not provide a response to the government subsidy RFI. The lack of response from the Government of China limited the CBSA's ability to examine and verify the information required to assess financial contribution, benefit and specificity, and therefore prevented it from estimating the amount of subsidy in the prescribed manner. It

also limited the CBSA's ability to verify whether producers, or other suppliers of goods and services, are public bodies.

[74] In conducting its investigation, the CBSA requested information respecting 37 potential subsidy programs. The CBSA will continue to analyze the information on the administrative record during the final phase of the investigation. The CBSA may also consider any other potential subsidy programs that have not yet been identified.

ALL EXPORTERS: CHINA

[75] The CBSA received responses to the exporter subsidy RFI from one exporter and one producer. The CBSA did not receive a response from the Government of China to the government subsidy RFI.

[76] In establishing the methodology for estimating the amount of subsidy for all exporters from China, the CBSA considered all of the information on the administrative record, including RFI submissions, the complaint filed by the domestic industry, and the CBSA's estimates at the initiation of the investigation. Due to the absence of a sufficient response from the Government of China, for all exporters, the amount of subsidy for subject goods originating in or exported from China was were based on the CBSA's initiation estimates of the amount of subsidy.

[77] Using the above methodology, for the preliminary determination, the estimated amount of subsidy for all exporters in China is 7.0% expressed as a percentage of the export price.

SUMMARY OF PRELIMINARY RESULTS – SUBSIDY

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

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

Exporter	**Estimated Amount of Subsidy** (% of Export Price)	**Estimated % of Total Imports** (by Volume)
Nanjing A-Plus Metal Products Co., Ltd.	7.0%	1.1%
All other exporters	7.0%	23.3%
Total – China		**24.4%**
All Other Countries	N/A	75.6%
Total	N/A	**100%**

NEGLIGIBILITY

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

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

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

INSIGNIFICANCE

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

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

DECISIONS

[84] On September 2, 2026, pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping and subsidizing respecting steel racks from China.

PROVISIONAL DUTY

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

[86] Imports of steel racks originating in or exported from China, and released by the CBSA on or after September 2, 2026, will be subject to provisional duties equal to the sum of the estimated margin of dumping and the estimated amount of subsidy, expressed as a percentage of the export price of the goods. **Appendix 1** contains the estimated margins of dumping, estimated amount of subsidy and the rates of provisional duties.

[87] 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

[88] The CBSA will continue its investigations of the dumping and subsidizing of steel racks and will make final decisions by December 1, 2026.

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

THE CANADIAN INTERNATIONAL TRADE TRIBUNAL

[90] 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 31, 2026.

[91] 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.

[92] 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 steel racks that are of the same description as goods described in the CITT's finding.

[93] 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.

[94] 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 steel racks that are of the same description as goods described in the CITT's finding.

[95] 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

[96] 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.

[97] 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

[98] 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.

[99] 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.

[100] 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*].

[101] 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 "Contact us" section.

[102] 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

[103] 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.

CONTACT US

[104] For further information, please contact the CBSA at:

Email: trade_remedies_registry-registre_recours_commerciaux@cbsa-asfc.gc.ca

Sean Borg
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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 September 2, 2026, will be subject to provisional duties at the rate specified below.

Exporter	**Estimated Margin of Dumping** (% of Export Price)	**Estimated Amount of Subsidy** (% of Export Price)	**Provisional Duties** (% of Export Price)
Nanjing A-Plus Metal Products Co., Ltd.	0%	7.0%	7.0%
All other exporters	6.1%	7.0%	13.1%