

# Table of Contents

SIMA Cover Page - Page de Couverture LMSI – November 05 2021	2
Domestic Producers - Submission to CBSA_re Vietnam NVR Request - NON-CONFIDENTIAL	3



**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

**Centre de dépôt et de communication des  
documents de la LMSI**  
Direction des programmes commerciaux et  
antidumping  
Agence des services frontaliers du Canada  
100, rue Metcalfe, 11e étage  
Ottawa (Ontario) K1A 0L8  
Canada

# Submission received electronically

---

# Soumission reçu électroniquement

Submission Date /  
Date de soumission

**November 05, 2021**

November 5, 2021

**SUBMITTED VIA TITAN FILE**

**PUBLIC**

SIMA Registry and Disclosure Unit  
Anti-Dumping and Countervailing Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> Floor  
Ottawa, ON K1A 0L8

Dear Sir/Madam:

**RE: Concrete Reinforcing Bar 3  
Request for Normal Value Review – Vietnam (Hoa Phat)**

These submissions are filed on behalf of AltaSteel Inc. (“**AltaSteel**”), ArcelorMittal Long Products Canada G.P. (“**AMLPC**”), Gerdau Ameristeel Corporation (“**Gerdau**”) and Max Aicher (North America) Ltd. (“**MANA**”) (collectively, the “**Domestic Producers**”). These four companies are domestic producers of concrete reinforcing bar (“**rebar**”) and participants in the Canada Border Services Agency’s (the “**CBSA**”) dumping investigation into rebar imports from Vietnam and six other countries (“**Rebar 3**”).<sup>1</sup>

The Domestic Producers hereby request that the CBSA initiate a normal value review (“**NVR**”) for Vietnamese producer Hoa Phat Dung Quat Steel Joint Stock Company (“**Hoa Phat**”). Hoa Phat received normal values during the *Rebar 3* dumping investigation which concluded in May 2021. Hoa Phat’s normal values are likely based on its prices and cost data from May/June 2020. Scrap and rebar prices in Vietnam (and globally) have increased significantly since then. Hoa Phat’s normal values are therefore outdated and no longer reflect market conditions.

In August and September 2021, over 46,000 MT of Vietnamese rebar was imported into Canada.<sup>2</sup> There is an estimated [ ] MT of Vietnamese rebar that is expected to arrive in November/December 2021 at outdated normal values, of which 48,000 MT has already been exported and is currently on the water. Hoa Phat is actively offering and selling rebar in Canada at below market prices based on outdated normal values.

There has been a fundamental change in circumstances in the prices and costs for Vietnamese rebar producers since Hoa Phat was issued normal values, and more specifically, over the past

<sup>1</sup> *Certain concrete reinforcing bar*, RB3 2020 IN, Notice of final determination (May 5, 2021). The six other countries are Algeria, Egypt, Italy, Indonesia, Malaysia and Singapore.

<sup>2</sup> Public Attachment 1: Statistics Canada import data and GAC permit data for rebar.

**NON-CONFIDENTIAL**

few months. As a result, its normal values are stale, no longer reflect market prices and costs, and need to be updated.

The Domestic Producers submit that the CBSA request information for a recent period of investigation, such that the 60-day period for sales and cost data be as recent as October 2021.

## **I. Initiating Supports the Purpose of NVRs and SIMA**

The Domestic Producers seek to have normal values for Hoa Phat updated to reflect the significant price and cost increase that occurred since the *Rebar 3* investigation. Current normal values are outdated and do not reflect current prices and costs.

The purpose of NVRs is to keep normal values “up-to-date in order to ensure effective enforcement of the Canadian International Trade Tribunal's (CITT) orders and findings.”<sup>3</sup> Ensuring that exporters from countries subject to SIMA findings have to sell into Canada at fairly traded prices is consistent with this purpose.

Indeed, pursuant to the CBSA’s D-memoranda on NVRs (the “**Re-Investigation Policy**”), this is a “strong case” for conducting a NVR because costs and Vietnamese selling prices have risen significantly since normal values were determined (scrap prices have almost doubled),<sup>4</sup> and there is an estimated [ ] MT of Vietnamese rebar arriving in November/December 2021 at prices below Canadian producer pricing.<sup>5</sup>

13. Depending on the results of the CBSA’s analysis, a decision will be made as to whether normal values, export prices and/or amounts of subsidy for a certain measure in force need to be updated. For example, if several years have elapsed since the values were last issued, the costs and domestic selling prices of the goods have risen considerably over the past two-year period, and a significant number of new products are currently being imported into the Canadian market, the CBSA would consider this a strong case for conducting a re-investigation or normal value review.

Moreover, CBSA should also consider the substantive question of whether updated normal values are likely to be more or less representative of present and near-term market conditions. Conducting a NVR at this time will decrease the gap between prospective normal values and prospective Vietnamese prices and costs. In other words, if CBSA were to initiate a NVR, it would be addressing a distortion in the market by determining updated normal values based on current and forecasted prices and costs.

Lastly, updating normal values to capture a period of stabilized pricing is also consistent with the purpose of SIMA which is to protect the domestic industry. Indeed, the Tribunal and the Federal Court have consistently held that “the object and purpose of SIMA is to protect domestic industries from injury caused or threatened by the dumping or subsidizing of foreign goods”.<sup>6</sup>

<sup>3</sup> CBSA, *Re-investigation and Normal Value Review Policy – Special Import Measures Act (SIMA)*, Memorandum D14-1-8 (July 19, 2019), at para 1 [“Re-Investigation Policy”].

<sup>4</sup> See Table 4 and Table 5.

<sup>5</sup> Confidential Attachment 2: AltaSteel request letter; Confidential Attachment 3: AMLPC request letter.

<sup>6</sup> See e.g. *Gypsum Board*, GC-2016-001, Statement of Reasons (January 19, 2017), at para 37; *Caps, Lids and Jars*,

The evidence described in and attached to this letter demonstrates that updating normal values at this time would result in normal values more accurately reflecting prevailing market prices. This would protect the domestic industry from injury.

The Domestic Producers also request that updated normal values be applied retroactively to any Vietnamese rebar imports arriving after initiation of a NVR but before the conclusion of the NVR.

## II. Significant Volumes of Vietnamese Rebar Have Arrived Recently and More Will Arrive Soon

Hoa Phat has recently been active in the Canadian market. It shipped over 100,000 MT of rebar to Canada in 2021 at prices that undercut domestic producer prices.<sup>7</sup> Most recently, there were shipments of 26,000 MT in August and 21,000 MT in September 2021.

**Table 1:**  
**Rebar Imports from Vietnam in 2021<sup>8</sup>**

Period	MT	\$/MT
Apr-21	30,844	854
Jun-21	23,029	781
Aug-21	25,852	951
Sep-21	20,843	962
<b>Total</b>	<b>100,568</b>	<b>885</b>

Further, the Domestic Producers expect that [ ] shipments or approximately [ ] MT of Vietnamese rebar will arrive in Canada in late 2021. This information is summarized below:

**Table 2:**  
**Expected Shipments from Hoa Phat<sup>9</sup>**

Volume (MT)	Date of arrival in Canada	Importer
[ ]		[ ]
[ ]		[ ]
[ ]		[ ]

PB-95-001, Statement of Reasons (February 26, 1996); *Prairies Tubulars (2015) Inc. v. Canada (Border Services Agency)*, 2018 FC 991 (CanLII) at para 6; *Canadian Steel Producers Assn. v. Canada (Commissioner of Customs and Revenue)*, 2003 FC 1311 (CanLII) at para 40; *GRK Fasteners v. Canada (Attorney General)*, 2011 FC 198 (CanLII) at para. 5.

<sup>7</sup> Confidential Attachment 2: AltaSteel request letter; Confidential Attachment 3: AMLPC request letter.

<sup>8</sup> Public Attachment 1: Statistics Canada import data through August 2021 and GAC permit data for rebar for September 2021.

<sup>9</sup> Confidential Attachment 2: AltaSteel request letter; Confidential Attachment 3: AMLPC request letter.

Indeed, Hoa Phat's export record for 2021 shows that it has exported 147,748 MT of rebar to Canada during January-October<sup>10</sup>, meaning there is approximately 48,000 MT of rebar on the water that will arrive in Canada very soon. Further, it also shows that Canada was Hoa Phat's second largest export destination for rebar in 2021, representing 32% of its total rebar exports during January-October 2021.<sup>11</sup>

These rebar imports are undercutting the domestic industry's prices and will continue to do so if a normal value review is not initiated quickly to update Hoa Phat's normal values.

### III. Raw Material Costs Have Increased Significantly Since May/June 2020

The *Rebar 3* period of investigation (POI) was June 1, 2019 to June 30, 2020 so the 60-day period for which Hoa Phat's prices and costs data were used to determine normal values is likely May/June 2020. These submissions compare the price of raw materials from this 60-day period with September or October 2021 data (most recent available).

Hoa Phat is a basic oxygen furnace (BOF) operation<sup>12</sup> which means it uses iron ore and coking coal to produce rebar. Rebar is also produced using scrap in electric arc furnace (EAF) operations. Pricing and costs for both types of inputs are included below. Both show significant increases since the May/June 2020 period. Note the scrap data are included to demonstrate that all rebar prices in Vietnam (whether produced using scrap or iron ore) would have increased and therefore also Hoa Phat's domestic sales of rebar.

#### a. Iron Ore and Coking Coal

The table below demonstrates that costs for iron ore and coking coal increased significantly since May/June 2020. The Domestic Producers have been unable to located published Vietnamese prices for these inputs, but have located Chinese prices that may be used as proxy for Vietnamese trends:

**Table 3:**  
**Chinese Iron Ore and Coal Prices<sup>13</sup>**

	Hard coking coal, cfr Jingtang (US \$/dmt)	Iron ore 62% Fe fines, cfr Qingdao (US \$/tonne)
May/June 2020	[	
October 2021		
US\$/unit increase		
% increase		]

<sup>10</sup> Public Attachment 2: AltaSteel request letter.

<sup>11</sup> *Ibid.*

<sup>12</sup> Public Attachment 5: Excerpt from Hoa Phat's RFI response in *Rebar 3* at D15 (Public CBSA Exhibit 54 in RB3 2020 IN).

<sup>13</sup> Confidential Attachment 6: AMM Fastmarkets iron ore and coal prices for China.

The table above shows an increase of [ ] for coal and [ ] for iron ore. Hoa Phat's normal values were calculated using a constructed cost approach pursuant to section 19 of SIMA because it had no domestic rebar sales to unrelated customers during the relevant period.<sup>14</sup> Given the significant increases in iron ore and coal since the 60-day period on which its normal values are likely based, Hoa Phat's normal values are evidently outdated and, as discussed below, it has not been pricing-up to reflect current market conditions.

#### b. Vietnamese Rebar and Scrap Prices

The following table summarizes monthly average scrap and rebar prices in Vietnam. For rebar, the prices are [ ]. For scrap, the prices are [ ].

**Table 4:**  
**Rebar and Scrap Prices in Vietnam<sup>15</sup>**

Period	Rebar VND/KG    C\$/MT	Scrap - domestic US \$/MT    C\$/MT	Scrap – [ ] import US \$/MT    C\$/MT
May/June 2020 September 2021	[ ]		[ ]
Increase % increase	[ ]		[ ]

Table 4 above demonstrates that rebar prices in Vietnam have increased by [ ]% and that scrap prices have increased by [ ]% since the period in which cost data for Hoa Phat's normal values are based.

A similar trend occurs when looking at published scrap prices. The following table summarizes scrap prices for Vietnam as reported by MetalBulletin:

<sup>14</sup> *Rebar 3*, RB3 2020 IN, Statement of Reasons (May 202, 2021) at para 115.

<sup>15</sup> Confidential Attachment [ ].

**Table 5:**  
**MetalBulletin Scrap Prices for Vietnam<sup>16</sup>**

US \$/MT	Vietnamese scrap	Imported scrap
May/June 2020 average September 2021	[	]
Price increase in US\$/MT Price increase %	[	]
Exchange rate <b>Price increase in C\$/MT</b>	[	]

Table 5 above demonstrates that published Vietnamese scrap prices increased by [ ] and scrap imported into Vietnam similarly increased by [ ] since Hoa Phat's normal values were last issued. This represents an increase in price of [ ].

These are significant increases that warrant updating the normal values for Hoa Phat.

**c. Cost comparison: EAF vs BOF**

The tables below compare rebar production costs for an EAF and a BOF. They both show significantly increases:

**Table 6:**  
**Comparison of raw material costs between EAF and BOF operations<sup>17</sup>**

Raw material	Jun-20			Oct-21		
(US \$/MT)	EAF	BOF	Variance	EAF	BOF	Variance
Iron Source	[					
Fuel						
Ferroalloy						
Others						
<b>Total</b>						]

<sup>16</sup> Confidential Attachment 4: MetalBulletin scrap pricing for Vietnam. Imported scrap price is for steel scrap H2 Japan-origin import, CFR Vietnam. Vietnamese scrap price is for steel scrap HMS 1&2 (80:20), CFR Vietnam. Exchange rate is from October 13, 2021.

<sup>17</sup> Confidential Attachment 2: AltaSteel request letter.

Jun-20 vs Oct-21	US \$/MT increase		% increase	
	EAF	BOF	EAF	BOF
Iron Source	[			
Fuel				
Ferroalloy				
Others				
<b>Total</b>				]

The data show that from June 2020 to October 2021, raw material costs for rebar increased by US \$[ ]/MT or [ ]% for EAF operations and by US \$[ ]/MT or [ ]% for BOF operations. Indeed, raw material costs increased more for BOF producers such as Hoa Phat, which have seen their cost of raw materials [ ] since June 2020.

#### IV. Retroactive Duties Should Be Issued

Import and permit data suggests that Hoa Phat has not been pricing-up sufficiently in 2021:

**Table 7:**  
**Rebar imports into Canada<sup>18</sup>**

Period	Volume (MT)	Unit value (\$/MT)	
	Vietnam	Vietnam	United States
Jan-21	0	-	844
Feb-21	0	-	975
Mar-21	0	-	1,063
Apr-21	30,844	854	1,083
May-21	0	-	1,083
Jun-21	23,029	781	1,176
Jul-21	0	-	1,243
Aug-21	25,852	951	1,272
Sep-21	20,843	962	1,415
<b>Apr-21 vs Sep-21:</b>			
\$/MT increase		108	332
% increase		13%	31%

The table above demonstrates that U.S. rebar – which is typically priced similar to the domestic industry – increased by \$332/MT or 31% from April to September 2021. However, Vietnamese rebar increased by only \$108/MT or 13%.

<sup>18</sup> Public Attachment 1: Statistics Canada import data through August 2021 and GAC permit data for rebar for September 2021.

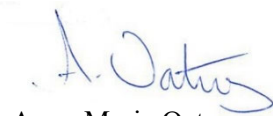
The Re-Investigation Policy indicates that the CBSA may issue retroactive duties if an exporter fails to increase its export prices in a timely manner after changes in market conditions.<sup>19</sup> The Domestic Industry requests that, should the CBSA initiate a normal value review, it should also issue retroactive duties to Hoa Phat's Canadian importers since market conditions caused Hoa Phat's normal values to become significantly outdated and Hoa Phat failed to price up its exports in a timely manner.

## V. Conclusion

Domestic prices and costs have increased substantially since Hoa Phat was issued normal values during the *Rebar 3* investigation. Hoa Phat has very recently shipped over 46,000 MT at low prices and is expected to ship another [ ] MT of rebar for arrival in November/December 2021, of which 48,000 MT is currently on its way to Canada.

We request that the CBSA initiate a NVR in respect of Hoa Phat.

Yours truly,



Anne-Marie Oatway  
Conlin Bedard LLP



Andrew Lanouette  
Cassidy Levy Kent (Canada) LLP



Jonathan O'Hara  
McMillan LLP

Enclosures

---

<sup>19</sup> Re-Investigation Policy, *supra*, at para 31.

## List of Attachments

Attachment #	Description
Public Attachment 1	Statistics Canada import data and GAC permit data for rebar
Confidential Attachment 2	AltaSteel request letter
Confidential Attachment 3	AMLPC request letter
Confidential Attachment 4	MetalBulletin scrap pricing for Vietnam for 2020-2021
Public Attachment 5	Excerpt from Hoa Phat's RFI response in <i>Rebar 3</i>
Confidential Attachment 6	AMM Fastmarkets iron ore and coal prices for China for 2020-2021
Public Attachment 7	Gerdau request letter
Public Attachment 8	MANA request letter

Statistics Canada import data for rebar

HS10 Code	(All)
Country of Origin	Viet Nam

Sum of Quantity (MT)	Column Labels			
Row Labels	04	06	08	Grand Total
2021	30,844	23,029	25,852	79,725
Grand Total	30,844	23,029	25,852	79,725

HS10 Code	(All)
Country of Origin	Viet Nam

Sum of Unit price (\$/MT)	Column Labels			
Row Labels	04	06	08	Grand Total
2021	854	781	951	864
Grand Total	854	781	951	864

Statistics Canada import data for rebar

HS10 Code	(All)
Country of Origin	United States of America

Sum of Quantity (MT)	Column Labels								
Row Labels	01	02	03	04	05	06	07	08	Grand Total
2021	25,235	15,663	12,690	15,905	17,525	20,444	17,828	14,548	139,839
Grand Total	25,235	15,663	12,690	15,905	17,525	20,444	17,828	14,548	139,839

HS10 Code	(All)
Country of Origin	United States of America

Sum of Unit price (\$/MT)	Column Labels								
Row Labels	01	02	03	04	05	06	07	08	Grand Total
2021	844	975	1,063	1,083	1,083	1,176	1,243	1,272	1,080
Grand Total	844	975	1,063	1,083	1,083	1,176	1,243	1,272	1,080

10/28/21, 11:59 AM

A1

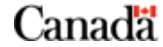
12



Global Affairs  
Canada

Affaires mondiales  
Canada

Global Affairs Canada / Affaires mondiales  
Canada



A1

Date: 2021-10-23

CANADIAN STEEL IMPORTS INDUSTRY CLASS BY MONTH AND COUNTRY:  
**Period Start:** 2021-01-01 **Period Ending:** 2021-10-23

Industrial Classification	Industry Class Description	Month	Country of Origin	Tonnes	C\$1000	C\$/1000
1	CUT PLATE: CARBON & ALLOY(DISCRETE PLATE — EXCLUDING HGHR)	1	Belgium	1	2	2,438\$
			Denmark	1	1	2,378\$
			Finland	0	0	1,812\$
			France	105	228	2,161\$
			Germany	565	1,119	1,980\$
			Korea, Republic of	930	751	808\$
			Mexico	196	193	984\$
			Sweden	5	10	2,124\$
			Taiwan	407	318	780\$
			United States	28,454	26,827	943\$
		<b>1</b>		<b>30,664</b>	<b>29,449\$</b>	<b>960\$</b>
		2	Finland	125	126	1,010\$
			Germany	684	1,022	1,496\$
			Korea, Republic of	459	418	911\$
			Mexico	29	29	984\$
			Netherlands	7	19	2,643\$
			Taiwan	892	710	796\$
			Ukraine	0	1	2,928\$
			United States	22,898	25,058	1,094\$
		<b>2</b>		<b>25,094</b>	<b>27,383\$</b>	<b>1,091\$</b>
		3	Brazil	5	10	1,840\$
			China	379	281	741\$
			Finland	151	141	933\$
			Germany	53	67	1,265\$
			Korea, Republic of	3,174	2,614	823\$
			Mexico	0	0	1,614\$
			Netherlands	7	20	2,931\$
			Pakistan	0	0	2,554\$
			Sweden	4	9	2,365\$
			Ukraine	0	1	2,916\$
			United States	30,740	35,725	1,162\$
		<b>3</b>		<b>34,514</b>	<b>38,866\$</b>	<b>1,126\$</b>
		4	Belgium	3	4	1,641\$
			China	22	26	1,165\$
			Finland	103	182	1,761\$
			France	6,012	6,690	1,113\$
			Germany	341	541	1,585\$
			Italy	0	1	3,121\$
			Korea, Republic of	8,280	7,675	927\$

10/28/21, 11:59 AM

028/21, 11:59 AM

		A1				
		United Arab Emirates	3,712	5,641	1,520\$	
		United States	14,609	45,855	3,139\$	
		Vietnam	487	1,198	2,459\$	
		9	34,289	77,631\$	2,264\$	
10	Belize	0	0	2,788\$		
	Brazil	0	1	3,765\$		
	China	1,032	2,479	2,403\$		
	Egypt	153	318	2,076\$		
	France	115	308	2,688\$		
	Germany	81	251	3,120\$		
	India	154	285	1,851\$		
	Indonesia	5,622	9,198	1,636\$		
	Italy	116	405	3,493\$		
	Japan	60	119	1,972\$		
	Korea, Republic of	216	299	1,387\$		
	Malaysia	22	51	2,324\$		
	Mexico	48	138	2,843\$		
	Netherlands	129	381	2,954\$		
	Pakistan	652	927	1,423\$		
	Poland	19	45	2,362\$		
	Portugal	92	272	2,957\$		
	Russian Federation	0	1	4,191\$		
	Switzerland	20	50	2,462\$		
	Taiwan	47	169	3,575\$		
	Thailand	152	196	1,293\$		
	Turkey	3,494	5,407	1,548\$		
	United Arab Emirates	2,101	3,488	1,660\$		
	United States	5,751	19,113	3,323\$		
	Vietnam	419	643	1,533\$		
		10	20,496	44,545\$	2,173\$	
13		325,993		641,541\$	1,968\$	
14	REBAR	1	Australia	40	49	1,229\$
		Oman	20,192	13,887	688\$	
		United Arab Emirates	191	126	658\$	
		United Kingdom	22	40	1,794\$	
		United States	25,025	21,012	840\$	
			1	45,471	35,114\$	772\$
	2	China	24	25	1,013\$	
		Germany	37	56	1,517\$	
		Hong Kong	0	0	2,830\$	
		Mexico	86	85	989\$	
		Turkey	23	26	1,130\$	
		United States	15,390	15,195	987\$	
			2	15,559	15,386\$	989\$
	3	Germany	4	15	3,685\$	
		Taiwan	50	60	1,207\$	
		Turkey	23	26	1,139\$	
		United States	12,608	13,318	1,056\$	
			3	12,685	13,419\$	1,058\$

10/28/21, 11:59 AM

A1				
4	China	12	53	4,436\$
	Germany	32	80	2,486\$
	Hong Kong	0	0	2,770\$
	Mexico	21	24	1,108\$
	Taiwan	200	297	1,486\$
	United States	15,838	17,017	1,074\$
	Vietnam	30,844	26,349	854\$
	<b>4</b>	<b>46,946</b>	<b>43,818\$</b>	<b>933\$</b>
5	Australia	3	8	2,238\$
	Germany	27	60	2,235\$
	Hong Kong	0	0	2,700\$
	Philippines	10,118	10,333	1,021\$
	Thailand	6,510	6,012	923\$
	Turkey	36,127	30,317	839\$
	United Arab Emirates	25,800	20,997	814\$
	United States	17,523	18,905	1,079\$
	<b>5</b>	<b>96,109</b>	<b>86,631\$</b>	<b>901\$</b>
6	Australia	20	28	1,411\$
	China	2	4	1,709\$
	Germany	45	66	1,456\$
	Mexico	440	384	872\$
	Taiwan	25	34	1,362\$
	United Arab Emirates	20,542	16,432	800\$
	United Kingdom	17	74	4,286\$
	United States	20,039	23,493	1,172\$
	Vietnam	23,029	17,980	781\$
	<b>6</b>	<b>64,161</b>	<b>58,496\$</b>	<b>912\$</b>
7	China	0	0	967\$
	Germany	24	99	4,187\$
	Mexico	111	134	1,206\$
	Taiwan	102	134	1,314\$
	Turkey	5,220	4,144	794\$
	United Arab Emirates	14,003	11,104	793\$
	United States	17,752	22,019	1,240\$
	<b>7</b>	<b>37,211</b>	<b>37,634\$</b>	<b>1,011\$</b>
8	Germany	51	101	1,997\$
	Mexico	4,838	6,879	1,422\$
	Taiwan	100	133	1,335\$
	Turkey	86,607	72,361	836\$
	United States	14,541	18,422	1,267\$
	Vietnam	25,852	24,593	951\$
	<b>8</b>	<b>131,989</b>	<b>122,490\$</b>	<b>928\$</b>
9	Australia	9	16	1,802\$
	Germany	83	194	2,353\$
	Mexico	3,264	4,753	1,456\$
	Turkey	38,319	33,366	871\$
	United Arab Emirates	242	274	1,132\$
	United States	8,512	11,399	1,339\$
	Vietnam	20,843	20,061	962\$

10/28/21, 11:59 AM

A1

15

		10			9	71,272	70,063\$	983\$
			Germany		1	4	4,533\$	
			Mexico		1,180	1,704	1,444\$	
			Turkey		14,925	14,711	986\$	
			United States		3,551	5,025	1,415\$	
					10	19,657	21,445\$	1,091\$
14						541,060	504,495\$	932\$
15	WIRE ROD: CARBON & ALLOY	1	Brazil		174	182	1,045\$	
			Germany		3,153	3,081	977\$	
			Spain		49	40	804\$	
			United States		691	706	1,022\$	
			Vietnam		17,366	11,669	672\$	
		1				21,434	15,679\$	731\$
		2	Germany		1	833	979,452\$	
			Mexico		11,444	8,563	748\$	
			United States		161	167	1,036\$	
		2				11,605	9,562\$	824\$
		3	Germany		1,771	1,770	999\$	
			United States		0	1	2,530\$	
		3				1,771	1,771\$	1,000\$
		4	Germany		2,431	2,384	981\$	
		4				2,431	2,384\$	981\$
		5	Germany		900	1,905	2,116\$	
		5				900	1,905\$	2,116\$
		6	Germany		1,583	1,651	1,043\$	
			United States		4	21	4,818\$	
		6				1,588	1,673\$	1,053\$
		7	Germany		733	830	1,133\$	
		7				733	830\$	1,133\$
		8	Germany		1,553	2,075	1,336\$	
		8				1,553	2,075\$	1,336\$
		9	Germany		3,128	3,642	1,164\$	
		9				3,128	3,642\$	1,164\$
		10	China		21	27	1,289\$	
			Germany		411	480	1,169\$	
		10				431	506\$	1,174\$
15						45,574	40,026\$	878\$
16	H.R. STEEL BARS: CARBON	1	Brazil		152	194	1,277\$	
			China		143	205	1,431\$	
			Czech Republic		40	49	1,245\$	
			Denmark		20	38	1,913\$	
			France		1	2	2,700\$	
			Germany		2	3	1,181\$	
			India		33	23	688\$	
			Italy		13	30	2,355\$	
			Japan		146	151	1,040\$	
			Korea, Republic of		3	5	1,410\$	
			Malaysia		1	2	1,669\$	
			Mexico		45	53	1,189\$	

November 5, 2021

**PUBLIC**

SIMA Registry and Disclosure Unit  
Anti-Dumping and Countervailing Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> Floor  
Ottawa, ON K1A 0L8

Dear Sir/Madam:

**RE: Concrete Reinforcing Bar 3  
Request for Normal Value Review – Vietnam**

AltaSteel Inc. (“**AltaSteel**”) is a producer of concrete reinforcing bars located in Alberta, Canada.

AltaSteel requests that the Canada Border Services Agency (“**CBSA**”) initiate a normal value review in respect of Hoa Phat Dung Quat Steel Joint Stock Company (“**Hoa Phat**”).

There has been a significant increase in raw material costs since Hoa Phat was issued normal values and there are approximately [ ] MT of rebar that is expected to arrive in Canada in before the end of the year, of which 48,000 MT is already on its way.

**1. Significant increase in costs**

Hoa Phat has normal values that were determined in the spring of 2020 and no longer reflect market pricing and costs. Confidential Attachment 1 to this letter contains rebar and scrap prices for [

].<sup>1</sup> The data show that Vietnamese rebar and scrap prices increased by [ ] respectively between May/June 2020 (the likely 60-day period on which Hoa Phat’s normal values are based) and September 2021.

Further, I compared rebar production costs for an EAF (electric arc furnace) and a BOF (basic oxygen furnace). An EAF operation uses scrap to produce rebar while a BOF operation (such as Hoa Phat) uses iron ore and coking coal to produce rebar. This is summarized below and shows that raw material costs for both EAF and BOF have increased significantly since June 2020:

---

<sup>1</sup> Confidential Attachment 1: Rebar and scrap prices in Vietnam for 2020-2021.

**Table 1 – Comparison of raw material costs between EAF and BOF operations<sup>2</sup>**

Raw material	Jun-20			Oct-21		
(US \$/MT)	EAF	BOF	Variance	EAF	BOF	Variance
Iron Source	[					
Fuel						
Ferroalloy						
Others						
<b>Total</b>						]

From June 2020 to October 2021, raw material costs for rebar increased by \$[ ]/MT or [ ]% for EAF operations and by US \$[ ]/MT or [ ]% for BOF operations. Indeed, raw material costs increased more for BOF producers such as Hoa Phat, which have seen their cost of raw materials [ ] since June 2020.

## 2. Recent and future shipments at low prices

Hoa Phat has recently shipped large volumes to Canada at prices that undercut AltaSteel's prices and is expected to continue shipping more rebar to Canada at low prices. For example:

**Table 2 – Price undercutting by recent and future Vietnamese rebar imports**

	Vietnam		AltaSteel price	Price undercutting	
Period	MT	\$/MT	\$/MT	\$/MT	%
<b>Imported</b>					
Jun-21	23,029	[			
Aug-21	25,852				
Sep-21	20,843				]
<b>Future shipments</b>					
[					
					]

Our [ ].

AltaSteel's [ ]:

- [ ]
- [ ]

<sup>2</sup> Confidential Attachment 3: Rebar production costs for an EAF operation and a BOF operation.

- - 
  - 
  - 
  -
- ].

This results in a landed in Canada price of US \$[ ]/MT or C\$[ ]/MT.

AltaSteel's comparable price to [

], and therefore AltaSteel's price was not attractive to them. AltaSteel's [

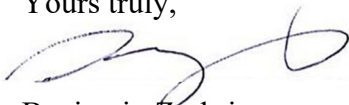
] low priced rebar from Hoa Phat based on outdated normal values. In addition to [ ], the Vietnamese rebar is putting downward pressure on pricing in the Western Canadian market and affecting negotiations with our other customers.

Lastly, Statistics Canada import data and GAC permit data show there have been approximately 100,000 MT of rebar from Vietnam imported into Canada during January-September 2021. [

] obtained Hoa Phat's export record for January-October 2021 for rebar and wire rod.<sup>3</sup> The record indicates that Hoa Phat exported 147,748 MT of rebar to Canada during January-October 2021, meaning there are approximately 48,000 MT of rebar on the water that will arrive in Canada very soon. It also shows that Canada was Hoa Phat's second largest export destination for rebar in 2021, representing 32% of its total rebar exports during January-October 2021.

AltaSteel therefore requests that the CBSA initiate a normal value review in respect of Hoa Phat.

Yours truly,



Benjamin Zurbrigg  
Encl.

<sup>3</sup> Confidential Attachment 2: E-mail correspondence between AltaSteel and [ ] containing a copy of Hoa Phat's export record for rebar and wire rod for January-October 2021.

### List of Attachments

Attachment #	Description
Confidential Attachment 1	Rebar and scrap prices in Vietnam for 2020-2021
Confidential Attachment 2	E-mail correspondence between AltaSteel and [ ] containing a copy of Hoa Phat's export record for rebar and wire rod for January-October 2021
Confidential Attachment 3	Rebar production costs for an EAF operation and a BOF operation

Concrete Reinforcing Bar 3

---

**Public Summary of  
Confidential Attachment 1**  
to the Request for Normal Value Review  
from AltaSteel Inc.

---

**Confidential Attachment 1** contains monthly prices of scrap and rebar in Vietnam for January 2020 to September 2021. The disclosure of this information would cause significant commercial and financial harm to AltaSteel Inc.

**NON-CONFIDENTIAL**

Concrete Reinforcing Bar 3

---

**Public Summary of  
Confidential Attachment 2**  
to the Request for Normal Value Review  
from AltaSteel Inc.

---

**Confidential Attachment 2** contains e-mail correspondence with AltaSteel Inc. containing a copy of Hoa Phat's export record for rebar and wire rod for January-October 2021. The disclosure of this information would cause significant commercial and financial harm to AltaSteel Inc.

**NON-CONFIDENTIAL**

Concrete Reinforcing Bar 3

---

**Public Summary of  
Confidential Attachment 3**  
to the Request for Normal Value Review  
from AltaSteel Inc.

---

**Confidential Attachment 3** contains a summary of rebar production costs (including published scrap prices that are subject to copyright restrictions) for an EAF operation and a BOF operation from June 2020 and October 2021. The disclosure of this document would cause commercial and financial harm to AltaSteel Inc.

**NON-CONFIDENTIAL**



November 5, 2021

**PUBLIC**

SIMA Registry and Disclosure Unit  
Anti-Dumping and Countervailing Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> Floor  
Ottawa, ON K1A 0L8

Dear Sir/Madam:

**RE: Concrete Reinforcing Bar 3  
Request for Normal Value Review – Vietnam**

ArcelorMittal Long Products Canada (“**AMLPC**”) is a producer of concrete reinforcing bars located in Quebec, Canada.

AMLPC hereby requests that the Canada Border Services Agency initiate a normal value review in respect of Hoa Phat Dung Quat Steel Joint Stock Company (“**Hoa Phat**”).

Hoa Phat has normal values that were determined during the *Rebar 3* investigation which concluded in May 2021 and whose normal values are likely based on costs and price data from May/June 2020. There have been significant increases in the price of rebar and scrap and therefore Hoa Phat’s normal values do not reflect current market prices and costs.

Hoa Phat has shipped large volumes of low-priced rebar to Canada in the past few months. These were at prices that undercut AMLPC’s prices. For example:

- For the Vietnamese rebar shipment that arrived in August 2021 (approximately 26,000 MT), our customer [

]. It subsequently also purchased only [

]. The Vietnamese rebar was \$[ ]/MT lower than our delivered price to this customer.

ArcelorMittal Long Products Canada, g.p.  
4000, route des Acières  
Contrecoeur (Québec) J0L 1C0  
Canada

Tel.: 450 587-8600  
Fax: 450 587-8777  
long-canada.arcelormittal.com

**NON-CONFIDENTIAL**

- For the Vietnamese rebar shipment that arrived in September 2021 (approximately 21,000 MT), we were not successful in securing orders with [ ] because of \$[ ]/MT price undercutting by the Vietnamese offer.
- Current offers from Vietnam in early November 2021 are approximately \$[ ]/MT Vancouver docks (approximately \$[ ]/MT delivered).<sup>1</sup> In comparison, we made offers to [ ], but these customers did not place any orders with us because of the significant price undercutting by the Vietnamese offers, notably \$[ ]/MT. Indeed, these customers confirmed they [ ].
- Similarly, our customer [ ] because of the significant price undercutting from Vietnam. Note that this customer [ ].
- I also note the amount of price undercutting by the Vietnamese rebar has [ ] which is making it more and more difficult for us to offer rebar at competitive prices in western Canada.
- [ ] is expected to arrive from Vietnam in late 2021 at low prices if there are no shipping delays. The Vietnamese rebar continues to undercut AMLPC's price and jeopardize our efforts to [ ].

We expect Hoa Phat will continue shipping more rebar to Canada at low prices that injure AMLPC if Hoa Phat's normal values are not updated to reflect current market conditions.

Yours truly,



Philippe Boulanger  
Encl.

---

<sup>1</sup> Confidential Attachment 1: E-mail correspondence between AMLPC and [ ].

Concrete Reinforcing Bar 3

---

**Public Summary of  
Confidential Attachment 1**  
to the Request for Normal Value Review  
from ArcelorMittal Long Products Canada G.P.

---

**Confidential Attachment 1** contains e-mail correspondence between ArcelorMittal Long Products Canada G.P. and a customer from October-November 2021, including pricing and customer information. The disclosure of this document would cause significant commercial and financial harm to ArcelorMittal Long Products Canada G.P.

**NON-CONFIDENTIAL**

Concrete Reinforcing Bar 3

---

**Public Summary of  
Confidential Attachment 4**  
to the Request for Normal Value Review  
from Domestic Producers

---

**Confidential Attachment 4** contains scrap pricing for Vietnam published by MetalBulletin. MetalBulletin is a copyright protected subscription-based publication, the disclosure of this document would cause significant commercial and financial harm to the Domestic Producers.

**NON-CONFIDENTIAL**

**Hoa Phat Dung Quat Steel Joint Stock Company**  
(manufactured rebar)

Rebar – RB3 2020 IN  
Exporter RFI

NON-CONFIDENTIAL  
VERSION

27

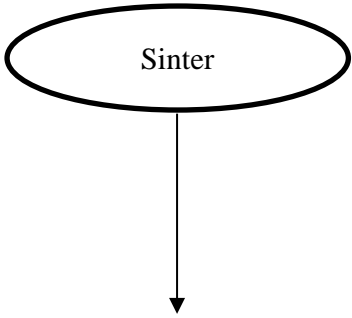
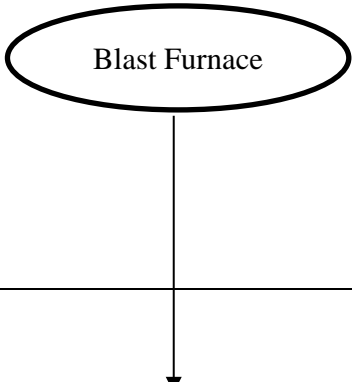
**Production Information**

**D15.** For each production facility or factory producing the goods sold domestically and/or the goods exported to importers in Canada, for each stage of production provide:

- a flow chart of the production process;
- a description of each stage in the production process;
- the type of machinery used during each stage and its standard useful life;
- a list of material inputs used in each stage;
- the production time, expressed in the industry standard;
- a list of by-products;
- details of *waste material* and/or scrap material; and
- an explanation of how overhead is allocated.

**ANSWER:**

For part (a) to (g) of this question, please refer to the following production flowchart:

Process	Description
 <p>Sinter</p>	<p>Fines Iron ores from the yard feed into the Sintering Plant. The main product is [REDACTED] will transfer to the Blast Furnace.</p> <ul style="list-style-type: none"> <li>- Machinery: Sinter, blower, dust filter...</li> <li>- Material inputs: Iron ore, coal, dolomite, lime</li> <li>- Production time: [REDACTED]</li> <li>- By product: [REDACTED]</li> <li>- Waste Material: [REDACTED]</li> </ul>
 <p>Blast Furnace</p>	<p>Materials charge into the top of blast furnace, hot blast blows through the tuyeres at the bottom.</p> <ul style="list-style-type: none"> <li>- Machinery: Blast furnace, Hot stove, Blower, Dust filter.</li> <li>- Material inputs: [REDACTED]</li> <li>- Production time: [REDACTED]</li> </ul>

**Hoa Phat Dung Quat Steel Joint Stock Company**  
(manufactured rebar)

Rebar – RB3 2020 IN  
Exporter RFI

**NON-CONFIDENTIAL**  
**VERSION**

**28**

	<ul style="list-style-type: none"> <li>- Product: Hot metal (transfer to steel making0</li> <li>- By product: [REDACTED]</li> <li>- Waste Material: [REDACTED]</li> </ul>
<pre> graph TD     BOF[BOF] --&gt; LF[Ladle furnace (LF)]     LF --&gt; CCM[Casting Machine CCM]     CCM --&gt; RM((Rolling mill))           </pre>	<p>Materials charge into the mouth of the converter (BOF).</p> <ul style="list-style-type: none"> <li>- Machinery: Converter, dust filter,</li> <li>- Materials: [REDACTED] [REDACTED]...</li> <li>- Production time: [REDACTED]</li> <li>- Product: [REDACTED]</li> <li>- By product: [REDACTED]</li> <li>- Waste Material: [REDACTED].</li> </ul>
	<ul style="list-style-type: none"> <li>- Machinery: ladles, tundish, continues casting</li> <li>- Material: Liquid steel (from BOF/LF)</li> <li>- Production time: [REDACTED]</li> <li>- Product: [REDACTED]</li> <li>- By product: [REDACTED] [REDACTED]</li> <li>- Waste materials: [REDACTED]</li> </ul>
	<p>Billets charge into rolling mill to roll the rebar</p> <ul style="list-style-type: none"> <li>- Machinery: Induction furnace, Roughing stands, End Cutting Rotary Shears, Intermediate Stands, Finishing Stands, Swiveling Rotary Shear Machine, Cooling bed, Cold shear machine</li> <li>- Material input: Billets [REDACTED] from CCM</li> <li>- Production time: [REDACTED]</li> <li>- Product: Bar in straight lengths or coils (dimension from 10mm to 40 mm)</li> </ul>

**Hoa Phat Dung Quat Steel Joint Stock Company**  
(manufactured rebar)

Rebar – RB3 2020 IN  
Exporter RFI

NON-CONFIDENTIAL  
VERSION

29

	<ul style="list-style-type: none"><li>- By Products: [REDACTED] [REDACTED]</li><li>- [REDACTED]</li></ul>
--	---

(h) Production Overheads are allocated to each product produced during the month on basis of [REDACTED].

**D16.** Explain in detail how you cost the goods sold domestically and the goods sold to importers in Canada. Provide this explanation for each production facility or factory. Provide an example and describe how your model costing system captures all production costs of the goods.

**ANSWER:**

All goods sold domestically, exported to Canada and other countries follow the same costing method with no discrepancies.

The following expenses are included in a product final cost:

- Material expenses: All material expenses are recorded in the material expenses account [REDACTED]. This includes main raw materials, sub-materials, fuels. [REDACTED]
- Labour expenses: Labour expenses include direct and indirect labour expenses. Direct labour expenses are recorded in the separate direct labour account [REDACTED]. Indirect labour expenses are recorded in a sub account for [REDACTED]. Indirect labour expenses are allocated to manufactured goods on [REDACTED].
- Other overheads expenses: Other overheads expenses are recorded in their specific overhead sub-account [REDACTED]. These expenses are allocated to manufactured goods on [REDACTED]. Nonetheless, [REDACTED].

Concrete Reinforcing Bar 3

---

**Public Summary of  
Confidential Attachment 6  
to the Request for Normal Value Review  
from Domestic Producers**

---

**Confidential Attachment 6** contains iron ore and coal prices for China published by AMM Fastmarkets. AMM Fastmarkets is a copyright protected subscription-based publication, the disclosure of this document would cause significant commercial and financial harm to the Domestic Producers.

**NON-CONFIDENTIAL**



November 5, 2021

**PUBLIC**

SIMA Registry and Disclosure Unit  
Anti-Dumping and Countervailing Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> Floor  
Ottawa, ON K1A 0L8

Dear Sir/Madam:

**RE: Concrete Reinforcing Bar 3**  
**Request for Normal Value Review – Vietnam**

Gerdau Long Steel North America (“**Gerdau**”) is a producer of concrete reinforcing bars located in Ontario and Manitoba, Canada.

Gerdau requests that the Canada Border Services Agency (“**CBSA**”) initiate a normal value review in respect of Hoa Phat Dung Quat Steel Joint Stock Company (“**Hoa Phat**”).

There has been a significant increase in the price of rebar and scrap in Vietnam. Hoa Phat has normal values that were determined in the spring of 2020 and no longer reflect market pricing and costs. We expect that Hoa Phat will continue to ship rebar to Canada at low prices based on outdated normal values if a review is not initiated.

Sincerely,

A handwritten signature in blue ink that reads 'Adam Parr'.

Adam Parr



November 5, 2021

**PUBLIC**

SIMA Registry and Disclosure Unit  
Anti-Dumping and Countervailing Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> Floor  
Ottawa, ON K1A 0L8

Dear Sir/Madam:

**RE: Concrete Reinforcing Bar 3  
Request for Normal Value Review – Vietnam**

Max Aicher (North America) Inc. (“**MANA**”) is a producer of concrete reinforcing bars located in Hamilton, Ontario, Canada.

MANA requests that the Canada Border Services Agency (“**CBSA**”) initiate a normal value review in respect of Hoa Phat Dung Quat Steel Joint Stock Company (“**Hoa Phat**”).

There has been a significant increase in the price of rebar and scrap in Vietnam. Hoa Phat has normal values that were determined in the spring of 2020 and no longer reflect market pricing and costs. We expect that Hoa Phat will continue to ship rebar to Canada at low prices based on outdated normal values if a review is not initiated.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Sommerer", is written over a light blue horizontal line.

Walter Sommerer

CEO