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**Non Confidential version**

9 of September of 2020

Mr. Rand McNally  
Manager, Industrial Products Division  
Trade and Anti-dumping Programs Directorate  
Canada Border Services Agency  
222 Queen Street, 9th Floor  
Ottawa, ON K1A 0L8

Dear Mr. McNally:

Subject: Certain concrete reinforcing bar originating in or exported from the Portuguese Republic (Portugal) by the Megasa group. (Rebar – RB2)

Megasa requests that CBSA give consideration to the initiation of a normal value review for our Portuguese group rebar production facilities. This includes subject rebar products from our SN Maia mill and our SN Seixal mill which produces subject goods in coil form.

1. SN Maia mill

Megasa currently has normal values in effect for rebar products from the SN Maia mill which cover:

\*[

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These normal values are no longer reflective of current Portuguese market conditions,

### 2. SN Seixal mill

We also request the opportunity to have normal values established for subject rebar produced in coil form at our SN Seixal mill. The SN Seixal mill is the sole Megasa production facility that produces subject goods in coil form.

During the original investigation period and subsequent reviews, Megasa had no sales of subject goods to Canada in coil form. In the absence of sales to Canada from the SN Seixal mill, normal values were not established.

Since the original investigation, Megasa has seen an increasing Canadian market preference for rebar in coil form. We are asking for an opportunity to participate in this segment of the rebar market in Canada.

To support our request for the need for updated normal values, we submit on a confidential basis the following spreadsheet:

- Confidential MEGASA – Price/Cost analysis – Monthly since January 2018.xlsx

The graph in this spreadsheet shows:

- Evolution of average EXW rebar prices in Portugal between Jan 2018 and July 2020.
- Evolution of average 400W/500W normal values during the same period, calculating this average on the basis of the same sizes of rebar actually sold in Portugal.
- Evolution of average B500B normal values during the same period, calculating this average on the basis of the same sizes of rebar actually sold in Portugal.
- Evolution of SN Maia's scrap purchasing price during the same period.

As the graph illustrates, Megasa's SN Maia selling prices in Portugal follow scrap price fluctuations, whereas normal values have remained fixed at the issued normal value levels. Over time, this has created an enormous gap between current normal values and market prices.

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- Average \*[ ] \* normal values are \*[ ] \* higher than Portuguese EXW prices as of July 2020.
- Average \*[ ] \* normal values are \*[ ] \* higher than Portuguese EXW prices as of July 2020.

This gap has resulted in uncompetitive pricing to Canada, which has prevented us from selling to Canadian customers. The reduction in pricing and costs in Portugal is consistent with the overall steel price/cost reduction seen worldwide.

We believe the data demonstrates a reasonable need to revise our normal values to reflect current market conditions. Should additional information be required to support our request, we would be pleased to submit any information you consider necessary.

Yours truly



Carlos Gil  
General Manager

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***\*[Information deleted in the non-confidential pertains to specific products and normal value information. The chart showing pricing, normal values and scrap pricing has been removed in the non-confidential response. This is commercially sensitive information, the release of which could provide advantage to the company's competitors to the financial detriment of Megasa and/or its customers.] \****