



OTTAWA, November 7, 2025

**TB 2025 IN**

## **STATEMENT OF REASONS**

**Concerning the initiation of the investigations into the alleged dumping and subsidizing of**

### **TRUCK BODIES ORIGINATING IN OR EXPORTED FROM CHINA**

### **DECISIONS**

Pursuant to subsection 31(1) of the *Special Import Measures Act*, the Canada Border Services Agency initiated investigations on October 24, 2025, respecting the alleged injurious dumping and subsidizing of truck bodies originating in or exported from the People's Republic of China.

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

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## **SUMMARY**

[1] On September 5, 2025, the Canada Border Services Agency (CBSA) received a written complaint from Morgan Canada Corporation and Morgan Transit Corporation (collectively, “the complainants”) alleging that imports of truck bodies originating in or exported from the People’s Republic of China (China) are being injuriously dumped and subsidized.

[2] On September 26, 2025, 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 October 3, 2025, the CBSA informed the Government of China that a properly documented complaint had been filed. At that time, the Government of China was provided with a non-confidential version of the subsidy complaint and was invited for consultations pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*, prior to the initiation of the subsidy investigation. The CBSA did not receive any request for consultations.

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

[4] On October 24, 2025, pursuant to subsection 31(1) of SIMA, the CBSA initiated investigations respecting the dumping and subsidizing of truck bodies from China.

## **INTERESTED PARTIES**

### **Complainant**

[5] The name and address of the complainants are as follows:

Morgan Canada Corporation  
13289 Coleraine Drive  
Bolton, Ontario L7E 3B6

Morgan Transit Corporation  
3600 Boulevard Industriel  
Laval (Québec) H7L 4R9

### **Other Producers**

[6] The complainants identified a list of other known producers of truck bodies in Canada.<sup>1</sup> The CBSA did its own supplementary research, and identified additional potential producers in Canada.

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<sup>1</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 173

## **Trade Union**

[7] The complainants identified the Labourers' International Union of North America as the trade union that represents employees of Morgan Canada Corporation.<sup>2</sup> The complainants also identified the Canadian Transportation Equipment Association as an organization serving commercial vehicle and component manufacturers, as well as their dealers, distributors and service providers.<sup>3</sup>

## **Exporters**

[8] The CBSA identified 44 potential exporters and/or producers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential exporters were asked to respond to the CBSA's Dumping Request for Information (RFI), Subsidy RFI and Section 20 RFI.

## **Importers**

[9] The CBSA identified 85 potential importers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential importers were asked to respond to the CBSA's Importer RFI.

## **Government**

[10] Upon initiation of the investigations, the Government of China was sent the CBSA's Government Subsidy RFI and Government Section 20 RFI.

[11] For the purposes of the investigations, the Government of China refers to all levels of government, i.e., federal, central, provincial/state, regional, municipal, city, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, 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 or municipal or other local or regional government.

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<sup>2</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 174

<sup>3</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 174

## **PRODUCT INFORMATION**

### **DEFINITION**

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

*Truck bodies, having an exterior length of 8.5 feet to 32 feet, inclusively, of maximum exterior width of 103 inches, whether assembled or unassembled, being the structure or fixture designed to be affixed to a truck chassis for the primary purpose of containing or supporting goods for on-road transportation, whether insulated or not, and whether equipped with refrigerating equipment or not, as well as truck body kits, assemblies, or subassemblies, originating in or exported from the People's Republic of China, excluding:*

- 1. truck bodies for the primary purpose of bulk transporting liquids or gases;*
- 2. refuse truck bodies, being specialized truck bodies designed and constructed for the primary purpose of collecting, compacting, and transporting solid waste, of the kind used for municipal waste collection; and*
- 3. truck bodies that incorporate a hydraulic or mechanical system that permits the body to be elevated, tipped, or tilted for loading or unloading, such as dump truck bodies used for the transport of bulk materials such as sand, gravel, or demolition debris, and flatbed tow truck bodies used for the transport of vehicles.*

### **ADDITIONAL PRODUCT INFORMATION<sup>4</sup>**

[13] A truck body is a broad term that describes the load-carrying structure mounted on a truck chassis (often also known as a “cab chassis”, a “cab and chassis”, or a “cut-away chassis”). A truck body can encompass a wide range of types, including enclosed cargo bodies, refrigerated bodies, and flatbeds.

[14] For greater certainty, the subject goods include enclosed dry freight bodies, refrigerated bodies, and other cargo-carrying truck bodies, whether or not equipped with auxiliary equipment such as liftgates, cargo handling systems, or custom interior fittings, provided that the primary purpose of the body remains the transportation of goods. The presence of such auxiliary equipment or fittings does not alter the classification of the goods as subject truck bodies.

[15] Truck bodies do not include the truck chassis, which include the vehicle's frame and drivetrain; truck bodies relate only to the structure or fixture that attaches or affixes to the chassis of the vehicle. Trucks and vehicles and their parts, such as wheels, axles, cabs or suspensions are not subject goods.

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<sup>4</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 28-44

[16] Goods that are pulled by a truck or truck chassis, rather than mounted onto or affixed to the chassis, are not within the scope of the subject goods. The product definition is limited to truck bodies that form an integral structure of the vehicle itself, not separate towable equipment. For example, semi-trailers, container chassis, and other detachable trailers are not included because they are not “structures designed to be affixed to a truck chassis.” They are instead designed to be hitched to and hauled by a truck, rather than mounted on or affixed to a truck chassis.

[17] As the subject goods expressly have as their primary purpose the transportation of goods (other than bulk liquids or gases), they do not include bodies designed primarily for the transportation of passengers or the provision of non-cargo services, such as recreational vehicles, motorhomes, firetrucks, buses, or designed primarily for other specialized service vehicles such as man-bucket trucks or boom trucks that do not have as their primary purpose the transportation of goods. For greater certainty, the determination of whether a truck body is included in the subject goods is made at the time of importation, based on its design and purpose at that point in time. The fact that equipment or features may later be added to the body post-importation, which alter its use or purpose, does not exclude it from the scope of the subject goods as defined at the time of entry.

[18] The reference to “exterior length” in the product definition means the measurement taken from the outer surface of the front wall of the truck body to the outer surface at the rear of the truck body, excluding any ancillary equipment affixed to the structure. Such excluded equipment includes, but is not limited to, refrigeration units, liftgates, catwalks, aerodynamic fairings, lighting assemblies, or any other removable or accessory components.

[19] The product definition expressly includes subassemblies that are designed and intended to be assembled or constructed into a truck body. This encompasses both completely knocked down (CKD) and semi-knocked down (SKD) truck bodies. In industry practice, CKD and SKD refer to kits consisting of all or most of the subassemblies required to construct a truck body, shipped in a disassembled state for ease of transport or to avoid or minimize duties. A CKD kit generally contains all essential subassemblies in a fully disassembled form, while an SKD kit contains some or most subassemblies that can be quickly joined together. The Subject goods include complete or substantially complete<sup>5</sup> subassemblies such as subframes, structural frames, walls or wall panels, floors, rear frames, freight doors, roofs, interior fit-out, or electrical systems. The list of components described above is a non-exhaustive list and the absence of a good from that list does not mean the good is excluded.

[20] Although the subject goods include unassembled truck bodies or unassembled assemblies or subassemblies thereof, the subject goods do not include the individual parts or components that may be used to manufacture a truck body or its subassemblies when imported as individual components. For example, steel I-beams, plywood sheets, or sheets of aluminum are not subject goods unless they form part of a subassembly or assembly.

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<sup>5</sup> Substantially complete major subassemblies have the essential characteristics of the complete major subassemblies.

Exclusions:

[21] The exemption that excludes truck bodies for the primary purpose of bulk transport of liquids or gases is limited to tanker-style bodies that are specifically designed and constructed for such use. It does not extend to truck bodies used to transport liquids or gases in packaged or containerized form, which remain within the scope of the subject goods.

[22] The exemption for truck bodies that incorporate a hydraulic or mechanical system that permits the body or flatbed to be moved or tilted for the purpose of loading or unloading goods applies to dump trucks and rollback truck bodies. These bodies are distinguishable from subject truck bodies by the presence of an integrated hydraulic or mechanical tilting or lifting mechanism that enables the movement of the body or flatbed, separate from the chassis. This exclusion applies to dump truck bodies designed and constructed for the transport of bulk materials such as sand, gravel, or demolition debris that incorporate a hydraulic or mechanical system that permits the body to be elevated for unloading the payload by tipping. This exclusion likewise applies to rollback truck bodies-also known as rollback tow bodies or slide beds-which are designed and constructed for towing vehicles and which deploy a tilting and sliding flatbed platform to load vehicles. The hydraulic system permits the flatbed to tilt back and slide rearward until it touches the ground, which creates a ramp onto which the vehicle is pulled using a winch system.

[23] The exemption for refuse truck bodies applies to specialized truck bodies designed and constructed for the primary purpose of all three of: collecting, compacting, and transporting solid waste. These bodies are distinguished by integrated features such as hydraulic lifting mechanisms, compactors, and reinforced rear compartments, and are typically configured as front-load, side-load, or rear-load garbage collection vehicles. This exclusion applies narrowly to refuse truck bodies whose core design and function is waste collection and disposal, whether for municipal, commercial or institutional use. It does not extend to other truck bodies that may incidentally be used to transport waste but are not purpose-built refuse bodies. For example, truck bodies for the transportation of specialized or institutional waste (e.g., hospital waste) are not excluded and remain within the scope of the product definition. For clarity, this exemption is limited to purpose-built refuse truck bodies. It does not exclude other truck bodies merely because they can be used to carry waste.

## **PRODUCTION PROCESS<sup>6</sup>**

[24] The standard production process for truck bodies involves the fabrication of the steel and aluminum subframe and the manufacture of the truck body's subassemblies.

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<sup>6</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 61-70

[25] The manufacturing process for truck bodies begins with the fabrication of the structural subframe.<sup>7</sup> The subframe is a structure that mounts beneath the truck body frame and connects it securely to the truck chassis, acting as an interface and load distributor. This provides the foundational strength necessary to support the payload and withstand road stresses. The subframe is typically constructed using high-strength steel I-beams, which are arranged longitudinally and transversely to create a rigid platform. These I-beams serve as the primary load-bearing elements and are often reinforced with cross-members welded at regular intervals to ensure structural integrity and torsional resistance. In some configurations, aluminum or galvanized steel may also be used for weight reduction or corrosion resistance. Customers are able to request and build to their unique configuration requirements.

[26] The mounting structure, including the subframe, is engineered to fit with the chassis frame rails of commercial trucks, and the components of the truck body are fabricated to meet the load-bearing, durability, and dimensional requirements of freight transport.

[27] Within the truck body industry, certain elements such as the chassis mounting interface are generally standardized. Many medium- and heavy-duty truck chassis sold in Canada, such as those manufactured by Chevrolet, Freightliner, International, Hino, Isuzu, Ford and Mack, among others, are built with common frame rail spacing within each vehicle class. This allows truck body manufacturers to produce bodies and subframes that can be mounted on multiple brands of chassis within a given class, with minimal modification.

[28] Above this standardized mounting interface, truck bodies can be configured along a spectrum from stock models to highly specialized designs. Standard dry freight van bodies, refrigerated bodies, and flatbeds are built in common lengths and widths for quick delivery, while specialized builds may include custom shelving, bulkheads, refrigeration systems, liftgates, or dimensional changes tailored to a customer's operations. In all cases, these bodies remain truck-body-specific products, designed to integrate directly with commercial truck chassis.

[29] Once the subframe is complete, the floor assembly is installed. Floors are assembled using softwood, laminated hardwood, aluminum floor or composite materials, which are then fastened securely to the subframe. For refrigerated or specialty bodies, the floor may incorporate insulated panels or aluminum non-slip surfaces designed to maintain temperature control or enhance safety.

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<sup>7</sup> "Fabrication" refers to the process of cutting, shaping, and forming raw materials into the individual structural components that make up the truck body before those parts are joined together in subassemblies. This fabrication process involves cutting steel or aluminum stock (channels, tubes, sheet) to specified dimensions, punching, drilling, or cutting holes and slots for fasteners or wiring, ending or forming panels and structural members to required shapes, and welding, riveting, or otherwise joining smaller pieces to create a larger structural component before it is affixed to the rest of the body.

[30] In the case of truck bodies with walls (excluding for example flat beds), the walls of the truck body are then erected using a combination of vertical posts (uprights) and horizontally-mounted side rails, typically fabricated from steel, aluminum, or high-strength extrusions. In the case of a platform truck body, side rails may be made of wood. Between these supports, the exterior skin, commonly aluminum panels, can be attached to form the outer shell. The interior may be lined with plywood, fiberglass-reinforced panels, or other durable materials, depending on the intended cargo. In insulated or refrigerated units, foam core insulation is sandwiched between the inner and outer wall panels, using closed-cell polyurethane or similar materials to ensure thermal performance and energy efficiency.

[31] The roof structure (for those truck bodies where a roof is typical, such as dry vans and reefers) is assembled in a similar fashion, using a lightweight but strong aluminum framework, covered with a one-piece aluminum or translucent fiberglass panel. The roof is engineered to withstand snow loads, wind uplift, and low-impact collisions, while minimizing overall weight. Sealing and caulking are applied at all joints to ensure weather-tightness.

[32] The next steps in the manufacturing process where required include the installation of rear and side doors, lighting and electrical systems, mud flaps, bumpers, and protective coatings. If the truck body is a refrigerated unit, additional systems such as refrigeration compressors, ducting, and thermally-isolated bulkheads are installed and tested.

[33] The truck body (including the subframe) is then mounted onto a truck chassis using secure bolting and reinforcement techniques. Mounting brackets, U-bolts, and isolation systems (generally rubber or composite pads between the subframe and chassis used to reduce vibration and noise transfer) connect the truck body directly to the truck chassis.

[34] Throughout the process, manufacturers adhere to transport safety standards and customer specifications, with many steps subject to automated fabrication, computer numerical control cutting, and robotic welding to ensure precision and consistency. Quality assurance checks are performed at each stage to verify structural alignment, material tolerances, and adherence to regulatory codes.

## **CLASSIFICATION OF IMPORTS**

[35] The allegedly dumped and subsidized goods are normally imported under the following tariff classification numbers:

8707.90.90.10  
8707.90.90.39  
8707.90.90.40  
8707.90.90.90  
8708.29.99.90

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

### **LIKE GOODS AND CLASS OF GOODS<sup>8</sup>**

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

[38] The complainants state that subject goods and domestically produced goods are substitutable, and comparable in terms of non-price factors such as quality and availability of technical specification. The complainants further state that the goods both compete in the Canadian market, are ultimately sold through the same channels of distribution, and have the same market characteristics. The complainants submit that although domestically produced goods may not be identical to subject goods as certain models may be slightly different, their uses and characteristics are nearly identical.

[39] For the purposes of this analysis, like goods consist of domestically produced truck bodies described in the product definition.

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

## **THE CANADIAN INDUSTRY**

### **DOMESTIC PRODUCERS**

[41] In addition to the complainants, Morgan Canada and Morgan Transit, three other producers of truck bodies in Canada responded to the CBSA’s standing RFI. Of the companies that responded, two expressed support for the complaint, and one expressed opposition to the complaint.

### **ESTIMATES OF DOMESTIC PRODUCTION**

[42] The complaint includes the annual production of like goods for the complainants from January 1, 2022 through June 30, 2025. With respect to the other potential producers of like goods in Canada, the complainants have estimated annual domestic production.<sup>9</sup>

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<sup>8</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 139-168

<sup>9</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 177-181

[43] Based on the information included in the complaint and the information received in response to the CBSA’s standing RFI, the CBSA is satisfied that the complainants, together with the supporting producers, account for a major proportion of the total domestic production of like goods.

**STANDING**

[44] Pursuant to subsection 31(2) of SIMA, the following conditions must be met in order for an investigation to be initiated:

- (a) the complaint is supported by domestic producers whose production represents more than 50% of the total production of like goods by those domestic producers who express either support for or opposition to the complaint, and
- (b) the production of the domestic producers who support the complaint represents 25% or more of the total production of like goods by the domestic industry.

[45] Based on an analysis of information provided in the complaint, as well as the information gathered by the CBSA, the CBSA is satisfied that the standing requirements of subsection 31(2) of SIMA have been met.

**THE CANADIAN MARKET**

[46] The complainants estimated the total volume and value of imports of truck bodies from China and all other countries from January 1, 2022 to June 30, 2025.

[47] The CBSA conducted its own independent review of imports of truck bodies from the CBSA’s Enhanced Facility Information Retrieval Management (E-FIRM) database using the tariff classification numbers under which the subject goods are imported from China and all other countries. In addition, the CBSA reviewed its Accelerated Commercial Release Operations Support System (ACROSS) data to correct any errors and remove non-subject imports.

[48] Detailed information regarding the sales from domestic production by the complainants as well as volume of imports of subject goods cannot be divulged for confidentiality reasons. However, the CBSA has prepared the following table to show the estimated import share of subject goods in Canada.

**Table 1: CBSA’s Estimate of Truck Body Import Volumes**

	2022	2023	2024	H1 2024	H1 2025
China	4%	19%	42%	23%	54%
Other	96%	81%	58%	77%	46%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

[49] The CBSA will continue to gather and analyze information on the volume of imports during the Period of Investigation (POI) of July 1, 2024 to June 30, 2025 as part of the preliminary phase of the dumping and subsidy investigations and will refine these estimates.

## **EVIDENCE OF DUMPING**

[50] The complainants alleged that the subject goods from China have been injuriously dumped into Canada. Dumping occurs when the normal value of the goods exceeds the export price to importers in Canada.

[51] Normal values are generally based on the domestic selling price of like goods in the country of export where competitive market conditions exist or as the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.

[52] The complainants alleged that the truck body sector in China may not be operating under competitive market conditions and as such, the domestic market for truck bodies may not be relied upon for the purpose of determining normal values. Accordingly, the complainants submitted that normal values should be determined under section 20 of SIMA.

[53] The export price of goods sold to importers in Canada is generally the lesser of the exporter's selling price and the importer's purchase price, less all costs, charges and expenses resulting from the exportation of the goods.

[54] Estimates of normal values and export prices by both the complainants and the CBSA are discussed below.

[55] The complainants estimated a margin of dumping for the period of July 1, 2024 to June 30, 2025. The information available made it possible for the CBSA to estimate normal values and export prices for the period of July 1, 2024 to June 30, 2025.

## **SECTION 20 ALLEGATIONS**

[56] 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.<sup>10</sup>

[57] The provisions of section 20 are applied on a sector basis rather than on the country as a whole. The CBSA initiates dumping investigations on the presumption that section 20 is not applicable to the sector under investigation unless there is information that suggests otherwise.

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<sup>10</sup> China is a prescribed country under Section 17.1 of the *Special Import Measures Regulations*.

[58] A section 20 inquiry refers to the process whereby the CBSA collects information from various sources in order to form an opinion as to whether the conditions described under subsection 20(1) of SIMA exist with respect to the sector under investigation. Before initiating an inquiry under section 20, the CBSA must first analyze the information submitted in the complaint and the evidence it has gathered independently to determine if it is sufficient to warrant the initiation of an inquiry.

[59] The complainants alleged that the conditions described in section 20 of SIMA prevail in the truck bodies sector in China. That is, the complainants allege that this sector in China does not operate under competitive market conditions and consequently, the domestic prices of truck bodies established in China would not be reliable for determining normal values.<sup>11</sup>

[60] The complainants provided a variety of evidence to support the claim that the Government of China substantially determines domestic prices of truck bodies and that the prices are substantially different than they would be in a competitive market. Specifically, the complainants cited specific policies implemented by the Government of China, and provided evidence of state ownership and subsidization in the Automobile Bodies and Trailers Manufacturing sector within transportation vehicle industry in China, including the truck bodies sector.

[61] The CBSA has reviewed the information provided in the complaint and conducted its own research. Based on this information, the CBSA believes that there is reasonable evidence to support an inquiry into the allegations that the measures taken by the Government of China substantially influence prices in the Automobile Bodies and Trailers Manufacturing sector, including the truck bodies sector, and that the prices are substantially different than they would be in a competitive market.

[62] Consequently, on October 24, 2025, the CBSA included in its investigations, a section 20 inquiry in order to determine whether the conditions set forth in paragraph 20(1)(a) of SIMA prevail in the Automobile Bodies and Trailers Manufacturing sector in China, which includes truck bodies.

[63] As part of this section 20 inquiry, the CBSA sent section 20 RFIs to all potential producers and exporters of truck bodies in China, as well as to the Government of China, requesting detailed information related to the truck bodies sector in China.

[64] In cases where conditions of section 20 exist, pursuant to paragraph 20(1)(c), the normal value can be determined based on profitable selling prices or full costs of production and an amount for profit on goods sold domestically in a surrogate country, to which the conditions described in section 20 of SIMA are not applicable.

[65] For the purposes of obtaining information necessary to calculate normal values pursuant to subparagraph 20(1)(c) of SIMA, the CBSA requested information from producers in surrogate countries. As such, the CBSA requested information from producers in the United States (US) and Mexico.

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<sup>11</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 245 - 247

[66] Importers will be requested to provide information on sales of like goods produced in the surrogate countries, in the event that normal values must be determined under paragraph 20(1)(d) of SIMA.

[67] In the event that the CBSA forms an opinion that domestic prices of truck bodies 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.

[68] For the purposes of initiation, the CBSA has made a conservative estimate of the margin of dumping for China and therefore did not utilize the section 20 methodology.

## **NORMAL VALUE**

### Complainants' Estimates of Normal Value

#### *Section 15*

[69] The complainants stated that sufficient information was not available to estimate normal values pursuant to section 15 of SIMA, as no published prices are available, and prices on websites such as Alibaba do not appear to be market specific. The complainants further noted that at least one Chinese producer of truck bodies had substantially negative profit margins in recent years, therefore their sales of truck bodies would not be appropriate for calculating section 15 normal values.<sup>12</sup> As such, the complainants have not estimated normal values pursuant to section 15 of SIMA.

#### *Section 19*

[70] The complainants estimated normal values using a constructed cost approach based on the methodology in paragraph 19(b) of SIMA, calculated based on the aggregate of estimates of the cost of production of the subject goods, a reasonable amount for administrative, selling and other costs (SG&A) and a reasonable amount for profits. These normal values were estimated using two methods, first, based on their aggregate average unit cost of production for truck bodies to estimate quarterly normal values, and secondly, based on cost build-ups for three specific models.<sup>13</sup>

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<sup>12</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 208

<sup>13</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 209-211

[71] The complainants estimated the cost of production of the subject goods from China based on the following methodology.

*Aggregate Method*

[72] For material costs, the complainants relied on their own per unit material costs for the POI related to the production of truck bodies, from their financial statements.<sup>14</sup>

[73] For the cost of labour, the complainants used their own labour costs for producing truck bodies, adjusted by a factor based on publicly available data from Trading Economics regarding monthly wages in the manufacturing sector. The adjustment was made by calculating the difference between the Canadian labour rate and the labour rate in China for 2024.<sup>15</sup>

[74] Overhead costs were based on the complainants' own overhead costs, with an adjustment applied to the indirect labour component to reflect labour rate differences in China.<sup>16</sup>

[75] The complainants submit that Chinese exporters ship complete kits or subassemblies, or completely knocked down truck bodies for final assembly and installation in Canada. As such, the complainants adjusted the material, labour and overhead costs to remove the cost of the final assembly and mounting performed in Canada.<sup>17</sup>

[76] To estimate a reasonable amount for SG&A, financial expenses and profit, the complainants relied on publicly available financial statements for 2024 from two truck body producers in China, CIMC and Liaoning SG Automotive Group Co., Ltd. A, Ltd. (Liaoning).<sup>18</sup> Using this information, the complainants have estimated SG&A, financial expenses and profits as a percentage of the cost of goods sold. The table below includes the specific ratios estimated for China.

**Table 2: Complainants' Estimates of SG&A, Financial Expenses and Profits<sup>19</sup>**

	<b>China</b>
<b>SG&amp;A</b>	13.56%
<b>Financial Expenses</b>	1.56%
<b>Amount for Profit</b>	6.02%

<sup>14</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 214-216

<sup>15</sup> Exhibit 2 – Truck Bodies Complaint (NC), 217-220

<sup>16</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 221-222

<sup>17</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 223-225

<sup>18</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 226, Non-Confidential Exhibit VI-31

<sup>19</sup> Exhibit 2 – Truck Bodies Complaint (NC), Table 14

### *Model-Specific Method*

[77] The complainants were in possession of quotes from CIMC Vanguard's Canadian distributor of subject goods for three specific models of truck bodies. As such, the complainants used these models to estimate normal values. The complainants submitted that these models provide an illustrative cross-section of common truck body models, including a range of sizes, and both refrigerated and non-refrigerated units.<sup>20</sup>

[78] For material costs, the complainants relied on their own material costs related to the production of truck bodies to estimate the cost per model, based on the specifications for each model.<sup>21</sup>

[79] For the cost of labour, the complainants used their own labour costs for producing truck bodies to estimate the labour for each model, adjusted in the manner described above to reflect labour rate differences in China.<sup>22</sup>

[80] Overhead costs were estimated for each model based on the complainants' own overhead costs, with an adjustment applied to the indirect labour component to reflect labour rate differences in China.<sup>23</sup>

[81] As described above, the complainants adjusted the material, labour and overhead costs to remove the cost of the final assembly and mounting performed in Canada.<sup>24</sup>

[82] The complainants used their estimates for a reasonable amount for SG&A, financial expenses and profit as described above.<sup>25</sup>

[83] In order to ensure comparability between normal values and export prices, the complainants applied a temporal adjustment to the cost build-ups, which rely on current costing, for two of the models. This adjustment was done to account for the fact that the quotes for two of the models were received prior to the POI.<sup>26</sup> As such, adjustments were made based on actual changes to the complainants' material, labour and overhead costs since the dates on which the quotes were made.<sup>27</sup>

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<sup>20</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 230

<sup>21</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 234-235

<sup>22</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 236-237

<sup>23</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 237

<sup>24</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 238-242

<sup>25</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 243, Non-Confidential Exhibit VI-31

<sup>26</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 233

<sup>27</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 233

## Section 20

[84] As per the section 20 allegations, the complainants also provided normal value calculations for subject goods based on a surrogate methodology. The complainants submitted that the US would be an appropriate surrogate country. To support this assertion, the complainants noted that the US and China are the largest producers of truck bodies in the world and that both countries have significant domestic demand for truck bodies as well as large domestic production capacity of truck bodies.<sup>28</sup>

[85] The complainants estimated normal values pursuant to section 20 using selling prices from the US, in the two methods described above, an aggregate estimate and a model specific estimate.

[86] For the aggregate method, the complainants used their US parent company's average quarterly selling prices for sales made to customers at the same level of trade as in the Canadian market, of goods that reflect the product definition and the scope of the complainants' productive capabilities. The complainants stated that the sales are representative of the US market as the surrogate company is the largest US manufacturer of truck bodies, and further noted that the sales are profitable. Adjustments to the selling prices were made to account for final assembly costs and to convert to CAD.<sup>29</sup>

[87] For the model specific method, the complainants obtained quotes from their US affiliates for the same three models used in the section 19 estimates above. The complainants adjusted the quotes to remove the costs of assembly, and to convert the prices to CAD.<sup>30</sup>

### CBSA's Estimate of Normal Value

[88] For the purposes of initiation, the CBSA estimated normal values using a constructed cost approach based on the methodology in paragraph 19(b) of SIMA, calculated based on the aggregate of an estimate of the cost of production of the subject goods, an estimate for a reasonable amount for administrative selling and other costs and an estimate for a reasonable amount for profits. The CBSA estimated quarterly normal values based on the complainants' average per unit production costs during the POI.

[89] In estimating normal values for subject goods based on the methodology of paragraph 19(b) of SIMA, the CBSA used the quarterly average methodology used by the complainants, but making the following adjustments:

- Adjustments were made to the SG&A and profit based on updated information available to include figures for Q2 2025;

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<sup>28</sup> Exhibit 2 – Truck Bodies Complaint (NC) – paras 321- 328

<sup>29</sup> Exhibit 2 – Truck Bodies Complaint (NC) – para. 347

<sup>30</sup> Exhibit 2 – Truck Bodies Complaint (NC) – para. 348

- For SG&A and profit, only the information from CIMC Vehicles was used, as they are a known producer/exporter of truck bodies. Information concerning the other company (Liaoning) suggests that they produce complete vehicles, however the CBSA was not able to confirm whether they produce and sell truck bodies separately, as such, the CBSA found it to be more appropriate to only use CIMC Vehicles' information.

[90] With respect to the complainants' allegations that the conditions of section 20 prevail in the truck body sector in China, the CBSA will endeavor to gather additional information from exporters, government, and other relevant sources in order to enable the CBSA to form an opinion as to whether the conditions of section 20 exist in the domestic market for the Automobile Bodies and Trailers Manufacturing sector in China.

[91] While the CBSA acknowledges that there is reasonable evidence that the conditions of section 20 may exist in the Automobile Bodies and Trailers Manufacturing sector in China, the CBSA finds the methodology of section 19 to be a conservative and reasonable basis for estimating normal values at this stage.

## **EXPORT PRICE**

### Complainants' Estimates of Export Price

[92] The export price of goods sold to an importer in Canada is generally determined in accordance with section 24 of SIMA as being an amount equal to the lesser of the exporter's sale price for the goods and the price at which the importer has purchased or agreed to purchase the goods adjusted by deducting all costs, charges, expenses, and duties and taxes resulting from the exportation of the goods.

[93] The complainants estimated export prices for truck bodies using two methodologies to correspond to their normal value estimates. First, the complainants used refined import data to estimate quarterly average export prices.<sup>31</sup> Second, the complainants estimated model-specific export prices based on quotes from CIMC Vanguard's Canadian distributors, adjusted to derive ex works pricing.<sup>32</sup>

### CBSA's Estimates of Export Price

[94] In order to estimate export prices, the CBSA relied on information available through E-FIRM and ACROSS for the period of July 1, 2024 to June 30, 2025. The CBSA reviewed customs data for goods imported within the tariff classification numbers in which truck bodies are imported under. The CBSA used the adjusted import data to estimate export prices on a quarterly basis for subject goods shipped from China between July 1, 2024 and June 30, 2025.

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<sup>31</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 355-362

<sup>32</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 366-368

## **ESTIMATED MARGINS OF DUMPING**

[95] For the purposes of the initiation of the investigations, as previously mentioned, the CBSA has estimated a margin of dumping using normal values based on the methodology of section 19 of SIMA.

[96] Based on the normal values estimated under section 19, the CBSA estimated the margin of dumping for subject goods by comparing the estimated normal values with the estimated export prices for the period of July 1, 2024 to June 30, 2025. The CBSA estimates that subject goods from China were dumped by 51.4%, expressed as a percentage of the export price.

## **EVIDENCE OF SUBSIDIZING**

[97] 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.

[98] 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.

[99] 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.

[100] 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.

[101] 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.

[102] 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.

## **SUBSIDY PROGRAMS IN CHINA**

[103] In alleging that actionable subsidies were applicable to the subject goods imported from China, the complainants relied on previous findings from the CBSA subsidy investigation, as well as investigations, reviews, and findings from both the USDOC and the European Commission. The complainants also relied on publications issued by the Government of China, and general news articles and publications.

[104] The complainants referred to the CBSA’s investigations in regards to the subsidizing of Aluminum Extrusions, Carbon and Alloy Steel Line Pipe, Carbon Steel Welded Pipe, Cold-Rolled Steel, Copper Tube, Decorative and Other Non-structural Plywood, Fabricated Industrial Steel Components, Galvanized Steel Wire, Large Diameter Line Pipe, Mattresses, OCTG, Pup Joints, Photovoltaic Modules, Seamless Casing, Stainless Steel Sinks, Steel Grating, Sucker Rods, Unitized Wall Modules, Upholstered Domestic Seating, Wind Towers and Pea Protein.<sup>33</sup> Additionally, the complainants provided other potentially actionable subsidy programs specifically conferred to China’s truck bodies producers based on their own research.<sup>34</sup>

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<sup>33</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 380-537

<sup>34</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 380-537

[105] The complainants provided a general description of each alleged subsidy program, together with references to the provisions in SIMA, under which the subsidy is alleged to constitute a financial contribution and under which it would be considered to be specific and, therefore, actionable. The complainants alleged that each identified program potentially confers an actionable or prohibited subsidy to producers and exporters of truck bodies in China. The documents that formed the basis for these allegations were appended to the complaint.<sup>35</sup>

[106] Given that the complainants' principal evidence with respect to the subsidy programs available and/or used by truck bodies producers/exporters in China consists of references to other countervailing investigations by either the CBSA, the USDOC or the European Commission, the CBSA reviewed the relevant public decision documents for these investigations.

[107] As a result, based on the information available, the CBSA identified 26 potentially actionable subsidy programs that may have benefited Chinese producers/exporters of truck bodies. Many of these are programs the CBSA has already countervailed in respect of previous subsidy investigations concerning goods from China. These programs have been grouped into the following five categories:

- a. Preferential Loans and Loan Guarantees;
- b. Grants and Grant Equivalents;
- c. Preferential Tax Programs;
- d. Relief from Duties and Taxes;
- e. Goods/Services Provided by the Government of China at Less than Fair Market Value

[108] The CBSA's analysis revealed that the alleged subsidy programs constitute potential financial contributions by the Government of China that may have conferred benefits to producers/exporters of truck bodies. In addition, the programs were further examined and were considered to be potentially specific either in law or in fact within the meaning of subsections 2(7.2) and 2(7.3) of SIMA.

[109] The descriptions of the identified programs to be investigated are found in the Subsidy RFI.

[110] If more information becomes available during the investigation process that indicates that some exporters/producers of subject goods may have benefited from any other programs during the POI, the CBSA will request complete information from the Government of China and exporters/producers of subject goods to pursue the investigation of these programs.

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<sup>35</sup> Exhibit 2 – Truck Bodies Complaint (NC), Public Exhibits 7-01,7-02,7-04,7-05 & 7-06

## **CBSA’S CONCLUSION**

[111] Sufficient evidence is available to support the allegations that truck bodies originating in or exported from China have been subsidized. In investigating these programs, the CBSA has requested information from the Government of China, exporters and producers to determine whether exporters/producers of subject goods received benefits under these programs and whether these programs, or any other programs, are actionable subsidies and, therefore, countervailable under SIMA.

## **ESTIMATED AMOUNT OF SUBSIDY**

[112] The complainants were unable to estimate the amounts of subsidy on a program basis for the subject goods imported from China. Instead, the complainants estimated the amount of subsidy as being equal to the difference between the estimated total cost of production and the estimated export prices for the selected three models of truck bodies.<sup>36</sup>

[113] The CBSA estimated the amount of subsidy conferred to exporters of the subject goods from China by comparing the estimated full costs of the subject goods with their total estimated export prices, using the costing and export price methodologies explained in the “Evidence of Dumping” section.

[114] It is the CBSA’s understanding that subsidies have the effect of lowering the cost of production of goods which allows exporters to pass-through the subsidy benefits in reducing the selling price of those goods to Canada. Therefore, the CBSA is satisfied that the exporter’s ability to sell subject goods to Canada at prices substantially below their estimated costs supports the complainants’ allegations that the imported goods are subsidized.

[115] The CBSA’s analysis of the information indicates that subject goods imported into Canada during the period of July 1, 2024 to June 30, 2025 were subsidized and that the estimated amount of subsidy is 36.6% of the export price.

## **EVIDENCE OF INJURY**

[116] The complainants alleged that the subject goods have been dumped and subsidized and that such dumping and subsidizing have caused and are threatening to cause material injury to the truck body industry in Canada.

[117] SIMA refers to material injury caused to the domestic producers of like goods in Canada. The CBSA has concluded that truck bodies produced by the domestic industry are like goods to the subject goods from China.

[118] Given concerns with respect to the confidentiality of the information of the domestic producer, the CBSA is limited in its ability to discuss certain information contained in the complaint.

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<sup>36</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 553-537.

[119] In support of their allegations, the complainants provided evidence of:

- Increased volume of subject goods imported;
- Decreased prices of subject goods imported and price undercutting;
- Price depression;
- Decreased bookings;
- Lost sales;
- Negative impact on production and utilization;
- Decreased market share;
- Negative impact on employment; and
- Adverse impact on financial performance.

### **INCREASED VOLUME OF SUBJECT GOODS IMPORTED**

[120] The complainants submit that imports from China have increased significantly, both in volume and value. To demonstrate this increase, the complainants estimated import volumes and values for the period of 2022 to May 2025.<sup>37</sup> The complainants based their estimates on two methods, a less conservative and a more conservative approach, and submitted that under both approaches, the increase is evident.

[121] With respect to their less conservative model, they note that the value of imports from China more than tripled from 2022 to 2024, and increased by 84% from the first five months of 2024 to the first five months of 2025.<sup>38</sup> Over the same period, the complainants emphasize the 67% decrease of import value from the US, indicating that the value of US imports may be decreasing as a result of the higher value of imports from China.<sup>39</sup>

[122] With respect to their more conservative estimate, the complainants also submit that the imports from China have increased significantly from 2022 to 2024.<sup>40</sup> The complainants argue that despite a decrease in the value of Chinese imports from the period of January to May 2024 to the period of January to May 2025, the imports from China remain significant and are above 2023 levels. The complainants maintain that this approach is conservative, and that imports from China are likely underrepresented.<sup>41</sup>

[123] When comparing subject import volumes from 2022 to May 2025, the complainants emphasize that the volume of truck bodies from China has increased significantly under both approaches, noting that volumes increased by 360% from 2022 to 2024 under the less conservative model, and by 1,852% under the more conservative model.<sup>42</sup>

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<sup>37</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 549-573

<sup>38</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 553-554

<sup>39</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 555

<sup>40</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 560, 562

<sup>41</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 563

<sup>42</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 568-571, Table 38 and Table 39

[124] The complainants further note that US truck body imports increased from 2022 to 2023, but decreased from 2023 to 2024. The complainants allege that when comparing the US figures with the imports from China, one can infer that China is responsible for the injurious imports during the POI.<sup>43</sup>

[125] The complainants reiterate that although the data is limited, the truck body import data reveals an increasing trend of imports of subject goods from China. The complainants also emphasize that the subject goods imports for the year 2025 are on track to cause more injury if there is no remedy.<sup>44</sup>

[126] The CBSA has also conducted an analysis of import data to assess the import volumes and values of the allegedly dumped and subsidized goods from 2022 to H1 2025. As shown in Table 1 in the *Canadian Market* section above, the CBSA estimates that imports of truck bodies from China increased significantly, representing 4% of total imports in 2022, and 54% of total imports in H1 2025.

[127] The CBSA has examined the allegations and finds the complainants' claim of increased import volumes to be reasonable and well supported. The conclusions drawn from the CBSA's import data also support the complainants' claim. The CBSA finds that the injury factor of an increased volume of subject goods is sufficiently supported and linked to the allegedly dumped and subsidized goods.

#### **DECREASED PRICES OF SUBJECT GOODS IMPORTED AND PRICE UNDERCUTTING**

[128] To support their claims of decreased prices and price undercutting, the complainants have calculated the average unit value for subject goods imports to display how the prices have decreased throughout the POI. The complainants submit that both of their import estimates display a decrease in the average unit prices of imports of subject goods from 2022 to 2024, a decrease of 39% under the less conservative model, and 64% under the more conservative model.<sup>45</sup>

[129] The complainants note that the average unit price for subject goods increased from 2024 to 2025, however, argue that this increase "may reflect product mix (such as higher value reefer units vs small dry box units)".<sup>46</sup> The complainants point out that although the 2025 average price is higher than the year prior, the 2025 average price is still lower than 2022 levels.<sup>47</sup>

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<sup>43</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 570-571

<sup>44</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 572-573

<sup>45</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 577-578, Table 40 and Table 41

<sup>46</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 577-578, Table 40 and Table 41

<sup>47</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 577

[130] The complainants explain that prices of imports have dropped drastically and are below production costs, causing the difference between production costs and market price to be unsustainable, forcing them to operate at a loss. They further submitted that they are not able to lower their prices to compete with low priced subject goods while remaining profitable.<sup>48</sup>

[131] The complainants explain that the dropping average unit value of subject goods are undercutting the price of the domestically produced like goods by a significant margin. To support this claim, the complainants compared their average unit booking price to the average unit value of imports of subject goods, adjusted to reflect prices to end-users, for the period of 2023 to May 2025.<sup>49</sup>

[132] Comparing the complainants' average unit value to the average unit value of the truck bodies from China, the complainants submit that subject goods are priced significantly lower than the domestically produced goods. Based on their estimates, the average amount by which the complainants' prices have been undercut is between 40% and 57%.<sup>50</sup> The complainants submitted that the large price gap causes domestic producers to either discount prices significantly, therefore sacrificing margins, or lose sales.<sup>51</sup>

[133] The CBSA has examined the complainants' allegations of price undercutting by comparing the complainants' weighted average price per unit to the CBSA's estimated weighted average unit import prices for subject goods. The CBSA's estimates support the complainants' allegations of price undercutting.

[134] Based on the information provided by the complainants and the CBSA's import data, CBSA finds the complainants' claim of price undercutting to be supported and sufficiently linked to the allegedly dumped and subsidized goods.

## **PRICE DEPRESSION**

[135] Due to the price undercutting mentioned in the section above, the complainants submit that price depression has occurred in the Canadian market.<sup>52</sup> The complainants state that they have dropped their quoted prices in response to competition from imported subject goods, and provided specific examples of these circumstances.<sup>53</sup> To demonstrate the price depression, the complainants presented their average truck body prices from 2023 to Q2 2025, noting a decrease in their average unit sales price.<sup>54</sup> The complainants further noted a decrease in the per unit value of new bookings in H1 2025.<sup>55</sup>

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<sup>48</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 581-582

<sup>49</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 583-589

<sup>50</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 589, Table 44

<sup>51</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 589

<sup>52</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 591

<sup>53</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 592

<sup>54</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 593

<sup>55</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 594

[136] Based on the evidence provided by the complainants, the CBSA finds the claims of price depression to be well supported and sufficiently linked to the allegedly dumped and subsidized goods.

### **DECREASED BOOKINGS**

[137] The complainants submit that their number of domestic sales bookings and the value of sales bookings from the years 2023 to 2024 have declined as a result of the increase of subject goods in the Canadian market.<sup>56</sup> The complainants supported their claims by providing the value and volume of their annual bookings from 2023 to 2024.<sup>57</sup>

[138] The complainants further allege that the value of domestic bookings suffered especially in the second half of 2024, comparing bookings from H2 2024 to H2 2023.<sup>58</sup> Similar to the decrease in the value of sales bookings, the complainants allege that the volume of domestic sales bookings has suffered.<sup>59</sup>

[139] The complainants further argue that by comparing the value and volume of bookings, it can be seen that the competition from Chinese imports has affected both sales volumes and sales prices.<sup>60</sup>

[140] The CBSA has reviewed the information provided by the complainants. The CBSA finds the complainants' claim of lost bookings to be well supported, and sufficiently linked to the imports of subject goods. Additionally, the CBSA acknowledges that there can be gaps in between the sales bookings and actual sales of truck bodies, thus a lost booking may continue to impact the domestic producer beyond the time of the lost booking. As such, the CBSA notes that the lost bookings continue to present a potential threat to injury to the Canadian market.

### **LOST SALES**

[141] The complainants allege that subject imports have caused them to lose sales.<sup>61</sup> The complainants support this claim by providing the volumes and values of their domestic sales from 2022 to H1 2025, submitting that sales are beginning to decrease as a result of being at competition with the subject goods. The complainants further note a decline in sales from H1 2024 to H1 2025. They explain that the decline in bookings in the second half of 2024 foreshadows the decrease in sales in 2025 due to the time lag between sales bookings and realized sales.<sup>62</sup>

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<sup>56</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 597

<sup>57</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 597

<sup>58</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 598

<sup>59</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 600

<sup>60</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 601

<sup>61</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 60.

<sup>62</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 603-604

[142] The complainants further explain that the decline in sales is more evident on a quarterly basis, and has provided their domestic sales of truck bodies per quarter from Q2 2024 to Q2 2025, noting a sharp decline.<sup>63</sup>

[143] To further support their allegations, the complainants provided several specific examples of sales lost to imports of subject goods, and contend that these lost sales display a reasonable indication of injury.<sup>64</sup>

[144] Based on CBSA's analysis of the complainants' documented lost sales to the subject goods, the CBSA finds that the allegations to be sufficiently supported and linked to the allegedly dumped and subsidized goods.

#### **NEGATIVE IMPACT ON PRODUCTION AND UTILIZATION**

[145] The complainants allege that due to the increase in the presence of subject goods in the Canadian market and the decline in bookings, the complainants have experienced a decline in production levels.<sup>65</sup> To support their claims, the complainants have provided information concerning their production of truck bodies from 2022 to H1 2025, noting the decline, especially in their quarterly production from Q2 2024 to Q2 2025.<sup>66</sup> The complainants further noted the resulting decrease in capacity utilization.<sup>67</sup>

[146] The complainants discussed the production reductions at each company's facility and outlined a workshare program that was implemented at Morgan Canada's facility to mitigate effects on employment.<sup>68</sup>

[147] The complainants estimated the number of units of truck bodies from China assembled and sold in Canada, and submitted that it is reasonable to conclude that the complainants' production would not be declining if it weren't for the influx of subject goods in the domestic market.<sup>69</sup>

[148] The evidence provided by the complainants supports their claim of an adverse effect on the complainants' production and utilization caused by the allegedly dumped and subsidized goods. The CBSA acknowledges the negative impact on domestic production and the complainants' workforce as a result of the imported subject goods. The CBSA also recognizes that this adverse effect on production and utilization presents a further threat of injury to the Canadian truck bodies market.

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<sup>63</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 605-606

<sup>64</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 607-619

<sup>65</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 620

<sup>66</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 620-622

<sup>67</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 622

<sup>68</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 625

<sup>69</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 626

## **DECREASED MARKET SHARE**

[149] The complainants claim that due to bookings in competition with subject goods and lowered sales, the domestic industry's market share has declined.<sup>70</sup> The complainants estimated the size of the Canadian market, in volume and value, and estimated the domestic industry's market share, as well as the market share of Chinese imports.<sup>71</sup>

[150] The complainants alleged that the share of subject goods in the domestic market has greatly increased from 2022 to 2024, and submitted that every unit of subject goods sold represents a sale not made by the domestic industry. The complainants concluded that the imports of subject goods has therefore led to the decline in the domestic industry's market share.<sup>72</sup>

[151] Based on the CBSA's analysis of the complainants' estimates, as well as the CBSA's estimates of imports and market share, the CBSA finds that the domestic industry's market share has not been negatively impacted, as such the allegations of decreased market share is not sufficiently supported. However, the CBSA notes imports of subject goods from China has increased significantly since 2022. The CBSA recognizes that this may represent a future threat of injury to the domestic industry.

## **NEGATIVE IMPACT ON EMPLOYMENT**

[152] The complainants allege that low-priced subject goods has caused a reduction in the complainants' workforce in 2025. The complainants discussed the layoffs experienced as a result of declining bookings, and reiterated the workshare program introduced at Morgan Canada's facility.<sup>73</sup>

[153] The CBSA recognizes the that the allegations of adverse impact on the complainants' employment is reasonable and well-supported. As such, the CBSA is of the opinion that this injury factor is supported and sufficiently linked to the allegedly dumped and subsidized goods.

## **ADVERSE IMPACT ON FINANCIAL PERFORMANCE**

[154] Following the decline in production, sales, and capacity utilization, the complainants explain that their profits have deteriorated. The complainants argue that a material decline in profitability represents material injury.<sup>74</sup> To support their allegations, the complainants have provided their net margins from 2023 to H1 2025.

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<sup>70</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 629

<sup>71</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 629-631

<sup>72</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 630-631

<sup>73</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 632-634

<sup>74</sup> Exhibit 2 – Truck Bodies Complaint (NC), paras. 635-636

[155] To support their claim that the decrease in their margins is caused by imports of subject goods, the complainants addressed the fluctuation of material costs per unit, claiming that these fluctuations were not responsible for the impact on their profitability.<sup>75</sup>

[156] Overall, the information contained in the complaint generally establishes a trend of worsening net margins, supporting the complainants' allegations of adverse impact on financial performance. As such, the CBSA finds that the injury of adverse impact on financial performance and profitability is supported, and reasonably linked to the alleged dumped and subsidized goods.

### **CBSA'S CONCLUSION - INJURY**

[157] Overall, based on the evidence provided in the complaint, and supplementary data available to the CBSA through its own research and customs documentation, the CBSA finds that the evidence discloses a reasonable indication that the dumping and subsidizing of the subject goods from China, have caused injury to the truck body industry in Canada in the form of:

- Increased volume of subject goods imported;
- Decreased prices of subject goods imported and price undercutting;
- Price depression;
- Decreased bookings;
- Lost sales;
- Negative impact on production and utilization;
- Negative impact on employment; and
- Adverse impact on financial performance.

### **THREAT OF INJURY**

[158] The complainants allege that the dumped and subsidized goods threaten to cause further material injury to the domestic producers of truck bodies and provided information to support the allegations.

[159] In light of the CBSA's finding that there is a reasonable indication that the dumping and subsidizing of the subject goods has caused injury, the CBSA will exercise administrative efficiency and not address whether there is a reasonable indication that the dumping and subsidizing of the subject goods is threatening to cause injury.

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<sup>75</sup> Exhibit 2 – Truck Bodies Complaint (NC), para. 639

## **CAUSAL LINK - DUMPING/SUBSIDIZING AND INJURY/THREAT OF INJURY**

[160] The CBSA finds that the complainants have sufficiently linked the injury it has suffered to the alleged dumping and subsidizing of the subject goods imported into Canada. This injury includes increased volume of subject goods imported; decreased prices of subject goods and price undercutting, price depression, decreased bookings, lost sales, and adverse impacts on production, capacity utilization, employment, and financial performance.

[161] In summary, the CBSA is of the opinion that the information provided in the complaint has disclosed a reasonable indication that the alleged dumping and subsidizing have caused injury to the Canadian domestic industry.

## **SCOPE OF THE INVESTIGATIONS**

[162] The CBSA is conducting investigations to determine whether the subject goods have been dumped and/or subsidized.

[163] The CBSA has requested information from all potential exporters and importers to determine whether or not subject goods imported into Canada during the POI of July 1, 2024 to June 30, 2025 were dumped and/or subsidized. The information requested will be used to determine the normal values, export prices, margins of dumping, if any. The CBSA also requested information from the Government of China with respect to the possibility that the conditions of section 20 of SIMA exist in the Automobile Bodies and Trailers Manufacturing sector in China.

[164] The CBSA has also requested information from the Government of China and all potential producers/exporters to determine whether or not subject goods imported into Canada during the POI of July 1, 2024 to June 30, 2025 were subsidized. The information requested will be used to determine the amounts of subsidy, if any.

[165] All parties have been clearly advised of the CBSA's information requirements and the time frames for providing their responses.

## **FUTURE ACTION**

[166] The CITT will conduct a preliminary inquiry to determine whether the evidence discloses a reasonable indication that the alleged dumping and subsidizing of the goods has caused or is threatening to cause injury to the Canadian industry. The CITT must make its decision on or before the 60<sup>th</sup> day after the date of the initiation of the investigations. If the CITT concludes that the evidence does not disclose a reasonable indication of injury to the Canadian industry, the investigations will be terminated.

[167] If the CITT finds that the evidence discloses a reasonable indication of injury to the Canadian industry and the CBSA's preliminary investigations reveals that the goods have been dumped and/or subsidized, the CBSA will make preliminary determinations of dumping and/or subsidizing within 90 days after the date of the initiation of the investigations, by December 23, 2025. Where circumstances warrant, this period may be extended to 135 days from the date of the initiation of the investigations.

[168] Under section 35 of SIMA, if, at any time before making a preliminary determination, the CBSA is satisfied that the volume of goods of a country is negligible, the investigations will be terminated with respect to goods of that country.

[169] Imports of subject goods released by the CBSA on and after the date of a preliminary determination of dumping and/or subsidizing, other than goods of the same description as goods in respect of which a determination was made that the margin of dumping of, or the amount of subsidy on, the goods is insignificant, may be subject to provisional duty in an amount not greater than the estimated margin of dumping and/or the estimated amount of subsidy on the imported goods.

[170] Should the CBSA make a preliminary determination of dumping and/or subsidizing, the investigations will be continued for the purpose of making a final decision within 90 days after the date of the preliminary determination.

[171] After the preliminary determination, if, in respect of goods of a particular exporter, the CBSA's investigations reveals that imports of the subject goods from that exporter have not been dumped or subsidized, or that the margin of dumping or amount of subsidy is insignificant, the investigation(s) will be terminated in respect of those goods.

[172] If final determinations of dumping and/or subsidizing are made, the CITT will continue its inquiry and hold public hearings into the question of material injury to the Canadian industry. The CITT is required to make a finding with respect to the goods to which the final determinations of dumping and/or subsidizing apply, not later than 120 days after the CBSA's preliminary determinations.

[173] In the event of an injury finding by the CITT, imports of subject goods released by the CBSA after that date will be subject to anti-dumping duty equal to the applicable margin of dumping and countervailing duty equal to the amount of subsidy on the imported goods. Should both anti-dumping and countervailing duties be applicable to subject goods, the amount of any anti-dumping duty may be reduced by the amount that is attributable to an export subsidy.

### **RETROACTIVE DUTY ON MASSIVE IMPORTATIONS**

[174] When the CITT conducts an inquiry concerning 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.

[175] Should the CITT issue such a finding, anti-dumping and countervailing duties may be imposed retroactively on subject goods imported into Canada and released by the CBSA during the period of 90 days preceding the day of the CBSA making preliminary determinations of dumping and/or subsidizing.

[176] In respect of importations of subsidized goods that have caused injury, however, 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, as explained in the previous “Evidence of subsidizing” section. In such a case, the amount of countervailing duty applied on a retroactive basis will be equal to the amount of subsidy on the goods that is a prohibited subsidy.

## **UNDERTAKINGS**

[177] 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.

[178] 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.

[179] An acceptable undertaking must account for all or substantially all of the exports to Canada of the dumped or subsidized goods. 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 who wish to be notified should an undertaking proposal be received. Those who are interested in being notified should provide their name, telephone number, mailing address and email address to the email address identified in the “Information” section of this document.

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

## **PUBLICATION**

[181] Notice of the initiation of these investigations is being published in the Canada Gazette pursuant to subparagraph 34(1)(a)(ii) of SIMA.

## **INFORMATION**

[182] Interested parties are invited to file written submissions presenting facts, arguments, and evidence that they feel are relevant to the alleged dumping. Written submissions must be filed through CBSA's [ACE web application](#).

[183] To be given consideration in these investigations, all information should be received by the CBSA by March 2, 2026, at noon.

[184] Any information submitted to the CBSA by interested parties concerning these investigations is considered to be public information unless clearly marked "confidential". Where the submission by an interested party is confidential, a non-confidential version of the submission must be provided at the same time. This non-confidential version will be made available to other interested parties upon request.

[185] Confidential information submitted to the CBSA will be disclosed on written request to independent counsel for parties to these proceedings, subject to conditions to protect the confidentiality of the information. Confidential information may also be released to the CITT, any court in Canada, or a WTO or Canada-United States-Mexico Agreement (CUSMA) dispute settlement panel. Additional information respecting the CBSA's policy on the disclosure of information under SIMA may be obtained by contacting the CBSA at the email address identified below or by visiting the CBSA's website.

[186] The schedule of the investigations and a complete listing of all exhibits and information are available on CBSA's [Dumping and subsidy investigations](#) webpage. The exhibit listing will be updated as new exhibits and information are made available.

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

**Email:** [simaregistry-depotlmsi@cbsa-asfc.gc.ca](mailto:simaregistry-depotlmsi@cbsa-asfc.gc.ca)

**Website:** [www.cbsa-asfc.gc.ca/sima-lmsi](http://www.cbsa-asfc.gc.ca/sima-lmsi)



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