



OTTAWA, August 18, 2021

STATEMENT OF REASONS

Concerning the final decisions with respect to the dumping and subsidizing of

**CERTAIN UPHOLSTERED DOMESTIC SEATING
ORIGINATING IN OR EXPORTED FROM CHINA AND VIETNAM**

DECISIONS

On August 3, 2021, pursuant to paragraph 41(1)(a) of the *Special Import Measures Act* the Canada Border Services Agency terminated the subsidy investigation in respect of certain upholstered domestic seating originating in or exported from China by Anji Hengrui Furniture Co., Ltd., Anji Hengyi Furniture Co., Ltd., Dongguan Tianhang Furniture Co., Ltd., Foshan DOB Furniture Co., Ltd., Foshan Xingpeichong Huitong Furniture Co., Ltd., Gu Jia Intelligent Household Jiaxing Co., Ltd., Haining Fanmei Furniture Co., Ltd., (Hangzhou) Huatong Industries Inc., HTL Furniture (China) Co., Ltd., HTL Furniture (Huai An) Co., Ltd., Jiaxing Motion Furniture Co., Ltd., Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Natuzzi (China) Ltd., Ruihao Furniture MFG Co., Ltd, Shanghai Trayton Furniture Co., Ltd., Violino Furniture (Shenzhen) Ltd., and in respect of certain upholstered domestic seating originating in or exported from Vietnam by Delancey Street Furniture Vietnam Co., Ltd., Koda Saigon Co. Ltd., Timberland Co., Ltd., UE Vietnam Co., Ltd., Vietnam Hang Phong Furniture Company Limited, Wanek Furniture Co., Ltd., and Wendelbo SEA JSC. On the same date, pursuant to paragraph 41(1)(b) of the *Special Import Measures Act*, the Canada Border Services Agency made final determinations respecting the dumping and subsidizing of certain upholstered domestic seating originating in or exported from China and Vietnam, with respect to exporters for which the investigations have not been terminated.

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

TABLE OF CONTENTS

SUMMARY OF EVENTS	1
PERIOD OF INVESTIGATION	3
PROFITABILITY ANALYSIS PERIOD	3
INTERESTED PARTIES	3
COMPLAINANT.....	3
OTHER PRODUCERS.....	3
TRADE UNIONS.....	5
IMPORTERS.....	5
EXPORTERS.....	5
GOVERNMENT.....	6
PRODUCT INFORMATION	7
DEFINITION.....	7
ADDITIONAL PRODUCT INFORMATION.....	7
<i>For Domestic Purposes</i>	8
<i>UDS Product Use and Characteristics</i>	9
PRODUCTION PROCESS.....	10
CLASSIFICATION OF IMPORTS.....	12
LIKE GOODS AND CLASS OF GOODS	12
THE CANADIAN INDUSTRY	13
IMPORTS INTO CANADA	14
INVESTIGATION PROCESS	14
DUMPING INVESTIGATION	15
NORMAL VALUE.....	16
EXPORT PRICE.....	16
MARGIN OF DUMPING.....	17
PARTICULAR MARKET SITUATION.....	17
RESULTS OF THE DUMPING INVESTIGATION	18
CHINA.....	18
<i>Particular Market Situation</i>	18
<i>Normal Values and Export Prices</i>	19
VIETNAM.....	44
<i>Particular Market Situation</i>	44
<i>Normal Values and Export Prices</i>	45
NON-NAMED COUNTRIES.....	52
<i>Normal Values and Export Prices</i>	52
SUMMARY OF RESULTS – DUMPING.....	56
SUBSIDY INVESTIGATION	58
RESULTS OF THE SUBSIDY INVESTIGATION	59
<i>Amounts of Subsidy</i>	60
<i>Amounts of Subsidy</i>	79
SUMMARY OF RESULTS – SUBSIDY.....	83
DECISIONS	86
FUTURE ACTION	87
RETROACTIVE DUTY ON MASSIVE IMPORTATIONS	88
PUBLICATION	88
INFORMATION	89

APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING AND AMOUNTS OF SUBSIDY.....	90
APPENDIX 2 – DUMPING AND SUBSIDY REPRESENTATIONS.....	92
GENERAL REPRESENTATIONS	93
<i>Late Submissions.....</i>	93
DUMPING REPRESENTATIONS	94
<i>Particular Market Situation.....</i>	94
<i>Determination of the Exporter and Importer.....</i>	97
<i>Export Price Determination.....</i>	99
<i>Amount for Profits.....</i>	100
<i>Normal Value Determination.....</i>	102
SUBSIDY REPRESENTATIONS	103
<i>Countervailable Subsidies and Specificity</i>	103
APPENDIX 3 – DESCRIPTION OF IDENTIFIED PROGRAMS AND INCENTIVES – CHINA	105
SUBSIDY PROGRAMS USED BY THE RESPONDING EXPORTERS.....	105
<i>Category 1: Preferential Loans and Loan Guarantees.....</i>	105
<i>Category 2: Grants and Grant Equivalents</i>	107
<i>Category 3: Preferential Tax Programs</i>	110
<i>Category 5: Goods / Services Provided by the Government at Less than Fair Market Value</i>	112
OTHER POTENTIALLY ACTIONABLE SUBSIDY PROGRAMS IDENTIFIED BY THE CBSA THAT WERE NOT USED BY THE RESPONDING EXPORTERS.....	113
<i>Category 1: Preferential Loans and Loan Guarantees.....</i>	114
<i>Category 2: Grants and Grant Equivalents</i>	114
<i>Category 3: Preferential Tax Programs</i>	117
<i>Category 4 - Relief From Duties And Taxes.....</i>	117
<i>Category 5: Goods/Services Provided by the Government at Less Than Fair Market Value</i>	120
OTHER PROGRAMS RECEIVED BY EXPORTERS BUT NOT PREVIOUSLY ADDRESSED	120
APPENDIX 4 – DESCRIPTION OF IDENTIFIED PROGRAMS AND INCENTIVES – VIETNAM	130
SUBSIDY PROGRAMS USED BY THE RESPONDING EXPORTERS.....	130
<i>Category 1: Relief From Import Tax and Duty</i>	130
<i>Category 3: Preferential Loans and Loan Guarantees</i>	132
<i>Category 4: Preferential Tax Programs</i>	133
OTHER POTENTIALLY ACTIONABLE SUBSIDY PROGRAMS IDENTIFIED BY THE CBSA THAT WERE NOT USED BY THE RESPONDING EXPORTERS.....	136
<i>Category 2: Relief From Land Rent, Tax and Levy</i>	136
<i>Category 4: Preferential Tax Programs</i>	138
<i>Category 6: Goods/Services Provided by the Government at Less Than Fair Market Value</i>	143

SUMMARY OF EVENTS

[1] On October 16, 2020, the Canada Border Services Agency (CBSA) received a written complaint from Palliser Furniture Ltd. (Winnipeg, MB) (hereinafter, “the complainant”), alleging that imports of certain upholstered domestic seating (UDS) from the People’s Republic of China (China) and the Socialist Republic of Vietnam (Vietnam) (hereinafter, “the named countries”) are being dumped and subsidized. The complainant alleged that the dumping and subsidizing have caused injury and are threatening to cause injury to the Canadian producers of UDS.

[2] On November 6, 2020, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainant that the complaint was properly documented. The CBSA also notified the Government of China (GOC) and Government of Vietnam (GOV) that a properly documented complaint had been received. The GOC and the GOV were also provided with the non-confidential version of the subsidy complaint and were invited for consultations prior to the initiation of the subsidy investigation, pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*. A request for consultations was not received by the CBSA.

[3] SIMA provides that, under normal circumstances, the decision whether to initiate investigations shall be made within 30 days of the date of the properly documented complaint. However, on November 30, 2020, the CBSA informed the complainant, the GOC, and the GOV that it had made the decision to extend this period to 45 days, pursuant to subsection 31(6) of SIMA.

[4] The complainant provided evidence to support the allegations that UDS from China and Vietnam have been dumped and subsidized. The evidence also discloses a reasonable indication that the dumping and subsidizing have caused injury and are threatening to cause injury to the Canadian industry producing like goods.

[5] On December 21, 2020, pursuant to subsection 31(1) of SIMA, the CBSA initiated investigations respecting the dumping and subsidizing of UDS from China and Vietnam.

[6] 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.

[7] On February 19, 2021, 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 UDS from China and Vietnam have caused or are threatening to cause injury to the domestic industry.

[8] On March 15, 2021, the CBSA notified interested parties that the preliminary stage of the investigations will be extended pursuant to subsection 39(1) of SIMA.

[9] On May 5, 2021, 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 UDS originating in or exported from China and Vietnam.

[10] On May 5, 2021, pursuant to subsection 8(1) of SIMA, provisional duty was imposed on imports of dumped and subsidized goods that are of the same description as any goods to which the preliminary determinations apply, and that are released during the period commencing on the day the preliminary determinations were made and ending on the earlier of the day on which the CBSA causes the investigations in respect of any goods to be terminated pursuant to subsection 41(1) of SIMA or the day the CITT makes an order or finding pursuant to subsection 43(1) of SIMA.

[11] On May 6, 2021, the CITT initiated an inquiry pursuant to section 42 of SIMA to determine whether the dumping and subsidizing of the above-mentioned goods has caused injury or retardation or is threatening to cause injury to the Canadian industry.

[12] Based on the available evidence, the CBSA is satisfied that UDS originating in or exported from China by Anji Hengrui Furniture Co., Ltd., Anji Hengyi Furniture Co., Ltd., Dongguan Tianhang Furniture Co., Ltd., Foshan DOB Furniture Co., Ltd., Foshan Xingpeichong Huitong Furniture Co., Ltd., Gu Jia Intelligent Household Jiaxing Co., Ltd., Haining Fanmei Furniture Co., Ltd., (Hangzhou) Huatong Industries Inc., HTL Furniture (China) Co., Ltd., HTL Furniture (Huai An) Co., Ltd., Jiaxing Motion Furniture Co., Ltd., Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Natuzzi (China) Ltd., Ruihao Furniture MFG Co., Ltd, Shanghai Trayton Furniture Co., Ltd., Violino Furniture (Shenzhen) Ltd., and UDS originating in or exported from Vietnam by Delancey Street Furniture Vietnam Co., Ltd., Koda Saigon Co. Ltd., Timberland Co., Ltd., UE Vietnam Co., Ltd., Vietnam Hang Phong Furniture Company Limited, Wanek Furniture Co., Ltd., and Wendelbo SEA JSC were either not subsidized or subsidized by insignificant amounts. Therefore, on August 3, 2021, the CBSA terminated the subsidy investigation pursuant to paragraph 41(1)(a), in respect of those goods.

[13] Based on the available evidence, the CBSA is satisfied that UDS originating in or exported from China and Vietnam, for which the subsidy investigation has not been terminated under paragraph 41(1)(a) of SIMA, have been dumped and subsidized. Therefore, on August 3, 2021, the CBSA made final determinations of dumping and subsidizing pursuant to paragraph 41(1)(b) of SIMA in respect of those goods.

[14] The CITT's inquiry into the question of injury to the Canadian industry is continuing, and the CITT will issue its decision by September 2, 2021. Provisional duty will continue to be imposed on the subject goods from the named countries until the CITT renders its decision. However, provisional countervailing duties will not be imposed on imports of goods for which the subsidy investigation has been terminated. Any provisional duty paid or security posted on imports of goods for which the subsidy investigation has been terminated will be refunded, as appropriate.

PERIOD OF INVESTIGATION

[15] The Period of Investigation (POI) for the investigations is June 1, 2019 to November 30, 2020.

PROFITABILITY ANALYSIS PERIOD

[16] The Profitability Analysis Period (PAP) for the investigations is June 1, 2019 to November 30, 2020.

INTERESTED PARTIES

Complainant

[17] The name and address of the complainant is as follows:

Palliser Furniture Ltd.
70 Lexington Park
Winnipeg, MB
R2G 4H2

[18] Palliser was founded in 1944. Palliser manufactures, distributes and sells UDS to retailers throughout Canada. Palliser manufactures UDS at its Canadian facility located in Winnipeg, Manitoba.¹

Other Producers

[19] The complainant identified 14 additional producers of UDS in Canada:²

Company Name	Address
EQ3 Ltd.	70 Lexington Park Winnipeg, MB, R2G 4H2
Fornirama Inc.	9100 Boulevard Maurice-Duplessis Montréal (QC) H1E 7C2
Elran Furniture Ltd.	2751 Transcanada Highway Pointe-Claire (QC) H9R 1B4
Jaymar Furniture	75 rue Jaymar Terrebonne (QC) J6W 1M5
Décor-rest Furniture Ltd.	511 Chrislea Rd. Woodbridge, ON, L4L 8N6

¹ Exhibit 2 (NC) – Complaint – Paragraphs 14-15

² Exhibit 2 (NC) – Complaint – Paragraphs 144-146

Company Name	Address
Superstyle Furniture Ltd.	123 Ashbridge Circle Woodbridge, ON, L4L 3R5
Edgewood Furniture Inc.	2-7933 Huntington Rd. Woodbridge, ON, L4H 0S9
Brentwood Classics Ltd.	57 Adesso Dr. Vaughan, ON, L4K 3C7
Dynasty Furniture Manufacturing Ltd.	3344 54th Ave. SE Calgary, AB, T2C 0A8
Stylus Made to Order Sofas	7885 Riverfront Gate Burnaby, BC, V5J 5L6
Van Gogh Designs	19178 34A Ave. Surrey, BC, V3Z 1A7
Leather Living Furniture	1A-2001 Drew Rd. Mississauga, ON, L5S 1S4
Leathercraft Furniture	40 Ronson Dr. Units 6 & 7 Toronto, ON, M9W 1B3
Stratum Designs Inc.	180 Norelco Dr. Toronto, ON, M9L 1S4

[20] Fornirama Ltd. (Fornirama), Elran Furniture Ltd. (Elran), and Jaymar Furniture (Jaymar) support the complaint.³ Additionally, EQ3 Ltd. (EQ3), a related company to Palliser, supports the complaint.⁴ The complainant did not indicate if it was aware of any domestic producers who would oppose the complaint.

[21] In addition, through its own research, the CBSA identified 36 other potential Canadian producers of UDS. As a result, on November 6, 2020, 50 potential producers of UDS in Canada were sent a Standing Request for Information (RFI)⁵ primarily to identify whether they produce like goods, the amount of like goods produced in Canada, and whether they support, oppose, or are neutral to the complaint. The CBSA received six complete responses to the Standing RFI, four from the previously mentioned supporting producers and two from the following producers:

Creative Custom Furnishings
350 Oakdale Road
Toronto, ON
M3N 1W5

Huppé Meubles Inc.
225 Rue de la Jacques Cartier
Victoriaville (QC)
G6T 1Y1

³ Exhibit 2 (NC) – Complaint – Appendix 19B – Letters of Support

⁴ Exhibit 2 (NC) – Complaint – Appendix 19B – Letters of Support

⁵ Exhibit 26 (PRO) – Standing RFI

[22] Additionally, four companies confirmed that they do not produce like goods in Canada. As a result, there are seven confirmed producers and 40 other potential producers of UDS in Canada.

Trade Unions

[23] The complainant stated that there are no known trade unions that represent persons employed in the production of UDS in Canada.⁶

Importers

[24] At the initiation of the investigations, the CBSA identified 1,989 potential importers of the subject goods based on both information provided by the complainant and CBSA import entry documentation. All of the potential importers were asked to respond to the CBSA's Importer Request for Information (RFI)⁷. The CBSA received 32 responses to the Importer RFI and two general submissions of comments regarding the Importer RFI.

Exporters

[25] At the initiation of the investigations, the CBSA identified 671 potential exporters/producers of the subject goods originating in or exported from China and Vietnam from CBSA import documentation and from information submitted in the complaint. All of the potential exporters were sent the CBSA's Dumping RFI⁸ and the CBSA's Subsidy RFI⁹.

[26] In total, 60 companies provided responses to the CBSA's Dumping RFI and 55 companies responded to the Subsidy RFI. Respondents included producers and exporters. The submissions and results for the producers/exporters have been summarized in the *Results of the Dumping Investigation* and *Results of the Subsidy Investigation* sections, found below.

[27] CBSA officers performed verifications by way of Verification Questionnaires.

[28] Respondents who have provided deficient submissions have been informed that their information could not be used for the purposes of the final determinations as it was not found to be complete and/or reliable.

[29] Three exporters submitted late responses to the Dumping RFI and/or Subsidy RFI. These submissions were filed more than four months after the due date, and only a few days before or on the same day as the close of the record.

⁶ Exhibit 2 (NC) – Complaint – Paragraph 154

⁷ Exhibit 29 (NC) – Importer RFI

⁸ Exhibit 28 (NC) – Exporter Dumping RFI

⁹ Exhibit 30 (NC) – Exporter Subsidy RFI – China, Exhibit 31 (NC) – Exporter Subsidy RFI – Vietnam

[30] Respondents who have provided late submissions have been informed that their information could not be used for the purposes of the final determinations. The CBSA had insufficient time prior to the close of record to review and verify this new information by way of further supplemental RFIs (SRFIs) or requesting additional supporting documentation. These exporters' delay in filing a response to either the Dumping RFI and/or Subsidy RFI prevented the CBSA from being able to further question and verify this information. Without sufficient time to further question, request additional supporting documentation and verify the submitted information, the CBSA was precluded from being able to assess whether or not the information submitted by these exporters was complete, accurate and reliable for the purposes of determining a margin of dumping and/or amount of subsidy. The CBSA therefore determined the information as provided by these exporters to be insufficient and unreliable for the purposes of determining a margin of dumping and/or amount of subsidy for the final determinations.

Government

[31] For the purposes of these investigations, GOC and GOV refer 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.

[32] At the initiation of the investigations, the GOC and the GOV were sent the CBSA's Government Particular Market Situation (PMS) RFI¹⁰ and Government Subsidy RFI¹¹. The GOC did not respond to either the Government Subsidy or PMS RFI. The GOV provided a response to both to the Government Subsidy and PMS RFIs¹². The CBSA notified the GOV that their information was deficient. The GOV responded to the deficiency letter; however, its response was still considered deficient. A second notification was sent to the GOV. The GOV provided a response to the second deficiency letter but it was received on June 21, 2021, a week after the close of the record, which was not considered by the CBSA for the purposes of the subsidy investigation. For the purposes of the final determinations, the GOV's response to the PMS RFI was considered complete. However, the GOV's response to the Subsidy RFI was considered deficient.

¹⁰ Exhibit 34 (PRO) & 35 (NC) – Foreign Government Subsidy RFI – China, Exhibit 36 (PRO) & 37 (NC) – Foreign Government Subsidy RFI – Vietnam

¹¹ Exhibit 32 (NC) – Foreign Government PMS RFI – China, Exhibit 33 (NC) – Foreign Government PMS RFI – Vietnam

¹² Exhibits 634 (NC) & 635 (PRO) – Foreign Government Subsidy RFI Response – Vietnam, Exhibits 636 (NC) & 637 (PRO) – Foreign Government PMS RFI Response – Vietnam

PRODUCT INFORMATION

Definition

[33] For the purposes of these investigations, subject goods are defined as:¹³

Upholstered seating for domestic purposes originating in or exported from the People's Republic of China and the Socialist Republic of Vietnam, whether motion (including reclining, swivel and other motion features) or stationary, whether upholstered with a covering of leather (either full or partial), fabric (including leather-substitutes) or both, including, but not limited to seating such as sofas, chairs, loveseats, sofa-beds, day-beds, futons, ottomans, stools and home-theatre seating.

Excluding:

- (a) Stationary (i.e. non-motion) seating upholstered only with fabric (rather than leather), even if the fabric is a leather-substitute (such as leather-like or leather-look polyurethane or vinyl);*
- (b) dining table chairs or benches (with or without arms) that are manufactured for dining room end-use, which are commonly paired with dining table sets;*
- (c) upholstered stools with a seating height greater than 24 inches (commonly referred to as "bar stools" or "counter stools"), with or without backs, and/or foldable;*
- (d) seating manufactured for outdoor use (e.g. patio or swing chairs);*
- (e) bean bag seating; and*
- (f) foldable or stackable seating.*

For greater certainty, the product definition includes:

- (a) Upholstered motion seating with reclining, swivel, rocking, zero-gravity, gliding, adjustable headrest, massage functions or similar functions;*
- (b) seating with frames constructed from metal, wood or both;*
- (c) seating produced as sectional items or parts of sectional items;*
- (d) seating with or without arms, whether part of sectional items or not; and*
- (e) foot rests and foot stools (with or without storage).*

Additional Product Information¹⁴

[34] The term "upholstered" refers to leather, leather-like and/or fabric cover material, which may be used in combination with padding and springs, to make a soft covering for the frame. This covering may be permanently (e.g. sewn) or semi-permanently (e.g. with Velcro or ties) attached to the frame of the seating. Similarly, some or all the soft covering may also be removable from the frame of the seating in the form of loose cushions designed as an integral part of the seating, whether those cushions are on the seat, back or both parts of the chair.

¹³ Exhibit 2 (NC) – Complaint – Paragraphs 39-40

¹⁴ Exhibit 2 (NC) – Complaint – Paragraphs 41-60

[35] The subject goods may be commercially described in a variety of ways based on various factors such as shape, style or purpose, including as “wedge chairs”, “lounge chairs”, “saucer chairs”, “bergere chairs”, “side chairs” and other non-standard descriptions. The subject goods may be described as “occasional chairs”, which typically (though not always) means that they are living room chairs that are styled differently from a matching furniture set.

[36] Other than “occasional chairs”, these descriptions do not have any industry standard meaning. These descriptive marketing terms may be used by manufacturers and retailers in different ways, such as one retailer calling a chair by one description, whereas another retailer calls a very similar chair by a different description. Conversely, two retailers may apply the same descriptive word to two relatively different chairs.

[37] These descriptive words generally do not indicate any material differences in the nature of the goods or detract from the goods being subject goods. Notwithstanding the various descriptions, if the goods have the essential elements of the above definition (e.g. upholstered, seating, for domestic purposes, not expressly excluded), they are within the scope of subject goods.

For Domestic Purposes

[38] Subject goods are intended for domestic (i.e. residential) purposes and use. “For domestic purposes” in the product description is defined in the same way as “for domestic purposes” under Chapter 94 of the Customs Tariff Schedule and in accordance with Canadian International Trade Tribunal (CITT) jurisprudence.

[39] While the subject goods are primarily intended by producers and retailers for residential use as opposed to commercial applications, some subject goods may be occasionally used in commercial establishments by customers. The occasional end-use of the subject goods within commercial settings does not detract from the primary intended use in domestic or residential settings, and such goods remain subject goods.

[40] To determine whether the subject goods are primarily intended for domestic purposes, factors including the design, characteristics, marketing and pricing of the goods must be considered, which accords with CITT practice in interpreting the “for domestic purposes” qualification.

[41] A key distinction between residential and commercial seating goods is that goods intended for commercial use are generally built to a higher specification in the types of materials used, such as the urethane quality and fabric durability, to withstand heavier use in busier settings. Additionally, producers and retailers market the subject goods online and on showroom floors as intended for home rather than business use and are priced lower relative to goods intended for business use.

[42] Goods clearly designed and marketed for non-domestic use (i.e. commercial use purposes), such as in offices, business reception areas, restaurants, studios, airports, concert halls and other non-residential applications, are not covered by these investigations.

UDS Product Use and Characteristics

[43] The subject goods are designed for sitting or sleeping in residential settings. While the subject goods have common functions, there are some variations in their uses. For example, sofas that convert into sofa-beds are designed for sleeping in their fold-out or extended configuration, whereas sofas, arm-chairs and Home Theater Seating (“HTS”) are not specifically designed for sleeping purposes.

[44] The subject goods are made of wood and/or metal frames, with urethane foam inner material or padding that is covered in either fabric; genuine leather; a manufactured leather-substitute; a combination of genuine leather and leather-substitute (known as leather-match).

[45] The subject goods generally consist of the following components:

- (1) Wood or metal frame – The goods are of either metal or wood frames. Metal frames are steel and/or aluminum. Material for wood frames includes solid wood, plywood or engineered materials such as oriented strand board (“OSB”) and particleboard.
- (2) Urethane foam – Foam is used for internal upholstery padding and can have various characteristics or be composed of several materials to create comfort inside the outer upholstery cover.
- (3) Cover material – The upholstery covering on the exterior of the seating is made up of leather or a leather-like good, fabric, or a combination of leather and fabric.
- (4) Motion components – Complicated metal components and mechanisms are made from hot-rolled coil (“HRC”) and cold-rolled coil (“CRC”) steel used in motion furniture.
- (5) Miscellaneous parts and components – These items vary and may include webbing, fiber, springs, legs, zippers, etc. and are globally sourced.

[46] Particularly, leather or leather-like cover material may consist of the following materials:

- (a) Leather – Genuine leather is commercially known as ‘top grain’. The outer surface of the hide is processed with varying degrees of finish but based on the original outer surface.
- (b) Split leather – Leather processed in a tannery is typically split into the outer layer and a second layer known as ‘split’. This is genuine leather but given a manufactured surface. Split leather is less strong structurally, is less expensive and may be used on the sides or back of furniture where strength is not a factor.
- (c) Bicast – Split leather that is covered with a film of some kind of plastic to provide a look and a more durable surface.

- (d) Bonded leather – This is a leather-substitute such as polyurethane that has leather shavings glued to the back. The leather shavings cannot be seen or felt, and add very little to the cost compared to a pure leather substitute product. The shavings are used as a marketing strategy to allow for the use of the word ‘leather’.
- (e) Leather-match – An upholstered product that combines the use of real or top grain leather together with a leather-substitute such as vinyl or polyurethane on the same item. Normally the leather is used on surfaces that can be touched by the consumer or are more visible. The leather-substitute will be produced to look as identical as possible to genuine leather and is used on the side or back of the product. This combination is done to reduce cost and leather-match products are typically less expensive than comparable pure leather products.
- (f) Leather-substitutes – These are covering materials constructed from polyurethane, vinyl or other chemicals that may be constructed as a sheet of material or as a textile but in all case designed to create the feel or visual look of leather. They are typically less expensive than a comparable product containing any degree of leather.

[47] “Leather” cover material goods refer to goods falling into categories (a) – (e), and “leather-like” goods is synonymous with leather-substitutes in category (f). Most customers cannot readily distinguish between leather and leather-like goods.

[48] Fabric cover material goods refer to goods that may consist of wool, cotton, nylon, polyester, acrylic, rayon or a combination thereof, which may be in any colour.

[49] The subject goods and domestically produced like goods (together “Upholstered Domestic Seating”) may be ordered to be custom-built for a customer, which usually includes the choice of cover material and sometimes some technical features in motion furniture.

Production Process¹⁵

[50] There are common production methods involved in combining components to produce UDS, whether produced in the named countries or in Canada.

[51] For wood-framed domestic seating, typically plywood, OSB and/or particleboard are used for the frames. Additional wood-based products that may be used for the framing structure include hardwood, medium-density fibreboard usually in smaller dimensions around 3 mm (MDF), and wood legs and tables used for upholstery. The complainant believes that the named countries source their wood frames from China, Vietnam, Uruguay, Brazil and Russia.

[52] Wood frames are cut into shape and meet certain specifications using large specialized equipment such as computer numerical control machines (CNC). Springs and webbing are typically attached to the frames. The complainant believes that producers in the named countries source these components domestically from both Vietnam and China.

¹⁵ Exhibit 2 (NC) – Complaint – Paragraphs 62-74

[53] The wood frame may be produced in the plant where final assembly occurs or may be purchased externally, either as parts or an assembled frame. The complainant believes that producers in the named countries also typically manufacture their wood frames in-house, although it may be possible that some outsource their frame production.

[54] The urethane foam is primarily produced from a mix of toluene diisocyanate (TDI) and some catalyst chemicals, then poured and assembled into lines to be cut into shape. As with the wood, the urethane foam may be sourced as components externally or cut into parts inside the plant where final assembly occurs. The complainant believes that producers in the named countries domestically purchase and cut urethane components in-house and some of the larger, vertically-integrated producers will also pour their own foam from domestically-sourced chemicals.

[55] Urethane foam may be used in combination with conjugated fiber products and dacron fiber rolls to form the soft padding or cushion for seating products. The complainant believes that the producers in the named countries domestically source both of these components.

[56] Leather is a labour-intensive, more expensive cover material to handle and process because every cow hide is a different size and texture. First, the hides are dehaired, degreased, desalted and soaked in water for a period of time. Next, the hides are tanned to enhance durability and to possibly alter the colour.

[57] The complainant believes that producers in the named countries source most of their leather cover material from Argentina and Brazil, among many other countries globally. Further, the complainant believes that they typically purchase and transport cow hides at their most basic, unprocessed (salted) forms to be fully processed at local tanneries. The leather tanning and processing requires significant use of chemicals, including chrome, aniline, polyurethane pigment and acrylic.

[58] The cover material may also be fabric. The complainant believes that producers in the named countries source the fabric material for their covers from China, or possibly the US, with the US supply being mostly for furniture orders that are customized by cover material and/or style.

[59] The leather, leather-like or fabric cover material is cut by hand or in an automated process. Cover material for a large order which requires more repetitive cut processes, are typically cut together in many layers at the same time. The cover material pieces are then gathered in a roll and moved to a separate sewing station to be sewn together. Cut and sew processes of leather compared to fabric cover material are more expensive and requires more expertise to evaluate quality and shade. The complainant believes that producers in the named countries typically perform cut and sew operations at their assembly facilities, and/or at the same facilities as their leather tanning/processing operations, as many of their production facilities are vertically integrated incorporating various elements of the supply chain.

[60] For motion seating (e.g. recliners), the mechanisms, components and frames are made up of about 60-70 pounds of steel, either hot or cold rolled. The complainant believes that producers in the named countries domestically source this steel and often produce the mechanisms.

[61] The complainant believes that the final assembly of frame, foam, cover material and mechanical parts (where applicable for motion seating) usually occurs in the same plants as where the leather processing and cut and sew operations have taken place.

Classification of Imports

[62] The subject goods are normally classified under the following tariff classification numbers:

9401.40.00.00
9401.61.10.10
9401.61.10.90
9401.71.10.10
9401.71.10.90

[63] 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

[64] Subsection 2(1) of SIMA defines “like goods” in relation to any other goods as goods that are identical in all respects to the other goods, or in the absence of any identical goods, goods the uses and other characteristics of which closely resemble those of the other goods.

[65] In considering the issue of like goods, the CITT typically looks at a number of factors, including the physical characteristics of the goods, their market characteristics and whether the domestic goods fulfill the same customer needs as the subject goods.

[66] With respect to the definition of like goods, the complainant stated that like goods are those goods described in the product definition. That is, domestically produced UDS, which meets the product definition. Therefore, it does not include domestically produced goods which are specifically excluded from the product definition. The complainant also submits that subject goods and like goods form a single class of goods.

[67] The complainant indicated that the producer's intended use of an upholstered seating good and the customer's actual end-use of that good within a particular setting do not always align. For example, an office chair produced for commercial use may in fact be used by a customer in a residential setting (or vice-versa). However, the more specialized products built to a higher specification for heavier use within a commercial setting are excluded from the product definition because they are not "for domestic purposes".¹⁶

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

[69] With respect to physical characteristics, the complainant stated that the subject goods and like goods are all composed of the same materials, with wooden or metal frames, foam, and a cover composed of leather or fabric. The goods are generally similar in appearance, in particular with sofas, loveseats and chairs often being effectively larger or smaller versions of each other.¹⁷

[70] In terms of market characteristics, the complainant stated that the distribution channels are the same for the goods. The end-use of the goods is all the same: they are intended for a person to sit on. There is sufficient substitutability and pricing similarities across the range of subject goods and like goods such that the goods should all be considered a single class of goods.¹⁸

[71] After considering questions of use, physical characteristics and all other relevant factors, the CBSA initiated its investigations under the premise that domestically produced UDS are like goods to the subject goods. Further, the CBSA was of the opinion that subject goods and like goods constitute only one class of goods.

[72] In its preliminary injury inquiry for these investigations, the CITT further reviewed the matter of like goods and classes of goods. On February 19, 2021, the CITT issued its preliminary injury inquiry determination and reasons indicating that "*the Tribunal is not persuaded by the arguments made by parties opposed that there is more than one class of goods.*"

[73] The CITT in conducting its inquiry into whether the dumping and subsidizing of subject goods have caused injury or are threatening to cause injury to the production of like goods in Canada, has made, on June 16, 2021, the decision to expand the definition of like goods in this case to include fabric stationary domestic seating.

THE CANADIAN INDUSTRY

[74] In addition to the complainant, there are six other confirmed producers of UDS in Canada and 40 other potential producers of UDS in Canada that were identified by the complainant and the CBSA.

¹⁶ Exhibit 2 (NC) – Complaint – Paragraph 138

¹⁷ Exhibit 2 (NC) – Complaint – Paragraph 135

¹⁸ Exhibit 2 (NC) – Complaint – Paragraph 136

[75] The complainant provided letters of support from producers EQ3, Fornirama, El Ran, and Jaymar.¹⁹

[76] The CBSA received six complete responses to the Standing RFIs from EQ3, Jaymar, Fornirama, El Ran, Creative Custom Furnishings, and Huppé Meubles Inc., which included information on their total production of like goods in Canada. EQ3, Jaymar, Fornirama, El Ran, and Creative Custom Furnishings indicated that they support the complaint, while Huppé Meubles Inc. indicated that it is neutral to the complaint.

[77] The complainant and the supporting producers account for the vast majority of the domestic production of like goods.

IMPORTS INTO CANADA

[78] During the final phase of the investigations, the CBSA refined the estimated volume and value of imports based on information received from exporters and importers.

[79] The following table presents the CBSA's analysis of imports of UDS for purposes of the final determinations:

**Import Volumes of UDS
(June 1, 2019 to November 30, 2020)**

Country	% of Total Import Volume²⁰
China	58.37%
Vietnam	8.43%
All Other Countries	33.20%
Total Imports	100.00%

INVESTIGATION PROCESS

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

¹⁹ Exhibit 2 (NC) – Complaint – Appendix 19B – Letters of Support

²⁰ The CBSA's import documentation was used to determine the imports of subject goods during the POI. Since import volume information on the customs documentation was reported in various units of measure (i.e. number of sets, number of modules, weight, etc.), it was not feasible to determine the imports of subject goods by volume. As a result, import value was used as the unit of measure for determining imports of certain upholstered domestic furniture.

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

[82] Regarding the PMS allegation, questions concerning the existence of a PMS were added to the Dumping RFIs. Additionally, information related to the UDS market was requested from the GOC and the GOV.

[83] The GOC, the GOV, 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, they were notified that a determination on the basis of facts available could be less favorable to them than if complete and verifiable information was made available.

[84] Several parties (i.e., importers and exporters) requested an extension to respond to their respective RFIs. The CBSA reviewed each request and granted extensions in instances where the reasons for making the requests constituted unforeseen circumstances or unusual burdens.

[85] After reviewing the RFI responses, deficiency letters and SRFIs were sent to several responding parties to denote any inadequacies in the response, seek clarification of information provided in the responses, and request any additional information, where necessary. Verifications of the responding exporters were conducted by way of Verification Questionnaires.

[86] Details pertaining to the information submitted by the exporters in response to the Dumping and Subsidy RFIs as well as the results of the CBSA's investigations, including PMS, are provided in the *Results of the Dumping Investigation* and *Subsidy Investigation* sections of this document.

[87] As part of the final phase of the investigations, case briefs and reply submissions were provided by counsel representing the complainant and exporters/producers from China, Vietnam and the United States. Details of the representations are provided in **Appendix 2**.

[88] With respect to the reply brief provided by counsel representing the complainant, a portion of the arguments submitted were removed as these arguments did not address case briefs previously provided by other parties. As such, the CBSA did not take this information into consideration for the purpose of the final determinations.

DUMPING INVESTIGATION

[89] The following presents the final results of the investigation into the dumping of UDS originating in or exported from China and Vietnam.

Normal Value

[90] Normal values are generally determined 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 based on either the methodology of 19(a) 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.

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

[92] Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, normal values are determined pursuant to a ministerial specification in accordance with subsection 29(1) of SIMA.

Export Price

[93] The export price of goods sold to importers in Canada is generally determined 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.

[94] Where there are sales between associated persons and/or a compensatory arrangement exists, the export price may be determined 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. In any cases not provided for under paragraphs 25(1)(c) and 25(1)(d) of SIMA, the export price is determined in such a manner as the Minister specifies, pursuant to paragraph 25(1)(e).

[95] Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, export prices are determined pursuant to a ministerial specification under subsection 29(1) of SIMA.

Margin of Dumping

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

Particular Market Situation

[97] Paragraph 16(2)(c) is a provision of SIMA that may be applied when the President is of the opinion that domestic sales of like goods in the country of export do not permit a proper comparison with the sales of the goods to the importer in Canada because a PMS prevails.

[98] The CBSA may form the opinion that a PMS exists, which does not permit a proper comparison with the sale of the goods to the importer in Canada, if one or more of the following factors have had a significant impact on the domestic sales of like goods in the country of export:

- government regulations, such as price floors, price ceilings, production quotas, import and export controls;
- taxation policies;
- government support programs (financial or otherwise);
- the presence and activities of state-owned or state-controlled enterprises in the domestic market as suppliers or purchasers of the like goods (also including other state-owned or state-controlled enterprises such as financial institutions);
- the acquisition of production inputs or processing services that do not reflect market-based costs because they are acquired from suppliers which are state-owned or state-controlled or that are affected by government influence or control;
- significant volatility in economic conditions in the home market of the exporter;
- evidence of distorted input costs; and
- any other circumstances which may or may not be the result of government intervention, in which normal market conditions or patterns of supply and demand do not prevail.

[99] In such cases, the CBSA would not determine normal values using the methodology of section 15 of SIMA, which relies on domestic prices. Accordingly, and where such information is available, the CBSA would look to use one of the methodologies of section 19 to determine normal values.

[100] Where the President is of the opinion that a PMS also distorts the cost of inputs that are significant in the production of the goods, the President will use information in accordance with subsection 11.2(2) of the *Special Import Measures Regulations* (SIMR), that best represents the actual cost of the input to permit a proper comparison.

RESULTS OF THE DUMPING INVESTIGATION

China

Particular Market Situation

[101] The CBSA investigated allegations that a PMS exists with respect to China's UDS market. The complainant made the allegation that a PMS may exist in China due to the combined effect of a multitude of factors.

[102] At the initiation of the dumping investigation, the CBSA sent a PMS RFI to the GOC. The Dumping RFI sent to exporters in China also included questions relating to PMS. While the GOC did not respond to the PMS RFI, it did make a submission that included a statement that there are no government regulations, programs, or other policies that impact the UDS industry.²¹ This statement also included representations that the CBSA's PMS investigation is not being done in accordance with the Anti-dumping Agreement (ADA) and the World Trade Organization (WTO) jurisprudence. Responses to the Dumping RFIs were received from several exporters in China.

[103] The complainant provided further evidence throughout the investigation pertaining to specific inputs. The CBSA sent out SRFIs to exporters in China to clearly identify which inputs they purchased. The CBSA also received case briefs from multiple exporters and reply submissions from the complainant.

[104] The complainant specifically alleged that in the UDS market in China: the acquisition costs of steel inputs are distorted, primarily due to government policies, subsidies, and the existence of state-owned enterprises in the steel industry; the acquisition costs of wood inputs are distorted, primarily due to illegally sourced timber and the existence of state-owned enterprises in the forestry industry; and the acquisition costs of chemical inputs are distorted, primarily due to government policies, subsidies, and the existence of state-owned enterprises in the chemical industry.

[105] The complainant provided evidence only in relation to a few inputs, specifically hot-rolled coil, cold-rolled coil, toluene diisocyanate, and polyether polyol. However it was found that most exporters did not purchase these specific raw materials, rather they purchased inputs made from these raw materials. As there was insufficient evidence to indicate how a potential distortion in the price of these raw materials could lead to a distortion in the actual inputs used in UDS, the CBSA could not form the opinion that a PMS exists on a country basis in the UDS sector in China.

[106] Some exporters did purchase these raw materials, so the CBSA investigated whether there may be an exporter specific PMS. However, exporters either did not purchase these raw materials in significant quantities or did not purchase them at distorted prices.

²¹ Exhibit 219 (NC) – Comments submitted by the GOC regarding PMS

[107] Therefore, based on the information on the administrative record, the CBSA has not formed the opinion that a PMS exists in the UDS market in China.

Normal Values and Export Prices

Anji Cozy Home Co., Ltd.

[108] Anji Cozy Home Co., Ltd (Cozy Home) is a producer and exporter of subject goods, located in Huzhou City, China.

[109] Cozy Home provided a response to the Dumping RFI,²² including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[110] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[111] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Cozy Home's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Cozy Home's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[112] For the subject goods exported from Cozy Home to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[113] The total normal value compared to the total export price results in a margin of dumping of 18.4% for Cozy Home, expressed as a percentage of the export price.

Anji Hengrui Furniture Co., Ltd.

[114] Anji Hengrui Furniture Co., Ltd. (Hengrui Furniture) is a producer and exporter of subject goods, located in Huzhou City, China.

²² Exhibit 502 (PRO) & 503 (NC) – Dumping RFI – Cozy Home

[115] Hengrui Furniture provided a response to the Dumping RFI,²³ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[116] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[117] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Hengrui Furniture's cost data associated with the subject goods shipped to Canada. As Hengrui Furniture acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Hengrui Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[118] For the subject goods exported from Hengrui Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[119] The total normal value compared to the total export price results in a margin of dumping of 45.2% for Hengrui Furniture, expressed as a percentage of the export price.

Anji Hengyi Furniture Co., Ltd.

[120] Anji Hengyi Furniture Co., Ltd. (Hengyi Furniture) is a producer and exporter of subject goods, located in Huzhou City, China.

[121] Hengyi Furniture provided a response to the Dumping RFI,²⁴ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[122] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

²³ Exhibit 608 (PRO) & 609 (NC) – Dumping RFI – Hengrui Furniture

²⁴ Exhibit 591 (PRO) & 592 (NC) – Dumping RFI – Hengyi Furniture

[123] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Hengyi Furniture's cost data associated with the subject goods shipped to Canada. As Hengyi Furniture acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Hengyi Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[124] For the subject goods exported from Hengyi Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[125] The total normal value compared to the total export price results in a margin of dumping of 15.1% for Hengyi Furniture, expressed as a percentage of the export price.

Anji UES Furniture Co., Ltd.

[126] Anji UES Furniture Co., Ltd (Anji UES) is a producer and exporter of subject goods located in Huzhou, China.

[127] Anji UES provided a response to the Dumping RFI,²⁵ including a database of domestic sales of UDS during the POI. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[128] Normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[129] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Anji UES's cost data associated with the subject goods shipped to Canada. As Anji UES acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Anji UES's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[130] For the subject goods exported from Anji UES to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on the lesser of the exporter's

²⁵ Exhibits 402 (PRO) & 403 (NC) – Dumping RFI Response – Anji UES

selling price and the importer's purchase price less all costs, charges and expenses resulting from the exportation of the goods.

[131] The total normal value compared to the total export price results in a margin of dumping of 17.4% for Anji UES, expressed as a percentage of the export price.

Dongguan Tianhang Furniture Co., Ltd.

[132] Dongguan Tianhang Furniture Co., Ltd. (Tianhang Furniture) is a producer and exporter of subject goods, located in Dongguan, China.

[133] Tianhang Furniture is associated with a trading company involved in the sales of subject goods, located in Hong Kong. The CBSA found Tianhang Furniture to be the exporter of the subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

[134] Tianhang Furniture provided a response to the Dumping RFI.²⁶ However, Tianhang did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[135] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[136] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Tianhang Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Tianhang Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[137] For the subject goods exported from Tianhang Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[138] The total normal value compared to the total export price results in a margin of dumping of 24.1% for Tianhang Furniture, expressed as a percentage of the export price.

Foshan DOB Furniture Co., Ltd.

[139] Foshan DOB Furniture Co., Ltd. (DOB Furniture) is a producer and exporter of subject goods, located in Foshan City, China.

²⁶ Exhibits 432 (PRO) & 433 (NC) – Dumping RFI Response – Tianhang Furniture

[140] DOB Furniture provided a response to the Dumping RFI,²⁷ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[141] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[142] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on DOB Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on DOB Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[143] For the subject goods exported from DOB Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[144] The total normal value compared to the total export price results in a margin of dumping of 30.3% for DOB Furniture, expressed as a percentage of the export price.

Gu Jia Intelligent Household Jiaxing Co., Ltd.

[145] Gu Jia Intelligent Household Jiaxing Co., Ltd. (Gu Jia Household) is a producer and exporter of subject goods, located in Jiaxing City, China.

[146] Gu Jia is associated with an additional company involved in the sales of subject goods, located in Hong Kong. The CBSA found Gu Jia Household to be the exporter of the subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

[147] Gu Jia Household provided a response to the Dumping RFI,²⁸ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with the requirements of sections 15 and 16 of SIMA to permit a proper comparison with the sales of the subject goods to the importers in Canada.

²⁷ Exhibit 408 (PRO) & 409 (NC) – Dumping RFI Response – DOB Furniture

²⁸ Exhibits 418 (PRO) & 419 (NC) – Dumping RFI Response – Gu Jia

[148] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[149] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Gu Jia Household's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Gu Jia Household's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[150] For the subject goods exported from Gu Jia Household to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[151] The total normal value compared to the total export price results in a margin of dumping of 33.1% for Gu Jia Household, expressed as a percentage of export price.

Haining Fanmei Furniture Co., Ltd.

[152] Haining Fanmei Furniture Co., Ltd. (Fanmei Furniture) is a producer and exporter of subject goods, located in Haining, China.

[153] Fanmei Furniture is associated with a trading company, located in Haining, China. The CBSA found Fanmei Furniture to be the exporter of the subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

[154] Fanmei Furniture provided a response to the Dumping RFI.²⁹ However, Fanmei Furniture did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[155] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[156] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Fanmei Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Fanmei Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of

²⁹ Exhibit 573 (PRO) & 574 (NC) – Dumping RFI Response – Fanmei Furniture

goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[157] For the subject goods exported from Fanmei Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[158] The total normal value compared to the total export price results in a margin of dumping of 53.6% for Fanmei Furniture, expressed as a percentage of the export price.

HaiNing Happy Leather Furniture Co., Ltd.

[159] HaiNing Happy Leather Furniture Co., Ltd. (Happy Leather) is a producer and exporter of subject goods, located in Haining City, China.

[160] Happy Leather provided a response to the Dumping RFI,³⁰ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[161] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[162] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Happy Leather's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Happy Leather's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[163] For the subject goods exported from Happy Leather to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[164] The total normal value compared to the total export price results in a margin of dumping of 13.4% for Happy Leather, expressed as a percentage of the export price.

Haining Kendy Furniture Co., Ltd.

³⁰ Exhibit 600 (PRO) & 601 (NC) – Dumping RFI Response – Happy Leather

[165] Haining Kendy Furniture Co., Ltd. (Haining Kendy) is a trading company and an exporter of subject goods, located in Haining City, China.

[166] The CBSA found Haining Kendy to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[167] Haining Kendy provided a response to the Dumping RFI.³¹ However, Haining Kendy did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[168] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[169] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on the production cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Haining Kendy's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[170] For the portion of subject goods exported by Haining Kendy for which the producers of the goods did not provide responses to the Dumping RFI, the CBSA determined the normal values using the methodologies for *All Other Exporters – China* described below.

[171] For the subject goods exported from Haining Kendy to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[172] The total normal value compared to the total export price results in a margin of dumping of 102.1% for Haining Kendy, expressed as a percentage of the export price.

Haining Nicelink Home Furnishings Co., Ltd.

[173] Haining Nicelink Home Furnishings Co., Ltd. (Nicelink) is a producer and exporter of subject goods, located in Haining City, China.

[174] Nicelink provided a response to the Dumping RFI,³² including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

³¹ Exhibit 365 (PRO) & 366 (NC) – Dumping RFI Response – Haining Kendy

³² Exhibits 456 (PRO) & 457 (NC) – Dumping RFI Response – Nicelink

[175] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[176] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Nicelink's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Nicelink's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Nicelink's sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[177] For the subject goods exported from Nicelink to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[178] The total normal value compared to the total export price results in a margin of dumping of 9.3% for Nicelink, expressed as a percentage of the export price.

(Hangzhou) Huatong Industries Inc.

[179] (Hangzhou) Huatong Industries Inc. (Huatong) is a producer and exporter of subject goods, located in Hangzhou City, China.

[180] Huatong is associated with a trading company involved in the sales of subject goods, located in Macao. The CBSA found Huatong to be the exporter of the subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

[181] Huatong also exported subject goods to a vendor located in the US. Some of these goods were subsequently sold to customers in Canada. For SIMA purposes, the vendor, located in the US, is considered to be the exporter for these goods.

[182] Huatong provided a response to the Dumping RFI,³³ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[183] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

³³ Exhibits 482 (PRO) & 483 (NC) – Dumping RFI Response – Huatong

[184] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Huatong's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Huatong's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Huatong's sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[185] For the subject goods exported from Huatong to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[186] The total normal value compared to the total export price results in a margin of dumping of 55.6% for Huatong, expressed as a percentage of the export price.

Henglin Home Furnishings Co., Ltd.

[187] Henglin Home Furnishings Co., Ltd. (Henglin Home) is a producer and exporter of subject good, located in Huzhou City, China.

[188] Henglin Home provided a response to the Dumping RFI,³⁴ including a database of domestic sales of UDS during the POI. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[189] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[190] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Henglin Home's cost data associated with the subject goods shipped to Canada. As Henglin Home acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Henglin Home's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Henglin Home's sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[191] For the subject goods exported from Henglin Home to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

³⁴ Exhibits 645 (PRO) & 646 (NC) – Dumping RFI Response – Henglin Home

[192] The total normal value compared to the total export price results in a margin of dumping of 29.0% for Henglin Home, expressed as a percentage of the export price.

HHC Changzhou Corp.

[193] HHC Changzhou Corp (HHC Changzhou) is a producer and exporter of subject goods, located in Changzhou City, China.

[194] HHC Changzhou provided a response to the Dumping RFI,³⁵ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[195] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[196] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on HHC Changzhou's cost data associated with the subject goods shipped to Canada. As HHC Changzhou acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on HHC Changzhou's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[197] For the subject goods exported from HHC Changzhou to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[198] The total normal value compared to the total export price results in a margin of dumping of 17.2% for HHC Changzhou, expressed as a percentage of the export price.

HTL Furniture (China) Co., Ltd.

[199] HTL Furniture (China) Co., Ltd. (HTL-FC) is a producer and exporter of subject goods, located in Kunshan, China.

[200] HTL-FC is associated with a trading company involved in the sales of subject goods, located in Singapore. The CBSA found HTL-FC to be the exporter of the subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

³⁵ Exhibits 494 (PRO) & 495 (NC) – Dumping RFI Response – HHC Changzhou

[201] HTL-FC provided a response to the Dumping RFI,³⁶ including a database of domestic sales of UDS during the PAP. For exports of subject goods by HTL-FC where it had sufficient domestic sales of like goods that met the requirements of sections 15 and 16 of SIMA, the CBSA determined normal values in accordance with section 15 of SIMA based on prices of domestic sales of like goods. For all other exports of subject goods by HTL-FC, the CBSA determined normal values in accordance with paragraph 19(b) of SIMA, based on 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.

[202] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on HTL-FC's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on HTL-FC's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on HTL-FC's sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[203] For the subject goods exported from HTL-FC to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[204] The total normal value compared to the total export price results in a margin of dumping of 48.4% for HTL-FC, expressed as a percentage of the export price.

HTL Furniture (Huai An) Co., Ltd.

[205] HTL Furniture (Huai An) Co., Ltd. (HTL-HA) is a producer and exporter of subject goods, located in Huai An City, China.

[206] HTL-HA is associated with a trading company involved in the sales of subject goods, located in Singapore. The CBSA found HTL-HA to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[207] HTL-HA provided a response to the Dumping RFI.³⁷ However, HTL-HA did not have domestic sales of UDS during the PAP and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[208] As such, the CBSA determined normal values for HTL-HA in accordance with paragraph 19(b) of SIMA, based on 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.

³⁶ Exhibits 519 (PRO) & 520 (NC) – Dumping RFI Response – HTL-FC

³⁷ Exhibits 523 (PRO) & 524 (NC) – Dumping RFI Response – HTL-HA

[209] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on HTL-HA's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on HTL-HA's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[210] For the subject goods exported from HTL-HA to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[211] The total normal value compared to the total export price results in a margin of dumping of 25.0% for HTL-HA, expressed as a percentage of the export price.

Jason Furniture (Hangzhou) Co., Ltd.

[212] Jason Furniture (Hangzhou) Co., Ltd. (Jason Furniture) is a producer and exporter of subject goods, located in Hangzhou, China.

[213] Jason Furniture provided a response to the Dumping RFI,³⁸ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with the requirements of sections 15 and 16 of SIMA to permit a proper comparison with the sales of the subject goods to the importers in Canada.

[214] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[215] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Jason Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Jason Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[216] For the subject goods exported from Jason Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

³⁸ Exhibits 422 (PRO) & 423 (NC) – Dumping RFI Response – Jason Furniture

[217] The total normal value compared to the total export price results in a margin of dumping of 33.8% for Jason Furniture, expressed as a percentage of export price.

Jiaying Motion Furniture Co., Ltd.

[218] Jiaying Motion Furniture Co., Ltd. (Jiaying Motion) is a producer and exporter of subject goods, located in Jiashan, China.

[219] Jiaying Motion is associated with a trading company involved in the sales of subject goods, located in Hong Kong. The CBSA found Jiaying Motion to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[220] Jiaying Motion provided a response to the Dumping RFI,³⁹ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[221] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[222] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Jiaying Motion's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Jiaying Motion's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[223] For the subject goods exported from Jiaying Motion to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[224] The total normal value compared to the total export price results in a margin of dumping of 36.9% for Jiaying Motion, expressed as a percentage of the export price.

Jiaying Vitra Electrical Technology Co., Ltd.

[225] Jiaying Vitra Electrical Technology Co., Ltd. (Jiaying Vitra) is a producer and exporter of subject goods, located in Jiaying, China.

³⁹ Exhibit 410 (PRO) & 411 (NC) – Dumping RFI – Jiaying Motion

[226] Jiaxing Vitra is associated with a trading company involved in the sales of subject goods, located in Hong Kong. The CBSA found Jiaxing Vitra to be the exporter of subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

[227] Jiaxing Vitra provided a response to the Dumping RFI⁴⁰, including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[228] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[229] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Jiaxing Vitra's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Jiaxing Vitra's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[230] For the subject goods exported from Jiaxing Vitra to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[231] The total normal value compared to the total export price results in a margin of dumping of 21.1% for Jiaxing Vitra, expressed as a percentage of the export price.

Man Wah Furniture Manufacturing (Huizhou) Co., Ltd.

[232] Man Wah Furniture Manufacturing (Huizhou) Co., Ltd. (Man Wah Furniture) is a producer and exporter of subject goods, located in Dayawan Huizhou, China.

[233] Man Wah Furniture is associated with a trading company involved in the sales of subject goods, located in Macao. The CBSA found Man Wah Furniture to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[234] Man Wah Furniture provided a response to the Dumping RFI,⁴¹ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

⁴⁰ Exhibit 535 (PRO) & 536 (NC) – Dumping RFI Response – Jiaxing Vitra

⁴¹ Exhibit 525 (PRO) & 526 (NC) – Dumping RFI – Man Wah Furniture

[235] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[236] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Man Wah Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Man Wah Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[237] For the subject goods exported from Man Wah Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[238] The total normal value compared to the total export price results in a margin of dumping of 31.2% for Man Wah Furniture, expressed as a percentage of the export price.

Megain Furniture (Dong Guan) Co., Ltd.

[239] Megain Furniture (Dong Guan) Co., Ltd. (Megain Furniture) is a producer of subject goods, located in Dongguan, China.

[240] Megain Furniture is associated with a trading company involved in the sales of subject goods, located in Hong Kong. The CBSA found Megain Furniture to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[241] Megain Furniture provided a response to the Dumping RFI,⁴² including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[242] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Megain Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Megain Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of

⁴² Exhibit 379 (PRO) & 380 (NC) – Dumping RFI Response – Megain Furniture

goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[243] For the subject goods exported from Megain Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[244] The total normal value compared to the total export price results in a margin of dumping of 33.1% for Megain Furniture, expressed as a percentage of the export price.

Natuzzi China Limited.

[245] Natuzzi China Limited. (Natuzzi China) is a producer and exporter of subject goods, located in Shanghai, China.

[246] Natuzzi China is associated with a trading company involved in the sales of subject goods, located in Italy. The CBSA found Natuzzi China to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[247] Natuzzi China provided a response to the Dumping RFI,⁴³ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[248] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[249] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Natuzzi China's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Natuzzi China's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[250] For the subject goods exported from Natuzzi China to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[251] The total normal value compared to the total export price results in a margin of dumping of 35.3% for Natuzzi China, expressed as a percentage of the export price.

⁴³ Exhibit 575 (PRO) & 576 (NC) – Dumping RFI Response – Natuzzi China

Ruihao Furniture MFG Co., Ltd

[252] Ruihao Furniture MFG Co., Ltd (Ruihao Furniture) is a producer and exporter of the subject goods, located in Dongguan, China.

[253] Ruihao Furniture provided a response to the Dumping RFI,⁴⁴ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[254] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[255] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Ruihao Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Ruihao Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[256] Ruihao Furniture exported subject goods to its related importer in Canada. As such, export prices determined under section 24 of SIMA for subject goods imported by the associated importer from Ruihao Furniture were subject to a reliability test under paragraph 25(1)(b) of SIMA. The section 24 export prices were determined to be unreliable. Export price for these goods was determined pursuant to paragraph 25(1)(e) of SIMA, using the methodology of paragraph 25(1)(c) and multiplying the declared invoice prices used in the calculation of export prices under section 24 by a factor representing the average amount by which section 25 export prices were below export prices determined under section 24.

[257] The total normal value compared to the total export price results in a margin of dumping of 10.4% for Ruihao Furniture, expressed as a percentage of the export price.

Shanghai Trayton Furniture Co., Ltd.

[258] Shanghai Trayton Furniture Co., Ltd. (Shanghai Trayton) is a producer and exporter of subject goods, located in Shanghai, China.

[259] Shanghai Trayton is associated with a trading company involved in the sales of subject goods, located in Hong Kong. The CBSA found Shanghai Trayton to be the exporter of the

⁴⁴ Exhibit 693 (PRO) & 694 (NC) – Dumping RFI Response – Ruihao Furniture

subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[260] Shanghai Trayton provided a response to the Dumping RFI,⁴⁵ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[261] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[262] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Shanghai Trayton's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Shanghai Trayton's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[263] For the subject goods exported from Shanghai Trayton to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[264] The total normal value compared to the total export price results in a margin of dumping of 38.9% for Shanghai Trayton, expressed as a percentage of the export price.

Trayton Furniture (Jiaxing) Co., Ltd.

[265] Trayton Furniture (Jiaxing) Co., Ltd. (Trayton Jiaxing) is a producer and exporter of subject goods, located in Jiashan, China.

[266] Approximately one third of Trayton Jiaxing's sales to Canada were made directly by Trayton Jiaxing, the remainder went through an associated trading company, located in Hong Kong. The CBSA found Trayton Jiaxing to be the exporter of all the sales of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[267] Trayton Jiaxing provided a response to the Dumping RFI,⁴⁶ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that

⁴⁵ Exhibit 410 (PRO) & 411 (NC) – Dumping RFI Response – Shanghai Trayton

⁴⁶ Exhibit 410 (PRO) & 411 (NC) – Dumping RFI Response – Trayton Jiaxing

complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[268] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[269] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Trayton Jiaxing's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Trayton Jiaxing's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[270] For the subject goods exported from Trayton Jiaxing to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[271] The total normal value compared to the total export price results in a margin of dumping of 24.8% for Trayton Jiaxing, expressed as a percentage of the export price.

UE Furniture Co., Ltd.

[272] UE Furniture Co., Ltd. (UE Furniture) is a producer and exporter of subject goods located in Huzhou, China.

[273] UE Furniture provided a response to the Dumping RFI,⁴⁷ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[274] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[275] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on UE Furniture's cost data associated with the subject goods shipped to Canada. As UE Furniture acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on UE Furniture's selling and administrative expenses incurred during the PAP.

⁴⁷ Exhibits 397 (PRO) & 398 (NC) – Dumping RFI Response – UE Furniture

The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[276] For the subject goods exported from UE Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[277] The total normal value compared to the total export price results in a margin of dumping of 27.7% for UE Furniture, expressed as a percentage of the export price.

Vanguard Industrial Jiaying Co., Ltd.

[278] Vanguard Industrial Jiaying Co., Ltd. (Vanguard) is a producer and exporter of subject goods, located in Jiaying City, China.

[279] Vanguard is associated with two associated trading companies involved in the sales of subject goods, located in the British Virgin Islands and the Separate Customs Territory of Taiwan. In addition, Vanguard exported subject goods directly to one customer in Canada. The CBSA found Vanguard to be the exporter of all the sales of the subject goods as it acted as the principal in the transaction and is located in the country of export, China.

[280] Vanguard provided a response to the Dumping RFI,⁴⁸ including a database of domestic sales of UDS during the POI. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[281] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[282] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Vanguard's cost data associated with the subject goods shipped to Canada. As Vanguard acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Vanguard's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[283] For the subject goods exported from Vanguard to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on the lesser of the exporter's

⁴⁸ Exhibit 579 (PRO) & 580 (NC) – Dumping RFI Response – Vanguard

selling price and the importer's purchase price less all costs, charges and expenses resulting from the exportation of the goods.

[284] The total normal value compared to the total export price results in a margin of dumping of 43.6% for Vanguard, expressed as a percentage of the export price.

Violino Furniture (Shenzhen) Ltd.

[285] Violino Furniture (Shenzhen) Ltd. (Violino SZ) is a producer and exporter of subject goods, located in Shenzhen, China.

[286] Violino SZ is associated with a trading company involved in the sales of subject goods, located in Hong Kong. The CBSA found Violino SZ to be the exporter of subject goods as it acted as the principal in the transaction, and is located in the country of export, China.

[287] Violino SZ provided a response to the Dumping RFI,⁴⁹ including a database of domestic sales of UDS during the POI. Normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[288] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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 profit, where the cost of production was provided.

[289] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Violino SZ's cost data associated with the subject goods shipped to Canada. As Violino SZ acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Violino SZ's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[290] Where the costs of production were not provided, the CBSA determined the normal values using the methodology for *All Other Exporters – China* described below.

[291] For the subject goods exported from Violino SZ to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

⁴⁹ Exhibits 434 (PRO) & 435 (NC) – Dumping RFI Response – Violino SZ

[292] The total normal value compared to the total export price results in a margin of dumping of 32.3% for Violino SZ, expressed as a percentage of the export price.

Zhejiang Botai Furniture Co., Ltd.

[293] Zhejiang Botai Furniture Co., Ltd. (Botai Furniture) is producer and exporter of subject goods, located in Huzhou City, China.

[294] Botai Furniture provided a response to the Dumping RFI,⁵⁰ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[295] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[296] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Botai Furniture's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Botai Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[297] For the subject goods exported from Botai Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[298] The total normal value compared to the total export price results in a margin of dumping of 18.0% for Botai Furniture, expressed as a percentage of the export price.

Zhejiang Chuanyang Furniture Co., Ltd.

[299] Zhejiang Chuanyang Furniture Co., Ltd. (Chuanyang Furniture) is a producer and exporter of subject goods, located in Haining City, China.

[300] Chuanyang Furniture provided a response to the Dumping RFI,⁵¹ including a database of domestic sales of UDS during the PAP. Normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

⁵⁰ Exhibit 395 (PRO) & 396 (NC) – Dumping RFI Response – Botai Furniture

⁵¹ Exhibits 387 (PRO) & 388 (NC) – Dumping RFI Response – Chuanyang Furniture

[301] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[302] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Chuanyang Furniture's cost data associated with the subject goods shipped to Canada. As Chuanyang acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Chuanyang Furniture's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Chuanyang Furniture's sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[303] For the subject goods exported from Chuanyang Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[304] The total normal value compared to the total export price results in a margin of dumping of 60.6% for Chuanyang Furniture, expressed as a percentage of the export price.

Zhejiang Happy Smart Furnishings Co., Ltd.

[305] Zhejiang Happy Smart Furnishings Co., Ltd. (Happy Smart) is a producer and exporter of subject goods, located in Haining City, China.

[306] Happy Smart provided a response to the Dumping RFI,⁵² including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[307] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[308] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Happy Smart's cost data associated with the subject goods shipped to Canada. As Happy Smart acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Happy Smart's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on

⁵² Exhibit 600 (PRO) & 601 (NC) – Dumping RFI Response – Happy Smart

other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[309] For the subject goods exported from Happy Smart to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[310] The total normal value compared to the total export price results in a margin of dumping of 26.5% for Happy Smart, expressed as a percentage of the export price.

Zhejiang Kuka Merlin Furniture Co., Ltd.

[311] Zhejiang Kuka Merlin Furniture Co., Ltd. (Kuka Merlin) is a producer and exporter of subject goods, located in Jiaxing City, China.

[312] Kuka Merlin provided a response to the Dumping RFI,⁵³ including a database of domestic sales of UDS during the POI. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with the requirements of sections 15 and 16 of SIMA to permit a proper comparison with the sales of the subject goods to the importers in Canada.

[313] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[314] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Kuka Merlin's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Kuka Merlin's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(iv) of the SIMR, based on other producers' sales of goods in China, during the PAP, that were of the same general category as the subject goods exported to Canada.

[315] For the subject goods exported from Kuka Merlin to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[316] The total normal value compared to the total export price results in a margin of dumping of 24.3% for Kuka Merlin, expressed as a percentage of export price.

All Other Exporters – China

⁵³ Exhibits 426 (PRO) & 427 (NC) – Dumping RFI Response – Kuka Merlin

[317] For exporters of subject goods that did not provide a response to the Dumping RFI, did not furnish sufficient information, or provided late submissions, the normal values and export prices were determined pursuant to a ministerial specification under subsection 29(1) of SIMA, which is based on a comparative analysis of facts available.

[318] In establishing the methodology for determining the normal values and export prices under ministerial specifications, the CBSA considered all 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 exporters of UDS from China, and customs import documentation.

[319] The CBSA decided that the normal values and export prices determined for the exporters whose submissions were complete for purposes of the final determination rather than the information provided in the complaint or estimated at initiation, would be used to establish the methodology for determining normal values since it reflects the trading practices of UDS exporters during the POI. Thirty-two producers/exporters in China provided complete information.

[320] The CBSA examined the difference between the normal value and the export price for each individual transaction from these exporters in order to obtain an appropriate amount for the normal value methodology. The transactions were examined to ensure that no anomalies affected the analysis, such as a very low volume and value, effects of seasonality or other business factors. A few anomalies were identified and removed.

[321] The CBSA considered that the highest amount by which the normal value exceeded the export price on an individual transaction of the 32 exporters mentioned above (expressed as a percentage of export price, excluding anomalies), was an appropriate basis for determining normal values. This methodology limits the advantage that an exporter may gain from not providing the necessary information requested in a dumping investigation as compared to an exporter that did provide the necessary information.

[322] The export prices were based on the declared selling prices on import documentation of UDS. The CBSA considers this the best available information on which to base the export prices of goods for all other exporters as it reflects actual import data.

[323] Based on the above methodology, for the purposes of the final determination, the margin of dumping for all other exporters of subject goods originating in or exported from China was determined to be 188.0%, expressed as a percentage of export price.

Vietnam

Particular Market Situation

[324] The CBSA investigated allegations that a PMS exists with respect to Vietnam's UDS market. The complainant made the allegation that a PMS may exist in Vietnam due to the combined effect of a multitude of factors.

[325] At the initiation of the dumping investigation, the CBSA sent a PMS RFI to the GOV. The Dumping RFI sent to exporters in Vietnam also included questions relating to PMS. The GOV provided a response to the PMS RFI⁵⁴ and SRFI. Responses to the Dumping RFIs were received from several exporters in Vietnam.

[326] The complainant provided further evidence throughout the investigation pertaining to specific inputs. The CBSA sent out SRFIs to exporters in Vietnam to clearly identify which inputs they purchased. The CBSA also received case briefs from multiple exporters and reply submissions from the complainant.

[327] The complainant specifically alleged that in the UDS market in Vietnam: the acquisition costs of steel inputs are distorted, primarily due to government policies, subsidies, and the existence of state owned enterprises in the steel industry; the acquisition costs of wood inputs are distorted, primarily due to illegally sourced timber; and the acquisition costs of chemical inputs are distorted, primarily due to the reliance on imported chemical inputs from China.

[328] The complainant provided evidence only in relation to a few raw materials, specifically hot rolled coil, cold-rolled coil, toluene diisocyanate, and polyether polyol. However it was found that most exporters did not purchase these specific raw materials, rather they purchased inputs made from these raw materials. As there was insufficient evidence to indicate how a potential distortion in the price of these raw materials could lead to a distortion in the actual inputs used in UDS, the CBSA could not form the opinion that a PMS exists on a country basis in the UDS sector in Vietnam.

[329] Some exporters did purchase these raw materials, so the CBSA investigated whether there may be an exporter specific PMS. However, exporters either did not purchase these raw materials in significant quantities or did not purchase them at distorted prices.

[330] Therefore, based on the information on the administrative record, the CBSA has not formed the opinion that a PMS exists in the UDS market in Vietnam.

Normal Values and Export Prices

Delancey Street Furniture Vietnam Co., Ltd.

[331] Delancey Street Furniture Vietnam Co., Ltd. (Delancey Furniture) is a producer and exporter of subject goods, located in Ben Cat Town, Vietnam.

[332] Delancey Furniture provided a response to the Dumping RFI.⁵⁵ However, Delancey Furniture did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

⁵⁴ Exhibit 637 (NC) – Response to the PMS RFI – GOV

⁵⁵ Exhibits 525 (PRO) & 526 (NC) – Dumping RFI Response – Delancey Furniture

[333] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[334] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Delancey Furniture's cost data associated with the subject goods shipped to Canada. As Delancey Furniture acquired inputs from associated suppliers, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Delancey Furniture's selling and administrative expenses incurred during the PAP. The amount for profits for Delancey Furniture could not be determined in accordance with subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) as there was not a sufficient amount of profits from exporters from Vietnam. As such, the amount for profits was determined using the weighted-average of the amount for profits determined for one responding exporter from Vietnam together with the amounts for profits determined for seven responding exporters from China, pursuant to section 29 of SIMA.

[335] For the subject goods exported from Delancey Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[336] The total normal value compared to the total export price results in a margin of dumping of 53.2% for Delancey Furniture, expressed as a percentage of the export price.

Motomotion Vietnam Limited Company

[337] Motomotion Vietnam Limited Company (Motomotion) is a producer and exporter of subject goods, located in Ben Cat Town, Vietnam.

[338] Motomotion provided a response to the Dumping RFI.⁵⁶ However, Motomotion did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[339] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[340] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Motomotion's cost data associated with the subject goods shipped to Canada. As Motomotion acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Motomotion's selling and administrative expenses incurred during the PAP. The amount for profits for Motomotion could not be determined in accordance with subparagraphs 11(1)(b)(i)

⁵⁶ Exhibits 496 (PRO) & 497 (NC) – Dumping RFI Response – Motomotion

to 11(1)(b)(vi) as there was not a sufficient amount of profits from exporters from Vietnam. As such, the amounts for profits was determined using the weighted-average of the amount for profits determined for one responding exporter from Vietnam together with the amounts for profits determined for seven responding exporters from China, pursuant to section 29 of SIMA.

[341] For the subject goods exported from Motomotion to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[342] The total normal value compared to the total export price results in a margin of dumping of 13.5% for Motomotion, expressed as a percentage of the export price.

Timberland Co., Ltd.

[343] Timberland Co., Ltd. (Timberland) is a producer and exporter of subject goods, located in Tan Uyen District, Vietnam.

[344] Timberland is associated with two trading companies involved in the sales of subject goods, located in the British Virgin Islands and Macao. The CBSA found Timberland to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, Vietnam.

[345] Timberland provided a response to the Dumping RFI,⁵⁷ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[346] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[347] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Timberland's cost data associated with the subject goods shipped to Canada. As Timberland acquired inputs from associated suppliers, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Timberland's selling and administrative expenses incurred during the PAP. The amount for profits for Timberland could not be determined in accordance with subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) as there was not a sufficient amount of profits from exporters from Vietnam. As such, the amount for profits was determined using the weighted-average of the amount for profits determined for one responding exporter from Vietnam together with the amounts for profits determined for seven responding exporters from China, pursuant to section 29 of SIMA.

⁵⁷ Exhibits 525 (PRO) & 526 (NC) – Dumping RFI Response – Timberland

[348] For the subject goods exported from Timberland to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[349] The total normal value compared to the total export price results in a margin of dumping of 14.8% for Timberland, expressed as a percentage of the export price.

UE Furniture Vietnam Co. Ltd.

[350] UE Furniture Vietnam Co. Ltd. (UE Vietnam) is a producer and exporter of subject goods, located in Ben Cat Town, Vietnam. UE Vietnam has another production facility, which produces non-subject goods, in Tan Uyen Town, Vietnam.

[351] UE Vietnam provided a response to the Dumping RFI.⁵⁸ However, UE Vietnam did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[352] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[353] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on UE Vietnam's cost data associated with the subject goods shipped to Canada. As UE Vietnam acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on UE Vietnam's selling and administrative expenses incurred during the PAP. The amount for profits for UE Vietnam could not be determined in accordance with subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) as there was not a sufficient amount of profits from exporters from Vietnam. As such, the amount for profits was determined using the weighted-average of the amount for profits determined for one responding exporter from Vietnam together with the amounts for profits determined for seven responding exporters from China, pursuant to section 29 of SIMA.

[354] For the subject goods exported from UE Vietnam to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[355] The total normal value compared to the total export price results in a margin of dumping of 10.4% for UE Vietnam, expressed as a percentage of the export price.

Vietnam Hang Phong Furniture Company Ltd.

⁵⁸ Exhibits 460 (PRO) & 461 (NC) – Dumping RFI Response – UE Vietnam

[356] Vietnam Hang Phong Furniture Company Ltd. (Hang Phong Furniture) is a producer and exporter of subject goods, located in Khu Phố Tân Bình City, Vietnam.

[357] Hang Phong Furniture provided a response to the Dumping RFI,⁵⁹ including a database of domestic sales of UDS during the PAP. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[358] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[359] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Hang Phong Furniture's cost data associated with the subject goods shipped to Canada. As Hang Phong Furniture acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Hang Phong Furniture's selling and administrative expenses incurred during the PAP. The amount for profits for Hang Phong Furniture could not be determined in accordance with subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) as there was not a sufficient amount of profits from exporters from Vietnam. As such, the amount for profits was determined using the weighted-average of the amount for profits determined for one responding exporter from Vietnam together with the amounts for profits determined for seven responding exporters from China, pursuant to section 29 of SIMA.

[360] For the subject goods exported from Hang Phong Furniture to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[361] The total normal value compared to the total export price results in a margin of dumping of 9.9% for Hang Phong Furniture, expressed as a percentage of the export price.

Wanek Furniture Co., Ltd.

[362] Wanek Furniture Co., Ltd (Wanek) is a producer and exporter of subject goods, located in Binh Duong Province, Vietnam.

[363] Wanek is associated with a trading company involved in the sales of subject goods, located in the US. Those goods were shipped directly from Vietnam. The CBSA found Wanek to be the exporter of the subject goods as it acted as the principal in the transaction and is located in the country of export, Vietnam.

⁵⁹ Exhibit 643 (PRO) & 644 (NC) – Dumping RFI – Hang Phong Furniture

[364] Wanek also exported goods to a vendor, located in the US. Some of these goods were subsequently sold to customers in Canada. For SIMA purposes, the vendor, located in the US, is considered to be the exporter for these goods.

[365] Wanek provided a response to the Dumping RFI.⁶⁰ However, Wanek did not have any domestic sales of like goods during the PAP, and as a result, normal values could not be determined in accordance with section 15 of SIMA.

[366] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[367] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Wanek's cost data associated with the subject goods shipped to Canada. As Wanek acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Wanek's selling and administrative expenses incurred during the PAP. The amount for profits could not be determined in accordance with subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) as there was not a sufficient amount of profits from exporters from Vietnam. As such, the amount for profits was determined using the weighted-average of the amount for profits determined for one responding exporter from Vietnam together with the amounts for profits determined for seven responding exporters from China, pursuant to section 29 of SIMA.

[368] For the subject goods exported from Wanek to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[369] The total normal value compared to the total export price results in a margin of dumping of 24.8% for Wanek, expressed as a percentage of the export price.

Wendelbo SEA JSC

[370] Wendelbo SEA JSC (Wendelbo SEA) is a producer and exporter of subject goods, located Di An City, Vietnam.

[371] Wendelbo SEA provided a response to the Dumping RFI,⁶¹ including a database of domestic sales of UDS during the POI. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

⁶⁰ Exhibit 442 (PRO) & 443 (NC) – Dumping RFI Response – Wanek

⁶¹ Exhibit 541 (PRO) & 542 (NC) – Dumping RFI – Wendelbo SEA

[372] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[373] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on Wendelbo SEA's cost data associated with the subject goods shipped to Canada. As Wendelbo SEA acquired inputs from an associated supplier, the cost of those inputs were adjusted pursuant to paragraph 11.2(1) of the SIMR. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on Wendelbo SEA's selling and administrative expenses incurred during the PAP. The amount for profits was determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Wendelbo SEA's sales of goods in Vietnam, during the PAP, that were of the same general category as the subject goods exported to Canada.

[374] For the subject goods exported from Wendelbo SEA to Canada during the POI, export prices were determined in accordance with section 24 of SIMA, based on 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.

[375] The total normal value compared to the total export price results in a margin of dumping of 17.7% for Wendelbo SEA, expressed as a percentage of the export price.

All Other Exporters – Vietnam

[376] For exporters of subject goods that did not provide a response to the Dumping RFI, did not furnish sufficient information, or late submissions the normal values and export prices were determined pursuant to a ministerial specification under subsection 29(1) of SIMA, which is based on a comparative analysis of facts available.

[377] In establishing the methodology for determining the normal values and export prices under ministerial specifications, the CBSA considered all 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 exporters of UDS from Vietnam, and customs import documentation.

[378] The CBSA decided that the normal values and the export prices determined for the exporters whose submissions were complete for purposes of the final determination rather than the information provided in the complaint or estimated at initiation, would be used to establish the methodology for determining normal values since it reflects the trading practices of UDS exporters during the POI. Eight producers/exporters in Vietnam provided complete information.

[379] The CBSA examined the difference between the determined normal value and the determined export price for each individual transaction from these exporters in order to obtain an appropriate amount for the normal value methodology. The transactions were examined to ensure that no anomalies affected the analysis, such as a very low volume and value, effects of seasonality or other business factors. A few anomalies were identified and removed.

[380] The CBSA considered that the highest amount by which the determined normal value exceeded the determined export price on an individual transaction of the eight exporters mentioned above (expressed as a percentage of export price, excluding anomalies), was an appropriate basis for determining normal values. This methodology limits the advantage that an exporter may gain from not providing the necessary information requested in a dumping investigation as compared to an exporter that did provide the necessary information.

[381] The export prices were based on the declared selling prices on import documentation of UDS. The CBSA considers this the best available information on which to base the export prices of goods for all other exporters as it reflects actual import data.

[382] Based on the above methodology, for the final determination, the margin of dumping for all other exporters of subject goods originating in or exported from Vietnam was determined to be 179.5%, expressed as a percentage of export price.

Non-named Countries

Normal Values and Export Prices

Ashley Furniture Industries, LLC

[383] Ashley Furniture Industries LLC (AFI) is a vendor and exporter of subject goods, located in the United States. The subject goods exported to Canada during the POI by AFI were produced by one related producer and 26 unrelated producers in China and Vietnam.

[384] During the POI, AFI exported subject goods from the United States to Canada that were produced by a cooperative, associated producer, located in Vietnam. During the PAP, AFI also sold like goods in the United States that were produced by its associated producer. For a portion of the POI, AFI purchased the subject goods and like goods from a related intermediary vendor, Ashley Furniture Trading Company (AFTC).

[385] AFTC provided a response to the Dumping RFI.⁶² For the 26 unrelated producers that AFI purchased subject goods from, the CBSA did not receive responses to the Dumping RFI.

[386] AFI provided a response to the Dumping RFI,⁶³ including a database of domestic sales of UDS during the PAP. For exports of subject goods by AFI where it had sufficient domestic sales of like goods that met the requirements of sections 15 and 16 of SIMA, the CBSA determined normal values in accordance with section 15 of SIMA based on the prices of domestic sales of

⁶² Exhibit 442 (PRO) & 443 (NC) – Dumping RFI Response – AFTC

⁶³ Exhibit 442 (PRO) & 443 (NC) – Dumping RFI Response – AFI

like goods. For all other exports of subject goods by AFI, the CBSA determined normal values in accordance with paragraph 19(b) of SIMA, based on 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.

[387] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on the producer's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling and all other costs was determined for the associated producer, AFI, as well as AFTC in accordance with subparagraph 11(1)(c)(ii) and subsection 11(3) of the SIMR, based on selling and administrative expenses incurred by the producer and any subsequent vendors during the PAP. The amount for profits was determined pursuant to subparagraph 11(1)(b)(i) and subsection 11(2) of SIMR, based on the cumulative profit made by AFI on its sales of like goods in the US, and the profit made by the producers and any subsequent vendors in respect of sales of those goods to the exporter.

[388] In situations where a good is shipped indirectly to Canada through a third country, the CBSA is required to determine the normal value of the good in both the country of origin and in the country of export in accordance with subsection 30(2) of SIMA. Where the normal value determined in the country of origin is higher than the normal value determined in the country of export, then both normal value and export price are to be determined as if the goods were shipped directly from the country of origin.

[389] In the case of the subject goods AFI exported to Canada, two sets of normal values were determined for the goods, one based on the country of export, the United States, and one based on the country of origin, Vietnam. The CBSA made a comparison and determined the normal values based on the higher of the two.

[390] For the portion of subject goods exported by AFI for which the producers of the goods did not provide responses to the Dumping RFI, the CBSA determined the normal value using the methodologies for *All Other Exporters – China* and *All Other Exporters – Vietnam* described above.

[391] Export prices were determined under section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

[392] The total normal value compared to the total export price results in a margin of dumping of 50.3% for AFI, expressed as a percentage of the export price.

Restoration Hardware, Inc.

[393] Restoration Hardware, Inc. (RHI) is a vendor and exporter of subject goods, located in Corte Madera, United States. The subject goods exported to Canada during the POI by RHI were produced by eight unrelated producers in China and Vietnam.

[394] During the POI, RHI exported subject goods from the United States to Canada that were produced by producers in China and Vietnam and purchased from intermediary vendors. During the PAP, RHI also sold like goods in the United States that were produced by these producers.

[395] Two producers provided a response to the Dumping RFI. For the six remaining producers that RHI purchased subject goods from, the CBSA did not receive a response to the Dumping RFI with respect to the subject goods exported by RHI.

[396] RHI provided a response to the Dumping RFI,⁶⁴ including a database of domestic sales of UDS during the PAP. For exports of subject goods by RHI where it had sufficient domestic sales of like goods that met the requirements of sections 15 and 16 of SIMA, the CBSA determined normal values in accordance with section 15 of SIMA based on the prices of domestic sales of like goods. For all other exports of subject goods, the CBSA determined normal values in accordance with paragraph 19(b) of SIMA, based on 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.

[397] The CBSA was able to determine the cost of production of the goods in accordance with paragraph 11(1)(a) of the SIMR, based on the cooperative producers' cost data associated with the subject goods shipped to Canada. The amount for administrative, selling and all other costs was determined for the cooperative producers, as well as the intermediary vendors in accordance with subparagraph 11(1)(c)(ii) and subsection 11(3) of the SIMR, based on selling and administrative expenses incurred by the cooperative producers and any subsequent vendors during the PAP. The amount for profits was determined pursuant to subparagraph 11(1)(b)(i) and subsection 11(2) of SIMR, based on the cumulative profit made by RHI on its sales of like goods in the United States, and the profit made by the cooperative producers and any subsequent vendors in respect of sales of those goods to the exporter.

[398] In situations where a good is shipped indirectly to Canada through a third country, the CBSA is required to determine the normal value of the good in both the country of origin and in the country of export in accordance with subsection 30(2) of SIMA. Where the normal value determined in the country of origin is higher than the normal value determined in the country of export, then both normal value and export price are to be determined as if the goods were shipped directly from the country of origin.

[399] In the case of the subject goods RHI exported to Canada, two sets of normal values were determined for the goods, one based on the country of export, the United States, and one based on the country of origin, China. A comparison of the values revealed that the normal values determined in the country of export (i.e. the United States) was the higher of the two.

[400] Where insufficient information was provided to perform the analysis in accordance with subsection 30(2) of SIMA, the normal value was determined using the methodology for *All Other Exporters – China* described above.

⁶⁴ Exhibit 452 (PRO) & 453 (NC) – Dumping RFI Response – RHI

[401] For the portion of subject goods exported by RHI for which the producers of the goods did not provide responses to the Dumping RFI, the CBSA determined the normal value using the methodologies for *All Other Exporters – China* and *All Other Exporters – Vietnam* described above.

[402] During the POI, RHI shipped subject goods to a related importer, Restoration Hardware Canada, Inc. (RHCI). In the case of sales between associated exporters and importers, a reliability test will normally be conducted and, depending on the results of this test, section 24 or 25 of SIMA would be used to determine export price.

[403] For the portion of the goods that were shipped by RHI to its related importer, RHCI, the reliability test could not be conducted as insufficient information was provided. As the CBSA could not determine whether the section 24 price between the associated parties were reliable, the export price for these goods was determined pursuant to subsection 29(1) of SIMA.

[404] For subject goods sold by RHI to unrelated importers in Canada, export prices were determined under section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

[405] The total normal value compared to the total export price results in a margin of dumping of 136.4% for RHI, expressed as a percentage of the export price.

Wendelbo Interiors A/S

[406] Wendelbo Interiors A/S (Wendelbo Interiors) is a vendor and exporter of subject goods, located in Risikov, Denmark. Wendelbo Interiors is an exporter of subject goods produced by its cooperative, associated producer, located in Vietnam.

[407] Wendelbo Interiors provided a response to the Dumping RFI,⁶⁵ including a database of domestic sales of UDS during the POI. However, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

[408] As such, normal values were determined pursuant to paragraph 19(b) of SIMA, based on 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.

[409] The cost of production was determined in accordance with paragraph 11(1)(a) of the SIMR, based on the producer's cost data associated with the subject goods shipped to Canada. The amount for administrative, selling, and all other costs was determined in accordance with subparagraph 11(1)(c)(ii) of the SIMR, based on selling and administrative expenses incurred from Wendelbo Interiors and its associated producer during the PAP. The amount for profits was

⁶⁵ Exhibit 541 (PRO) & 542 (NC) – Dumping RFI Response – Wendelbo Interiors

determined in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on the exporter's sales of goods in Denmark, during the PAP, that were of the same general category as the subject goods exported to Canada and includes an amount for profit determined for the associated producer in accordance with subsection 11(2) of the SIMR, based on the cumulative profit made by Wendelbo Interiors on its sales of like goods in Denmark, and the profit made by the cooperative producer in respect of sales of those goods to the exporter.

[410] In situations where a good is shipped indirectly to Canada through a third country, the CBSA is required to determine the normal value of the good in both the country of origin and in the country of export in accordance with subsection 30(2) of SIMA. Where the normal value determined in the country of origin is higher than the normal value determined in the country of export, then both normal value and export price are to be determined as if the goods were shipped directly from the country of origin.

[411] In the case of the subject goods Wendelbo Interiors exported to Canada, two sets of normal values were determined for the goods, one based on the country of export, Denmark, and one based on the country of origin, Vietnam. A comparison of the values revealed that the normal values determined in the country of export (i.e. Denmark) was the higher of the two.

[412] Export prices were determined under section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

[413] The total normal value compared to the total export price results in a margin of dumping of 49.9% for Wendelbo Interiors, expressed as a percentage of the export price.

Summary of Results – Dumping

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

Summary of Results - Dumping Period of Investigation (June 1, 2019 to November 30, 2020)

Exporter	Margin of Dumping (% of Export Price)	Volume of Subject Goods (% of Total Imports)*
Anji Cozy Home Co., Ltd.	18.4%	0.31%
Anji Hengrui Furniture Co., Ltd.	45.2%	0.14%
Anji Hengyi Furniture Co., Ltd.	15.1%	0.12%
Anji UES Furniture Co., Ltd.	17.4%	1.20%
Dongguan Tianhang Furniture Co., Ltd.	24.1%	0.82%
Foshan DOB Furniture Co., Ltd.	30.3%	0.34%
Gu Jia Intelligent Household Jiaxing Co., Ltd.	23.7%	2.54%
Haining Fanmei Furniture Co., Ltd.	53.6%	0.04%

Exporter	Margin of Dumping (% of Export Price)	Volume of Subject Goods (% of Total Imports)*
HaiNing Happy Leather Furniture Co., Ltd.	13.4%	0.02%
Haining Kendy Furniture Co., Ltd.	102.1%	0.31%
Haining Nicelink Home Furnishings Co., Ltd.	9.3%	0.08%
(Hangzhou) Huatong Industries Inc.	55.6%	0.01%
Henglin Home Furnishings Co., Ltd.	29.0%	0.41%
HHC Changzhou Corp.	17.2%	0.23%
HTL Furniture (China) Co., Ltd.	48.4%	1.26%
HTL Furniture (Huai An) Co., Ltd.	25.0%	0.33%
Jason Furniture (Hangzhou) Co., Ltd.	33.8%	1.27%
Jiaxing Motion Furniture Co., Ltd.	36.9%	0.13%
Jiaxing Vitra Electrical Technology Co., Ltd.	21.1%	0.27%
Man Wah Furniture Manufacturing (Huizhou) Co., Ltd.	31.2%	4.31%
Megain Furniture (Dong Guan) Co., Ltd.	33.1%	0.02%
Natuzzi (China) Ltd.	35.3%	1.18%
Ruihao Furniture MFG Co., Ltd	10.4%	0.25%
Shanghai Trayton Furniture Co., Ltd.	38.9%	0.32%
Trayton Furniture (Jiaxing) Co., Ltd.	24.8%	0.03%
UE Furniture Co., Ltd	27.7%	0.18%
Vanguard Industrial JiaXing Co., Ltd.	43.6%	0.26%
Violino Furniture (Shenzhen) Ltd.	32.3%	0.42%
Zhejiang Botai Furniture Co., Ltd.	18.0%	0.13%
Zhejiang Chuanyang Furniture Co., Ltd.	60.6%	0.01%
Zhejiang Happy Smart Furnishings Co., Ltd.	26.5%	1.64%
Zhejiang Kuka Merlin Furniture Co., Ltd.	24.3%	0.88%
All Other Exporters – China	188.0%	38.91%
Total – China	135.4%	58.37%
Delancey Street Furniture Vietnam Co., Ltd.	53.2%	0.01%
Motomotion Vietnam Limited Company	13.5%	0.03%
Timberland Co., Ltd.	14.8%	0.13%
UE Vietnam Co., Ltd.	10.4%	0.01%
Vietnam Hang Phong Furniture Company Limited	9.9%	0.01%
Wanek Furniture Co., Ltd.	24.8%	0.01%
Wendelbo SEA JSC	17.7%	0.24%
All Other Exporters – Vietnam	179.5%	7.99%
Total – Vietnam	171.2%	8.43%
Ashley Furniture Industries, LLC	50.3%	3.28%
Restoration Hardware, Inc.	136.4%	0.82%
Wendelbo Interiors A/S	49.9%	0.00% **
All Other Countries	n/a	33.20%
All Countries	n/a	100.00%

* The CBSA's import documentation was used to determine the imports of subject goods during the POI. Since import volume information on the customs documentation was reported in various units of measure (i.e. number of sets, number of modules, weight, etc.), import value was used as the unit of measure for determining import volumes of certain upholstered domestic furniture.

** Some percent totals appear as 0.00% due to small amounts and rounding.

[415] In order to make a final determination of dumping, the CBSA must be satisfied that:

- the subject goods have been dumped; and
- that the margin of dumping is not insignificant.

[416] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of any goods of an exporter if it is satisfied that the goods have not been dumped or the margin of dumping of the goods of that exporter is insignificant, meaning a margin of dumping that is less than 2% of the export price of the goods.

[417] The goods under investigation have been dumped and the margins of dumping on the goods are greater than the threshold of 2% and are therefore not considered insignificant. As a result, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made a final determination of dumping respecting certain UDS originating in or exported from China and Vietnam.

[418] A summary of the margins of dumping by exporter is presented in **Appendix 1**.

SUBSIDY INVESTIGATION

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

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

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

[421] Where subsidies exist, they may be subject to countervailing measures if they are specific in nature. According to subsection 2(7.2) of SIMA, a subsidy is considered to be specific when it is limited, in a legislative, regulatory or administrative instrument, or other public document, to a particular enterprise within the jurisdiction of the authority that is granting the subsidy; or is a prohibited subsidy.

[422] A “prohibited subsidy” is either an export subsidy or a subsidy or portion of a subsidy that is contingent, in whole or in part, on the use of goods that are produced or that originate in the country of export. An export subsidy is a subsidy or portion of a subsidy contingent, in whole or in part, on export performance. An “enterprise” is defined as including a group of enterprises, an industry and a group of industries. These terms are all defined in section 2 of SIMA.

[423] Notwithstanding that a subsidy is not specific in law, under subsection 2(7.3) of SIMA a subsidy may also be considered specific having regard as to whether:

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

[424] For the 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 subject to countervailing measures if the persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods under investigation have benefited from the subsidy.

[425] Financial contributions provided by state-owned enterprises (SOEs) may also be considered to be provided by the government for purposes of this investigation. A 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 some combination thereof.

RESULTS OF THE SUBSIDY INVESTIGATION

China

[546] The following presents the results of the investigation into the subsidizing of UDS originating in or exported from China.

[426] At the initiation of the investigation, the CBSA sent Subsidy RFIs to the GOC, as well as to all known exporters/producers of UDS in China.

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

[428] The governments 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 Subsidy RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits or desk audits may result in the amount of subsidy and the assessment of countervailing duties on subject goods being based on facts available to the CBSA. Further, they were notified that a determination on the basis of facts available could be less favourable than if complete, verifiable information was made available.

Amounts of Subsidy

Government of China

[429] The GOC did not respond to the CBSA's Government Subsidy RFI, which limited the CBSA's ability to determine the amount of subsidy in the prescribed manner as the required information relating to financial contribution, benefit and specificity was not provided. It also limited the CBSA's ability to determine whether producers, or other suppliers of goods and services are public bodies.

[430] Due to a lack of government response, subsidy amounts for all exporters were determined pursuant to subsection 30.4(2) of SIMA, based on a ministerial specification. However, in consideration of the fact that cooperative exporters/producers provided sufficient information in response to their Subsidy RFI, for each of these exporters, an individual amount of subsidy was determined based on the information provided in response to the Subsidy RFI and obtained during the verification.

[431] The available information indicates that these programs do not appear to be generally available to all enterprises in China. As well, due to the lack of a response by the GOC, there is not sufficient information on the administrative record to determine that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1) of SIMA. Therefore, guided by the principles of subsection 2(7.2) or subsection 2(7.3) of SIMA and basing its opinion on the best information available, the CBSA has taken the position that the subsidy derived from these programs is likely to be specific.

[432] For exporters that did not provide sufficient information in response to the Subsidy RFI, amounts of subsidy were determined under subsection 30.4(2) of SIMA on the basis of facts available.

[433] An account of the subsidies received by each of the exporters that provided a response to the Subsidy RFI is provided below. The amount of subsidy for each exporter is also presented in a summary table in **Appendix 1**. A description of identified programs and incentives is included in **Appendix 3**.

Anji Cozy Home Co., Ltd.

[434] Anji Cozy Home Co., Ltd (Cozy Home) is a producer and exporter of subject goods, located Huzhou City, China.

[435] Cozy Home provided a response to the Subsidy RFI.⁶⁶ For purposes of the final determination, Cozy Home was found to have received countervailable benefits from the following 12 subsidy programs:

- Program 5: Insurance grants
- Program 6: Design, research and development grants
- Program 10: Grant – patent assistance/award
- Program 11: Environment protection grant
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 18: Municipal/local income or property tax reductions
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 34: Grants/Awards – Subsidies Related to Talent and Skills

[436] For purposes of the final determination, the amount of subsidy for Cozy Home is 1.5%, expressed as a percentage of the export price.

Anji Hengrui Furniture Co.,Ltd.

[437] Anji Hengrui Furniture Co.,Ltd. (Hengrui Furniture) is a producer and exporter of subject goods located in Huzhou City, China.

[438] Hengrui Furniture provided a response to the Subsidy RFI.⁶⁷ Hengrui reported that it did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Hengrui.

[439] For purposes of the final determination, the amount of subsidy for Hengrui Furniture is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

⁶⁶ Exhibit 500 (PRO) & 502 (NC) – Subsidy RFI Response – Cozy Home

⁶⁷ Exhibit 610 (PRO) & 611 (NC) – Subsidy RFI Response – Hengrui Furniture

Anji Hengyi Furniture Co., Ltd.

[440] Anji Hengyi Furniture Co., Ltd. (Hengyi) is a producer and exporter of subject goods located in Huzhou City, China.

[441] Hengyi Furniture provided a response to the Subsidy RFI.⁶⁸ Hengyi Furniture reported that it did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Hengyi Furniture.

[442] For purposes of the final determination, the amount of subsidy for Hengyi Furniture is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Anji UES Furniture Co., Ltd.

[443] Anji UES Furniture Co., Ltd (Anji UES) is a producer and exporter of subject goods located in Huzhou City, China.

[444] Anji UES provided a response to the Subsidy RFI.⁶⁹ For the purposes of the final determination, Anji UES was found to have received countervailable benefits from the following 11 subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 6: Design, research and development grants
- Program 7: Export development and performance grants
- Program 8: Performance award grants
- Program 10: Grant – patent assistance/award
- Program 18: Municipal/local income or property tax reductions
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 36: Refund – Other Tax Subsidies

[445] For purposes of the final determination, the amount of subsidy for Anji UES is 4.2%, expressed as a percentage of the export price. This amount includes pass-through subsidies received from associated suppliers.

Dongguan Tianhang Furniture Co., Ltd.

[446] Dongguan Tianhang Furniture Co., Ltd. (Tianhang Furniture) is a producer and exporter of subject goods, located in Dongguan City, China.

⁶⁸ Exhibit 593 (PRO) & 594 (NC) – Subsidy RFI Response – Hengyi Furniture

⁶⁹ Exhibits 404 (PRO) & 405 (NC) – Subsidy RFI Response – Anji UES

[447] Tianhang Furniture provided a response to the Subsidy RFI.⁷⁰ For the purposes of the final determination, Tianhang was found to have received countervailable benefits from the following two subsidy programs:

Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation

Program 39: Preferential Income Tax Reduction for Small and Low-profit Enterprises

[448] For purposes of the final determination, the amount of subsidy for Tianhang Furniture is 0.9%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Foshan DOB Furniture Co., Ltd.

[449] Foshan DOB Furniture Co., Ltd. (DOB Furniture) is a producer and exporter of UDS, located in Foshan City, China.

[450] DOB Furniture provided a response to the Subsidy RFI.⁷¹ For the purposes of the final determination, DOB Furniture was found to have received countervailable benefits from the following six subsidy programs:

Program 10: Grant – patent assistance/award

Program 18: Municipal/local income or property tax reductions

Program 27: Grants/Awards – Financial Subsidy

Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation

Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment

Program 31: Grants/Awards – Subsidies related to Quality & Improvement

[451] For purposes of the final determination, the amount of subsidy for DOB Furniture is 0.2%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Foshan Xingpeichong Huitong Furniture Co., Ltd.

[452] Foshan Xingpeichong Huitong Furniture Co., Ltd. (Huitong) is a producer of subject goods, located in Foshan City, China.

⁷⁰ Exhibits 508 (PRO) & 509 (NC) – Subsidy RFI Response – Tianhang Furniture

⁷¹ Exhibits 408 (PRO) & 409 (NC) – Subsidy RFI Response – DOB Furniture

[453] Huitong provided a response to the Subsidy RFI.⁷² For the purposes of the final determination, Huitong was found to have received countervailable benefits from the following ten subsidy programs:

- Program 11: Environment protection grant
- Program 20: Preferential tax policies related to research and investment
- Program 25: Acquisition of government inputs/utilities at less than fair market value
- Program 27: Grants/Awards – Financial Subsidy
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 44: Vehicle Operation Subsidy
- Program 45: Grants/Awards – Economic and Trade Development
- Program 46: Service Outsourcing

[454] For purposes of the final determination, the amount of subsidy for Huitong is 0.6%, expressed as a percentage of the export price. This amount includes pass-through subsidies received from an associated supplier. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Gu Jia Intelligent Household Jiaxing Co., Ltd.

[455] Gu Jia Intelligent Household Jiaxing Co., Ltd. (Gu Jia Household) is a producer and exporter of subject goods, located in Jiaxing City, China.

[456] Gu Jia Household provided a response to the Subsidy RFI.⁷³ For the purposes of the final determination, Gu Jia Household was found to have received countervailable benefits from the following seven subsidy programs:

- Program 5: Insurance grants
- Program 7: Export development and performance grants
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 32: Grants /Awards – Subsidies Related to Science and Technology
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 35: Grants/Awards – Subsidies to Provide Business Support

⁷² Exhibits 458 (PRO) & 459 (NC) – Subsidy RFI Response – Huitong

⁷³ Exhibits 420 (PRO) & 421 (NC) – Subsidy RFI Response – Gu Jia Household

[457] For purposes of the final determination, the amount of subsidy for Gu Jia Household is 0.7%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Haining Fanmei Furniture Co., Ltd.

[458] Haining Fanmei Furniture Co., Ltd. (Fanmei Furniture) is a producer and exporter of subject goods, located in Haining City, China.

[459] Fanmei Furniture provided a response to the Subsidy RFI.⁷⁴ For the purposes of the final determination, Fanmei Furniture was found to have received countervailable benefits from the following subsidy program:

Program 35: Grants/Awards – Subsidies to Provide Business Support

[460] For purposes of the final determination, the amount of subsidy for Fanmei Furniture is 0.9%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

HaiNing Happy Leather Furniture Co., Ltd.

[461] HaiNing Happy Leather Furniture Co., Ltd. (Happy Leather) is a producer and exporter of subject goods, located in Haining City, China.

[462] Happy Leather submitted a response to the export Subsidy RFI.⁷⁵ For purposes of the final determination, Happy Leather was found to have received countervailable benefits from the following ten subsidy programs:

Program 4: Preferential Export Financing and Export Credit
Program 6: Design, research and development grants
Program 10: Grant – patent assistance/award
Program 11: Environment protection grant
Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
Program 20: Preferential Tax Policies Related to Research and Investment
Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
Program 30: Grants/Awards – Subsidies Related to Pandemic Support
Program 31: Grants/Awards – Subsidies related to Quality & Improvement and
Program 35: Grants/Awards – Subsidies to Provide Business Support

[463] For purposes of the final determination, the amount of subsidy for Happy Leather is 4.4%, expressed as a percentage of the export price.

⁷⁴ Exhibits 728 (PRO) & 729 (NC) – Subsidy RFI Response – Fanmei Furniture

⁷⁵ Exhibits 612 (PRO) & 613 (NC) – Subsidy RFI Response – Happy Leather

Haining Kendy Furniture Co., Ltd.

[464] Haining Kendy Furniture Co., Ltd. (Haining Kendy) is a trading company and an exporter of subject goods, located in Haining City, China.

[465] Haining Kendy provided a response to the Subsidy RFI.⁷⁶ For the purposes of the final determination, Haining Kendy was found to have received countervailable benefits from the following 13 subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 6: Design, research and development grants
- Program 7: Export development and performance grants
- Program 10: Grant – patent assistance/award
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 18: Municipal/local income or property tax reductions
- Program 27: Grants/Awards – Financial Subsidy
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 36: Refund – Other Tax Subsidies
- Program 39: Preferential Income Tax Reduction for Small and Low profit Enterprises

[466] For purposes of the final determination, the amount of subsidy for Haining Kendy is 81.1%, expressed as a percentage of the export price. This amount includes pass-through subsidies received from an unrelated cooperative producer of a portion of the subject goods exported to Canada.

Haining Nicelink Home Furnishings Co., Ltd.

[467] Haining Nicelink Home Furnishings Co., Ltd. (Nicelink) is a producer and exporter of subject goods, located in Haining City, China.

[468] Nicelink provided a response to the Subsidy RFI.⁷⁷ For the purposes of the final determination, Nicelink was found to have received countervailable benefits from the following eight subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 5: Insurance grants
- Program 7: Export development and performance grants
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)

⁷⁶ Exhibit 369 (PRO) & 370 (NC) – Subsidy RFI Response – Kendy Furniture

⁷⁷ Exhibit 464 (PRO) & 465 (NC) – Subsidy RFI Response – Nicelink

- Program 18: Municipal/local income or property tax reductions
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 32: Grants/Awards – Subsidies Related to Science and Technology

[469] For purposes of the final determination, the amount of subsidy for Nicelink is 3.2%, expressed as a percentage of the export price.

(Hangzhou) Huatong Industries Inc.

[470] (Hangzhou) Huatong Industries Inc. (Huatong) is a producer and exporter of subject goods, located in Hangzhou City, China.

[471] Huatong provided a response to the Subsidy RFI.⁷⁸ For the purposes of the final determination, Huatong was found to have received countervailable benefits from the following ten subsidy programs:

- Program 5: Insurance grants
- Program 10: Grant – patent assistance/award
- Program 20: Preferential tax policies related to research and investment
- Program 27: Grants/Awards – Financial Subsidy
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 35: Grants/Awards – Subsidies to Provide Business Support
- Program 42: Recovery of Export Credit
- Program 43: Special Assistance for Accounting Settlement

[472] For purposes of the final determination, the amount of subsidy for Huatong is 0.4%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Henglin Home Furnishings Co., Ltd.

[473] Henglin Home Furnishings Co., Ltd. (Henglin Home) is a producer and exporter of subject goods, located in Anji County, China.

[474] Henglin Home provided a response to the Subsidy RFI.⁷⁹ For the purposes of the final determination, Henglin Home was found to have received countervailable benefits from the following four subsidy programs:

⁷⁸ Exhibit 480 (PRO) & 481 (NC) – Subsidy RFI Response – Huatong

⁷⁹ Exhibits 565 (PRO) & 566 (NC) – Subsidy RFI Response – Henglin Home

- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 18: Municipal/local income or property tax reductions
- Program 20: Preferential tax policies related to research and investment
- Program 27: Grants/Awards – Financial Subsidy

[475] For purposes of the final determination, the amount of subsidy for Henglin Home is 2.4%, expressed as a percentage of the export price.

HHC Changzhou Corp.

[476] HHC Changzhou Corp. (HHC Changzhou) is a producer and exporter of subject goods, located in Changzhou City, China.

[477] HHC Changzhou provided a response to the Subsidy RFI.⁸⁰ For the purposes of the final determination, HHC Changzhou was found to have received countervailable benefits from the following 12 subsidy programs:

- Program 5: Insurance Grants
- Program 6: Design research and development grants
- Program 7: Export development and performance grants
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 20: Preferential tax policies related to research and investment
- Program 27: Grants/Awards – Financial Subsidy
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 34: Grants/Awards – Subsidies Related to Talent and Skills
- Program 36: Refund – Other Tax Subsidies

[478] For purposes of the final determination, the amount of subsidy for HHC Changzhou is 3.0%, expressed as a percentage of the export price. This amount includes pass through subsidies received from associated suppliers.

HTL Furniture (China) Co., Ltd.

[479] HTL Furniture (China) Co., Ltd. (HTL-FC) is a producer and exporter of subject goods, located in Kunshan Development Zone, China.

[480] HTL-FC provided a response to the Subsidy RFI.⁸¹ For the purposes of the final determination, HTL-FC was found to have received countervailable benefits from the following four subsidy programs:

⁸⁰ Exhibits 476 (PRO) & 477 (NC) – Subsidy RFI Response – HHC Changzhou

⁸¹ Exhibits 563 (PRO) & 564 (NC) – Subsidy RFI Response – HTL-FC

- Program 6: Design, research and development grants
- Program 11: Environment protection grant
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 36: Refund – Other Tax Subsidies

[481] For purposes of the final determination, the amount of subsidy for HTL-FC is 0.1%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

HTL Furniture (Huai An) Co., Ltd.

[482] HTL Furniture (Huai An) Co., Ltd. (HTL-HA) is a producer and exporter of subject goods, located in Huai An City, China.

[483] HTL-HA provided a response to the Subsidy RFI.⁸² For the purposes of the final determination, HTL-HA was found to have received countervailable benefits from the following three subsidy programs:

- Program 6: Design, research and development grants
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 36: Refund – Other Tax Subsidies

[484] For purposes of the final determination, the amount of subsidy for HTL-HA is 0.3%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Jason Furniture (Hangzhou) Co., Ltd.

[485] Jason Furniture (Hangzhou) Co., Ltd. (Jason Furniture) a manufacturer and exporter of subject goods, located in Hangzhou City, China.

[486] Jason Furniture provided a response to the Subsidy RFI.⁸³ For the purposes of the final determination, Jason Furniture was found to have received countervailable benefits from the following 11 subsidy programs:

- Program 5: Insurance grants
- Program 8: Performance award grants
- Program 11: Environment protection grant
- Program 27: Grants/Awards – Financial Subsidy

⁸² Exhibits 561 (PRO) & 562 (NC) – Subsidy RFI Response – HTL-HA

⁸³ Exhibits 424 (PRO) & 425 (NC) – Subsidy RFI Response – Jason Furniture

- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 31: Grants/Awards – Subsidies Related to Quality & Improvement
- Program 32: Grants /Awards – Subsidies Related to Science and Technology
- Program 34: Grants/Awards – Subsidies Related to Talent and Skills
- Program 35: Grants/Awards – Subsidies to Provide Business Support

[487] For purposes of the final determination, the amount of subsidy for Jason Furniture is 1.3%, expressed as a percentage of the export price.

Jiaxing Motion Furniture Co., Ltd.

[488] Jiaxing Motion Furniture Co., Ltd. (Jiaxing Motion) is a producer and exporter of subject goods, located in Jiaxing City, China.

[489] Jiaxing Motion provided a response to the Subsidy RFI.⁸⁴ For the purposes of the final determination, Jiaxing Motion was found to have received countervailable benefits from the following six subsidy programs:

- Program 8: Performance award grants
- Program 20: Preferential tax policies related to research and investment
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 35: Grants/Awards – Subsidies to Provide Business Support
- Program 36: Refund – Other Tax Subsidies

[490] For purposes of the final determination, the amount of subsidy for Jiaxing Motion is 0.8%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Jiaxing Vitra Electrical Technology Co., Ltd.

[491] Jiaxing Vitra Electrical Technology Co., Ltd. (Jiaxing Vitra) is a producer and exporter of subject goods, located in Jiaxing City, China.

[492] Jiaxing Vitra provided a response to the Subsidy RFI.⁸⁵ For the purposes of the final determination, Jiaxing Vitra was found to have received countervailable benefits from the following six subsidy programs:

⁸⁴ Exhibits 412 (PRO) & 413 (NC) – Subsidy RFI Response – Simon Li Furniture

⁸⁵ Exhibits 537 (PRO) & 538 (NC) – Subsidy RFI Response – Jiaxing Vitra

- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 10: Grant – patent assistance/award
- Program 27: Grants/Awards – Financial Subsidy
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 35: Grants/Awards – Subsidies to Provide Business Support

[493] For purposes of the final determination, the amount of subsidy for Jiaxing Vitra is 1.5%, expressed as a percentage of the export price.

Man Wah Furniture Manufacturing (Huizhou) Co., Ltd.

[494] Man Wah Furniture Manufacturing (Huizhou) Co., Ltd. (Man Wah Furniture) is a producer and exporter of subject goods, located in Huizhou City, China.

[495] Man Wah Furniture provided a response to the Subsidy RFI.⁸⁶ For the purposes of the final determination, Man Wah Furniture was found to have received countervailable benefits from the following 12 subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 5: Insurance grants
- Program 6: Design, research and development grants
- Program 10: Grant – patent assistance/award
- Program 20: Preferential tax policies related to research and investment
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 35: Grants/Awards – Subsidies to Provide Business Support
- Program 36: Refund – Other Tax Subsidies
- Program 47: Funds for rural infrastructure management and protection

[496] For purposes of the final determination, the amount of subsidy for Man Wah Furniture is 0.9%, expressed as a percentage of the export price. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Megain Furniture (Dong Guan) Co., Ltd.

[497] Megain Furniture (Dong Guan) Co., Ltd. (Megain Furniture) is producer and exporter of subject goods, located in Dongguan City, China.

⁸⁶ Exhibits 614 (PRO) & 615 (NC) – Subsidy RFI Response – Man Wah Furniture

[498] Megain Furniture provided a response to the Subsidy RFI.⁸⁷ For purposes of the final determination, Megain Furniture was found to have received countervailable benefits from the following four subsidy programs:

- Program 2: Loan guarantee through the GOC/SOE banks/public bodies
- Program 16: Corporate income tax exemption and/or reduction in special economic zones (SEZs) and other designated areas
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment

[499] For purposes of the final determination, the amount of subsidy for Megain Furniture is 2.0%, expressed as a percentage of the export price.

Natuzzi China Limited

[500] Natuzzi China Limited (Natuzzi China) is a producer and exporter of subject goods, located in Shanghai, China.

[501] Natuzzi China provided a response to the Subsidy RFI.⁸⁸ Natuzzi China reported that it did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Natuzzi China.

[502] For purposes of the final determination, the amount of subsidy for Natuzzi China is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Ruihao Furniture MFG Co., Ltd

[503] Ruihao Furniture MFG Co., Ltd. (Ruihao Furniture) is a producer and exporter of subject goods located in Dongguan City, China.

[504] Ruihao Furniture provided a response to the Subsidy RFI.⁸⁹ For the purposes of the final determination, Ruihao Furniture was found to have received countervailable benefits from the following subsidy program:

- Program 16: Corporate income tax exemption and/or reduction in special economic zones (SEZs) and other designated areas

[505] For purposes of the final determination, the amount of subsidy for Ruihao Furniture is 0.6%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

⁸⁷ Exhibits 390 (PRO) & 391 (NC) – Subsidy RFI Response – Megain Furniture

⁸⁸ Exhibits 478 (PRO) & 479 (NC) – Subsidy RFI Response – Natuzzi China

⁸⁹ Exhibits 695 (PRO) & 696 (NC) – Subsidy RFI Response – Ruihao Furniture

Shanghai Trayton Furniture Co., Ltd.

[506] Shanghai Trayton Furniture MFG Co., Ltd. (Shanghai Trayton) is a producer and exporter of subject goods located in Shanghai, China.

[507] Shanghai Trayton provided a response to the Subsidy RFI.⁹⁰ For the purposes of the final determination, Shanghai Trayton was found to have received countervailable benefits from the following four subsidy programs:

- Program 10: Grant – patent assistance/award
- Program 20: Preferential tax policies related to research and investment
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 36: Refund – Other Tax Subsidies

[508] For purposes of the final determination, the amount of subsidy for Shanghai Trayton is 0.2%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Trayton Furniture (Jiaxing) Co., Ltd.

[509] Trayton Furniture (Jiaxing) Co., Ltd.. (Trayton Jiaxing) is a producer and exporter of subject goods located in Jiaxing City, China.

[510] Trayton Jiaxing provided a response to the Subsidy RFI.⁹¹ For the purposes of the final determination, Trayton Jiaxing was found to have received countervailable benefits from the following seven subsidy programs:

- Program 7: Export development and performance grants
- Program 20: Preferential tax policies related to research and investment
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 36: Refund – Other Tax Subsidies

[511] For purposes of the final determination, the amount of subsidy for Trayton Jiaxing is 6.9%.

UE Furniture Co., Ltd.

⁹⁰ Exhibits 412 (PRO) & 413 (NC) – Subsidy RFI Response – Simon Li Furniture

⁹¹ Exhibits 412 (PRO) & 413 (NC) – Subsidy RFI Response – Simon Li Furniture

[512] UE Furniture Co., Ltd (UE Furniture) is a producer and exporter of subject goods located in Huzhou City, China.

[513] UE Furniture provided a response to the Subsidy RFI.⁹² For the purposes of the final determination, UE Furniture was found to have received countervailable benefits from the following ten subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 6: Design, research and development grants
- Program 7: Export development and performance grants
- Program 8: Performance award grants
- Program 10: Grant patent assistance/award
- Program 18: Municipal/local income or property tax reductions
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 36: Refund – Other Tax Subsidies

[514] For purposes of the final determination, the amount of subsidy for UE Furniture is 3.0%, expressed as a percentage of the export price. This amount includes pass-through subsidies received from an associated supplier.

Vanguard Industrial JiaXing Co., Ltd.

[515] Vanguard Industrial JiaXing Co., Ltd. (Vanguard) is a producer and exporter of subject goods, located in Jiaxing City, China.

[516] Vanguard provided a response to the Subsidy RFI.⁹³ For the purposes of the final determination, Vanguard was found to have received countervailable benefits from the following 18 subsidy programs:

- Program 5: Insurance grants
- Program 6: Design research and development grants
- Program 7: Export development and performance grants
- Program 8: Performance award grants
- Program 10: Grant – patent assistance/award
- Program 11: Environment protection grant
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 20: Preferential tax policies related to research and investment
- Program 25: Acquisition of government inputs/utilities at less than fair market value
- Program 27: Grants/Awards – Financial Subsidy
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation

⁹² Exhibits 454 (PRO) & 455 (NC) – Subsidy RFI Response – UE Furniture

⁹³ Exhibits 488 (PRO) & 489 (NC) – Subsidy RFI Response – Vanguard

- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 31: Grants/Awards – Subsidies related to Quality & Improvement
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 34: Grants/Awards – Subsidies Related to Talent and Skills
- Program 39: Preferential Income Tax Reduction for Small and Low profit Enterprises
- Program 40: Industrial Design and Information Industry Support
- Program 41: Finance and Agriculture Service Outsourcing Subsidy

[517] For purposes of the final determination, the amount of subsidy for Vanguard is 2.0%, expressed as a percentage of the export price. This amount includes pass-through subsidies received from an associated supplier.

Violino Furniture (Shenzhen) Ltd.

[518] Violino Furniture (Shenzhen) Co., Ltd. (Violino SZ) is a producer and exporter of subject goods located, in Shenzhen City, China.

[519] Violino SZ provided a response to the Subsidy RFI.⁹⁴ For the purposes of the final determination, Violino SZ was found to have received countervailable benefits from the following six subsidy programs:

- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 18: Municipal/local income or property tax reductions
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 33: Grants/Awards – Subsidies Related to Social Security

[520] For purposes of the final determination, the amount of subsidy for Violino SZ is 0.2%, expressed as a percentage of the export price. This amount includes a pass-through subsidy received from the associated supplier. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Zhejiang Botai Furniture Co., Ltd.

[521] Zhejiang Botai Furniture Co., Ltd. (Botai Furniture) is a producer and exporter of subject goods, located in Huzhou City, China.

⁹⁴ Exhibits 742 (PRO) & 743 (NC) – Subsidy RFI Response – Violino SZ

[522] Botai Furniture provided a response to the Subsidy RFI.⁹⁵ For the purposes of the final determination, Botai Furniture was found to have received countervailable benefits from the following 12 subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 10: Grant – patent assistance/award
- Program 18: Municipal/local income or property tax reductions
- Program 27: Grants/Awards – Financial Subsidy
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 32: Grants/Awards – Subsidies Related to Science and Technology
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 34: Grants/Awards – Subsidies Related to Talent and Skills
- Program 35: Grants/Awards – Subsidies to Provide Business Support
- Program 36: Refund – Other Tax Subsidies

[523] For purposes of the final determination, the amount of subsidy for Botai Furniture is 2.0%, expressed as a percentage of the export price.

Zhejiang Chuanyang Furniture Co., Ltd.

[524] Zhejiang Chuanyang Furniture Co., Ltd. (Chuanyang Furniture) is a producer and exporter of subject goods, located in Haining City, China.

[525] Chuanyang Furniture provided a response to the Subsidy RFI.⁹⁶ For the purposes of the final determination, Chuanyang Furniture was found to have received countervailable benefits from the following 12 subsidy programs:

- Program 1: Loans from state-owned banks at preferential rates
- Program 4: Preferential export financing and export credit guarantee/insurance
- Program 6: Design research and development grants
- Program 7: Export development and performance grants
- Program 10: Grant – patent assistance/award
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 18: Municipal/local income or property tax reductions
- Program 27: Grants/Awards – Financial Subsidy
- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 32: Grants /Awards – Subsidies Related to Science and Technology

⁹⁵ Exhibits 393 (PRO) & 394 (NC) – Subsidy RFI Response – Botai Furniture

⁹⁶ Exhibits 385 (PRO) & 386 (NC) – Subsidy RFI Response – Chuanyang Furniture

Program 36: Refund – Other Tax Subsidies

[526] For purposes of the final determination, the amount of subsidy for Chuanyang is 1.1%, expressed as a percentage of the export price. This amount includes pass-through subsidies received from an associated supplier.

Zhejiang Happy Smart Furnishings Co., Ltd.

[527] Zhejiang Happy Smart Furnishings Co., Ltd. (Happy Smart) is a producer and exporter of subject goods, located in Haining City, China.

[528] Happy Smart provided a response the Subsidy RFI.⁹⁷ For purposes of the final determination, Happy Smart was found to have received countervailable benefits from the following 12 subsidy programs:

- Program 4: Preferential Export Financing and Export Credit
- Program 5: Insurance grants
- Program 8: Performance Award Grants
- Program 10: Grant – patent assistance/award
- Program 11: Environment protection grant
- Program 17: Corporate income tax reduction for new high tech enterprises (“NHTE”)
- Program 20: Preferential Tax Policies Related to Research and Investment
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 30: Grants/Awards – Subsidies Related to Pandemic Support
- Program 31: Grants/Awards – Subsidies related to Quality & Improvement
- Program 35: Grants/Awards – Subsidies to Provide Business Support
- Program 38: Subsidy for Establishment Of Non-Manufacturing Facilities

[529] For purposes of the final determination, the amount of subsidy for Happy Smart is 7.8%, expressed as a percentage of the export price.

Zhejiang Kuka Merlin Furniture Co., Ltd.

[530] Zhejiang Kuka Merlin Furniture Co., Ltd. (Kuka Merlin) is a producer and exporter of subject goods, located in Jiaxing City, China.

[531] Kuka Merlin provided a response to the Subsidy RFI.⁹⁸ For the purposes of the final determination, Kuka Merlin was found to have received countervailable benefits from the following nine subsidy programs:

- Program 7: Export development and performance grants
- Program 8: Performance award grants
- Program 11: Environment protection grant

⁹⁷ Exhibits 612 (PRO) & 613 (NC) – Subsidy RFI Response – Happy Smart

⁹⁸ Exhibits 428 (PRO) & 429 (NC) – Subsidy RFI Response – Kuka Merlin

- Program 28: Grants/Awards – Subsidies Related to Company/Enterprise Development and Innovation
- Program 29: Grants/Awards – Subsidies Related to Employment, Training and Recruitment
- Program 31: Grants/Awards – Subsidies related to Quality & Improvement
- Program 33: Grants/Awards – Subsidies Related to Social Security
- Program 35: Grants/Awards – Subsidies to Provide Business Support
- Program 38: Subsidy for Utilities for Certain Enterprises

[532] For purposes of the final determination, the amount of subsidy for Kuka Merlin is 1.3%, expressed as a percentage of the export price.

All Other Exporters – China

[533] For all other exporters of subject goods originating in or exported from China during the POI that did not provide a response to the Subsidy RFI or did not furnish sufficient information, the CBSA determined an amount of subsidy on the basis of the following methodology:

- 1) the highest amount of subsidy for each of the 36 programs, as found at the final determination, for the producers/exporters located in China for whom the CBSA has sufficient information to determine an amount of subsidy, plus;
- 2) the highest amount of subsidy for the 36 programs listed in (1), applied to each of the remaining 11 potentially actionable subsidy programs for which sufficient information is not available or has not been provided at the final determination.

[534] In establishing the methodology for determining the amount of subsidy for all other exporters from China, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the initiation of the investigation, and information submitted by exporters of subject goods from China.

[535] The CBSA further considered that the GOC did not provide a response to the Government Subsidy RFI, which impeded the CBSA's ability to make a fully informed decision.

[536] This methodology relies on information related to potentially actionable subsidies in China, it recognizes that the GOC did not provide a response to the Subsidy RFI (thereby impeding the CBSA's ability to make a fully informed decision), and it limits the advantage that an exporter may gain from not providing necessary information requested in a subsidy investigation as compared to an exporter that did provide the necessary information.

[537] Using the above methodology, for the final determination, the amount of subsidy for all other exporters in China is 15.9%, expressed as a percentage of the export price.

Vietnam

[538] The following presents the results of the investigation into the subsidizing of UDS originating in or exported from Vietnam.

[539] At the initiation of the investigation, the CBSA sent Subsidy RFIs to the GOV, as well as to all known exporters/producers of UDS in Vietnam.

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

[541] The governments 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 Subsidy RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits or desk audits may result in the amount of subsidy and the assessment of countervailing duties on subject goods being based on facts available to the CBSA. Further, they were notified that a determination on the basis of facts available could be less favourable to their firm than if complete, verifiable information was made available.

Amounts of Subsidy

Government of Vietnam

[542] The GOV provided a response to the Government Subsidy RFI, but it was considered deficient. The CBSA notified the GOV that their information was deficient. The GOV responded to the deficiency letter; however, its response was still considered deficient. A second letter was sent to the GOV informing them of the deficiencies. On June 21, 2021, one week after the close of record, the GOV responded to the second deficiency letter. Therefore, for the purpose of the final determination, the GOV's submission was considered deficient.

[543] Due to a lack of government response, subsidy amounts for all exporters were determined pursuant to subsection 30.4(2) of SIMA, based on a ministerial specification. However, in consideration of the fact that cooperative exporters/producers provided sufficient information in response to their Subsidy RFI, for each of these exporters, an individual amount of subsidy was determined based on the information provided in response to the Subsidy RFI and obtained during the verification.

[544] The available information indicates that these programs do not appear to be generally available to all enterprises in Vietnam. As well, due to the lack of a complete response by the GOV, there is not sufficient information on the administrative record to determine that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1) of SIMA. Therefore, guided by the principles of subsection 2(7.2) or subsection 2(7.3) of SIMA and basing its opinion on the best information available, the CBSA has taken the position that the subsidy derived from these programs is likely to be specific.

[545] For exporters that did not provide sufficient information in response to the Subsidy RFI, amounts of subsidy were determined under subsection 30.4(2) of SIMA on the basis of facts available.

[546] An account of the subsidies received by each of the exporters that provided a response to the Subsidy RFI is provided below. The amount of subsidy for each exporter is also presented in a summary table in **Appendix 1**. A description of identified programs and incentives is included in **Appendix 4**.

Delancey Street Furniture Vietnam Co., Ltd.

[547] Delancey Street Furniture Vietnam Co., Ltd. (Delancey Furniture) is a producer and exporter of subject goods and is located in Ben Cat Town, Vietnam.

[548] Delancey Furniture provided a response to the Subsidy RFI.⁹⁹ Delancey Furniture reported that they did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Delancey Furniture.

[549] For purposes of the final determination, the amount of subsidy for Delancey Furniture is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Koda Saigon Co., Ltd.

[550] Koda Saigon Co., Ltd. (Koda Saigon) is a producer and exporter of subject goods, located in Thuan Dao Industrial Park, Vietnam.

[551] Koda Saigon provided a response to the Subsidy RFI.¹⁰⁰ For the purposes of the final determination, Koda Saigon was found to have received countervailable benefits from the following two subsidy programs:

Program 2: Refunds of import duties

Program 6: Enterprise income tax preferences, exemptions and reductions

[552] For purposes of the final determination, the amount of subsidy for Koda Saigon is 1.7%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Motomotion Vietnam Limited Company

[553] Motomotion is a producer and exporter of subject goods, located in Ben Cat Town, Vietnam.

⁹⁹ Exhibits 797 (PRO) & 798 (NC) – Subsidy RFI Response – Delancey Furniture

¹⁰⁰ Exhibits 367 (PRO) & 368 (NC) – Subsidy RFI Response – Koda Saigon

[554] Motomotion provided a response to the Subsidy RFI.¹⁰¹ For the purposes of the final determination, Motomotion was found to have received countervailable benefits from the following subsidy program:

Program 6: Enterprise income tax preferences, exemptions and reductions

[555] For purposes of the final determination, the amount of subsidy for Motomotion is 3.7%, expressed as a percentage of the export price.

Timberland Co., Ltd.

[556] Timberland Co., Ltd. (Timberland) is a producer and exporter of subject goods, located in Tan Uyen District, Vietnam.

[557] Timberland provided a response to the Subsidy RFI.¹⁰² Timberland reported that they did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Timberland.

[558] For purposes of the final determination, the amount of subsidy for Timberland is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

UE Furniture Vietnam Co., Ltd.

[559] UE Furniture Vietnam Co., Ltd. (UE Vietnam) is a producer and exporter of subject goods, located in Tan Uyen Town, Vietnam.

[560] UE Vietnam provided a response to the Subsidy RFI.¹⁰³ For the purposes of the final determination, UE Vietnam was found to have received countervailable benefits from the following four subsidy programs:

- Program 1: Exemptions of import tax and duty
- Program 2: Refunds of import duties
- Program 5: Export and import support in forms of preferential loan, guarantee and factoring
- Program 7: VAT preferences, exemptions and reductions

[561] For purposes of the final determination, the amount of subsidy for UE Vietnam is 0.4%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

¹⁰¹ Exhibits 474 (PRO) & 475 (NC) – Subsidy RFI Response – Motomotion

¹⁰² Exhibits 925 (PRO) & 926 (NC) – Subsidy RFI Response – Timberland

¹⁰³ Exhibits 462 (PRO) & 463 (NC) – Subsidy RFI Response – UE Vietnam

Vietnam Hang Phong Furniture Company Ltd.

[562] Vietnam Hang Phong Furniture Company Ltd. (Hang Phong Furniture) is a producer and exporter of subject goods, located in Khu Phố Tân Bình City, Vietnam.

[563] Hang Phong Furniture provided a response to the Subsidy RFI.¹⁰⁴ Hang Phong Furniture reported that they did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Hang Phong Furniture.

[564] For purposes of the final determination, the amount of subsidy for Hang Phong Furniture is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Wanek Furniture Co., Ltd.

[565] Wanek Furniture Co., Ltd. (Wanek) is a producer and exporter of subject goods, located in Binh Duong Province, Vietnam.

[566] Wanek provided a response to the Subsidy RFI.¹⁰⁵ Wanek reported that they did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Wanek.

[567] For purposes of the final determination, the amount of subsidy for Wanek is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

Wendelbo SEA JSC

[568] Wendelbo SEA JSC (Wendelbo SEA) is a producer and exporter of subject goods, located in Di An City, Vietnam.

[569] Wendelbo SEA provided a response to the Subsidy RFI.¹⁰⁶ Wendelbo SEA reported that they did not receive any subsidies during the POI, and the CBSA found no evidence of subsidies for Wendelbo SEA.

[570] For purposes of the final determination, the amount of subsidy for Wendelbo SEA is 0.0%. This amount is insignificant, and as such, the subsidy investigation in respect of the goods of this exporter was terminated pursuant to paragraph 41(1)(a) of SIMA.

All Other Exporters – Vietnam

[571] For all other exporters of subject goods originating in or exported from Vietnam during the POI that did not provide a response to the Subsidy RFI or did not furnish sufficient

¹⁰⁴ Exhibits 618 (PRO) & 619 (NC) – Subsidy RFI Response – Hang Phong Furniture

¹⁰⁵ Exhibits 920 (PRO) & 921 (NC) – Subsidy RFI Response – Wanek

¹⁰⁶ Exhibits 513 (PRO) & 514 (NC) – Subsidy RFI Response – Wendelbo SEA

information, the CBSA determined an amount of subsidy on the basis of the following methodology:

- 3) the highest amount of subsidy for each of the 5 programs, as found at the final determination, for the producers/exporters located in Vietnam for whom the CBSA has sufficient information to determine an amount of subsidy, plus;
- 4) the highest amount of subsidy for the 5 programs listed in (1), applied to each of the remaining 10 potentially actionable subsidy programs for which sufficient information is not available or has not been provided at the final determination.

[572] In establishing the methodology for determining the amount of subsidy for all other exporters from Vietnam, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA’s estimates at the initiation of the investigation, and information submitted by exporters of subject goods from Vietnam.

[573] The CBSA further considered that the GOV provide a deficient response to the Government Subsidy RFI, which impeded the CBSA’s ability to make a fully informed decision.

[574] This methodology relies on information related to potentially actionable subsidies in Vietnam, it recognizes that the GOV did not provide a sufficient response to the Subsidy RFI (thereby impeding the CBSA’s ability to make a fully informed decision), and it limits the advantage that an exporter may gain from not providing necessary information requested in a subsidy investigation as compared to an exporter that did provide the necessary information.

[575] Using the above methodology, for the final determination, the amount of subsidy for all other exporters in Vietnam is 5.5%, expressed as a percentage of the export price.

Summary of Results – Subsidy

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

**Summary of Results - Subsidy
Period of Investigation (June 1, 2019 to November 30, 2020)**

Exporter	Amount of Subsidy (% of Export Price) †	Volume of Subject Goods (% of Total Imports)*
Anji Cozy Home Co., Ltd.	1.5%	0.31%
Anji Hengrui Furniture Co., Ltd.	0.0%	0.14%
Anji Hengyi Furniture Co., Ltd.	0.0%	0.12%
Anji UES Furniture Co., Ltd.	4.2%	1.20%
Dongguan Tianhang Furniture Co., Ltd.	0.9%	0.82%

Exporter	Amount of Subsidy (% of Export Price) †	Volume of Subject Goods (% of Total Imports)*
Foshan DOB Furniture Co., Ltd.	0.2%	0.34%
Foshan Xingpeichong Huitong Furniture Co., Ltd.	0.6%	0.04%
Gu Jia Intelligent Household Jiaxing Co., Ltd.	0.7%	2.54%
Haining Fanmei Furniture Co., Ltd.	0.9%	0.04%
HaiNing Happy Leather Furniture Co., Ltd.	4.4%	0.02%
Haining Kendy Furniture Co., Ltd.	81.1%	0.31%
Haining Nicelink Home Furnishings Co., Ltd.	3.2%	0.08%
(Hangzhou) Huatong Industries Inc.	0.4%	0.06%
Henglin Home Furnishings Co., Ltd.	2.4%	0.41%
HHC Changzhou Corp.	3.0%	0.23%
HTL Furniture (China) Co., Ltd.	0.1%	1.26%
HTL Furniture (Huai An) Co., Ltd.	0.3%	0.33%
Jason Furniture (Hangzhou) Co., Ltd.	1.3%	1.27%
Jiaxing Motion Furniture Co., Ltd.	0.8%	0.13%
Jiaxing Vitra Electrical Technology Co., Ltd.	1.5%	0.27%
Man Wah Furniture Manufacturing (Huizhou) Co., Ltd.	0.9%	4.31%
Megain Furniture (Dong Guan) Co., Ltd.	2.0%	0.02%
Natuzzi (China) Ltd.	0.0%	1.18%
Ruihao Furniture MFG Co., Ltd	0.6%	0.25%
Shanghai Trayton Furniture Co., Ltd.	0.2%	0.32%
Trayton Furniture (Jiaxing) Co., Ltd.	6.9%	0.03%
UE Furniture Co., Ltd	3.0%	0.18%
Vanguard Industrial JiaXing Co., Ltd.	2.0%	0.26%
Violino Furniture (Shenzhen) Ltd.	0.2%	0.42%
Zhejiang Botai Furniture Co., Ltd.	2.0%	0.13%
Zhejiang Chuanyang Furniture Co., Ltd.	1.1%	0.01%
Zhejiang Happy Smart Furnishings Co., Ltd.	7.8%	1.64%
Zhejiang Kuka Merlin Furniture Co., Ltd.	1.3%	0.88%
All Other Exporters – China	15.9%	38.83%
Total – China	12.7%	58.37%
Delancey Street Furniture Vietnam Co., Ltd.	0.0%	0.01%
Koda Saigon Co., Ltd.	1.7%	0.00%
Motomotion Vietnam Limited Company	3.7%	0.03%
Timberland Co., Ltd.	0.0%	0.13%
UE Furniture Vietnam Co., Ltd.	0.4%	0.01%
Vietnam Hang Phong Furniture Company Limited	0.0%	0.01%
Wanek Furniture Co., Ltd.	0.0%	0.24%
Wendelbo SEA JSC	0.0%	0.01%
All Other Exporters – Vietnam	5.5%	7.12%

Exporter	Amount of Subsidy (% of Export Price) †	Volume of Subject Goods (% of Total Imports)*
Total – Vietnam	4.7%	8.43%
All Other Countries	n/a	33.20%
All Countries	n/a	100.00%

* The CBSA’s import documentation was used to determine the imports of subject goods during the POI. Since import volume information on the customs documentation was reported in various units of measure (i.e. number of sets, number of modules, weight, etc.), import value was used as the unit of measure for determining import volumes of certain upholstered domestic furniture.

† Some percent totals appear as 0.00% due to small amounts and rounding.

[577] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of any goods of an exporter if the CBSA is satisfied that the goods have not been subsidized or the amount of subsidy on the goods of that exporter is insignificant.

[578] 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. According to section 41.2 of SIMA, however, the CBSA is required to take into account Article 27.10 of the *WTO Agreement on Subsidies and Countervailing Measures* (ASCM) when conducting a subsidy investigation. This provision stipulates that a countervailing duty investigation involving a product from a developing country should be terminated where the authorities determine that the overall level of subsidies granted upon the product in question does not exceed 2% of its value calculated on a per unit basis or the volume of subsidized imports represents less than 4% of the total imports of the like product in the importing Member’s market.

[579] Neither the ASCM nor SIMA defines or provides any guidance regarding the determination of a “developing country” for purposes of Article 27.10 of the ASCM. As an administrative practice, the CBSA refers to the *Development Assistance Committee List of Official Development Assistance Recipients*¹⁰⁷ and regards a country as developing if it is listed as a least developed country, low income country, or lower middle income country or territory. As Vietnam is included in these lists for 2021, the CBSA extends developing country status to Vietnam for purposes of this investigation.

[580] For China, the amount of subsidy for Anji Hengrui Furniture Co., Ltd., Anji Hengyi Furniture Co., Ltd., Dongguan Tianhang Furniture Co., Ltd., Foshan DOB Furniture Co., Ltd., Foshan Xingpeichong Huitong Furniture Co., Ltd., Gu Jia Intelligent Household Jiaxing Co., Ltd., Haining Fanmei Furniture Co., Ltd., (Hangzhou) Huatong Industries Inc., HTL Furniture (China) Co., Ltd., HTL Furniture (Huai An) Co., Ltd., Jiaxing Motion Furniture Co., Ltd., Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Natuzzi (China) Ltd., Ruihao Furniture MFG Co., Ltd, Shanghai Trayton Furniture Co., Ltd., Violino Furniture (Shenzhen) Ltd., are below 1% of the export price and were, therefore, determined to be insignificant.

¹⁰⁷ <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-ODA-Recipients-for-reporting-2021-flows.pdf>

[581] The remaining goods under investigation from China have been subsidized and the amounts of subsidy determined for those goods, for a developed country, are greater than the threshold of 1% and are therefore not considered insignificant. As a result, the legislative requirement is satisfied for making a final determination of subsidy respecting certain UDS from China.

[582] For Vietnam, the amount of subsidy for Delancey Street Furniture Vietnam Co., Ltd., Koda Saigon Co. Ltd., Timberland Co., Ltd., UE Vietnam Co., Ltd., Vietnam Hang Phong Furniture Company Limited, Wanek Furniture Co., Ltd., and Wendelbo SEA JSC are below 2% of the export price and were, therefore, determined to be insignificant.

[583] The remaining goods under investigation from Vietnam have been subsidized and the amounts of subsidy determined for those goods, for a developing country, are greater than the threshold of 2% and are therefore not considered insignificant. As a result, the legislative requirement is satisfied for making a final determination of subsidy respecting certain UDS from Vietnam.

[584] A summary of the results of the subsidy investigation respecting the subject goods released into Canada during the subsidy POI are presented in **Appendix 1**.

DECISIONS

[585] On August 3, 2021, pursuant to paragraph 41(1)(a) of SIMA, the CBSA terminated the subsidy investigation in respect of certain upholstered domestic seating originating in or exported from China by Anji Hengrui Furniture Co., Ltd., Anji Hengyi Furniture Co., Ltd., Dongguan Tianhang Furniture Co., Ltd., Foshan DOB Furniture Co., Ltd., Foshan Xingpeichong Huitong Furniture Co., Ltd., Gu Jia Intelligent Household Jiaxing Co., Ltd., Haining Fanmei Furniture Co., Ltd., (Hangzhou) Huatong Industries Inc., HTL Furniture (China) Co., Ltd., HTL Furniture (Huai An) Co., Ltd., Jiaxing Motion Furniture Co., Ltd., Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Natuzzi (China) Ltd., Ruihao Furniture MFG Co., Ltd, Shanghai Trayton Furniture Co., Ltd. and Violino Furniture (Shenzhen) Ltd.

[586] Similarly, on the same date, pursuant to paragraph 41(1)(a) of SIMA, the CBSA terminated the subsidy investigation in respect of certain upholstered domestic seating originating in or exported from Vietnam by Delancey Street Furniture Vietnam Co., Ltd., Koda Saigon Co. Ltd., Timberland Co., Ltd., UE Vietnam Co., Ltd., Vietnam Hang Phong Furniture Company Limited, Wanek Furniture Co., Ltd., and Wendelbo SEA JSC.

[587] On the same date, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made final determinations respecting the dumping and subsidizing of certain upholstered domestic seating originating in or exported from China and Vietnam, with respect to exporters for which the investigations have not been terminated.

FUTURE ACTION

[588] The provisional period began on May 5, 2021, and will end on the date the CITT issues its finding. The CITT is expected to issue its decision by September 2, 2021. Provisional anti-dumping duty will continue to apply until this date on imports of subject goods from the named countries. Provisional countervailing duty will also continue to apply until this date on imports of subject goods from the named countries, with the exception of goods exported from China by Anji Hengrui Furniture Co., Ltd., Anji Hengyi Furniture Co., Ltd., Dongguan Tianhang Furniture Co., Ltd., Foshan DOB Furniture Co., Ltd., Foshan Xingpeichong Huitong Furniture Co., Ltd., Gu Jia Intelligent Household Jiaxing Co., Ltd., Haining Fanmei Furniture Co., Ltd., (Hangzhou) Huatong Industries Inc., HTL Furniture (China) Co., Ltd., HTL Furniture (Huai An) Co., Ltd., Jiaxing Motion Furniture Co., Ltd., Man Wah Furniture Manufacturing (Huizhou) Co., Ltd., Natuzzi (China) Ltd., Ruihao Furniture MFG Co., Ltd, Shanghai Trayton Furniture Co., Ltd. and Violino Furniture (Shenzhen) Ltd. and the goods exported from Vietnam by Delancey Street Furniture Vietnam Co., Ltd., Koda Saigon Co. Ltd., Timberland Co., Ltd., UE Vietnam Co., Ltd., Vietnam Hang Phong Furniture Company Limited, Wanek Furniture Co., Ltd., and Wendelbo SEA JSC. Any provisional countervailing duty paid or security posted in respect of such goods will be returned. For further details on the application of provisional duty, refer to the Statement of Reasons issued for the preliminary determination, which is available through the CBSA's website at: www.cbsa-asfc.gc.ca/sima-lmsi/menu-eng.html.

[589] If the CITT finds that the dumped and subsidized goods have not caused injury and do not threaten to cause injury, all proceedings will be terminated. In this situation, all provisional duty paid or security posted by importers will be returned.

[590] If the CITT finds that the dumped and subsidized goods have caused injury, the anti-dumping duty payable on subject goods released by the CBSA during the provisional period will be finalized pursuant to section 55 of SIMA. Imports released by the CBSA after the date of the CITT's finding will be subject to anti-dumping duty equal to the margin of dumping and countervailing duty equal to the amount of subsidy.

[591] The importer in Canada shall pay all applicable duties. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the customs documents, an administrative monetary penalty could be imposed. The provisions of the Customs Act apply with respect to the payment, collection or refund of any duty collected under SIMA. As a result, failure to pay duty within the prescribed time will result in the application of interest.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

[592] 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 duties.

[593] 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.

PUBLICATION

[594] A notice of these final determinations of dumping and subsidizing will be published in the *Canada Gazette* pursuant to paragraph 41(3)(a) of SIMA.

[595] A notice of the termination of the subsidy investigation with respect to certain upholstered domestic seating exported to Canada from China by Hengrui Furniture, Hengyi Furniture, Tianhang Furniture, DOB Furniture, Huitong, Gu Jia Household, Fanmei Furniture, Huatong, HTL-FC, HTL-HA, Jiaying Motion, Man Wah Furniture, Natuzzi China, Ruihao Furniture, Shanghai Trayton and Violino SZ and certain upholstered domestic seating from Vietnam by Delancey Furniture, Koda Saigon, Timberland, UE Vietnam, Hang Phong Furniture, Wanek and Wendelbo SEA will be published in the *Canada Gazette* pursuant to paragraph 41(4)(a) of SIMA.

INFORMATION

[596] This *Statement of Reasons* is posted on the CBSA's website at the address below. For further information, please contact the officers identified as follows:

Mail: SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th floor
Ottawa, Ontario K1A 0L8
Canada

Telephone: Kevin Lambertsen 613-954-7341
Jeffrey Laplante 613-954-7236

E-mail: simaregistry@cbsa-asfc.gc.ca

Web site: www.cbsa-asfc.gc.ca/sima-lmsi



Doug Band
Director General
Trade and Anti-dumping Programs Directorate

ATTACHMENTS

- Appendix 1: Summary of Margins of Dumping and Amounts of Subsidy**
- Appendix 2: Dumping and Subsidy Representations**
- Appendix 3: Description of Identified Programs and Incentives – China**
- Appendix 4: Description of Identified Programs and Incentives – Vietnam**

**APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING AND
AMOUNTS OF SUBSIDY**

Country of Origin or Export	Margin of Dumping (% of Export Price)	Amount of Subsidy (% of Export Price) †
China		
Anji Cozy Home Co., Ltd.	18.4%	1.5%
Anji Hengrui Furniture Co., Ltd.	45.2%	0.0%
Anji Hengyi Furniture Co., Ltd.	15.1%	0.0%
Anji UES Furniture Co., Ltd.	17.4%	4.2%
Dongguan Tianhang Furniture Co., Ltd.	24.1%	0.9%
Foshan DOB Furniture Co., Ltd.	30.3%	0.2%
Foshan Xingpeichong Huitong Furniture Co., Ltd.	n/a	0.6%
Gu Jia Intelligent Household Jiaxing Co., Ltd.	23.7%	0.7%
Haining Fanmei Furniture Co., Ltd.	53.6%	0.9%
HaiNing Happy Leather Furniture Co., Ltd.	13.4%	4.4%
Haining Kendy Furniture Co., Ltd.	102.1%	81.1%
Haining Nicelink Home Furnishings Co., Ltd.	9.3%	3.2%
(Hangzhou) Huatong Industries Inc.	55.6%	0.4%
Henglin Home Furnishings Co., Ltd.	29.0%	2.4%
HHC Changzhou Corp.	17.2%	3.0%
HTL Furniture (China) Co., Ltd.	48.4%	0.1%
HTL Furniture (Huai An) Co., Ltd.	25.0%	0.3%
Jason Furniture (Hangzhou) Co., Ltd.	33.8%	1.3%
Jiaxing Motion Furniture Co., Ltd.	36.9%	0.8%
Jiaxing Vitra Electrical Technology Co., Ltd.	21.1%	1.5%
Man Wah Furniture Manufacturing (Huizhou) Co., Ltd.	31.2%	0.9%
Megain Furniture (Dong Guan) Co., Ltd.	33.1%	2.0%
Natuzzi (China) Ltd.	35.3%	0.0%
Ruihao Furniture MFG Co., Ltd	10.4%	0.6%
Shanghai Trayton Furniture Co., Ltd.	38.9%	0.2%
Trayton Furniture (Jiaxing) Co., Ltd.	24.8%	6.9%
UE Furniture Co., Ltd	27.7%	3.0%
Vanguard Industrial JiaXing Co., Ltd.	43.6%	2.0%
Violino Furniture (Shenzhen) Ltd.	32.3%	0.2%
Zhejiang Botai Furniture Co., Ltd.	18.0%	2.0%
Zhejiang Chuanyang Furniture Co., Ltd.	60.6%	1.1%
Zhejiang Happy Smart Furnishings Co., Ltd.	26.5%	7.8%
Zhejiang Kuka Merlin Furniture Co., Ltd.	24.3%	1.3%
All Other Exporters – China	188.0%	15.9%

Country of Origin or Export	Margin of Dumping (% of Export Price)	Amount of Subsidy (% of Export Price)* †
Vietnam		
Delancey Street Furniture Vietnam Co., Ltd.	53.2%	0.0%
Koda Saigon Co., Ltd.	179.5%	1.7%
Motomotion Vietnam Limited Company	13.5%	3.7%
Timberland Co., Ltd.	14.8%	0.0%
UE Furniture Vietnam Co., Ltd.	10.4%	0.4%
Vietnam Hang Phong Furniture Company Limited	9.9%	0.0%
Wanek Furniture Co., Ltd.	24.8%	0.0%
Wendelbo SEA JSC	17.7%	0.0%
All Other Exporters – Vietnam	179.5%	5.5%
Non-named Countries		
Ashley Furniture Industries, LLC	50.3%	n/a
Restoration Hardware, Inc.	136.4%	n/a
Wendelbo Interiors A/S	49.9%	n/a

*Some percent totals appear as 0% due to insignificant or no subsidy.

†An amount of subsidy of less than 1% of the export price of the goods is insignificant for a developed country and of less than 2% of the export price of the goods for a developing country.

Note: The margins of dumping and amounts of subsidy reported in this table were determined by the CBSA for the purposes of the final decisions. These margins and amounts may not reflect the amount of anti-dumping or countervailing duties to be levied on future importations of dumped or subsidized goods. In the event of an injury finding by CITT, normal values and amounts of subsidy for future shipments to Canada have been provided to the exporters who provided sufficient information in their response to the CBSA RFIs, as appropriate. These normal values and amounts of subsidy would come into effect the day after an injury finding. Information regarding normal values of the subject goods and amounts of subsidy should be obtained from the exporters. Imports from any other exporters will be subject to an anti-dumping duty rate and a countervailing duty rate, as applicable, in accordance with a ministerial specification and in an amount equal to the margin of dumping or the amount of subsidy found for “all other exporters” at the final determinations.

Section 10 of SIMA directs that where the whole (or a portion of the) margin of dumping is attributable to an export subsidy, that portion of the margin of dumping shall not be leviable, collectable and payable as anti-dumping duty.

Please consult the [SIMA Self-Assessment Guide](#) for more detailed information explaining how to determine the amount of SIMA duties owing.

Normally, normal values will not be applied retroactively. However, normal values may be applied retroactively in cases where the parties have not advised the CBSA in a timely manner of substantial changes that affect values for SIMA purposes. Therefore, where substantial changes occur in prices, market conditions, costs as associated with production and sales of the goods, the onus is on the concerned parties to advise the CBSA.

APPENDIX 2 – DUMPING AND SUBSIDY REPRESENTATIONS

Following the closing of the record on June 14, 2021, case arguments were received on behalf of the following parties:

- Jason Furniture (Hangzhou) Co., Ltd., Zhejiang Kuka Merlin Furniture Co., Ltd., Gu Jia Intelligent Household Jiaxing Co., Ltd., Jason Furniture (Ningbo) Co., Ltd. and Zhejiang Sinomax Gu Sponge Co., Ltd. (Collectively known as the "Kuka companies")¹⁰⁸
- Megain Furniture (Dong Guan) Co., Ltd.¹⁰⁹
- HTL Manufacturing Pte. Ltd., HTL Furniture (China) Co., Ltd. and HTL Furniture (Huai An) Co., Ltd. (Collectively the "HTL companies")¹¹⁰
- Gold Lion Furniture (Shanghai) Co., Ltd. & King Living Inc. (Canada)¹¹¹
- Anji Ge'ao Technology Co., Ltd.¹¹²
- Ruihao Furniture Mfg. Co., Ltd., Zhejiang Chuanyang Furniture Co., Ltd. and Zoy Home Furnishing Co. Ltd.¹¹³
- Zhejiang Botai Furniture Co., Ltd.¹¹⁴
- Foshan Halo Trading Limited¹¹⁵
- HHC Changzhou Corp.¹¹⁶
- Living Style (Singapore) Ptd. Limited¹¹⁷
- Motomotion Vietnam Limited Company¹¹⁸
- Jiaxing Motion Furniture Co., Ltd., Shanghai Trayton Furniture Co., Ltd., Trayton Furniture, Simon Li China Co., Ltd. (Collectively known as "Trayton Group")¹¹⁹
- Violino Hong Kong Limited and Violino Furniture (Shenzhen) Co., Ltd.¹²⁰
- Ashley Furniture Industries, LLC, Ashley Furniture Trading Co. and Wanek Furniture Co., Ltd.¹²¹
- Foshan Xingpeichong Huitong Furniture Co., Ltd.¹²²
- Halo Americas Limited¹²³
- Anji Shengxing Office Furniture Co., Ltd.¹²⁴

¹⁰⁸ Exhibit 1410 (PRO) and 1411 (NC) – Case Brief – Kuka Companies

¹⁰⁹ Exhibit 1412 (PRO) and 1413 (NC) – Case Brief – Megain Furniture (Dong Guan) Co., Ltd

¹¹⁰ Exhibit 1414 (PRO) and 1415 (NC) – Case Brief – HTL Companies

¹¹¹ Exhibit 1416 (NC) – Case Brief – Gold Lion Furniture (Shanghai) Co., Ltd. & King Living Inc. (Canada)

¹¹² Exhibit 1417 (NC) – Case Brief – Anji Ge'ao Technology Co., Ltd

¹¹³ Exhibit 1418 (NC) – Case Brief – Ruihao Furniture Mfg. Co., Ltd., Zhejiang Chuanyang Furniture Co., Ltd. & Zoy Home Furnishing Co. Ltd.

¹¹⁴ Exhibit 1419 (PRO) and 1420 (NC) – Case Brief – Zhejiang Botai Furniture Co., Ltd.

¹¹⁵ Exhibit 1421 (PRO) and 1422 (NC) – Case Brief – Foshan Halo Trading Limited (HFS)

¹¹⁶ Exhibit 1423 (PRO) and 1424 (NC) – Case Brief – HHC Changzhou Corp.

¹¹⁷ Exhibit 1425 (PRO) and 1426 (NC) – Case Brief – Living Style (Singapore) Ptd. Limited

¹¹⁸ Exhibit 1427 (PRO) and 1428 (NC) – Case Brief – Motomotion Vietnam Limited Company

¹¹⁹ Exhibit 1429 (PRO) and 1430 (NC) – Case Brief – Trayton Group

¹²⁰ Exhibit 1431 (PRO) and 1432 (NC) – Case Brief – Violino Hong Kong Limited & Violino Furniture (Shenzhen) Co., Ltd.

¹²¹ Exhibit 1433 (PRO) and 1434 (NC) – Case Brief – Ashley Furniture Industries, LLC, Ashley Furniture Trading Co. & Wanek Furniture Co., Ltd

¹²² Exhibit 1435 (PRO) and 1436 (NC) – Case Brief – Foshan Xingpeichong Huitong Furniture Co., Ltd.

¹²³ Exhibit 1437 (PRO) and 1438 (NC) – Case Brief – Halo Americas Limited

¹²⁴ Exhibit 1439 (NC) – Case Brief – Anji Shengxing Office Furniture Co., Ltd.

- Henglin Home Furnishings Co., Ltd., Anji Hengyi Furniture Co., Ltd., Anji Hengrui Furniture Co., Ltd. and Vietnam Hang Phong Furniture Company Limited¹²⁵
- Foshan DOB Furniture Co., Ltd.¹²⁶
- Man Wah Group¹²⁷
- UE Furniture Vietnam Co., Ltd.¹²⁸
- UE Furniture Co., Ltd. and Anji UES Furniture Co., Ltd¹²⁹
- Restoration Hardware, Inc.¹³⁰

The CBSA received a reply submission on behalf of the complainant, Palliser Furniture Ltd. and EQ3.¹³¹

Certain details provided in the complainant's reply submission regarding PMS did not address arguments in the case briefs previously provided by other parties were removed and therefore not considered by the CBSA.

Representations were also received during the investigations from the Government of China (GOC).¹³²

Certain details provided in case briefs and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions. The material issues raised by the parties are summarized as follows:

GENERAL REPRESENTATIONS

Late Submissions

Case Briefs

Counsel for Gold Lion Furniture (Shanghai) Co., Ltd. (Gold Lion) and King Living Inc. (Canada) submitted that the CBSA should consider Gold Lion's response to the Dumping and Subsidy RFI as the information provided is complete and the CBSA should take into consideration the circumstances that were out of its control.

¹²⁵ Exhibit 1440 (PRO) and 1441 (NC) – Case Brief – Henglin Home Furnishings Co., Ltd., Anji Hengyi Furniture Co., Ltd., Anji Hengrui Furniture Co., Ltd. and Vietnam Hang Phong Furniture Company Limited.

¹²⁶ Exhibit 1442 (PRO) and 1443 (NC) – Case Brief – Foshan DOB Furniture Co., Ltd.

¹²⁷ Exhibit 1444 (PRO) and 1445 (NC) – Case Brief – Man Wah Group

¹²⁸ Exhibit 1448 (PRO) and 1449 (NC) – Case Brief – UE Furniture Vietnam Co., Ltd.

¹²⁹ Exhibit 1450 (PRO) and 1451 (NC) – Case Brief – UE Furniture Co., Ltd. and Anji UES Furniture Co., Ltd

¹³⁰ Exhibit 1452 (PRO) and 1453 (NC) – Case Brief – Restoration Hardware Inc.

¹³¹ Exhibit 1454 (NC) – Reply Brief – Complainant

¹³² Exhibit 219 (NC) – Particular Market Situation Statement – Government of China.

CBSA's Response

Three exporters filed submissions more than four months after the legislated due date, and only a few days before or the same day as the close of the record. Respondents who provided late submissions were informed that their information could not be used for the purposes of the final determinations. The CBSA had insufficient time prior to the close of record to review and verify this new information by way of further SRFIs or requesting additional supporting documentation. These exporters' delays in filing a response to either to the Dumping RFI and/or to the Subsidy RFI prevented the CBSA from being able to further question and verify this information. Without sufficient time to further question, request additional supporting documentation and verify the submitted information, the CBSA was precluded from being able to assess whether or not the information submitted by these exporters was complete, accurate and reliable for the purposes of determining a margin of dumping and/or amount of subsidy. The CBSA therefore determined the information as provided by these exporters to be insufficient and unreliable for the purposes of determining a margin of dumping and/or amount of subsidy for the final determinations.

DUMPING REPRESENTATIONS

Particular Market Situation

Representations Made During the Investigation

The GOC provided a submission before the close of record that primarily addressed the conduct of the CBSA's investigation into a PMS in the UDS sector in China.¹³³

The GOC submitted that by sending them a PMS RFI, the CBSA is shifting the evidentiary burden to the GOC to prove that a PMS does not exist, when it is the responsibility of the complainant to prove that a PMS does exist.

The GOC also submitted that Article 2.2 of the ADA requires an investigating authority to look at whether the PMS has led to an inability to make a proper comparison between the domestic selling price and the export sales price and cited the WTO Panel Report in *Australia A4 Paper (Indonesia)* as supporting this interpretation. Specifically, the GOC stated that: "the authority shall analyze whether the market situation has different effects on the domestic sale prices and export prices of the responding companies, and whether such difference does not permit to use the comparison between domestic and export prices to determine the dumping margin."

¹³³ Exhibit 219 (NC) – Particular Market Situation Statement – Government of China.

The GOC further submitted that even if a PMS is found requiring constructed normal values, Article 2.2.1.1 of the ADA requires that the investigating authority use the actual costs on record of the producer, provided they are in accordance with the generally accepted accounting principles of the exporting country, and reasonably reflect the costs associated with the production and sale of the product under consideration. The GOC argued that Article 2.2.1.1 does not impose an additional requirement as to the reasonableness of the costs, such that the investigating authority cannot substitute the actual costs with another cost. The GOC cited the WTO Appellate Body Report in *EU Biodiesel (Argentina)* as upholding this interpretation.

The GOC also submitted that the CBSA is misinterpreting the purpose of the PMS provisions in the ADA, as it is meant to address situations where a proper comparison cannot be made between the domestic and export sales. Instead, the GOC alleges that the complainants and the CBSA are focusing too much on the idea of market distortions and government policies rather than looking at whether this proper comparison can be made.

Case Brief

Counsels for several exporters¹³⁴ stated that they agree with the GOC and that the CBSA's use of PMS is offside WTO rules and jurisprudence, in particular that costs on record are required to be used by the CBSA in its normal value determination and should not be adjusted.

CBSA's Response

The CBSA conducted this investigation in accordance with the provisions of SIMA, which is consistent with the ADA.

With regards to the GOC's specific comment, the intent of the PMS RFI sent to the GOC was not to shift the burden of proof. The complainant provided evidence concerning the existence of a PMS at initiation and during the course of the investigation. The purpose of the PMS RFI sent to the GOC was to ensure that the GOC was aware of the PMS allegations, was provided with an opportunity to participate should they wish, and could provide its own information to explain or refute the evidence provided by the complainant.

The CBSA considered the WTO Panel Report in *Australia-A4 Paper (Indonesia)*. The CBSA also reviewed the WTO Appellate Body Report in *EU-Biodiesel (Argentina)* and Article 2.2.1.1 of the ADA. The CBSA agrees that costs should normally be calculated based on the records kept by the exporter.

¹³⁴ Exhibit 1418 (NC) – Case Brief – Ruihao Furniture Mfg. Co., Ltd., Zhejiang Chuanyang Furniture Co., Ltd. & Zoy Home Furnishing Co. Ltd.; Exhibit 1435 (PRO) and 1436 (NC) – Case Brief – Foshan Xingpeichong Huitong Furniture Co., Ltd.; Exhibit 1439 (NC) – Case Brief – Anji Shengxing Office Furniture Co., Ltd.; and Exhibit 1440 (PRO) and 1441 (NC) – Case Brief – Henglin Home Furnishings Co., Ltd., Anji Hengyi Furniture Co., Ltd., Anji Hengrui Furniture Co., Ltd. and Vietnam Hang Phong Furniture Company Limited.

The CBSA understands that the PMS provisions can only be applied if the existence of a PMS does not permit a proper comparison between sale of like goods for use in the country of export and the sale of the goods to the importer in Canada.

Case Brief

Counsels for several exporters¹³⁵ stated that there is no PMS in the UDS industry in China or Vietnam. Many exporters provided similar arguments, but they essentially argued one of the following: inputs were obtained at market rates; many exporters did not purchase the allegedly distorted inputs; there is no evidence that the distortions, the complainant alleges, are passed on to UDS; some evidence provided by the complainant is outdated; and that many UDS producers did not purchase from SOEs.

Several exporters specifically went through each potential PMS factor as listed in the CBSA's PMS policy and explained why that factor is absent and why there is therefore no PMS in the UDS sector in China or Vietnam.

CBSA's Response

For the purposes of the dumping investigation, for the reasons explained in the *Statement of Reasons*, the CBSA has formed an opinion that a PMS did not exist in the UDS sector in China or Vietnam during the dumping POI. The CBSA's position is based on the information on the administrative record for this investigation, which relates specifically to the UDS sector during the dumping POI.

With respect to the specific evidence provided by the complainant, the complainant relied on evidence that the price of inputs into UDS is distorted, thereby leading to a PMS in the UDS sector in both China and Vietnam. However, the CBSA found that the evidence provided by the complainant primarily concerned other materials that were generally not directly purchased by producers of UDS and there was insufficient evidence showing how potential distortions may have had an impact on the UDS sector.

Determination of the Exporter and Importer

Case Briefs

Counsels for several exporters¹³⁶ and vendors¹³⁷ submitted that the producers located in the countries of export and not their respective trading companies, should be considered the exporter for SIMA purposes.

¹³⁵ Exhibit 1410 (PRO) and 1411 (NC) – Case Brief – Kuka Companies; Exhibit 1416 (NC) – Case Brief – Gold Lion Furniture (Shanghai) Co., Ltd. & King Living Inc. (Canada); Exhibit 1418 (NC) – Case Brief – Ruihao Furniture Mfg. Co., Ltd., Zhejiang Chuanyang Furniture Co., Ltd. & Zoy Home Furnishing Co. Ltd.; Exhibit 1419 (PRO) and 1420 (NC) – Case Brief – Zhejiang Botai Furniture Co., Ltd.; Exhibit 1435 (PRO) and 1436 (NC) – Case Brief – Foshan Xingpeichong Huitong Furniture Co., Ltd.; Exhibit 1439 (NC) – Case Brief – Anji Shengxing Office Furniture Co., Ltd.; Exhibit 1440 (PRO) and 1441 (NC) – Case Brief – Henglin Home Furnishings Co., Ltd., Anji Hengyi Furniture Co., Ltd., Anji Hengrui Furniture Co., Ltd. and Vietnam Hang Phong Furniture Company Limited.; and Exhibit 1448 (PRO) and 1449 (NC) – Case Brief – UE Furniture Vietnam Co., Ltd.

¹³⁶ Exhibit 1444 (PRO) and 1445 (NC) – Case Brief – Man Wah Group

¹³⁷ Exhibit 1425 (PRO) and 1426 (NC) – Case Brief – Living Style (Singapore) Ptd. Limited

Counsels for several companies¹³⁸ submitted that either the related or non-related trading company should be considered the exporter for SIMA purposes instead of the producer. Counsel also argued that producers and their related trading companies operated as a single corporate entity.¹³⁹ Counsel argued that the CBSA margin of dumping calculations are impacted by the “exporter’s selling price” and the “importer’s purchase price”.¹⁴⁰

Counsels for parties with opposing views both referred to a decision by the Canadian International Trade Tribunal (CITT), *EMCO Electric International, AP-2008-010 (EMCO)* that emphasized that the exporter should be the principal in the transaction.

Reply Submissions

Counsel for the complaint¹⁴¹ also referred to the CITT decision in *EMCO* and the decision of the Federal Court of Appeal, *JFE Steel Corporation v. Evraz Steel Inc.* Counsel highlighted that the identification of the exporter will have a number of possible, reasonable conclusions.

CBSA’s Response

The CBSA took the representations into account, and examined the involvement of each separately incorporated entity to determine the identity of the exporter, including any relationships between entities.

The CBSA found producers located in the countries of export to be the exporter for SIMA purposes due to the factors outlined in part 4.5.13.1. of the SIMA Handbook, namely, the producers were located in the country of export, were a principal in the transaction, and owned the goods at some point before they were shipped directly to Canada.

The CBSA notes an important distinction between the *EMCO* decision and the situations of the trading companies in this investigation. In the *EMCO* decision, both potential exporters, the producer and trading company, were located in the country of export, while for the current investigation the trading companies of some of the producers are either located in a separate customs territory or a third country.

¹³⁸ Exhibit 1414 (PRO) and 1415 (NC) – Case Brief – HTL Companies; Exhibit 1429 (PRO) and 1430 (NC) – Case Brief – Trayton Group; Exhibit 1431 (PRO) and 1432 (NC) – Case Brief – Violino Hong Kong Limited & Violino Furniture (Shenzhen) Co., Ltd.; and Exhibit 1435 (PRO) and 1436 (NC) – Case Brief – Foshan Xingpeichong Huitong Furniture Co., Ltd.;

¹³⁹ Exhibit 1431 (PRO) and 1432 (NC) – Case Brief – Violino Hong Kong Limited & Violino Furniture (Shenzhen) Co., Ltd.

¹⁴⁰ Exhibit 1414 (PRO) and 1415 (NC) – Case Brief – HTL Companies

¹⁴¹ Exhibit 1454 (NC) – Reply Brief – Complainant

Case Brief

Counsel for Restoration Hardware, Inc. (RHI)¹⁴² submitted that RHI is the non-resident importer of record for online sales to individual customers in Canada, which constitute the majority of shipments to Canada. Counsel also stated that for display models, Restoration Hardware Canada, Inc. (RHCI), is the importer of record.

CBSA's Response

The CBSA took into consideration subsection 2(1) of SIMA, which defines the importer as the person who is in reality the importer of the goods. The CBSA determined that RHI does not have a sufficient presence in Canada to qualify as the importer in Canada. The CBSA does not dispute that RHI is the importer of record; however, the CBSA deemed individual customers in Canada as the importer for SIMA purposes as they initiated the purchase, established the terms of sale and delivery and took possession of the goods. The CBSA does not dispute that a portion of the goods shipped to Canada to RHCI, the importer of record is RHCI.

Export Price Determination

Case Briefs

Counsels for several exporters¹⁴³ argued that the selling price between the producers and their related trading company should not be used to determine export price pursuant to section 24 of SIMA. Counsels argued that these are intercompany sales, and it is not appropriate to use these sales as the basis for the export price.

Reply Submissions

Counsel for the complainant¹⁴⁴ submitted that once the identity of the exporter is established, it is the exporter's sale price which is the export price under section 24(a) of SIMA. Counsel referred to the CBSA handbook and argued,

“Since paragraph 24(a) refers to the "exporter's" sale price as the basis from which certain deductions will be made, this sale price must necessarily be the exporter's selling price to the intermediary firm. This is the starting point where an intermediary firm is involved and the producer or manufacturer of the goods is considered the exporter for SIMA purposes. If the intermediary firm is the exporter, then the “exporter's” sale price would be the selling price to the importer.”

¹⁴² Exhibit 1452 (PRO) and 1453 (NC) – Case Brief – Restoration Hardware Inc.

¹⁴³ Exhibit 1414 (PRO) and 1415 (NC) – Case Brief – HTL Companies;
Exhibit 1431 (PRO) and 1432 (NC) – Case Brief – Violino Hong Kong Limited & Violino Furniture (Shenzhen) Co., Ltd.; and Exhibit 1444 (PRO) and 1445 (NC) – Case Brief – Man Wah Group

¹⁴⁴ Exhibit 1454 (NC) – Reply submission filed on behalf of Palliser Furniture Ltd. and EQ3.

Counsel for the complaint further argued that the proposal of counsel for the exporters to use the intermediary's selling price as the export price has no support in statutory provisions, adjudicative decisions or guidelines, and should be rejected.

CBSA's Response

Under section 24 of SIMA, the export price is determined as the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods. As the CBSA treated the producers in the country of export to be exporter for SIMA purposes, the exporter's selling price to the trading company is considered to be the exporter's selling price. The selling price between the trading company and the importer in Canada is the importer's purchase price.

Amount for Profits

Case Briefs

Counsels for several exporters¹⁴⁵ submitted that the CBSA's estimation of a reasonable amount for profits at the preliminary determination was unreasonable as the profits applied by the CBSA were much greater than the profits reported in their respective financial statements or the UDS industry in general. Additionally, in situations involving Vietnam exporters, counsel argued that profit information from Chinese producers was not representative as the profits from those companies are also much greater than the profits of Vietnam exporters.

Counsels for several exporters¹⁴⁶ argued that the CBSA should disclose the source of the reasonable amount for profits in situations where a reasonable amount for profits was determined based upon domestic sales by producers in the country of export under subparagraph 11(1)(b)(iv) or pursuant to a Ministerial Specification. Additionally, counsel argued that the CBSA should describe the types of goods that were used in the profits determination.

Counsels for several exporters¹⁴⁷ submitted that the amount for profits should be determined using information from their affiliated companies.

¹⁴⁵ Exhibit 1410 (PRO) and 1411 (NC) – Case Brief – Kuka Companies;
Exhibit 1414 (PRO) and 1415 (NC) – Case Brief – HTL Companies;
Exhibit 1423 (PRO) and 1424 (NC) – Case Brief – HHC Changzhou Corp.;
Exhibit 1427 (PRO) and 1428 (NC) – Case Brief – Motomotion Vietnam Limited Company;
Exhibit 1431 (PRO) and 1432 (NC) – Case Brief – Violino Hong Kong Limited & Violino Furniture (Shenzhen) Co., Ltd.; Exhibit 1439 (NC) – Case Brief – Anji Shengxing Office Furniture Co., Ltd.;
Exhibit 1440 (PRO) and 1441 (NC) – Case Brief – Henglin Home Furnishings Co., Ltd., Anji Hengyi Furniture;
Exhibit 1442 (PRO) and 1443 (NC) – Case Brief – Foshan DOB Furniture Co., Ltd.;
Exhibit 1448 (PRO) and 1449 (NC) – Case Brief – UE Furniture Vietnam Co., Ltd.; and
Exhibit 1450 (PRO) and 1451 (NC) – Case Brief – UE Furniture Co., Ltd. and Anji UES Furniture Co., Ltd

¹⁴⁶ Exhibit 1427 (PRO) and 1428 (NC) – Case Brief – Motomotion Vietnam Limited Company;
Exhibit 1423 (PRO) and 1424 (NC) – Case Brief – HHC Changzhou Corp.

¹⁴⁷ Exhibit 1429 (PRO) and 1430 (NC) – Case Brief – Trayton Group;
Exhibit 1444 (PRO) and 1445 (NC) – Case Brief – Man Wah Group;
Exhibit 1448 (PRO) and 1449 (NC) – Case Brief – UE Furniture Vietnam Co., Ltd.; and

Reply Submissions

Counsel for the complainant¹⁴⁸ argued that the determination of a reasonable amount for profits is clearly established in the hierarchy of subparagraph 11(2)(b)(i) to 11(2)(b)(vi) [*sic*] of SIMR. Furthermore, counsel believed that the CBSA acted properly in estimating a reasonable amount for profits under subparagraph 11(2)(b)(iv) [*sic*], where applicable, at the preliminary determination. Counsel mentioned that any alternative approaches to the determination of a reasonable amount for profits must meet the conditions to determine profit in SIMR.

CBSA's Response

For the purposes of paragraph 19(b), the CBSA determined a reasonable amount for profits under the hierarchy of subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) of the SIMR, taking into consideration section 13 of the SIMR and sections 15 and 16 of SIMA. Where the conditions of subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) cannot be met, the CBSA determined a reasonable amount for profits pursuant to a Ministerial Specification under subsection 29(1) of SIMA.

The CBSA did not find the income statements of the producers to be representative of profits made on domestic sales of UDS.

In order to determine a reasonable amount for profits for exporters in China where profit could not be determined under subparagraphs 11(1)(b)(i) to 11(1)(b)(iii) of SIMR, the CBSA determined a reasonable amount for profits under subparagraph 11(1)(b)(iv) of the SIMR, the weighted-average profit from domestic sales of the same general category of good made by the following producers located in China:

- Haining Nicelink Furnishings Co., Ltd.
- (Hangzhou) Huatong Industries Inc.
- Henglin Home Furnishings Co. Ltd.
- HTL Furniture (China) Co., Ltd.
- Lingzhi Furniture (Huizhou) Co., Ltd.
- Man Wah Home Furnishing (Huizhou) Co., Ltd.
- Zhejiang Chuanyang Furniture Co., Ltd

The same general category is defined as all goods meeting the definition of subject goods produced and sold in the exporter's domestic market.

In order to determine a reasonable amount for profits for exporters in Vietnam where profit could not be determined under subparagraphs 11(1)(b)(i) to 11(1)(b)(vi) of SIMR, the CBSA determined a reasonable amount for profits pursuant to a Ministerial Specification. The methodology used the weighted-average amount for profits determined for the seven producers in China noted above and one producer in Vietnam, Wendelbo SEA JSC, all of whom provided

Exhibit 1450 (PRO) and 1451 (NC) – Case Brief – UE Furniture Co., Ltd. and Anji UES Furniture Co., Ltd

¹⁴⁸ Exhibit 1454 (NC) – Reply Brief – Complainant

responses to the Dumping RFI, which included domestic sales of the same general category to the goods exported to Canada.

Normal Value Determination

Case Brief

Counsel for Trayton Group¹⁴⁹ submitted that where one of the producers/exporters sells goods through its domestic trading company, normal values should be determined under section 15 of SIMA based on domestic sales of the trading company. Counsel also argued that the CBSA take into consideration similar goods in determination of normal values under section 15.

Counsel for Violino SZ¹⁵⁰ submitted that normal values must be determined pursuant to section 15 of SIMA as there are sufficient domestic sales of like goods sold to more than one unrelated customer at the same of substantially the same trade level.

Counsel for Huitong¹⁵¹ submitted that it provided information on domestic sales by vendors and exporters, and the associated costs of production, which allows for a profitability test on the domestic sales.

Counsel for RHI¹⁵² submitted that there is information available that permits the CBSA to establish normal values pursuant to section 15 and paragraph 19(b) of SIMA. Counsel also states that these approaches should address all subject goods exported to Canada by RHI, whether or not the producers located in China or Vietnam provided responses to the Dumping RFI.

CBSA's Response

The CBSA finds that the domestic trading company is a separate legally distinct entity from each of the three producers/exporters in the Trayton Group. Further, all three producers/exporters did have domestic sales during the POI. As such, the domestic sales by the trading company were not considered for the purpose of calculating normal values under section 15 of SIMA.

In general, the CBSA considered the domestic sales of similar goods during the POI based on the exporters' description of similar goods in their responses to the Dumping RFI. For the Trayton Group and Violino SZ, normal values could not be determined in accordance with section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada.

The CBSA did not find that Huitong had a sufficient number of domestic sales that satisfied the greatest number of conditions set out in paragraphs 15(a) to (e) of SIMA, other than any sale

¹⁴⁹ Exhibit 1429 (PRO) and 1430 (NC) – Case Brief – Trayton Group

¹⁵⁰ Exhibit 1431 (PRO) and 1432 (NC) – Case Brief – Violino Hong Kong Limited & Violino Furniture (Shenzhen) Co., Ltd.;

¹⁵¹ Exhibit 1435 (PRO) and 1436 (NC) – Case Brief – Foshan Xingpeichong Huitong Furniture Co., Ltd.

¹⁵² Exhibit 1452 (PRO) and 1453 (NC) – Case Brief – Restoration Hardware Inc.

referred to in subsection 16(2) of SIMA, and taking into account subsection 16(1) of SIMA. The CBSA determined normal values for RHI pursuant to section 15 and paragraph 19(b) of SIMA where sufficient information was provided. Where the producers did not participate in the investigations, the CBSA was unable to determine normal values pursuant to section 15 or paragraph 19(b) of SIMA, as the producers' cost of production is required to perform the profitability analysis or construct section 19 normal values using actual cost of production of the goods. For the portion of subject goods exported by RHI for which the producers of the goods did not provide responses to the Dumping RFI, the CBSA determined the margin of dumping using the methodologies as described in the sections for *All Other Exporters – China* and *All Other Exporters – Vietnam*.

Case Brief

Counsel for Anji Shengxing Office Furniture Co., Ltd. (Shengxing)¹⁵³ submitted that the CBSA's preliminary determinations regarding Shengxing receiving the all other exporter rate was unreasonable and inconsistent. Counsel stated that Shengxing filed a full response to the Dumping RFI, four SRFIs and the CBSA successfully completed the verification of their data, including costing information, through Verification Questionnaires.

CBSA's Response

Shengxing provided an incomplete response to the Dumping RFI. One deficiency letter and three Dumping SRFIs were sent to Shengxing to rectify the issues, gather additional information and seek clarification regarding their Dumping RFI response. The CBSA conducted verification by way of Verification Questionnaires.

During the verification, the CBSA discovered inaccurate and unreliable production cost information previously provided in Shengxing's responses. The CBSA issued a fourth Dumping and Subsidy SRFI post-verification to seek clarification and address the issues discovered during verification. Shengxing did not provide sufficient information in response to the fourth SRFI. For purposes of the final determinations, Shengxing's submission was determined to be deficient.

SUBSIDY REPRESENTATIONS

Countervailable Subsidies and Specificity

Case Briefs

Counsels for several exporters¹⁵⁴ submitted in their case brief that a number of programs are not countervailable because they are not specific or are generally available programs of an affirmative action nature or related to supporting companies during the COVID-19 pandemic.

¹⁵³ Exhibit 1439 (NC) – Case Brief – Anji Shengxing Office Furniture Co., Ltd.

¹⁵⁴ Exhibit 1412 (PRO) and 1413 (NC) – Case Brief – Megain Furniture (Dong Guan) Co., Ltd.; Exhibit 1419 (PRO) and 1420 (NC) – Case Brief – Zhejiang Botai Furniture Co., Ltd.; Exhibit 1435 (PRO) and 1436 (NC) – Case Brief – Foshan Xingpeichong Huitong Furniture Co., Ltd.

Counsel also argued that certain programs are negated because the Government of Canada also provides similar benefits to Canadian companies.

Counsel also argued that certain income tax exemptions/reductions are not financial contributions but rather different taxation rates applicable to different income tax brackets.

Counsel also argued that it is not appropriate for the CBSA to determine an amount of subsidy in the absence of corroborating evidence or due to lack of government response to the Government Subsidy RFI.

Reply Submissions

Counsel for the complainant¹⁵⁵ submitted that due to lack of government responses, the CBSA should continue to determine amounts of subsidy under ministerial specification.

CBSA's Response

Based on the information on the administrative record and in accordance with SIMA and the SIMR, the CBSA took the representations on these issues into account when determining amounts of subsidy.

The available information indicates that these programs do not appear to be generally available to all enterprises in the country of origin. As well, due to the lack of response by the GOC and the deficient response by the GOV, there is not sufficient information on the administrative record to determine that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1) of SIMA. Therefore, guided by the principles of subsection 2(7.2) or subsection 2(7.3) of SIMA and basing its opinion on the best information available, the CBSA has taken the position that the subsidy derived from these programs is likely to be specific.

As a result, the CBSA determined an amount of subsidy for the cooperative exporters/producers pursuant to a ministerial specification under subsection 30.4(2) of SIMA.

For producers/exporters who did not respond to the RFI or who did not provide sufficient information, the CBSA determined amounts of subsidy based on a ministerial specification pursuant to subsection 30.4(2) of SIMA, based on the methodologies explained in the *All Other Exporters – China* or *All Other Exporters – Vietnam* sections.

¹⁵⁵ Exhibit 1454 (NC) – Reply Brief – Complainant

APPENDIX 3 – DESCRIPTION OF IDENTIFIED PROGRAMS AND INCENTIVES – CHINA

This Appendix consists of descriptions of the subsidy programs which the responding companies benefited from during the course of the Period of Investigation (POI) and other potentially actionable subsidy programs identified by the Canada Border Services Agency that were not used by the responding exporters/producers during the POI.

The CBSA has used the best information available to describe the potentially actionable subsidy programs that were not used by the responding exporters in the current investigation. This includes using information provided by the exporters and related suppliers, information included in the complaint, as well as information obtained from the CBSA's research on potential subsidy programs in China.

Subsidy Programs Used by the Responding Exporters

Category 1: Preferential Loans and Loan Guarantees

Financial institutions may be considered to constitute “government” if they possess, exercise or are vested with government authority, which may be indicated by the following factors:

- Where a statute or other legal instrument expressly vests government authority in the entity concerned;
- Evidence that an entity is, in fact, exercising governmental functions; and
- Evidence that a government exercises meaningful control over an entity.

Program 1: Loans from State-Owned Banks at Preferential Rates

General Information

This program relates to government loans at a preferential rate of interest. The benefit provided in this case is a lower rate of interest than would otherwise be available if the enterprises had to obtain a non-guaranteed commercial loan (i.e. the benchmark non-guaranteed commercial loan).

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 2: Loan Guarantees Through the Government of China/SOE Banks/Public Bodies

General Information

Assurance provided by the Government of China, a SOE bank or public body (the guarantor) to assume the debt obligation of a borrower if that borrower defaults. A guarantee can be limited or unlimited, making the guarantor liable for only a portion or all of the debt.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 4: Preferential Export Financing and Export Credit Guarantee/Insurance

General Information

The China Export & Credit Insurance Corporation (Sinasure) is a state-funded policy-oriented insurance company that was established to promote China's foreign trade and economic cooperation. The China Exim Bank and Sinasure each provide export credit guarantees which, according to information from the Bank, have "played a key role in supporting Chinese companies to go global" and promoted "the export of new and high-tech products".

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Category 2: Grants and Grant Equivalents

Program 5: Insurance Grants

General Information

This program constitutes local and provincial government reimbursement grants on insurance fees.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 6: Design, Research and Development Grants

General Information

A grant that provides financial aid for enterprises determined to have undertaken expenses in design or research and development.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA from the government that involve a direct transfer of funds. This grant confers a direct benefit to the recipient and the benefit is equal to the amount of the grant provided.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 7: Export Development and Performance Grants

General Information

Companies in China receive such grants provided by the GOC to assist in the development of export markets or to recognize export performance.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution, pursuant to paragraph 2(1.6)(a) of SIMA, from the government that involves a direct transfer of funds. This grant confers a direct benefit to the recipient and the benefit is equal to the amount of the grant provided.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 8: Performance award Grants

General Information

A grant that provides financial aid for enterprises with excellent performance.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 9: Reductions in Land Use and/or Rental Fees

General Information

This program provides for the reduction in land use fees and rental rates for certain number of years. Examples of this program in action include: a document titled '[2003] No. 8 Preferential Supply of Land', in order to offset costs for industrial companies in the Ninghai Economic Development Zone; or similar initiatives in the Tianjin Binhai New Area and the Tianjin Economic and Technological Development Area.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted that confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Program 10: Grant – Patent Assistance/Award

General Information

This is a grant for patents. Based on the information available to the CBSA, this program was provided in several provinces, such as Guangdong, Shanghai and Jiangsu.

For example, the GOC's document associated with this program for Guangdong province may include: "Administrative Measures of Patent Award of Guangdong Province". In Guangdong province, this program was administered by the Intellectual Property Office of Guangdong, the Bureau of Personnel of Guangdong Province and municipal level authorities. The program was established to support improvement in technology innovation and to promote intellectual property.

In addition, the GOC's document associated with this program for Shanghai may include: "The administrative measures regarding the financial support/subsidy for Patents by Shanghai". In Jiangsu province, this program was administered by Jiangsu Intellectual Property Office.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution, pursuant to paragraph 2(1.6)(a) of SIMA, from the government that involves a direct transfer of funds. This grant confers a direct benefit to the recipient and the benefit is equal to the amount of the grant provided.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 11: Environment Protection Grant

General Information

These are grants provided by the GOC for the purposes of improving environmental performance, for example, monitoring and cleaning pollutants, improving energy efficiency, upgrading facilities to be more environmentally efficient, and waste water treatment.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Category 3: Preferential Tax Programs

Program 16: Corporate Income Tax Exemption and/or Reduction in Special Economic Zones (SEZs) and Other Designated Areas

General Information

This program was established under the Rules for the Implementation of the Income Tax Law of the People's Republic of China for Enterprises with Foreign Investment and Foreign Enterprises, which came into effect on July 1, 1991. The program was allegedly established to absorb investment in special economic zones (SEZs) and designated areas to take the lead in their economic development. The granting authority responsible for this program is allegedly the State Administration of Taxation and the program is administered by local tax authorities. Under this program, it is alleged that an eligible enterprise may receive a reduced corporate income tax rate of 15%.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.2) of SIMA because it is limited to enterprises in certain geographic areas.

Program 17: Corporate Income Tax Reduction for New High Tech Enterprises (“NHTE”)

General Information

Under Article 28.2 of the Enterprise Income Tax Law in China, companies designated as high- or new-technology enterprises are entitled to a reduced income tax rate of 10 percent instead of the normal national corporate tax rate of 25 percent. The granting authority responsible for this program is alleged to be the State Administration of Taxation and the program is administered by local tax authorities. In its notification of subsidy programs to the World Trade Organization, the GOC listed this program.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.2) of SIMA because it is limited to enterprises in certain industries.

Program 18: Municipal/Local Income Tax Property Reductions

General Information

This program covers reductions and exemptions in tax provided from Municipal/Local Income tax units. The CBSA has previously countervailed this program in investigations including Stainless Steel Sinks, Unitized Wall Modules, Photovoltaic Modules and Laminates, and Line Pipe under titles including “Reduction, Exemption or Refund of Land Use Fees, Land Rental Rates, and Land Purchase/Transfer Prices.”

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 20: Preferential Tax Policies Related to Research and Investment

General Information

Under this program, based on the 2008 corporate tax law, high- or new-technology enterprises may deduct 50 percent of their total R&D expenses from their taxable income. Eligible expenses include design costs, expenses for materials and fuel consumed through R&D activities, wages, salaries, and benefits for personnel engaged in R&D activities, depreciation expenses on instruments and equipment, and many other expenses.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to subsection 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Category 5: Goods / Services Provided by the Government at Less than Fair Market Value

Program 25: Acquisition of Government Inputs/Utilities at Less Than Fair Market Value

General Information

This program relates to the provision, by the government, of goods or services at prices lower than the fair market value of the goods or services in the territory of the government providing the subsidy. Specifically, the CBSA investigated the acquisition of raw material inputs or utilities (i.e. Electricity, Water, Timber, Urea/Formaldehyde) from SOEs or state-controlled enterprises used in the production of subject goods.

State-owned or state-controlled suppliers may be considered to constitute “government” if they possess, exercise or are vested with government authority, which may be indicated by the following factors:

- where a statute or other legal instrument expressly vests government authority in the entity concerned;
- evidence that an entity is, in fact, exercising governmental functions; and
- evidence that a government exercises meaningful control over an entity.

In order to determine whether the exporter acquired its raw material or utilities from “government”, the CBSA requested detailed information from the exporters regarding their acquisition of raw materials and utilities. The Subsidy RFI also contained a small questionnaire intended for the domestic suppliers with instructions for the exporters to forward such questionnaire to their domestic suppliers. This questionnaire requested information regarding the ownership status of the supplier and other relevant information with respect to assessing whether the supplier is considered “government”.

Information was requested from exporters with respect to the ownership status of their raw material/utilities suppliers. Due to the lack of cooperation by the GOC and the limited information available regarding state-owned raw material suppliers, the CBSA has not been able to perform the in-depth level of analysis necessary to determine whether any suppliers that provided input materials to the exporters of subject goods are SOEs, and whether the SOEs are considered to be possessing, exercising, or vested with governmental authority.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(c) of SIMA. That is, the government provides goods or services, other than general infrastructure, or purchases goods.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Other Potentially Actionable Subsidy Programs Identified by the CBSA that were Not Used by the Responding Exporters

Based on the information available, for purposes of the final determination, the CBSA has found that these programs were not used by the participating exporters in China. Based on the information available these programs may constitute financial contributions provided by the GOC, confer benefit to companies and appear to be specific. Therefore, For purposes of the final determination, these programs appear to be countervailable.

Category 1: Preferential Loans and Loan Guarantees

Program 3: Debt and Interest Forgiveness on Loans from State-Owned Banks

General Information

To stimulate the economy and support the development of key industries, the state-owned banks write off bad debts or interest owed by state-owned enterprises.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Category 2: Grants and Grant Equivalent

Program 12: Forest Certification Pilot Special Fund

General Information

In United States – Certain Hardwood Plywood Products from the People’s Republic of China, this program was found to be countervailable. The CBSA was unable to obtain a description of this program, however, this program appears to be specific to the forestry sector and potentially to UDS and has been countervailed in a recent investigation by the U.S. Department of Commerce.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Program 13: Interest Loan Subsidies for the Forest Industry

General Information

In United States – Certain Hardwood Plywood Products from the People’s Republic of China, this program was found to be countervailable. The CBSA was unable to obtain a description of this program, however, this program appears to be specific to the forest sector and potentially to UDS and has been countervailed in a recent investigation by the U.S. Department of Commerce.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Program 14: Grants for the retirement of capacity

General Information

The GOC’s 12th Five-Year Plan for Energy Conservation and Emission Reduction calls for accelerating and eliminating “backward production capacity” in certain industrial sectors, including the elimination of 48 million metric tonnes of steel production. In 2013, the State Council issued the “Guiding Opinion on Resolving the Problem of Severe Excess Capacity,” which called for establishing special funds to accelerate the elimination of backwards capacity and to also support industries with excess production capacity.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Program 15: Grants for Relocation to Reduce Emissions

General Information

As part of the GOC's 12th Five-Year Steel Development Plan, the GOC has been locating urban based steel producers to locations outside of their current city. The GOC's 12th Five-Year Plan for Energy Conservation and Emission Reduction calls for the relocation for "heavy polluting enterprises" and for measures to optimize the "regional spatial layout" of "key industries," including the steel industry.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Category 3: Preferential Tax Programs

Program 19: Preferential Tax Policies for Foreign-Invested Enterprises (FIEs)

General Information

Despite the implementation of the new Enterprise Income Tax Law in 2008, which officially superseded the old FIE Tax Law, FIEs have likely continued to benefit from various incentives that were provided under the older Foreign-Invested Enterprise Tax Law (FIE Tax Law). Specifically, Article 9 of the FIE Tax Law delegates to China's provincial and local governments the authority to provide exemptions and reductions of local income taxes for "productive" FIEs. Eligibility criteria vary by province and the relevant governmental authorities administer the application process.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Category 4 - Relief From Duties And Taxes

Program 21: Offsets to Taxable Income Related to Purchases of Domestic Machinery

General Information

Under this program, a tax credit up to 40% of the purchase price of domestic equipment may apply to the incremental increase in tax liability from the previous year. The legal bases of this program are the Provisional measures on enterprise income tax credit for investment in domestically produced equipment for technology renovation projects of July 1, 1999 and the Notice of the State Administration of Taxation on Stopping the Implementation of the Enterprise Income Tax Deduction and Exemption Policy of the Investments of an Enterprise in Purchasing Home-made Equipment, No. 52 [2008] of the State Administration of Taxation, effective January 1, 2008.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Program 22: Exemption or Refund of Tariff and Import Value-added Tax (VAT) for Imported Technologies and Equipment

General Information

The program was established to absorb investment in SEZs and encourage districts to take the lead in development. The granting authority responsible for this program is the General Administration of Customs and this program is administered by local customs authorities. Under this program, machinery and equipment, spare parts, raw and semi-processed materials, means of transportation and other capital goods necessary for production that are imported by enterprises in SEZs shall be exempted from import duties.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 23: Relief from Duties and Taxes on Imported Material and Other Manufacturing Inputs

General Information

Under a duty drawback program, a subsidy may exist where the amount of duties and taxes relieved or refunded on inputs incorporated into exported goods is found to be in excess of the actual liability that existed on those imports.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 24: Deed tax exemption for SOEs undergoing mergers or restructuring

General Information

The GOC imposes a deed tax on transfers of land and real estate. In the context of an ownership transfer by means of an asset sale, as opposed to a stock sale, a deed tax of three to five percent is levied on the amount of the purchase price, and the purchaser is responsible for paying the tax. The GOC's "Notice of the Ministry of Finance and the State Administration of Taxation on Several Deed Tax Policies Concerning Enterprise Reorganization and Restructuring," exempts this deed tax where the transfer of ownership occurs as part of the restructuring or merger of an SOE.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a response by the GOC, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program does not appear to be generally available to all enterprises in China and thus appears to be specific.

Category 5: Goods/Services Provided by the Government at Less Than Fair Market Value

Program 26: Provision of Land for Less Than Adequate Remuneration by Government

General Information

All land in China belongs to the government (i.e., either national or local governments, or through a “collective” at the township or village level), and government land agencies across China control the allocation of land through the granting of land-use right favored projects and producers.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Other Programs Received by Exporters but Not Previously Addressed

These additional programs were reported to have been received by some of the responding exporters that were not previously addressed in the CBSA’s list of 26 programs under investigation at the initiation.

Program 27: Grants/Awards - Financial Subsidy

General Information

Subsidies under this program relate to financial grants and awards.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 28: Grants/Awards - Subsidies Related to Company/Enterprise Development and Innovation

General Information

Subsidies under this program are related to company and enterprise development and innovation grants and awards.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 29: Grants/Awards - Subsidies Related to Employment, Training and Recruitment

General Information

Subsidies under this program are related to employment, training and recruitment programs.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 30: Grants/Awards - Subsidies Related to Pandemic Support

General Information

Subsidies under this program are related to pandemic support programs.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 31: Grants/Awards - Subsidies related to Quality & Improvement

General Information

Subsidies under this program are related to quality and improvement programs.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 32: Grants/Awards - Subsidies Related to Science and Technology

General Information

Subsidies provided under this program are related to science and technology grants and awards.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 33: Grants/Awards - Subsidies Related to Social Security

General Information

Subsidies provided under this program are related to social security programs.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 34: Grants/Awards – Subsidies Related to Talent and Skills

General Information

Subsidies provided under this program are related to talent and skills awards and grants.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 35: Grants/Awards – Subsidies to Provide Business Support

General Information

Subsidies provided under this program are related to programs providing business support.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 36: Refund – Other Tax Subsidies

General Information

Subsidies provided under the program related to tax programs otherwise not included in preferential tax programs.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, this program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 37: Subsidy for Utilities for Certain Enterprises

General Information

Subsidies provided under this program related to utilities for specific enterprises classes.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, this program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 38: Award for the Establishment Of Non-Manufacturing Facilities

General Information

Subsidies provided under this program relate to assistance in establishing non-manufacturing facilities.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 39: Preferential Income Tax Reduction for Small and Low profit Enterprises

General Information

Under this program, eligible companies with certain taxable income may receive preferential income tax rate reduction.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA. That is, amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.2) of SIMA because it is limited to small and low-profit enterprises.

Program 40: Industrial Design and Information Industry Support

General Information

Subsidies provided under this program relate to assistance to support development of industrial design and information industry.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 41: Finance and Agriculture Service Outsourcing Subsidy

General Information

Subsidies provided under this program relate to assistance for engaging in service of finance and agriculture outsourcing.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 42: Recovery of Export Credit

General Information

Subsidies provided under this program relate to assistance in the recovery of export credits.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 43: Special Assistance for Accounting Settlement

General Information

Subsidies provided under this program relate to supporting companies in the payment of outstanding account balance.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 44: Vehicle Operation Subsidy

General Information

Subsidies provided under this program relate to assistance in the operation of vehicles.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 45: Grants/Awards - Economic and Trade Development

General Information

Subsidies provided under this program relate to assistance in the development of economic, market and trade.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 46: Service Outsourcing

General Information

Subsidies provided under this program relate to assistance in engaging in service outsourcing.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 47: Funds for rural infrastructure management and protection

General Information

Subsidies provided under this program relate to assistance in the management and protection of rural infrastructure.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

For the purposes of the final determination, the program is considered specific pursuant to paragraph 2(7.3) of SIMA in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

APPENDIX 4 – DESCRIPTION OF IDENTIFIED PROGRAMS AND INCENTIVES – VIETNAM

This Appendix consists of descriptions of the subsidy programs which the responding companies benefited from during the course of the Period of Investigation (POI) and other potentially actionable subsidy programs identified by the Canada Border Services Agency (CBSA) that were not used by the responding exporters during the POI.

The CBSA has used the best information available to describe the potentially actionable subsidy programs that were not used by the responding exporters in the current investigation. This includes using information provided by the exporters and related suppliers, information included in the complaint, as well as information obtained from the CBSA's research on potential subsidy programs in Vietnam.

Subsidy Programs Used by the Responding Exporters

Category 1: Relief From Import Tax and Duty

Program 1: Exemptions of Import Tax and Duty

General Information

Due to their similarities, the following programs identified by the complainant were grouped into one program to be investigated: Exemptions of Import Tax and Duty.

1. Preferential policies on import tax
2. Import Duty Exemptions for Supporting Industries
3. Import Duty Exemptions for Enterprises within Economic Zones, Industrial Parks or Other Designated Areas
4. Exemption of Import Tax on Equipment and Machinery Imported to Create Fixed Assets
5. Import Duty Exemptions on Imports of Raw Materials for Exporting Goods
6. Import Duty Exemption on Imports of Spare Parts and Accessories for Companies in Industrial Zones
7. Import Duty Exemptions for Foreign-Invested Entities
8. Import Duty Exemptions on Imported Raw Materials for Export Processing Enterprises and Export Processing Zones

This program is administered by the Ministry of Finance and grant tax and/or duty exemptions on certain imported goods to certain companies, including on goods imported for manufacture of domestic exports, for fixed assets used for eligible investment incentives, and a five-year exemption from import duties on raw materials, supplies and components as described in Articles 12, 14 and 15 of *Decree No. 134/2016/ND-CP*¹⁵⁶ respectively.

¹⁵⁶ Exhibit 2 (NC) – Complaint – Public Appendix25, Pages 18-58

The programs of import duty exemptions are made available pursuant to the *Law No. 107/2016/QH13* dated April 6, 2016, on export and import duties (*Law No. 107*) and *Decree No. 134/2016/ND-CP* dated September 1, 2016, on guidelines for the law on export and import duties (*Decree No. 134*). Law No. 107 replaced the *Law on Export and Import Tax No. 45/2005/QH11* dated June 14, 2005, on detailing a number of articles of the law on export and import duties (Law No. 45). Decree 134 replaced *Decree No. 87/2010/ND-CP* dated August 13, 2010, guiding the implementation of a number of articles of the *Law on Export Tax and Import Tax* (Decree No. 87).

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions and exemptions.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because it is limited to either enterprises in certain geographic areas or investment projects specified in Appendix 1 and Appendix 2 of *Decree No. 118/2015/ND-CP* dated November 12, 2015, guiding the implementation of a number of articles of the law on investment.

Program 2: Refunds of Import Duties

General Information

Due to similarities, the following programs identified by the complainant were grouped into one program to be investigated: Refunds of Import Duties

- Import Duty Refund for Supporting Industries
- Import Duty Refund for Enterprises within Economic Zones, Industrial Parks or Other Designated Areas

These programs are administered by the Ministry of Finance and allow a refund of duties on certain imported goods, including on certain re-exported imports as described in Article 34 of *Decree No. 134/2016/ND-CP*, to enterprises located in certain geographic areas.¹⁵⁷

¹⁵⁷ Exhibit 2 (NC) – Complaint – Public Appendix 25, Pages 46-44

The import duty refund programs are made available pursuant to the *Law No. 107/2016/QH13* dated April 6, 2016, on export and import duties (Law No. 107) and *Decree No. 134/2016/ND CP* dated September 1, 2016, on guidelines for the law on export and import duties (Decree No. 134). Law No. 107 replaced the *Law on Export and Import Tax No. 45/2005/QH11* dated June 14, 2005, on detailing a number of articles of the law on export and import duties (Law No. 45). Decree 134 replaced *Decree No. 87/2010/ND-CP* dated August 13, 2010, guiding the implementation of a number of articles of the *Law on Export Tax and Import Tax* (Decree No. 87). Duty refund is stipulated in Article 19 of Law No. 45 and Law No. 107 and specified in Article 15 of Decree No. 87 and Article 33 to 37 of Decree No. 134.

Financial Contribution

For purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the refund.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because it is limited to enterprises located in certain geographic areas or contingent upon export performance and, therefore, may constitute a prohibited subsidy as defined in subsection 2(1) of SIMA.

Category 3: Preferential Loans and Loan Guarantees

Program 5: Export And Import Support In Forms Of Preferential Loan, Guarantee And Factoring

General Information

Due to their similarities, the following programs identified by the complainant were grouped into one program to be investigated: Export and Import Support in Forms of Preferential Loan, Guarantee and Factoring

- Preference in Crediting for Supporting Industries
- Export and Import Support in Forms of Preferential Loan, Guarantee and Factoring
- Preferential Lending and Export Credits from the Vietnam Development Bank
- Preferential Lending to Exporters
- Interest Rate Support Program
- Export Factoring
- Financial Guarantees for Export Activities

This program provides financial support to enterprises exporting/importing goods in the forms of preferential loans, guarantees and factoring.¹⁵⁸

Investment credit and export credit are made available pursuant to *Decree No. 75/2011/ND-CP* dated August 30, 2011, on state investment credit and export credit (Decree No. 75) and *Decree No. 151/2006/ND-CP* dated December 20, 2006, on state investment credit and export credit (Decree No. 151).

Investment credit is stipulated in Chapter II and Appendix I of Decree No. 75 and in Chapter II and List of Eligible Projects for Investment Credit of Decree No. 151. Export credit is stipulated in Chapter III and Appendix II of Decree No. 75 and in Chapter III and List of Eligible projects for export credit of Decree No. 151. The regulation of guarantee operation is detailed in the Circular 28/2012/TT-NHNN issued by the State Bank of Vietnam.

Financial Contribution

For purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to paragraph 2(7.2)(b) of SIMA as it is contingent upon export performance and, therefore, constitute a prohibited subsidy as defined in subsection 2(1) of SIMA.

Category 4: Preferential Tax Programs

Program 6: Enterprise Income Tax Preferences, Exemptions And Reductions

General Information

Due to their similarities, the following programs identified by the complainant were be grouped into one program to be investigated: Enterprise Income Tax Preferences, Exemptions And Reductions

- Preferential policies on corporate income tax
- Preference in Environmental Protection for Supporting Industries
- Corporate Income Tax Exemptions/Reductions for Enterprises within Economic Zones, Industrial Parks or Other Designated Areas

¹⁵⁸ Exhibit 2 (NC) – Complaint – Page 111, Paragraph 395

- Establishments Dealing with Exported Goods
- Tax Exemptions and Reductions for Investment in Disadvantaged Regions
- Tax Exemptions and Reductions for Encouraged Sectors
- Enterprise Income Tax Exemption/Reduction for Business Expansion and Intensive Investment Projects
- Tax Preferences for Investors Producing and/or Dealing in Export Goods
- Preferential Income Tax Rates for Enterprises Within Economic Zones or Industrial Parks
- Tax Exemptions and Reductions for Foreign-Invested Enterprises
- Income Tax Preferences to Companies in Special Zones
- Income Tax Preferences for Exporters
- Income Tax Preferences for Small And Medium-Sized Enterprises
- Income Tax Exemptions and Reductions for Business Expansion and Intensive Investment
- Preferential Income Tax Programs for Foreign Invested Entities

This program provides corporate income tax preferences and benefits in the form of preferential rates, exemptions and/or reductions to certain types of enterprises either involved in specific operations or located in specific geographical areas.

Corporate income tax and tax benefits are governed by *Law No. 14/2008/QH12* dated June 3, 2008, on Enterprise Income Tax 2008 (Law No. 14); *Law No. 32/2013/QH13* dated June 19, 2013, on amending and supplementing a number of articles of Law on Enterprise Income Tax 2008 (Income Tax 2008 Amending); *Law No. 71/2014/QH13* dated December 8, 2014, on amending and supplementing a number of articles of the laws on taxes (Law No. 71); *Decree No. 218/2013/ND-CP* dated December 26, 2013, on detailing and guiding the implementation of law on corporate income tax (Decree No. 218) and *Decree No. 12/2015/ND-CP* dated February 12, 2015, on elaboration of the law on amendments to tax laws (Decree No. 12). Income tax rate preference is provided in Article 15 of Decree No. 218 and tax exemptions and reductions is provided in Article 16 of Decree No. 218.

Article 20.2 of Decree 218 allows the continuation of the application of corporate income tax preferences granted before the Decree's effective date as of February 15, 2014, if those preferences are more advantaged than those granted under Decree 218.

According to Article 15 of *Law No. 67/2014/QH13* dated November 26, 2014, on the Law on Investment (Law No. 67), corporate income tax preferences apply to: (1) Economic zone, high-tech zone established by Decision of the Prime Minister in area with difficult socio-economic conditions; (2) Industrial, processing zone established by Decision of the Prime Minister in areas with special difficult socio-economic conditions specified in Attachment II to *Decree No. 118/2015/ND-CP* dated November 12, 2015, on guidelines for some articles of the law on Investment (Decree No. 118).

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Further to the CBSA's prior decisions, the program is considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to investment projects within certain eligible geographic areas as specified in Article 15 of Law No. 67.

Program 7: VAT Preferences, Exemptions and Reductions

General Information

Due to their similarities, the following programs identified by the complainant were grouped into one program to be investigated: Vat Preferences, Exemptions and Reductions.

- Preference in VAT for Supporting Industries
- Preference in VAT Exemptions/Reductions for Enterprises within Economic Zones, Industrial Parks or Other Designated Areas

This program provides VAT preferences in the form of preferential rates, exemptions and/or reductions to individuals and organizations of supporting industries or to enterprises located within certain eligible geographic areas.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confer a benefit to the recipient equal to the amounts of the reductions and exemptions.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because eligibility is limited to supporting industries or enterprises located in specific geographical areas.

Other Potentially Actionable Subsidy Programs Identified by the CBSA that were Not Used by the Responding Exporters

Based on the information available, For purposes of the final determination, the CBSA has found that these programs were not used by the participating exporters in Vietnam. Based on the information available these programs constitute financial contributions provided by the GOV, confer a benefit to companies and appear to be specific. Therefore, For purposes of the final determination, these programs appear to be countervailable.

Category 2: Relief From Land Rent, Tax and Levy

Program 3: Incentives On Non-Agricultural Land Use Tax

General Information

This program grants tax exemptions and reductions for non-agricultural land use. The complainant stated upholstered furniture production is considered a non-agricultural land use.¹⁵⁹ Based on CBSA research, non-agricultural land use tax is regulated by *Law No. 48/2010/QH12* dated June 17, 2010, on non-agricultural land use tax (Law No. 48); *Decree 53/2011/ND-CP* dated July 1, 2011, guiding the implementation of this Law No. 48; and *Circular No. 153/2011/TT-BTC* dated November 11, 2011, guiding on non-agricultural land use tax (Circular No. 153). Articles 9 and 10 of Law No. 48 provide for tax exemption and reduction for non-agricultural land use.

Appendix 1 of *Decree No. 118/2015/ND-CP* dated November 12, 2015, guiding the implementation of the Law on Investment (Decree No. 118), defines domains eligible for investment promotion and domains eligible for special investment preferences. Appendix 2 of Decree No. 118 defines areas with extreme socio-economic difficulties, areas with socio-economic difficulties eligible for investment preferences.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program is considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to industries located in the regions prescribed.

¹⁵⁹ Exhibit 2 (NC) – Complaint – Paragraph 395

Program 4: Exemptions/Reductions of Land Rent, Tax and Levy

General Information

Due to their similarities, the following programs identified by the complainant were grouped into one program to be investigated: Exemptions/Reductions of Land Rent, Tax and Levy.

- Preferences in leases of land and water surface
- Preference for SMEs in land rents and water surface rents
- Preferences on Land Rents for Enterprises within Economic Zones, Industrial Parks or Other Designated Areas
- Land-Use Levy Exemption/Reduction
- Land Rent Exemption/Reduction
- Land Rent Exemptions for Exporters
- Land Rent Exemptions for Foreign-Invested Enterprises
- Land Rent Exemptions for Enterprises Located in Special Zones

This program grants exemptions or reductions of land rents, taxes and levy to enterprises operating in certain domains and regions entitled to investment incentives.

Land used for production and business purposes is governed by *Law No. 45/2013/QH13* dated June 21, 2013, on Land (Law No. 45); *Decree No. 46/2014/ND-CP* dated May 15, 2014, on regulating the collection of land rents and water surface rents (Decree No. 46); *Circular No. 77/2014/TT-BTC* dated June 16, 2014, guiding *Decree No. 46/2014/ND-CP*; and *Circular No. 333/2016/TT-BTC* dated December 26, 2016, amending and supplementing a number of articles of *Circular No. 77/2014/TT-BTC*. Land rent exemption and reduction in land rent are provided in Articles 19 and 20 of Decree No. 46.

The land-use levy exemption/reduction program was terminated on July 1, 2014, as the effective date of the *Law No. 45/2013/QH13* dated June 21, 2013, on Land (Law No. 45), replaced Law No. 13. Although this program was terminated on July 1, 2014, companies that were eligible for the program could have benefited from the subsidy while it was in effect. Depending on the size of the benefits, the benefits could potentially be amortized over the following subsequent years.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amounts of the reductions and exemptions.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program is considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to the List of domains entitled to investment incentives and the List of regions entitled to investment incentives as specified in Article 110 of the Law on Land 2013; Section II, Chapter II of Decree No. 46; and Appendix II of Decree 118/2015/ND-CP.

Category 4: Preferential Tax Programs

Program 8: Accelerated Depreciation of Fixed Assets

General Information

This program lets certain enterprises operating in investment intensive sectors and geographical areas accelerate the depreciation of fixed assets, hereby conferring a benefit in the form of a reduction or exemption of an otherwise amount owing and due to the government.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because it is limited to particular enterprises with fixed assets and specialized technological capabilities.

Category 5: Grants and Grant Equivalents

Program 9: Investment Support

General Information

Due to their similarities, the following programs identified by the complainant were grouped into one program to be investigated: Investment Support.

- Preference for SMEs in Investment Credits

- Preference in investment by geographical areas

Investment Support programs provide extra financial support for new investment projects to enterprises of certain sectors operating in certain geographical areas.

Investment Support is made available pursuant to *Decree 108/2006/ND-CP of the Government*, dated September 22, 2006. Decree 108 details in which areas the government will support new investments.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA, in that a benefit is conferred equal to the amount of the extra support received from the government.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program is considered specific pursuant to subsection 2(7.2) of SIMA because it is limited to a list of sectors entitled to investment incentives and a list of geographical areas entitled to investment incentives as specified in Appendix I and II and of the Law.

Program 10: Export Promotion

General Information

This program provides funds for trade promotion related activities to enterprises for specific trade promotion schemes.

The National Trade program was established by *Decision No. 279/2005/QD-TTg* of November 3, 2005. The Decision constituted the framework for state-funded trade promotion activities from 2006 to 2010. The state funding of these activities was derived from the Export Promotion Fund, established pursuant to Prime Minister's *Decision No. 195/1999/QD-TTg*. The Decision 279 was amended and supplemented by Prime Minister's *Decision No. 80/2009/QD-TTg* of May 21, 2009.

Financial Contribution

For the purposes on the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA, where a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because Article 9 of Decision 279 specifies the types of trade promotion schemes that are eligible for support and Article 10 specifies the level of support that is available for each of the eligible schemes.

Program 11: Consultancy Support for Small and Medium-Sized Enterprises

General Information

This program provides a benefit in the form of a financial contribution to SMEs for consulting support offered via a consultant network. Through this program, micro-businesses, small and medium enterprises can benefit from 10%, 30% or 100% in subsidy of the consultancy contract value up to a certain amount, depending on their enterprise size and the value of the contract.

This program is governed by *Circular No. 06/2019/TT-BKHDT* dated March 29, 2019, on guidelines for organization and operation of consultant network, consultancy support for small and medium-sized enterprises through consultant network. The program took effect on May 12, 2010, and is given authority by The Ministry of Planning and Investment.

Financial Contribution

For purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.3) of SIMA, in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 12: Support for the Human Resources Development of Small and Medium-Sized Enterprises

General Information

This program provides a benefit in the form of a financial contribution to women-owned small and medium-sized enterprises (SMEs) for training-related activities in the fields of entrepreneurship and business administration for women employees. SMEs may receive 100%

subsidy for training expenses for women at women-owned SMEs and a subsidy of at least 50% for the organization of a training course in entrepreneurship and business administration. Per *Decree No. 118.2015/ND-CP*, SMEs may receive a 100% subsidy for training expenses if they are located in extremely disadvantaged areas.

This program is governed by *Circular 05/2019/TT-BKHDT* dated March 29, 2019 on support for the human resources development of SMEs. The program took effect on May 12, 2020, and is given authority by The Ministry of Planning and Investment.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.3) of SIMA, in that the manner in which discretion is exercised by the granting authority indicates that the subsidy may not be generally available.

Program 13: Grants to Firms that Employ More than 50 Employees

General Information

This program provides direct financial support to enterprises of a certain size. The CBSA investigated this program in Copper Pipe Fittings 2 and Cold-Rolled Steel. The CBSA identified this program as a potentially actionable subsidy in Copper Pipe Fittings 2.

This program is made available pursuant to *Decree No. 51/1999/ND-CP* dated July 8, 1999, detailing the implementation of *Law No. 3/1998/QH10* on Domestic Investment Promotion (Amended) (Decree No. 51). Article 15 of Decree No. 51 provides the eligibility criteria for investment preferences. Articles 16 to 27 provides for various types of preferences for eligible investments.

The last date that a company could apply for or claim benefits under this program was July 1, 2006, the date which *Law No. 59/2005/QH11* dated November 29, 2005, on the Law on Investment (Law No. 59) came into effect. Articles 27 to 31 of Law No. 59 provides for the domains and sectors entitled to investment preference, including “labour intensive industries”. Articles 32 to 44 provides for investment preferences and supports.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government, and it confers a benefit to the recipient equal to the amount of the grant.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because it is limited to particular enterprises with a certain size that are entitled to investment preferences because of operations in certain domains and sectors.

Program 14: Assistance to Enterprises Facing Difficulties Due to Objective Reasons

General Information

This program provides benefits in the form of direct financial support or reductions or exemptions of amounts owed to the government to companies facing difficulties that arise as the result of unforeseen reasons, such as policy changes in terms of taxation and other dues to the state budget; relocation of enterprises upon request of competent authorities; loss due to natural disaster, etc.

Financial Contribution

Notwithstanding, For purposes of the final determination, this program constitutes either a financial contribution pursuant to paragraph 2(1.6)(a) of SIMA as a direct transfer of funds from the government that confers a benefit to the recipient equal to the amount of the grant, or pursuant to paragraph 2(1.6)(b) of SIMA, in that amounts that would otherwise be owing and due to the government are reduced and/or exempted, and confers a benefit to the recipient equal to the amount of the reduction/exemption.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because it is limited to particular enterprises targeted by the GOV.

Category 6: Goods/Services Provided by the Government at Less Than Fair Market Value

Program 15: Utilities Provided at Less than Fair Market Value for Enterprises in Industrial Zones

General Information

This program provides rates of water, power and other utilities for Less Than Adequate Remuneration (LTAR) to enterprises located in industrial zones in designated geographic regions.

This program was specifically identified by the complainant citing the USDOC final determination in the countervailing duty investigation of Laminated Woven Sacks from Vietnam.

Financial Contribution

For the purposes of the final determination, this program constitutes a financial contribution pursuant to paragraph 2(1.6)(c) of SIMA as it involves the provision of services, other than general governmental infrastructure.

Specificity

Due to the lack of a full response by the GOV, there is not sufficient information on the record to determine whether this program is specific pursuant to subsection 2(7.2) or subsection 2(7.3) of SIMA; nor is there sufficient information to indicate that the subsidy is not specific pursuant to the criteria set out in subsection 2(7.1). On the basis of the available information, this program appears to be specific pursuant to subsection 2(7.2) of SIMA because it is limited to enterprises located in industrial zones in designated geographic regions.