



OTTAWA, September 9, 2022

STATEMENT OF REASONS

Concerning an expiry review determination under paragraph 76.03(7)(a) of the
Special Import Measures Act regarding

**THE DUMPING OF CERTAIN CONCRETE REINFORCING BAR ORIGINATING IN
OR EXPORTED FROM BELARUS, THE SEPARATE CUSTOMS TERRITORY OF
TAIWAN, PENGHU, KINMEN AND MATSU (CHINESE TAIPEI), THE HONG KONG
SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA,
JAPAN, PORTUGAL AND SPAIN**

DECISION

On August 26, 2022, pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the Canada Border Services Agency determined that the expiry of the Canadian International Trade Tribunal's finding made on May 3, 2017, in Inquiry No. NQ-2016-003 in respect of the dumping of certain concrete reinforcing bar originating in or exported from Belarus, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Hong Kong Special Administrative Region of the People's Republic of China, Japan, Portugal and Spain is likely to result in the continuation or resumption of dumping of the goods into Canada.

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

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EXECUTIVE SUMMARY

[1] On March 29, 2022, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(3) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its finding made on May 3, 2017, in Inquiry No. NQ-2016-003, concerning the dumping of certain concrete reinforcing bar originating in or exported from Belarus, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong), Japan, Portugal and Spain (subject goods).

[2] As a result of the CITT's notice of expiry review, the Canada Border Services Agency (CBSA) initiated an expiry review investigation on March 30, 2022, to determine, pursuant to paragraph 76.03(7)(a) of SIMA, whether the expiry of the finding is likely to result in the continuation or resumption of dumping of the subject goods. The period of review (POR) for the CBSA's expiry review investigation is from January 1, 2019 to December 31, 2021.

[3] The CBSA received a response to its Canadian Producer Expiry Review Questionnaire (ERQ) from AltaSteel Inc. (AltaSteel),¹ ArcelorMittal Long Products Canada, G.P. (AMLPC)² and Gerdau Ameristeel Corporation (Gerdau),³ producers of concrete reinforcing bar (rebar) in Canada. The CBSA received additional information prior to the close of the record from AtlaSteel⁴ and jointly by AMLPC and AltaSteel.⁵

[4] The CBSA received responses to its Importer ERQ from the following four importers of rebar: 11625748 Canada Inc. (11625748 Canada),⁶ Jebsen & Jessen Metals GmbH (JJM),⁷ LMS Limited Partnership (LMS)⁸ and Russel Metals Inc.(Russel Metals).⁹

[5] The CBSA received a response to its Exporter ERQ from the following producer/exporter of rebar located in Portugal, SN Maia-Siderurgia Nacional, S.A. (SN Maia).¹⁰

[6] Case briefs were received on behalf of the following Canadian producers, Gerdau¹¹ and jointly from AMLPC and AltaSteel.¹² The case briefs submitted by the Canadian producers included information and arguments presenting their position that continued or resumed dumping of subject goods is likely if the CITT's finding is allowed to expire. No other parties filed case briefs and no parties filed reply submissions.

¹ Exhibits 23 (PRO) & 24 (NC) – Response to Canadian Producer ERQ – AltaSteel.

² Exhibits 21 (PRO) & 22 (NC) – Response to Canadian Producer ERQ – AMLPC.

³ Exhibits 28 (PRO) & 29 (NC) – Response to Canadian Producer ERQ – Gerdau.

⁴ Exhibits 55 (PRO) & 56 (NC) – Attachment from AltaSteel.

⁵ Exhibits 57 (PRO) & 58 (NC) – Attachments from AMLPC and AltaSteel.

⁶ Exhibits 49 (PRO) & 50 (NC) – Response to Importer ERQ – 11625748 Canada.

⁷ Exhibits 25 (PRO) & 26 (NC) – Response to Importer ERQ – JJM.

⁸ Exhibits 39 (PRO) & 40 (NC) – Response to Importer ERQ – LMS.

⁹ Exhibits 34 (PRO) & 35 (NC) – Response to Importer ERQ – Russel Metals. Russel Metals' response also includes the information pertaining to its other service centres, A.J. Forsyth (BC), B&T Steel (ON) and Acier Leroux (QC).

¹⁰ Exhibits 45 (PRO) & 46 (NC) – Response to Exporter ERQ – SN Maia.

¹¹ Exhibits 59 (PRO) & 60 (NC) – Case brief filed on behalf of Gerdau.

¹² Exhibits 61 (PRO) & 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel.

[7] With respect to Belarus, the analysis of information on the record indicates: weakening economic growth and demand for rebar in Belarus; the restricted access to export markets due to trade restrictions imposed by other export markets; the poor financial performance for the only rebar producer in Belarus; the anti-dumping measures in place in other jurisdictions against rebar that demonstrate that rebar exporters in Belarus have a propensity to dump into export markets; and the inability of rebar exporters in Belarus to compete in Canada at non-dumped prices.

[8] With respect to the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the analysis of information on the record indicates: slowing economic conditions in Chinese Taipei; significant excess rebar production capacity in Chinese Taipei; the export orientation of rebar producers in Chinese Taipei; the restricted access to export markets due to trade restrictions imposed by other jurisdictions; the anti-dumping measures in place in other countries against rebar that demonstrate that rebar exporters in Chinese Taipei have a propensity to dump into export markets; and the inability of rebar exporters in Chinese Taipei to compete in Canada at non-dumped prices.

[9] With respect to the Hong Kong Special Administrative Region of the People's Republic of China (Hong Kong), the analysis of information on the record indicates: declining economic conditions and weak rebar demand in Hong Kong; increasing domestic market competition for rebar sales in Hong Kong; the export orientation of the rebar producer in Hong Kong; the restricted access to export markets due to trade restrictions imposed by other jurisdictions; and the inability of rebar exporters in Hong Kong to compete in Canada at non-dumped prices.

[10] With respect to Japan, the analysis of information on the record indicates: limited economic growth and weak rebar demand in Japan; significant excess rebar production capacity in Japan; the export orientation of the rebar producers in Japan; the restricted access to export markets due to trade restrictions imposed by other jurisdictions; and the inability of rebar exporters in Japan to compete in Canada at non-dumped prices.

[11] With respect to Portugal, the analysis of information on the record indicates: limited economic growth in Portugal's small domestic market for rebar; weakening demand for rebar in important export markets for exporters of rebar; significant excess rebar production capacity; the export orientation of rebar producers in Portugal; the restricted access to important export markets due to trade restrictions imposed by other countries; and the inability of rebar exporters in Portugal to compete in Canada at non-dumped prices.

[12] With respect to Spain, the analysis of information on the record indicates: weakening economic growth and a declining construction sector in Spain; Spain's significant excess rebar production capacity; the export orientation of Spanish rebar producers; the restricted access to export markets due to trade restrictions imposed by other countries; the anti-dumping measures in other countries against rebar that demonstrate that rebar exporters in Spain have a propensity to dump into export markets; and the inability of rebar exporters in Spain to compete in Canada at non-dumped prices.

[13] For the foregoing reasons, having considered the information on the administrative record, the CBSA made a determination on August 26, 2022, pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the finding in respect of the dumping of certain concrete reinforcing bar originating in or exported from Belarus, Chinese Taipei, Hong Kong, Japan, Portugal and Spain is likely to result in the continuation or resumption of dumping of the goods into Canada.

BACKGROUND

[14] On August 19, 2016, following a complaint made by AltaSteel, AMLPC and Gerdau, the CBSA initiated an investigation, pursuant to subsection 31(1) of SIMA, respecting the dumping of the subject goods originating in or exported from Belarus, Chinese Taipei, Hong Kong, Japan, Portugal and Spain (the subject countries). The complaint was supported by another Canadian producer of rebar, Max Aicher (North America) Inc. (MANA).

[15] On April 18, 2017, pursuant to paragraph 41(1)(a) of SIMA, the CBSA made a final determination of dumping with respect to the subject goods from the subject countries.

[16] On May 3, 2017, pursuant to subsection 43(1) of SIMA, the CITT found in Inquiry No. NQ-2016-003 that the dumping of the subject goods had caused injury to the domestic industry, excluding those goods exported from Chinese Taipei by Feng Hsin Steel Co., Ltd. (Feng Hsin).¹³

[17] On February 7, 2022, the CITT issued a notice of expiry of finding in Expiry LE- 2021- 006.¹⁴ Based on the information received following its notice, the CITT decided that an expiry review of its finding was warranted. On March 29, 2022, pursuant to subsection 76.03(3) of SIMA, the CITT issued a notice initiating Expiry Review RR-2021-006.¹⁵

[18] On March 30, 2022, the CBSA initiated an expiry review investigation to determine whether the expiry of the finding is likely to result in continued or resumed dumping of rebar from Belarus, Chinese Taipei, Hong Kong, Japan, Portugal and Spain.

¹³ <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354744/index.do>.

¹⁴ Exhibit 2 (NC) – CITT – Notice of Expiry of Finding (Inquiry No. NQ-2016-003).

¹⁵ <https://decisions.citt-tcce.gc.ca/citt-tcce/ra/en/item/18444/index.do?q=expiry+review+reinforcing+bar> – CITT - Notice of Expiry Review of Finding (Inquiry No. NQ-2016-003).

PRODUCT INFORMATION

Product Definition

[19] The goods subject to the finding under review are defined as:

“Hot-rolled deformed steel concrete reinforcing bar in straight lengths or coils, commonly identified as rebar, in various diameters up to and including 56.4 millimeters, in various finishes, excluding plain round bar and fabricated rebar products, originating in or exported from the Republic of Belarus, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Hong Kong Special Administrative Region of the People’s Republic of China, Japan, the Portuguese Republic and the Kingdom of Spain. Also excluded is 10 mm diameter (10M) rebar produced to meet the requirements of CSA G30 18.09 (or equivalent standards) that is coated to meet the requirements of epoxy standard ASTM A775/A 775M 04a (or equivalent standards) in lengths from 1 foot (30.48 cm) up to and including 8 feet (243.84 cm).”

[20] Exclusion:

“The CITT excluded, from its finding, goods exported by Feng Hsin Steel Co. Ltd.”

Additional Product Information

[21] For further clarity, the subject goods include all hot-rolled deformed bar, rolled from billet steel, rail steel, axle steel, low alloy-steel and other alloy steel that does not comply with the definition of stainless steel.

[22] Uncoated rebar, sometimes referred to as black rebar, is generally used for projects in non-corrosive environments where anti-corrosion coatings are not required. On the other hand, anti-corrosion coated rebar are used in concrete projects that are subjected to corrosive environments, such as road salt. Examples of anti-corrosion coated rebar are epoxy or hot-dip galvanized rebar.

[23] The subject goods include uncoated rebar and rebar that has a coating or finish applied. Fabricated rebar products are generally engineered using Computer Automated Design programs, and are made to the customer’s unique project requirements. The fabricated rebar products are normally finished with either a protective or corrosion-resistant coating. Rebar that is simply cut-to-length is not considered to be a fabricated rebar product excluded from the definition of subject goods.

CLASSIFICATION OF IMPORTS

[24] The subject goods are usually classified under the following 10-digit tariff classification numbers:

7213.10.00.11	7214.20.00.13	7214.20.00.31	7215.90.00.30
7213.10.00.12	7214.20.00.14	7214.20.00.32	7215.90.00.50
7213.10.00.13	7214.20.00.21	7214.20.00.33	7228.30.00.51
7213.10.00.90	7214.20.00.22	7214.20.00.34	7228.30.00.52
7214.20.00.11	7214.20.00.23	7214.20.00.90	7228.30.00.53
7214.20.00.12	7214.20.00.24	7215.90.00.20	

[25] This listing of the tariff classification numbers is for convenience of reference only. The tariff classification numbers provided may include goods that are not subject goods and subject goods may also be imported into Canada under tariff classification numbers other than those provided. Refer to the product definition for authoritative details regarding the subject goods.

PERIOD OF REVIEW

[26] The POR for the CBSA's expiry review investigation is from January 1, 2019 to December 31, 2021.

OTHER REBAR INJURY FINDINGS

[27] There are currently four CITT injury findings regarding rebar from various countries. The four rebar cases are informally referred to as Rebar 1, Rebar 2 (which is the subject of this expiry review investigation), Rebar 3 and Rebar 4.

[28] On January 9, 2015, the CITT found that the dumping of rebar from China, South Korea and Turkey, and the subsidizing of rebar from China had not caused injury but was threatening to cause injury to the domestic industry in Canada.¹⁶ On October 14, 2020, the CITT issued an order in Expiry Review RR- 2019 -003 continuing its finding.¹⁷ This measure is referred to as Rebar 1.

[29] On June 4, 2021, the CITT found that the dumping of rebar from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam had caused injury to the domestic industry in Canada.¹⁸ This measure is referred to as Rebar 3.

[30] On July 2, 2021, the CITT found that the dumping of rebar from Oman and Russia had caused injury to the domestic industry in Canada.¹⁹ This measure is referred to as Rebar 4.

¹⁶ CITT Finding on Certain Concrete Reinforcing Bar Inquiry, NQ-2014-001. <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354225/index.do>.

¹⁷ CITT Order on Certain Concrete Reinforcing Bar Expiry Review, RR-2019-003. <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/486717/index.do>.

¹⁸ CITT Finding on Certain Concrete Reinforcing Bar Inquiry, NQ-2020-004. <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/497806/index.do>.

¹⁹ CITT Finding on Certain Concrete Reinforcing Bar Inquiry, NQ-2020-005. <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/498516/index.do>.

CANADIAN INDUSTRY

[31] The Canadian industry for rebar production is comprised of the following five producers:

- AltaSteel Inc., Edmonton, Alberta
- ArcelorMittal Long Products Canada G.P., Contrecoeur, Quebec
- Gerdau Ameristeel Corporation, Whitby, Ontario
- Ivaco Rolling Mills Ltd., L'Orignal, Ontario
- Max Aicher (North America) Inc., Hamilton, Ontario

AltaSteel Inc. (Alta Steel)

[32] The company now known as AltaSteel Inc. was founded in 1955 as Premier Steel Mills Ltd. It has undergone various ownership changes and, in January 2017, was owned by American Industrial Partners and became known as Moly-Cop AltaSteel Ltd. Since March 2020, it is now owned by Kyoei Steel Ltd. of Japan and the name of the legal entity was changed to AltaSteel Inc. AltaSteel employs over 350 people and its plant in Edmonton, Alberta, has both melting and rolling facilities and a production capability of over 330,000 metric tonnes (MT) of steel billets annually.²⁰

[33] AltaSteel produces uncoated black rebar in grade 400W or 500W with dimensions ranging from 15-55mm.²¹

ArcelorMittal Long Products Canada G.P. (AMLPC)

[34] AMLPC is one of the largest long steel producers in Canada, with sales of more than 2 million MT per year. With locations in the provinces of Quebec and Ontario, AMLPC has approximately 1,700 employees. It has facilities for steelmaking, rolling and wire drawing, as well as scrap recycling and processing facilities. AMLPC specializes in the manufacture of semi-finished products such as billets, slabs, bars and rod, dedicated mostly to the construction and automotive markets.²²

[35] AMLPC has three rebar manufacturing facilities in the province of Quebec, the Contrecoeur East facility produces rebar in coil form while the Contrecoeur West and the Longueuil facilities produce cut-to-length rebar.²³

²⁰ Exhibit 24 (NC) – Response to Canadian Producer ERQ – AltaSteel, Question 7.

²¹ Exhibit 24 (NC) – Response to Canadian Producer ERQ – AltaSteel, Question 5.

²² Exhibit 22 (NC) – Response to Canadian Producer ERQ – AMLPC, Question 7.

²³ Exhibit 22 (NC) – Response to Canadian Producer ERQ – AMLPC, Question 5.

Gerdau Ameristeel Corporation (Gerdau)

[36] Gerdau has manufacturing facilities in Whitby and Cambridge, Ontario and in Selkirk, Manitoba. Gerdau's three manufacturing facilities are all capable of producing uncoated black rebar in straight lengths to various standards or grades.²⁴ During the POR, Gerdau did produce rebar at its Manitoba plant.²⁵

[37] The parent company of Gerdau is Gerdau S.A of Brazil. Gerdau S.A. entered the North American market in 1989 with the acquisition of Courtice Steel in Cambridge, Ontario. In 1999, Gerdau S.A. acquired Ameristeel Corp. (Ameristeel), the second largest rebar producer in the United States of America (USA). In 2002, Ameristeel merged its operations with Co-Steel of Whitby, Ontario, which created the Gerdau Ameristeel Corporation as a Canadian corporation owning facilities throughout North America. In 2010, Gerdau S.A acquired 100% ownership of Gerdau Ameristeel.²⁶

Ivaco Rolling Mills Ltd. (Ivaco)

[38] Ivaco, located in l'Orignal, Ontario, primarily produces wire rod and steel billets,²⁷ but will produce rebar occasionally.

Max Aicher (North America) Inc. (MANA)

[39] MANA, at its bar mill in Hamilton, Ontario, produces both hot-rolled bar coils and cut bar lengths.²⁸

CANADIAN MARKET

[40] The apparent Canadian market for rebar during the POR is presented in Table 1 and Table 2 below. Table 1 reports the sales volume of the apparent Canadian market in MT, while Table 2 reports the corresponding sales value in Canadian Dollars (CAD). The information presented for the Canadian producers' domestic market sales is for AMLPC, AltaSteel and Gerdau. Additionally, although Ivaco and MANA did not respond to the CBSA ERQ or submit any information for this expiry review investigation, counsel for AltaSteel and AMLPC provided domestic sales data for these producers during the POR.

²⁴ Exhibit 29 (NC) – Response to Canadian Producer ERQ – Gerdau, Question 5.

²⁵ Exhibit 44 (NC) – Response to supplemental request for information (SRFI) #1 – Gerdau, Question 1.

²⁶ Exhibit 29 (NC) – Response to Canadian Producer ERQ – Gerdau, Question 7.

²⁷ <https://www.ivacorm.com/products/rod-mill/>.

²⁸ <https://www.mana-barmill.com/en/home/about-us>.

Table 1²⁹
Apparent Canadian Market for the POR
(Quantity in MT)

Source	2019		2020		2021	
	Quantity	%	Quantity	%	Quantity	%
Canadian Producers' Domestic Sales	747,482	57	715,749	52	850,507	52
Belarus	0	0	0	0	0	0
Chinese Taipei	549	0	1,047	0	477	0
Hong Kong	0	0	0	0	0	0
Japan	0	0	0	0	0	0
Portugal	30,272	2	0	0	0	0
Spain	10,265	1	109	0	0	0
Total - Subject Countries	41,086	3	1,156	0	477	0
Rebar 1 Countries	10,951	1	29,208	2	301,026	18
Rebar 3 Countries	313,042	24	407,268	29	145,040	9
Rebar 4 Countries	0	0	43,618	3	20,192	1
USA	89,829	7	173,576	13	174,337	11
All Other Countries	114,170	9	10,324	1	144,720	9
Total Imports	569,077	43	665,150	48	785,792	48
Total Canadian Market Volume*	1,316,559	100	1,380,899	100	1,636,299	100

* Totals may vary from row-by-row addition due to rounding.

²⁹ Exhibit 21 (PRO) – Response to Canadian Producer ERQ – AMLPC, Appendix 1; Exhibit 23 (PRO) – Response to Canadian Producer ERQ – AltaSteel, Appendix 1; Exhibit 43 (PRO) – Response to supplemental request for information (SRFI) #1 - Gerdau – Appendix 1; Exhibit 57 (PRO) – Close of record attachments - AMLPC and AltaSteel, Attachment 1; Exhibit 51 (PRO) – Compliance statistics - day 51; Exhibit 53 (PRO) - CBSA import statistics – day 51.

Table 2³⁰
Apparent Canadian Market for the POR
(Value in CAD)

Source	2019		2020		2021	
	Value	%	Value	%	Value	%
Canadian Producers' Domestic Sales	\$ 656,740,438	58	\$ 539,128,163	54	\$ 807,164,206	52
Belarus	\$ 0	0	\$ 0	0	\$ 0	0
Chinese Taipei	\$ 687,161	0	\$ 1,340,858	0	\$ 663,259	0
Hong Kong	\$ 0	0	\$ 0	0	\$ 0	0
Japan	\$ 0	0	\$ 0	0	\$ 0	0
Portugal	\$ 22,782,145	2	\$ 0	0	\$ 0	0
Spain	\$ 9,916,385	1	\$ 135,001	0	\$ 0	0
Total - Subject Countries	\$ 33,385,691	3	\$ 1,475,859	0	\$ 663,259	0
Rebar 1 Countries	\$ 14,485,815	1	\$ 18,909,340	2	\$ 263,962,697	17
Rebar 3 Countries	\$ 213,370,494	19	\$ 259,934,743	26	\$ 129,179,826	8
Rebar 4 Countries	\$ 0	0	\$ 26,258,963	3	\$ 13,887,044	1
USA	\$ 84,315,376	7	\$ 146,602,673	15	\$ 197,199,229	13
All Other Countries	\$ 135,975,199	12	\$ 9,495,130	1	\$ 140,279,168	9
Total Imports	\$ 481,532,575	42	\$ 462,676,709	46	\$ 745,171,224	48
Total Canadian Market Value*	\$ 1,138,273,013	100	\$ 1,001,804,872	100	\$ 1,552,335,430	100

*Totals may vary from row-by-row addition due to rounding.

Canadian Production

[41] Based on the information on the record and as presented in Table 1 and Table 2, the Canadian producers' share of the apparent Canadian market, was 57% in 2019 by volume and 58% by value. The Canadian producers' share of the market fell in 2020 to 52% of the volume despite the overall apparent Canadian market growing in total volume that year. The Canadian producers' share of the market value in 2020 also declined to 54%, while the total value of the apparent market also fell that year. The total Canadian apparent market grew significantly in 2021 as the Canadian economy recovered from the 2020 effects of the COVID-19 pandemic. However, the Canadian producers' market share did not recover on a commensurate basis. The Canadian producers' market share in 2021 remained at 52% of the volume and fell in terms of value to 52% of the market.

³⁰ Exhibit 21 (PRO) – Response to Canadian Producer ERQ – AMLPC, Appendix 1; Exhibit 23 (PRO) – Response to Canadian Producer ERQ – AltaSteel, Appendix 1; Exhibit 43 (PRO) – Response to supplemental request for information (SRFI) #1 - Gerdau – Appendix 1; Exhibit 57 (PRO) – Close of record attachments - AMLPC and AltaSteel, Attachment 1; Exhibit 51 (PRO) – Compliance statistics - day 51; Exhibit 53 (PRO) - CBSA import statistics – day 51.

[42] With respect to the unit pricing, the average price of rebar sold domestically by the Canadian producers was \$879/MT in 2019, \$753/MT in 2020, and \$949/MT in 2021. This demonstrated an expected fall in pricing during the 2020 effects of the COVID-19 pandemic with a recovery in 2021 as economic recovery and price inflation began to occur.³¹

Imports – Subject Countries

[43] During the POR, the volume of imports of subject goods from the subject countries was relatively small and, at times, was insignificant. The volume of subject goods from Belarus, Chinese Taipei, Hong Kong, and Japan was either insignificant or zero throughout the entire POR. Both Portugal and Spain had relatively small export volumes of rebar to Canada in 2019 while in 2020, the volume of subject goods from Spain was insignificant.

Imports – Other Countries

[44] During the POR, imports of rebar into Canada from the various countries subject to the measures pertaining to Rebar 1, Rebar 3 and Rebar 4 varied from country to country. Imports of rebar from the USA as a percentage of the apparent Canadian market were 7% in 2019, 13% in 2020 and 11% in 2021 while the imports from all other countries were 9% in 2019, 1% in 2020 and 9% in 2021.

[45] The total volume of imports from all countries as a percentage of the apparent Canadian market was 43% in 2019, 48% in 2020 and 48% in 2021. Within the volume of total imports of other countries, there has been quite varied volumes for different countries, which demonstrates some source switching for sources of imports.

COMPLIANCE DATA

[46] In the enforcement of the CITT's finding during the POR, the total amount of anti-dumping duty collected on subject imports was \$207,219. As a percentage of the total value for duty, the anti-dumping duty assessed during the POR was equal to 0.6%.³²

PARTIES TO THE PROCEEDINGS

[47] On March 30, 2022, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to known Canadian producers and potential importers and exporters/producers of the subject goods.

[48] The ERQs requested information needed to consider the expiry review factors, as found in subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR).

[49] Three Canadian producers, AltaSteel, AMLPC and Gerdau, participated in the expiry review investigation and responded to the CBSA's ERQ. The CBSA did not receive a response to the ERQ from the other two Canadian producers, Ivaco and MANA. One producer in

³¹ Exhibit 57 (PRO) – Close of record attachments - AMLPC and AltaSteel, Attachment 1.

³² Exhibit 51 (PRO) – Compliance statistics - day 51.

Portugal, SN Maia, provided a response to the CBSA's Exporter ERQ. Four importers, 11625748 Canada, JJM, LMS and Russel Metal, also provided a response to the CBSA's ERQ.

[50] Case briefs were received on behalf of the three Canadian producers. No other case briefs or reply submissions were received by the CBSA from any other parties notified by the CBSA at the initiation of this expiry review investigation.

INFORMATION CONSIDERED BY THE CBSA

Administrative Record

[51] The information considered by the CBSA for purposes of this expiry review investigation is contained on the administrative record (record). The record includes the information on the CBSA's exhibit listing, which is comprised of the CITT's administrative record relating to the initiation of the expiry review, the CBSA's exhibits and information submitted by interested parties, including information which the interested parties feel is relevant to the decision as to whether dumping is likely to continue or resume, if the finding is allowed to expire. This information may consist of expert analyst reports, excerpts from trade magazines and newspapers, orders and findings issued by authorities of Canada or of a country other than Canada, documents from international trade organizations such as the World Trade Organization (WTO) and responses to the ERQs submitted by Canadian producers, importers and exporters/producers.

[52] For purposes of an expiry review investigation, the CBSA sets a date after which no new information submitted by interested parties may be placed on the record or considered as part of the CBSA's expiry review investigation. This is referred to as the closing of the record date. This allows participants time to prepare their case briefs and reply submissions based on the information that is on the record as of the date the record closed. For this expiry review investigation, the record closed on May 19, 2022, at noon.

Procedural Issues

[53] On May 6, 2022, the importer, LMS requested an extension to file its ERQ response. On May 9, 2022, the CBSA replied and encouraged LMS to submit its response to the ERQ as soon as possible. It further indicated that as a result of the tight timelines to conduct its expiry review investigation, the CBSA may not have time to review late information.³³

³³ Exhibit 32 (PRO) – Extension request from LMS and response from CBSA.

POSITION OF THE PARTIES - DUMPING

Parties Contending that Continued or Resumed Dumping is Likely

[54] The three participating Canadian producers made representations in their ERQ responses and in their case brief supporting their position that the dumping of rebar is likely to continue or resume should the CITT's finding expire. Therefore, they argued that the anti-dumping measure should remain in place.

[55] The main factors identified by the Canadian producers can be summarized as follows:

- Commodity nature of rebar
- International and domestic market conditions
- Low-priced competition from other countries
- Factors specific to subject countries
 - Weak domestic demand in subject countries
 - Excess capacity in subject countries
 - Export-oriented exporters
 - Propensity of exporters from subject countries to dump or inability to compete in Canada at non-dumped prices

Commodity Nature of Rebar

[56] The Canadian producers emphasized that rebar is a commodity product and is interchangeable regardless of whether it is produced in Canada, in the subject countries, or in non-subject countries. They submitted that because of this commodity nature, importers in Canada routinely purchase on the basis of price, and that exporters are therefore more likely to dump their goods by having to price aggressively to gain customers.³⁴

International and Domestic Market Conditions

Global Excess Capacity

[57] The Canadian producers submitted that the world continues to have significant excess steel production capacity and that steel production capacity continues to grow.³⁵ They also noted that the excess capacity for steel products extends to rebar production as well. Specifically, they argued that it is a crisis that pushes global steel producers to find new foreign markets in which to sell their steel products at depressed prices. Steel producers, including rebar producers, price aggressively in international markets to secure additional production volumes for their mills.³⁶

³⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 22; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 5-9.

³⁵ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras 40-44;. Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 16-21.

³⁶ *Ibid.*

[58] AMLPC and AltaSteel also emphasized that global steel overcapacity is a significant problem specific to rebar. They argued that the CRU³⁷ data shows a problem with respect to global production and consumption of rebar. Specifically, they noted that significant excess capacity for global rebar will continue beyond 2022, with capacity utilization rates remaining below 70% during that time.³⁸ They noted that “trends in global production and production capacity for rebar demonstrate that the structural imbalance existing in the steel market will remain a major destabilizing factor in the rebar market in the near term”.³⁹

Global Economic Conditions

[59] The Canadian producers noted that overall international market conditions face a great deal of uncertainty in the near future as there is uneven economic recovery from the global COVID-19 pandemic.⁴⁰ Additionally, the Russian invasion of Ukraine has tempered the economic recovery outlook for many regions and caused instability in the global steel long products sector.⁴¹ They noted that the global demand for rebar was also expected to be soft in the near future and cited CRU global demand forecasts for rebar which show very low demand growth forecasts beyond 2022.⁴² They noted that when faced with the prospects of diminishing global rebar demand, producers will be forced to seek out new foreign markets to absorb excess production.

Domestic Market Conditions

[60] The Canadian producers submitted that the Canadian market for rebar remains strong and demand is expected to remain steady in the near future. This steady demand, coupled with relatively strong domestic prices for rebar will make Canada an attractive market for exports, particularly given the comparative instability in international and subject country market conditions. They argue that if the finding is rescinded, rebar imports from the subject countries would likely return to the Canadian market with its attractive pricing. As subject goods would have to compete with the existing low-priced imports, it is likely that the dumping of rebar from the subject countries would continue or resume absent the finding.⁴³

Low-priced Competition from Other Countries

[61] The Canadian producers noted the increased presence of import volumes of rebar from other non-subject countries into Canada during the POR. The Canadian producers noted the quickly increasing volume of these sources of rebar imports and emphasized that they were at a

³⁷ CRU is an industry trade publication that provides news and price intelligence on the global metals, mining and fertilizer industries through market analysis, price assessments, consultancy and events. See <https://www.crugroup.com/about-cru/>.

³⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 45-49.

³⁹ *Ibid.*

⁴⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 50-54; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 10-14.

⁴¹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 55-57; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 10-14.

⁴² Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 58-61; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 23-25.

⁴³ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 305-310; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 29-36.

low average unit price, relative to the Canadian producers' own domestic pricing averages.⁴⁴ The Canadian producers stressed that these low-priced imports of rebar, either from new sources or from countries covered by other rebar dumping findings were creating market pressure on prices of rebar in Canada and contended that imports of rebar from the subject countries would have to be priced at similarly low levels to regain market share.⁴⁵

Factors Specific to Subject Countries

Belarus

[62] The Canadian producers noted the poor economic conditions in Belarus. While Belarus had experienced moderate growth early in 2021, this economic trend had deteriorated and forecasts for 2022 were already expecting little economic growth in 2022.⁴⁶ The Canadian producers emphasized that, since Russia's invasion of Ukraine, the economic sanctions imposed by other countries have severely impacted the economy in Belarus. They cited an IMF forecast for Belarus expecting a 6.4% decline in GDP for 2022 as a result.⁴⁷

[63] The Canadian producers showed that Canada had also imposed economic sanctions against Belarusian commodity products and withdrawn Belarus from the Most-Favoured Nation (MFN) tariff status, meaning that any subject rebar imported into Canada after March 2, 2022, is subject to a general tariff rate of 35%.⁴⁸ The Canadian producers argued that rebar exporters in Belarus will need to offer lower prices to Canada to offset this tariff impact on importers. They further explained that if the dumping finding expires, weak domestic economic conditions, as well as the economic recession in Belarus, will incentivize Belarusian rebar exporters to dump subject goods into Canada.⁴⁹

[64] The Canadian producers noted the financial difficulties experienced by the major rebar producer in Belarus, OJSC Byelorussian Steel Works (BMZ). They also noted the apparent excess production capacity for BMZ.⁵⁰ AMLPC and AltaSteel further noted that there is regional excess rebar production capacity that is significant and that the regional rebar demand forecast is soft.⁵¹ The Canadian producers emphasized that BMZ is very export-oriented as the company exports more than 80% of its steel products.⁵² With countries imposing sanctions on Belarus in response to its support of the Russian invasion of Ukraine, they note that BMZ is running out of export markets that are free from sanctions. They note that in particular, the European Union

⁴⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 275-277, Table 42.

⁴⁵ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 267-279; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 37.

⁴⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 70-72.; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 42-44.

⁴⁷ *Ibid.*

⁴⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 7.; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 48.

⁴⁹ *Ibid.*

⁵⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 7.; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 45.

⁵¹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 74-80.

⁵² Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 96-99; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 40-41.

(EU) imposing sanctions restricting steel goods from Belarus will severely impact BMZ and cause them to seek sales to other export markets.⁵³

[65] Additionally, the Canadian producers noted that exporters of rebar in Belarus have a propensity to dump rebar in export markets. The Canadian producers identified anti-dumping findings in the EU, Ukraine and the USA against rebar from Belarus.⁵⁴ In addition to anti-dumping findings and economic sanctions, the Canadian producers also noted that rebar from Belarus is subject to safeguards in several jurisdictions.⁵⁵

[66] Finally, the Canadian producers noted the lack of subject goods that had been shipped to Canada from Belarus since the finding has been in place, including none during the POR. They argued this demonstrates an inability for exporters of rebar in Belarus to sell in Canada without dumping.⁵⁶

Chinese Taipei

[67] The Canadian producers noted that Chinese Taipei's strong economic performance, despite the COVID-19 pandemic, over the last few years is owed to its vigorous exports and emphasized that many producers of steel in Chinese Taipei are export-oriented, including rebar producers.⁵⁷ While Chinese Taipei had experienced annual growth, they cited the IMF which reports that this economic trend in Chinese Taipei is forecasted to slow successively over the next few years, dropping from 6.3% in 2021, to 3.2% in 2022 and to 2.9% in 2023.⁵⁸

[68] While Chinese Taipei's export growth has had momentum and is expected to continue, AMLPC and AltaSteel emphasized that Chinese Taipei's economic growth is not driven by domestic demand.⁵⁹ The Canadian producers noted that as Chinese Taipei faced its highest COVID-19 case count in the first quarter of 2022, weak domestic consumption reduced the GDP growth and that the building permits in Chinese Taipei, which consume rebar, decreased in February 2022 from the previous month by over 40% and are also lower than the levels in 2020 and 2021.⁶⁰ Furthermore, AMLPC and AltaSteel noted that the construction sector will not be a significant source of domestic demand for rebar as the planned projects in 2023 and 2024 are not rebar intensive.⁶¹

⁵³ *Ibid.*

⁵⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, Table 44; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 46-48.

⁵⁵ *Ibid.*

⁵⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 280-282; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 39.

⁵⁷ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 110, 115, 132 and 137; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 47 and 53.

⁵⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 114; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 55.

⁵⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 118.

⁶⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 114, 119 and 133; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 55.

⁶¹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 118-119 and 133-134.

[69] AMLPC and AltaSteel noted that in 2021, in terms of the worldwide rebar production capacity, Chinese Taipei was highly ranked.⁶² With this significant production capacity, the Canadian producers underlined that Chinese Taipei's rebar exports have increased, from 2019 to 2021, by 63%. Regarding Chinese Taipei's forecasted excess rebar capacity level in the next few years, they cited that the excess capacity is significant and almost the same size as the entire Canadian rebar market.⁶³ Faced with unfavourable domestic market conditions, the Canadian producers argued that Chinese Taipei producers will need to find export markets to offload their excess rebar production which points to a greater likelihood of resumed dumping to Canada should the finding be rescinded.⁶⁴

[70] Additionally, Gerdau noted that exporters of rebar in Chinese Taipei have a propensity to dump rebar in export markets. It identified anti-dumping findings in Australia, Mexico and USA against rebar from Chinese Taipei. In addition to anti-dumping findings, Gerdau also noted that rebar from Chinese Taipei remains subject to EU and UK safeguard measures and to the USA's Section 232 measure.⁶⁵ The Canadian producers argued that as a result of being export-oriented and facing various trade measures in other major markets, Chinese Taipei rebar producers will need to look to other unprotected markets to sustain plant throughput. As such, if the finding is rescinded, Canada will be one such market.

[71] Finally, Gerdau noted the substantial decline of subject goods that had been shipped to Canada from Chinese Taipei since the finding has been in place, to negligible volumes during the POR and argued that to re-enter the Canadian market, exporters from Chinese Taipei will need to offer dumped pricing.⁶⁶

Hong Kong

[72] The Canadian producers noted that Hong Kong was already facing an economic contraction in 2019 and, as a result of the COVID-19 pandemic, Hong Kong's economy further contracted with a GDP decline of 6.5% in 2020. Although Hong Kong's economy recovered in 2021 with a GDP growth of 6.4%, they cited the IMF noting that Hong Kong's projected economic growth is to slow dramatically to 0.5% in 2022 and only reach 2018 levels by mid-2023.⁶⁷

[73] The Canadian producers noted that Hong Kong has only one rolling mill and the producer, Shiu Wing Steel Limited (Shiu Wing) is capable of producing annually over 750,000 MT of round and reinforcing bars.⁶⁸

⁶² Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 122-123.

⁶³ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 126 and 139; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 51-53.

⁶⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 135; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 54.

⁶⁵ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 57.

⁶⁶ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 50 and 58.

⁶⁷ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 147; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 62.

⁶⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 151; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 61.

[74] The Canadian producers noted that from 2019 to 2021, Hong Kong's construction industry, the main downstream sector for rebar, contracted on an annual basis.⁶⁹ AMLPC and AltaSteel contended that these contractions may be even more pronounced for commercial building type construction projects since most of Hong Kong's investments in infrastructure projects relate to transportation, a sector that does not significantly use rebar.⁷⁰ Lastly, the Canadian producers noted that in early 2022, Hong Kong was subjected to a new strain of COVID-19 and contended that this outbreak in Hong Kong casts doubt on its forecasted growth and points to continued subdued construction and consequent rebar demand.⁷¹ The Canadian producers argued that with the lack of projects in Hong Kong, rebar demand will be weak and will require Hong Kong rebar exporters to look to foreign markets and export subject goods at dumped prices in Canada should the finding be rescinded.⁷²

[75] AMLPC and AltaSteel noted that in 2020, Hong Kong's economy was the 2nd most export-oriented in the world.⁷³ Furthermore, the Canadian producers underlined that Hong Kong's rebar market is also highly export-oriented as witnessed by the volumes increasing by over 81%, from 2019 to 2021, with exports of rebar going to China and Macao Special Administrative Region of China (Macao).⁷⁴ Lastly, Gerdau contended that the increase in exports over this period suggests that Hong Kong has replaced declining home market rebar sales with increased export sales to maintain throughput in its mill.⁷⁵

[76] Additionally, Gerdau noted that rebar from Hong Kong remains subject to EU and UK safeguard measures and to the USA's Section 232 measure.⁷⁶ The Canadian producers contended that if the finding is rescinded, as a result of Hong Kong's strong export orientation for rebar coupled with weak rebar demand in Macao and China and various trade measures in other major markets, Canada will be an attractive market for exporters from Hong Kong given the lack of protection from its unfairly traded imports.⁷⁷

[77] Finally, Gerdau noted that since the finding, Hong Kong was unable to export any subject goods to Canada from 2017, including the POR, and argued that this demonstrates an inability for exporters of rebar in Hong Kong to sell to Canada without dumping.⁷⁸

⁶⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras 155-157; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 63.

⁷⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 158.

⁷¹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 150; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 63.

⁷² Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 143 and 147-148; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 60-61 and 63-64.

⁷³ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 166.

⁷⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 166 and 168-171, . Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 61.

⁷⁵ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para. 61.

⁷⁶ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 65.

⁷⁷ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 172-174; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 65.

⁷⁸ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 59.

Japan

[78] The Canadian producers underlined that Japan's economy is weak. They noted that although Japan's GDP recovered in 2021, growing by 1.6%, this increase was far below the global average of 6.1% and cited the IMF noting that Japan's GDP is expected to grow by 2.4% in 2022 and 2.3% in 2023.⁷⁹ AMLPC and AltaSteel also pointed out that as forecasted, Japan's economy contracted at the end of the first quarter of 2022.⁸⁰ Furthermore, Gerdau noted that though the IMF's April 2022 report predicted another year of slow growth in Japan, as of April 2022, the rapid increase in COVID-19 cases in Japan makes this forecast uncertain.⁸¹

[79] AMLPC and AltaSteel noted that the lasting effects of the COVID-19 pandemic on Japan's rebar consumption in 2020 and 2021 has been far more severe than Japan's general steel consumption. Furthermore, they cited evidence indicating that the forecasted rebar demand growth in the coming years, is predicted to nearly come to a halt, slowing in 2023, before dropping even further in 2024.⁸² AMLPC and AltaSteel cited Research and Markets which predicts growth of an average of 1.2% per year in Japan's construction activity from 2022 to 2025 with large sources of this growth expected for sectors such as transport, renewable energy, and telecommunication projects.⁸³ They contended that Japan's current and forecasted weak construction market will cause rebar mills in Japan to look for export opportunities in foreign markets and argued that if the finding is not renewed, Canada will become an open market for excess Japanese rebar production which will likely be at dumped prices given Japan's weak market conditions.⁸⁴

[80] AMLPC and AltaSteel noted that in 2021, in terms of the worldwide rebar production capacity, Japan was highly ranked.⁸⁵ They underlined that the utilization rates for rebar are very low and Japan's excess capacity has been consistently high and is expected to remain high through 2024 with 11 million MT per year.⁸⁶ Furthermore, the Canadian producers underlined that Japan's rebar exports nearly doubled in 2021 as compared to 2020, to reach just over 501,000 MT which suggests an increased reliance on rebar exports to fill unused capacity.⁸⁷ The Canadian producers argued that because of Japan's simultaneous soft domestic demand for rebar and the forecasted drop of rebar demand from 2022 to 2024 in South Korea, its traditional export market, with excess capacity, rebar producers in Japan will look for export opportunities in foreign markets and likely export rebar at low prices.⁸⁸

[81] Additionally, Gerdau noted that rebar from Japan remains subject to EU and UK safeguard measures and to the USA's Section 232 measure and contended that these measures

⁷⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 179-180; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 70.

⁸⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 182.

⁸¹ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 70.

⁸² Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 191-193.

⁸³ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 202.

⁸⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 203.

⁸⁵ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 185-186 and 188.

⁸⁶ *Ibid.*

⁸⁷ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 209; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 68.

⁸⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 188, 190, 203 and 210; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 70 and 72.

will lead Japan to focus on markets that are not restricted by trade measures, such as Canada, should the finding be rescinded.⁸⁹

[82] Finally, AMLPC and AltaSteel cited evidence that the Japanese yen has depreciated in April 2022 to its lowest level since April 2002 and argued that a depreciating yen makes Canada more attractive to rebar exporters from Japan and increases the likelihood of resumed dumping in Canada⁹⁰ while Gerdau noted that not one single metric tonne of rebar from Japan entered Canada during the POR and argued that exporters from Japan therefore cannot compete at non-dumped prices.⁹¹

Portugal

[83] The Canadian producers noted that Portugal's economy was adversely impacted by the COVID-19 pandemic and that its current recovery is dependent on government intervention and stimulus. They cited an IMF report noting that Portugal's economy contracted by 8.4% in 2020 before recovering by 4.9% in 2021. Portugal's projected economic growth is 4% in 2022, meaning the IMF expects Portugal to only recover to its 2019 economic levels by the end of this year.⁹² Further, the Canadian producers noted poor construction industry forecasts in the near future and also highlighted weak regional demand for rebar.⁹³

[84] The Canadian producers emphasized that there is significant excess production capacity for rebar in Portugal. They noted the ERQ response from SN Maia in Portugal showed excess production capacity in each year of the POR and that the capacity utilization rate for SN Maia was low.⁹⁴

[85] The Canadian producers also noted that rebar producers in Portugal are very export-oriented. They cited the ERQ response from SN Maia and referenced SN Maia's exported volumes of rebar in relation to its rebar production in each year of the POR.⁹⁵ They also noted weak demand for rebar in important export markets for SN Maia.⁹⁶ They further commented on SN Maia's business practices when faced with declining export volumes to one market.⁹⁷ The Canadian producers argued that with expected weak domestic and export markets for rebar, exporters in Portugal would look to the Canadian market to make up lost export sales if the finding were allowed to expire.⁹⁸

⁸⁹ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para. 73.

⁹⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 211-212.

⁹¹ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 67.

⁹² Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 218-231. Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 77-78.

⁹³ *Ibid.*

⁹⁴ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 222; Exhibit 59 (PRO) – Case brief filed on behalf of Gerdau, para 80.

⁹⁵ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 234-235; Exhibit 59 (PRO) – Case brief filed on behalf of Gerdau, para 81.

⁹⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 234-235; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 80-81.

⁹⁷ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 234-237; Exhibit 59 (PRO) – Case brief filed on behalf of Gerdau, para 81.

⁹⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 234-237; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 80-81.

[86] Finally, the Canadian producers noted the low volume of subject goods that had been shipped to Canada from Portugal since the finding has been in place. The Canadian producers noted that there were only limited shipments of subject goods to Canada in 2019 and none during the rest of the POR. They argued this demonstrates that exporters from Portugal have been largely unable to make shipments into Canada and suggests they cannot compete with prevailing market prices without dumping.⁹⁹

Spain

[87] The Canadian producers noted that Spain's economy was very impacted by the COVID-19 pandemic. They cited the IMF, noting that Spain's economy declined 10.8% in 2020 before recovering by 5.1% in 2021.¹⁰⁰ They further underlined that Spain's economy is not expected to fully recover to 2019 pre-pandemic levels until sometime in 2023. Additionally, they emphasized that Spain's construction sector was particularly hard hit during the pandemic and declined 14.5% in 2020 and had seen only minimal recovery since.¹⁰¹

[88] The Canadian producers emphasized that there is significant excess production capacity for rebar in Spain.¹⁰² They cited CRU data that showed very low capacity utilization rates for rebar and noted that the amount of excess production capacity for rebar in Spain is larger than the entire apparent Canadian market for rebar.¹⁰³ The Canadian producers argued that Spanish producers of rebar have an incentive to find markets to export to maintain production levels. They emphasized that rebar producers in Spain have more than enough capacity to overwhelm the Canadian market if the finding is rescinded.¹⁰⁴

[89] The Canadian producers also noted that rebar producers in Spain are very export-oriented. They underlined that rebar producers in Spain exported a significant amount of their production during the POR.¹⁰⁵ They also noted weak demand for rebar in important export markets for Spanish rebar producers.¹⁰⁶

[90] Finally, the Canadian producers noted the low volume of subject goods that had been shipped to Canada from Spain since the finding has been in place. The Canadian producers noted that there was only a very low volume of subject goods shipped to Canada in 2019 and 2020, and none during 2021. They argued this demonstrates that exporters from Spain have been largely

⁹⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 280-282; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 75.

¹⁰⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 244-256; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 84.

¹⁰¹ *Ibid.*

¹⁰² Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 248-250; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 88-89.

¹⁰³ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 248-250.

¹⁰⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 248-250; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 88-89.

¹⁰⁵ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 261-264; Exhibit 59 (PRO) – Case brief filed on behalf of Gerdau, para 81.

¹⁰⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 234-237; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, paras. 80-81.

unable to make shipments into Canada and suggests they cannot compete at prevailing market prices without dumping.¹⁰⁷

Parties Contending that Resumed or Continued Dumping is Unlikely

[91] Three importers, 11625748 Canada, JJM and LMS made representations as part of their responses to the ERQ.¹⁰⁸ However, due to confidentiality reasons, the representations made by 11625748 Canada cannot be disclosed. The main comments, factors and arguments made by the other two importers can be summarized as follows:

- The subject countries in Rebar 2 did not have an impact on the Canadian market during the period of review.
- All foreign mills are producing at or near capacity to meet current demand levels.
- The producers will not dump rebar into Canada if dumping is calculated at the time of purchase.
- Importers and exporters realize that purchases for export to Canada need to be above both normal values and domestic pricing.
- It is difficult to gauge whether an exporter will resume dumping in light of the refusal by CBSA to accept requests for normal value reviews from exporters who do not have specific normal values.

[92] None of the importers provided specific evidence in support of their position that the expiry of the CITT's finding is unlikely to result in the continuation or resumption of dumping of the subject goods nor they did provide case briefs or reply submissions.

CONSIDERATION AND ANALYSIS - DUMPING

[93] In making a determination under paragraph 76.03(7)(a) of SIMA whether the expiry of the finding is likely to result in the continuation or resumption of dumping of the goods, the CBSA may consider the factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant under the circumstances.

[94] Before presenting the specific analysis with respect to each subject country concerning the likelihood of the continuation or resumption of dumping in absence of the CITT's finding, there are certain issues listed below that relate to the goods on a broader scale which are addressed as follows:

- Commodity nature of rebar;
- Global steel market developments and trends; and
- Global rebar market developments and trends.

¹⁰⁷ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 280-282; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 83.

¹⁰⁸ Exhibits 26 (NC), 40 (NC) and 49 (PRO) – Responses to Importer ERQ – JJM, LMS and 11625748 Canada.

Commodity Nature of Rebar

[95] Generally speaking, rebar manufactured either by a Canadian producer or by a foreign producer is physically interchangeable. Rebar manufactured by foreign producers for sale to Canada is generally manufactured to meet Canadian standards, sizes and yield requirements. As noted by the CITT in the original injury finding “Price is a very important factor in purchasing decisions, and the lowest-priced goods usually win the contract or sale, subject to comparability of other key factors (e.g. product quality, meeting technical specifications and delivery time and terms)”¹⁰⁹ In the most recent rebar proceeding before the CITT, the injury inquiry for Rebar 4, the CITT confirmed the commodity nature of rebar by stating that it “has repeatedly found that rebar is a commodity product that competes on the basis of price”.¹¹⁰

[96] This characteristic means rebar must compete in a market that is price sensitive, where price is one of the primary factors affecting customer purchasing decision. Furthermore, because of this high degree of price sensitivity, prices in a given market have historically tended to converge over time towards the lowest available price offering. Importers of rebar in Canada have demonstrated that they will switch to lower offered rebar import sources when they are available. This source switching has led to four rebar anti-dumping investigations and injury findings since 2014.

[97] The Canadian producers placed evidence on the record of low-priced imports from both countries that are currently covered by anti-dumping measures and new off-shore sources of imports. They demonstrated that these imports were at a low average unit price, relative to the Canadian producers’ own domestic unit pricing averages during the POR.¹¹¹ This information is confirmed with the CBSA’s own import statistics and apparent Canadian market tables.

[98] The information in the apparent Canadian market tables demonstrates that average import unit pricing from off-shore sources always provided the lowest pricing in the Canadian market during the POR. Rebar 3 and Rebar 4 countries had very low import unit prices into the Canadian market, prior to the injury findings for those two cases. In 2021, average import unit prices from Rebar 1, Rebar 3 and Rebar 4 countries continued to be well below the average unit pricing of the Canadian producers. Potential future shipments of rebar from the subject countries will have to compete with the lower-priced off-shore sources of supply in order to secure sales in the Canadian market. Given the commodity nature of rebar, the goods from the subject countries will have to compete based on low pricing, which increases the likelihood of continued or resumed dumping if the finding were to expire.

¹⁰⁹ CITT Finding on Certain Concrete Reinforcing Bar Inquiry, NQ-2016-003, para 68. <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354744/index.do>.

¹¹⁰ CITT Finding on Certain Concrete Reinforcing Bar Inquiry, NQ-2020-005, para 47. <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/498516/index.do>.

¹¹¹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 267-279; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 37.

Global Steel Market Developments and Trends

[99] The current outlook for the global steel market conditions is very uncertain. Despite global economic recovery and growth in late 2020 and early 2021 following the COVID-19 pandemic, the Russian invasion of Ukraine in 2022 has caused a great degree of uncertainty for global economic conditions. Evidence on the record from the IMF indicates the global economy's relatively weak position has now been exacerbated by the war in Ukraine, which has increased global commodity prices, fragmented trade and financial linkages due to sanctions, reduced global labor supply, and has caused significant humanitarian impacts. This means the global economic outlook remains uncertain as the Russian invasion of Ukraine "risks derailing the post-pandemic recovery".¹¹²

[100] Global steel production overcapacity remains an important market condition affecting the world steel market. Information on the record from the OECD shows that global crude steelmaking capacity increased by 37.6 million MT, or 1.6%, in 2020 despite extremely weak market conditions.¹¹³ Information on the record indicates that global steelmaking capacity was forecast to increase in 2021 for the third year in a row, resulting in a 1.3% increase from the level at the end of 2020.¹¹⁴ While 2021 saw global steel consumption levels recover from the COVID-19 impacts of 2020, forecasted growth for 2022 is expected to be lower. The OECD's most recent steel consumption forecasts predicted 2021 growth would have reached 5.8%, while they were forecasting a lower growth rate of 2.7% in 2022.¹¹⁵ This forecast was tempered by noting "uncertainty surrounding the evolution of COVID-19 and of trade relations poses substantial risks to the outlook, particularly in those emerging economies that have experienced lower rates of vaccination and lower levels of government intervention".¹¹⁶ The overall global steelmaking capacity utilization rate has improved from 75% utilization in 2020 to an expected rate of 80% in 2021, however there remains a significant amount of excess steelmaking capacity in the global market.¹¹⁷

[101] The OECD is also forecasting that global steel capacity will continue expanding in the near future. A total of 45 million MT of capacity is slated for completion in 2021-2023, with an additional 68.7 million MT of capacity currently at the planning stage.¹¹⁸ The OECD Steel Committee noted that "steel excess capacity presents a fundamental challenge" facing the steel sector due to continuing "increases in steelmaking capacity that are not driven by market forces".¹¹⁹ As investment projects continue to increase in a number of economies and as steel consumption growth is anticipated to remain moderate, the global imbalance between capacity and demand will continue to pose risks for the industry for the foreseeable future. This overcapacity provides steel producers with the incentive to sell excess production in foreign markets at depressed prices, rather than reduce their own production levels, increasing the likelihood of steel product dumping.

¹¹² Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 12.

¹¹³ Exhibit 48 (NC) – CBSA Research – OECD, *Latest-developments-in-steelmaking-capacity-2021*, page 5.

¹¹⁴ Exhibit 48 (NC) – CBSA Research – OECD, *Steel Market Developments, Q4 2021*, page 42.

¹¹⁵ Exhibit 48 (NC) – CBSA Research – OECD, *Steel Market Developments, Q4 2021*, page 44.

¹¹⁶ *Ibid.*

¹¹⁷ Exhibit 48 (NC) – CBSA Research – OECD, *Steel Market Developments, Q4 2021*, page 43.

¹¹⁸ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 20.

¹¹⁹ *Ibid.*

Global Rebar Market Developments and Trends

[102] Global excess production capacity for rebar is also present and forecast to continue in the future. Information provided by the Canadian producers from CRU indicates that the amount of global excess production capacity for rebar is significant. The amount of global rebar excess capacity and the capacity utilization rate have both marginally improved since 2019 and are forecast to continue a gradual improvement in the near future. However, the amount of global excess production capacity for rebar remains very large at an excess of over 200 million MT.¹²⁰ The global capacity utilization rate for rebar is expected to remain relatively low and is at a lower capacity utilization rate than the overall global steel market utilization rate. The impacts of excess production capacity are therefore even more pertinent within the global rebar market.

[103] Global demand for rebar is also forecasted to slow. Information provided by the Canadian producers from CRU indicates that after a period of relatively strong growth in rebar demand in 2019, growth in demand slowed modestly in 2020 during the COVID-19 pandemic and then showed modest growth in 2021. However, the projected years see the growth in demand for rebar weakening to very low levels of growth by 2024.¹²¹ This weakening global demand for rebar, combined with the continued excess global rebar production capacity and low utilization rates, demonstrate that the global imbalance between capacity and demand will continue to pose risks for the rebar industry for the foreseeable future.

Belarus

[104] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Belarus. The CBSA therefore relied on information submitted by participating parties, as well as other information on the record, in considering whether the dumping of subject goods from Belarus is likely to resume or continue if the finding were to expire.

[105] Belarus is a relatively small steel producing country with a total steel making capacity of 3 million MT.¹²² The majority of this production capacity is with one producer, BMZ. BMZ only produces steel long products, including subject goods rebar, and non-subject steel billet, round bar, wire rod and seamless pipes.¹²³ BMZ is the only producer of rebar in Belarus. In 2021, BMZ produced approximately 2.4 million MT of steel products¹²⁴ and the Canadian producers underlined the appreciable amount of production capacity allocated to rebar by BMZ.¹²⁵

¹²⁰ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Table 1.

¹²¹ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Table 2.

¹²² Exhibit 48 (NC) - CBSA research, OECD Latest Developments in Steel Making Capacity 2021, page 45.

¹²³ Exhibit 14 (NC) - CBSA research, pages 3-7.

¹²⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 77.

¹²⁵ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 74.

[106] With respect to rebar production and capacity, information was provided by the Canadian producers from CRU.¹²⁶ However, while information was not specific to Belarus, it shows capacity and production levels for the “Other CIS” region. The “Other CIS” region consists of Belarus and three other countries (Azerbaijan, Turkmenistan, and Uzbekistan).¹²⁷ The Canadian producers note that Belarus’ rebar production capacity accounts for the majority of this region and can therefore be used as a proxy to forecast Belarusian rebar trends.¹²⁸

[107] The rebar production capacity shows no recent or forecasted changes. Rebar production levels increased during the 2019-2021 period, including during the COVID-19 pandemic. Capacity utilization rates improved during the same period. Both production and capacity utilization rates are forecasted to remain high during 2022 and 2023, however there is now additional uncertainty concerning the strengths of these forecasts given the instability in the region caused by the Russian invasion of Ukraine in early 2022.

[108] With respect to domestic market conditions, information on the record shows very weak and declining economic conditions in Belarus. In its October 2021 report, the IMF projected that in 2022, despite the world overall experiencing substantial GDP growth, Belarus’ economy was set to grow by 0.5%, while its consumer index was expected to balloon by 8.3%.¹²⁹ Since the Russian invasion of Ukraine, economic conditions in Belarus have deteriorated and the IMF is now forecasting that the economy in Belarus will be in a recession and decline by 6.4% in 2022.¹³⁰ Further, Belarus has been experiencing declines in its construction sector, a key user of steel products and rebar domestically. The construction sector in Belarus experienced a 12.2% decline in gross value in 2021.¹³¹ This decline has continued into 2022, with statistics published by the government of Belarus showing the construction industry contracted by 10.1% in January 2022 and further declined by 8.1% in February.¹³² It is likely that the declining domestic construction sector will cause BMZ to look to export markets to maintain production and sales levels.

[109] Information concerning the financial performance of the only rebar producer in Belarus, BMZ, also demonstrates declining conditions. BMZ was reported to be in severe financial difficulty in 2021.¹³³ The government of Belarus intervened with a number of measures to assist the company in meeting its financial debt obligations. Despite these intervention measures by the government of Belarus, from January-September 2021, BMZ reported a net profit of only BYN 45 thousand (or US\$13,000).¹³⁴

¹²⁶ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Table 11, page 32.

¹²⁷ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 74.

¹²⁸ *Ibid.*

¹²⁹ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 42.

¹³⁰ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 43.

¹³¹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 84.

¹³² Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 44.

¹³³ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 81.

¹³⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 82.

[110] Given the financial difficulties for BMZ amid weakening domestic demand, it is likely that they will seek to recoup sales and revenue in export markets. However, BMZ is already very export-oriented, exporting over 80% of their sales volume.¹³⁵ The main export market for BMZ is Europe, with Poland and Latvia cited as their two most important export countries.¹³⁶ In 2020 and 2021, BMZ experienced strong export sales growth, with exports to Europe sharply increasing.¹³⁷ However, since Belarus supported the Russian invasion of Ukraine, the country has been subject to an increasing number of sanctions from other countries. Most notably, in March 2022, the EU prohibited the purchase and importation of all steel products originating in Belarus.¹³⁸ With the loss of their most important export market, combined with already weak financial performance and poor domestic market conditions for rebar, BMZ will be highly motivated to find other export markets in which to sell rebar.

[111] While there may be strong incentive for BMZ to seek additional export sales, they have less access to markets that are free of tariffs or import restrictions. Even prior to the above-noted EU sanctions, rebar from Belarus was already subject to anti-dumping measures in the EU.¹³⁹ Additionally, rebar from Belarus is covered by anti-dumping measures in the USA and in Ukraine.¹⁴⁰ This demonstrates the restricted access to other export markets that exporters of rebar from Belarus will continue to face in the near future, and also indicates a propensity to dump rebar by Belarussian exporters.

[112] During the POR, there were no imports of subject goods from Belarus to Canada. The absence of imports of subject goods suggests an inability on behalf of exporters of rebar in Belarus to compete in Canada at non-dumped prices.

[113] Additionally, countries including Canada have revoked MFN tariff status from Belarus.¹⁴¹ This means that Canada has a duty rate of 35% in place on all rebar from Belarus while this status remains. Consequently, exporters of rebar from Belarus will need to offer much lower prices to Canada in order to secure any sales. Exporters of rebar from Belarus will therefore be more likely to dump rebar in the future while the non-MFN status remains in effect.

Determination Regarding Likelihood of Continued or Resumed Dumping for Belarus

[114] Based on the evidence on the record in respect of: the commodity nature of rebar; excess global production capacity and weakening global demand for rebar; weakening economic growth and demand for rebar in Belarus; the restricted access to export markets due to trade restrictions imposed by other export markets; the poor financial performance for the only rebar producer in Belarus; the anti-dumping measures in place in other jurisdictions against rebar that demonstrate that rebar exporters in Belarus have a propensity to dump into export markets; and the inability

¹³⁵ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 96; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 40.

¹³⁶ Exhibit 14 (NC) - CBSA research, pages 3-7.

¹³⁷ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 98; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 40.

¹³⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 107; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 41.

¹³⁹ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, Table 4.

¹⁴⁰ *Ibid.*

¹⁴¹ Exhibit 48 (NC) – CBSA research – Department of Finance Canada – News Release: “Canada Cuts Russia and Belarus from Most-Favoured-Nation Tariff Treatment”, March 3, 2022.

of rebar exporters in Belarus to compete in Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of rebar from Belarus.

Chinese Taipei

[115] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Chinese Taipei. The CBSA therefore relied on information submitted by participating parties, as well as other information on the record, in considering whether the dumping of subject goods from Chinese Taipei is likely to resume or continue if the finding were to expire.

[116] Chinese Taipei is a relatively small geographic area with industries that produce far more than its relatively small economy can consume and therefore relies heavily on exports. Information on the record identified four rebar producers in Chinese Taipei, namely, Feng Hsin, Lo-Toun Steel and Iron Works, Co., Ltd., Power Steel Co., Ltd. and Tung Ho Steel Enterprise Corp. (Tung Ho).¹⁴² As indicated previously, subject goods exported by Feng Hsin to Canada were excluded from the CITT's finding of May 3, 2017.

[117] With respect to rebar production and capacity, information was provided by the Canadian producers from CRU.¹⁴³ The rebar production capacity shows a decrease from 2019 to 2020 and subsequently no recent or forecasted changes in rebar production capacity. After rebar production levels increase annually from 2019 to 2021, production is forecasted to decrease in 2022 and subsequently is expected to gradually recover at a level near that of the peak in 2021. Although the utilization rates forecasted are to remain relatively high, the expected excess capacity starting after 2022 still represents substantial levels of unused rebar production capacity. This forecasted excess capacity is significant when compared to the size of entire apparent Canadian market for rebar.¹⁴⁴

[118] The IMF reports that Chinese Taipei's GDP grew 3.1% in 2019, 3.4% in 2020 and 6.3% in 2021. Chinese Taipei's strong economic performance despite the COVID-19 pandemic is owed to the momentum of export growth. Over the next few years, the GDP growth is expected to slow successively, dropping to 3.2% in 2022 and to 2.9% in 2023.¹⁴⁵ With respect to domestic market conditions in Chinese Taipei, information on the record indicates that domestic consumption was relatively weak with no improvement in the near future due to the prolonged effects of the COVID-19 pandemic, inflation and anticipated rising interest rates.¹⁴⁶

¹⁴² Exhibit 14 (NC) - CBSA research, pages 14-22, 60 and 64; Exhibit 17 (PRO) - CBSA research, pages 4-6.

¹⁴³ Exhibit 57 (PRO) – Close of record - attachments from AMLPC and AltaSteel, Attachment 14, page 10 and Attachment 16, pages 1 and 6.

¹⁴⁴ The apparent Canadian market of rebar was 1.636 million MT in 2021 (from Table 1 – Apparent Canadian Market above).

¹⁴⁵ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 114-115.

¹⁴⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 114-115 and 118-119.

[119] Information obtained from CRU shows the rebar consumption and demand forecasts in Chinese Taipei.¹⁴⁷ The expected demand for rebar in Chinese Taipei is to significantly decline in 2022 from 2021 and subsequently is expected to annually increase to attain a level which is well below that of the peak in 2021. While the construction sector is expected to see annual growth in the next few years, the expected recovery will be focussed on projects pertaining to energy, digital and transportation, which are not rebar intensive. Furthermore, building permits in Chinese Taipei in February 2022 decreased by 41% from January 2022 and are lower than the levels in February 2020 and February 2021.¹⁴⁸ It is likely that this projected decline in domestic demand for rebar will cause producers in Chinese Taipei to look to export markets to maintain the production and sales levels.

[120] With respect to exports of rebar from Chinese Taipei, data from UN Comtrade shows that exports have increased by 63% from 2019 to 2021.¹⁴⁹ Rebar producers in Chinese Taipei are very export-oriented. In terms of export levels in the coming years, Chinese Taipei's main export markets for rebar, South Korea and Australia, are projected to remain relatively flat from 2022 to 2024.¹⁵⁰ With weak rebar demand in their domestic and traditional export markets, producers in Chinese Taipei will turn to other export markets for sales of rebar.

[121] While there may be strong incentives for rebar exporters in Chinese Taipei to seek additional export sales, they have less access to markets that are free of tariffs or import restrictions. Rebar from Chinese Taipei remains subject to EU and UK safeguard measures and to the USA's Section 232 measure. Even prior to the above-noted measures, rebar from Chinese Taipei was subject to anti-dumping measures in Mexico and USA. Additionally, Australia had anti-dumping findings on rebar from Chinese Taipei.¹⁵¹ These trade measures demonstrate the restricted access to other export markets that exporters of rebar from Chinese Taipei will continue to face in the near future, and also indicates a propensity to dump rebar by exporters in Chinese Taipei.

[122] During the POR, imports of subject goods into Canada from Chinese Taipei were minimal, and SIMA duties were assessed in 2021.¹⁵² The CBSA notes that in its last re-investigation on Rebar 2 which concluded on March 4, 2018, only one exporter, Tung Ho was issued normal values and all other exports from Chinese Taipei¹⁵³ are subject to an anti-dumping duty equal to 108.5% of the export price. The near total absence of imports of subject goods suggests an inability on behalf of Chinese Taipei's rebar exporters to compete in Canada at non-dumped prices.

¹⁴⁷ Exhibit 48 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Table 12, page 33; Exhibit 57 (PRO) – Close of record - attachments from AMLPC and AltaSteel, Attachment 14, pages 4 and 6.

¹⁴⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 133.

¹⁴⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 139, Table 14.

¹⁵⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 141.

¹⁵¹ Exhibit 14 (NC) - CBSA research, pages 49, 59-61; Exhibit 18 (NC) - CBSA research, pages 7 and 9; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 57.

¹⁵² Exhibit 51 (PRO) – Compliance statistics - day 51.

¹⁵³ On May 3, 2017, the CITT excluded from its finding subject goods exported by Feng Hsin.

Determination Regarding Likelihood of Continued or Resumed Dumping for Chinese Taipei

[123] Based on the evidence on the record in respect of: the commodity nature of rebar; excess global production capacity and weakening global demand for rebar; slowing economic conditions in Chinese Taipei; significant excess rebar production capacity in Chinese Taipei; the export orientation of rebar producers in Chinese Taipei; the restricted access to export markets due to trade restrictions imposed by other jurisdictions; the anti-dumping measures in place in other countries against rebar that demonstrate that rebar exporters in Chinese Taipei have a propensity to dump into export markets; and the inability of rebar exporters in Chinese Taipei to compete in Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of rebar from Chinese Taipei.

Hong Kong

[124] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Hong Kong. The CBSA therefore relied on information submitted by participating parties, as well as other information on the record, in considering whether the dumping of subject goods from Hong Kong is likely to resume or continue if the finding were to expire.

[125] Hong Kong is very small in terms of steel production with a total steel making capacity of just over 750,000 MT. All of this production capacity is with one producer, Shiu Wing Steel Limited (Shiu Wing). At its rolling mill, Shiu Wing only produces steel long products, including subject goods rebar.¹⁵⁴

[126] With respect to the domestic market in Hong Kong, economic conditions started improving in 2021 following six consecutive quarters of recession. In 2019, Hong Kong's GDP contracted by 1.7% and, with the COVID-19 pandemic in 2020, the GDP further contracted sharply by 6.5%. Supported largely by exports, Hong Kong's economy recovered, in 2021, with GDP growth of 6.4% but remained below 2018 levels. The IMF expects that growth will stall in 2022, and forecasts Hong Kong's GDP growth to be only 0.5%.¹⁵⁵ While the 2021 recovery saw a sharp increase, Hong Kong's construction industry, the main downstream sector for rebar, has not benefited from the recovery and continued to contract in 2021, with each quarter performing worse than the same period in 2020. Additionally, annual growth in the construction sector is forecasted to slow to 2% between 2022 and 2025.¹⁵⁶

¹⁵⁴ Exhibit 14 (NC) - CBSA research, pages 23-27.

¹⁵⁵ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 147-148; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 62.

¹⁵⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 156-159; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 63.

[127] While the expected domestic market situation for rebar in Hong Kong in the next few years is likely to see low growth, the domestic rebar producer in Hong Kong now faces additional competition in its domestic market. Cargoes of rebar from Vietnam, India and Qatar were scheduled for delivery in Hong Kong in early 2022 and other countries such as China and Vietnam have recently made offers to buyers of rebar in Hong Kong.¹⁵⁷ Previously, Hong Kong had become Turkey's third largest rebar export destination.¹⁵⁸ Faced with weak rebar demand and additional rebar competition in its domestic market, to maintain production levels in its mill, the sole domestic producer of rebar in Hong Kong will continue to seek sales in export markets.

[128] With respect to exports of rebar from Hong Kong, data from UN Comtrade shows that exports have increased by over 80% from 2019 to 2021.¹⁵⁹ During the POR, Shiu Wing relied heavily on exports of rebar which represented annually an increasingly larger portion of its production levels. In terms of export levels in the coming years, Hong Kong's main export markets for rebar, Macao and China, are projected to remain both slow or decline from 2022 to 2024.¹⁶⁰ With weak demand and fierce competition in its domestic market for rebar, and faced with the uncertainty in their main export markets, exporters of rebar in Hong Kong will look to additional export markets for sales opportunities.

[129] While there may be strong incentives for rebar exporters in Hong Kong to seek additional export sales, they have less access to markets that are free of tariffs or import restrictions. Rebar from Hong Kong remains subject to EU and UK safeguard measures and to the USA's Section 232 measure. These trade measures demonstrate the restricted access to other export markets that exporters of rebar from Hong Kong will continue to face in the near future, and would make the Canadian market very attractive to exporters in Hong Kong if the finding were allowed to expire.

[130] During the POR, there were no imports of subject goods into Canada from Hong Kong. The CBSA notes that in its last re-investigation on Rebar 2 which concluded on March 4, 2018, no exporter had been issued normal values and exports from Hong Kong are subject to an anti-dumping duty equal to 108.5% of the export price. The absence of imports of subject goods suggests an inability on behalf of exporters of rebar in Hong Kong to compete in Canada at non-dumped prices.

Determination Regarding Likelihood of Continued or Resumed Dumping for Hong Kong

[131] Based on the evidence on the record in respect of: the commodity nature of rebar; excess global production capacity and weakening global demand for rebar; declining economic conditions and weak rebar demand in Hong Kong; increasing domestic market competition for rebar sales in Hong Kong; the export orientation of the rebar producer in Hong Kong; the restricted access to export markets due to trade restrictions imposed by other jurisdictions; and the inability of rebar exporters in Hong Kong to compete in Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of rebar from Hong Kong.

¹⁵⁷ Exhibit 17 (PRO) - CBSA research, pages 14 and 16.

¹⁵⁸ Exhibit 18 (NC) - CBSA research, pages 11 and 15-16.

¹⁵⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 169-170.

¹⁶⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 171-173; Exhibit 17 (PRO) - CBSA research, pages 16-17 and 43-46.

Japan

[132] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Japan. The CBSA therefore relied on information submitted by participating parties, as well as other information on the record, in considering whether the dumping of subject goods from Japan is likely to resume or continue if the finding were to expire.

[133] In 2021, Japan was very highly ranked in terms of the world's largest steel producing country.¹⁶¹ From 2020 to 2021, Japan's crude steel production increased by 15.7%.¹⁶² With its 29.8 million MT of exported steel products in 2020, Japan was ranked the world's 3rd largest steel exporting country.¹⁶³

[134] Information on the record identified four rebar producers in Japan, namely, Chiyoda- Steel Co., Ltd., Jonan Steel Corporation, Kyoei Steel Ltd. and SANKO SEIKO Co., Ltd.¹⁶⁴ In 2021, in terms of rebar production capacity and production of rebar, Japan was highly ranked globally in the world.¹⁶⁵

[135] With respect to rebar production and capacity, information was provided by the Canadian producers from CRU.¹⁶⁶ The rebar production capacity shows no recent or forecasted changes. After rebar production fell in 2020 and 2021 as compared to the 2019 level, the production forecasted for 2022 and beyond is anticipated to recover annually at levels slightly exceeding that of 2019. Although, the utilization rate peaked in 2019 and the forecasted levels from 2022 to 2024 are to remain at the peak level, this expected low utilization rate still leaves significant levels of unused rebar production capacity. The excess capacity expected in 2022 and the years beyond is still seven times as large as the entire apparent Canadian market for rebar.¹⁶⁷ Therefore, producers of rebar in Japan will be likely to seek additional export sales of rebar to boost their production levels.

[136] With respect to domestic market conditions in Japan, information on the record indicates relatively slow economic conditions. Even prior to the COVID-19 pandemic, the economy in Japan was weak with growth of 0.6% in 2018 and of 0.2% in 2019. The COVID-19 pandemic caused Japan's GDP to contract by 4.8% in 2020 with a partial slow recovery in 2021, with a growth of 1.6%, as compared to the global average of 6.1%. While the economy is expected to continue its recovery with projected growth of 2.4% in 2022 and 2.3% in 2024, it is not expected to fully recover to 2019 levels.¹⁶⁸

¹⁶¹ Exhibit 57 (PRO) – Close of record - attachments from AMLPC and AltaSteel, Public Attachment 121, *World Steel Association*, December 2021 Crude Steel Production, page 4.

¹⁶² *Ibid.*, and Exhibit 48 (NC) – CBSA Research – World Steel Association, *World Steel in Figures 2021*, page 9.

¹⁶³ Exhibit 48 (NC) – CBSA Research – World Steel Association, *World Steel in Figures 2021*, page 27.

¹⁶⁴ Exhibit 14 (NC) – CBSA Research – page 28-39 and 56.

¹⁶⁵ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 186-187, Table 23.

¹⁶⁶ Exhibit 57 (PRO) – Close of record - attachments from AMLPC and AltaSteel, Attachment 14, page 10 and Attachment 16, pages 1 and 6.

¹⁶⁷ The apparent Canadian market of rebar was 1.636 million MT in 2021 (from Table 1 – Apparent Canadian Market above).

¹⁶⁸ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 179-180 and 182; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 70.

[137] Information obtained from CRU shows the rebar consumption and demand forecasts in Japan.¹⁶⁹ The expected demand for rebar in Japan is expected to recover in 2022 at the level observed in 2019 and subsequently have no growth in the other two projected years. While Japan's construction activity, from 2022 to 2025, is predicted to grow at an average of 1.2% per year, the large sources of this growth is expected from non-rebar consuming construction sectors such as transport, renewable energy, and telecommunication projects.¹⁷⁰ With the bottoming out of the rebar demand in Japan as a result of the COVID-19 pandemic coupled with the stagnant growth in the coming years, rebar producers in Japan will look to export markets to increase their production and sales levels.

[138] With respect to exports of rebar from Japan, data from UN Comtrade shows that exports have increased by over 116% from 2019 to 2021.¹⁷¹ Rebar producers in Japan are export-oriented. In terms of export levels in the coming years, the demand growth for rebar in South Korea, Japan's main export market, is projected to drop from 2022 to 2024.¹⁷² With a large hit to its traditional export market in the foreseeable future, the domestic producers of rebar in Japan will seek new export market sales to maintain production levels in their rebar mills.

[139] While there may be strong incentives for rebar exporters in Japan to seek additional export sales, they have less access to markets that are free of tariffs or import restrictions. Rebar from Japan remains subject to EU and UK safeguard measures and to the USA's Section 232 measure. These trade measures demonstrate the restricted access to other export markets that exporters of rebar from Japan will continue to face in the near future, and would lead exporters of rebar in Japan to focus on the Canadian market if the finding were allowed to expire.

[140] During the POR, there were no imports of subject goods into Canada from Japan. The CBSA notes that in its last re-investigation on Rebar 2 which concluded on March 4, 2018, no exporter had been issued normal values and exports from Japan are subject to an anti-dumping duty equal to 108.5% of the export price. The absence of imports of subject goods suggests an inability on behalf of exporters of rebar in Japan to compete in Canada at non-dumped prices.

Determination Regarding Likelihood of Continued or Resumed Dumping for Japan

[141] Based on the evidence on the record in respect of: the commodity nature of rebar; excess global production capacity and weakening global demand for rebar; limited economic growth and weak rebar demand in Japan; significant excess rebar production capacity in Japan; the export orientation of the rebar producers in Japan; the restricted access to export markets due to trade restrictions imposed by other jurisdictions; and the inability of rebar exporters in Japan to compete in Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of rebar from Japan.

¹⁶⁹ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 192, Table 25.

¹⁷⁰ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 202.

¹⁷¹ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 209, Table 28.

¹⁷² Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 210.

Portugal

[142] The CBSA received an ERQ response from one exporter of rebar in Portugal. The CBSA relied on the information submitted by this exporter, the Canadian producers as well as other information on the record, for the purposes of the expiry review investigation with respect to Portugal. No case briefs or reply submissions from exporters in Portugal were received.

[143] The exporter in Portugal that provided a response to the ERQ was SN Maia, which is part of the Megasa Group of companies owned by the Bipadosa Group. This exporter first received normal values at the conclusion of the original dumping finding in May 2017, and has participated in every CBSA proceedings since. SN Maia currently has prospective normal values in effect.¹⁷³

[144] Portugal is a relatively small steel producing country. In 2020, Portugal produced 2.2 million MT of crude steel, which ranked as the 43rd largest country in the world for steelmaking.¹⁷⁴ This was a modest increase in production from the 2.0 million MT in 2019.¹⁷⁵ SN Maia's ERQ response indicates that the Megasa Group can produce rebar at both of its facilities in Portugal, the other being SN Seixal.¹⁷⁶

[145] With respect to rebar production and capacity, information on the record was provided by the participating exporter, SN Maia.¹⁷⁷ The ERQ response from SN Maia did not provide the production capacity at the facility of SN Seixal. With respect to the reported production and capacity utilization rate for rebar, information provided by SN Maia showed the same production capacity throughout the POR. All three years of the POR showed excess rebar production capacity at SN Maia, which is significant excess capacity relative to the size of the apparent Canadian market for rebar.¹⁷⁸ With low utilization rates and high levels of excess production capacity, SN Maia is very likely to seek additional sales in export markets.

[146] With respect to the domestic market in Portugal, information on the record indicates improving economic conditions following sharp declines during the COVID-19 pandemic. In 2020, Portugal's GDP fell 8.4%.¹⁷⁹ In 2021, Portugal's GDP grew by 4.8%, while not fully recovering from the 2020 declines.¹⁸⁰ In 2022, GDP was forecast to grow again by 4.0%, however, this means that by the end of 2022 the Portuguese economy will have just recovered to 2019 levels. Additionally, the OECD noted in a December 2021 economic survey of Portugal, that the "recovery is fraught with risks".¹⁸¹ While the recovery has seen sharp increases, it has affected sectors of the economy differently, so there has been unevenness to the economic

¹⁷³ CBSA Measures in Force – Certain Concrete Reinforcing Bar 2. Prospective normal values issued to the parent company Metalurgica Galaica S.A. for SN Maia. <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/rb2-eng.html>.

¹⁷⁴ Exhibit 48 (NC) - CBSA research, World Steel Association, *World Steel in Figures 2021*, page 9.

¹⁷⁵ *Ibid.*

¹⁷⁶ Exhibit 46 (NC) – Response to Exporter ERQ – SN Maia, Questions 12 and 13.

¹⁷⁷ Exhibit 45 (PRO) – Response to Exporter ERQ – SN Maia, Appendix 1.

¹⁷⁸ The apparent Canadian market of rebar was 1.636 million MT in 2021 (from Table 1 – Apparent Canadian Market above).

¹⁷⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 218; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 77.

¹⁸⁰ *Ibid.*

¹⁸¹ Exhibit 48 (NC) – CBSA Research – OECD, *Economic Surveys: Portugal 2021*, page 20.

recovery within different sectors and uncertainty remains.¹⁸² Of note is that the construction sector, a heavy user of rebar, has benefited from the economic recovery¹⁸³ and is forecasted to have moderate growth going forward¹⁸⁴.

[147] While the domestic market situation for rebar in Portugal has the potential to see modest improvements, domestic market sales are not a major proportion of the sales of rebar for the main producer SN Maia.¹⁸⁵ Additionally, increased domestic sales would need to be quite significant to alleviate SN Maia's excess production capacity.¹⁸⁶ Therefore, even with modestly improving domestic market conditions for rebar, SN Maia will continue to heavily rely on its export markets for rebar sales.

[148] The ERQ response from SN Maia shows significant sales of rebar occurred within the European markets in 2021. The top four export markets listed by SN Maia in their ERQ response were the UK, USA, Spain, and Ireland.¹⁸⁷

[149] Information obtained from CRU shows the rebar consumption and demand forecasts in Europe.¹⁸⁸ European markets, other than the UK, are expecting significant contractions in rebar demand in 2022. Forecast demand growth throughout Europe is expected to remain weak in 2023 and 2024, with two of SN Maia's main export markets, Spain and the UK, expected to have very soft demand growth for rebar.

[150] Additionally, rebar exporters in Portugal have less access to markets that are free of tariffs or import restrictions, including some of SN Maia's top export markets. Information provided by the Canadian producers shows that rebar from Portugal remains subject to tariff-rate quotas (TRQ) systems in both the UK safeguard measure and the USA Section 232 measure.¹⁸⁹ The UK and USA are two of SN Maia's main export markets and the impact of these measures can be observed on SN Maia's export sales.¹⁹⁰

[151] The impact of the ongoing TRQ measures imposed by the UK and USA on export sales of SN Maia is notable in their sales volumes to those two countries. At the same time, SN Maia was able to increase their sales to Spain. However, as noted above, the rebar market in Spain is forecast to contract in 2022 and have limited recovery in the near future. Since SN Maia already has significant excess production capacity and they are facing ongoing difficulties in their main export markets, including overall in Europe, it is quite likely that they will be seeking additional sales in other export markets for rebar in the next few years. This would make the Canadian market very attractive to rebar exporters in Portugal if the finding were allowed to expire.

¹⁸² *Ibid.*

¹⁸³ *Ibid.*

¹⁸⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 229.

¹⁸⁵ Exhibit 45 (PRO) – Response to Exporter ERQ – SN Maia, Appendix 2.

¹⁸⁶ Exhibit 45 (PRO) – Response to Exporter ERQ – SN Maia, Appendices 1 and 2.

¹⁸⁷ Exhibit 46 (NC) – Response to Exporter ERQ – SN Maia, Question 40, Appendix 2. This includes domestic sales in Portugal.

¹⁸⁸ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Tables 32 and 33.

¹⁸⁹ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras. 286-289.

¹⁹⁰ Exhibit 45 (PRO) – Response to Exporter ERQ – SN Maia, Appendix 2.

[152] In terms of shipments of subject goods to Canada during the POR, there were only imports of subject goods from Portugal in 2019 and the volume was relatively small in terms of the apparent Canadian market. During 2020 and 2021, importers in Canada sourced rebar from low-priced exporters covered by the Rebar 1, Rebar 3 and Rebar 4 findings. During 2020 and 2021, SN Maia had excess production capacity available, was export-oriented and had prospective normal values in effect. The limited amount of imports of subject goods during the POR indicates an inability for SN Maia to compete in Canada with prospective normal values and secure sales in Canada at non-dumped prices. Given the commodity nature of rebar, if the finding were allowed to expire, exporters of rebar in Portugal would be compelled to offer low-priced rebar competitive with other import sources. This increases the likelihood of continued or resumed dumping in the absence of the finding.

Determination Regarding Likelihood of Continued or Resumed Dumping for Portugal

[153] Based on the evidence on the record in respect of: the commodity nature of rebar; excess global production capacity and weakening global demand for rebar; limited economic growth in Portugal's small domestic market for rebar; weakening demand for rebar in important export markets for exporters of rebar; significant excess rebar production capacity; the export orientation of rebar producers in Portugal; the restricted access to important export markets due to trade restrictions imposed by other countries; and the inability of rebar exporters in Portugal to compete in Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of rebar from Portugal.

Spain

[154] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Spain. The CBSA therefore relied on information submitted by participating parties, as well as other information on the record, in considering whether the dumping of subject goods from Spain is likely to resume or continue if the finding were to expire.

[155] In 2021, Spain was highly ranked in terms of the world's largest steel producing countries.¹⁹¹ From 2020 to 2021, Spain's crude steel production increased by 27.7%.¹⁹² Spain is both a large exporter and importer of steel products, exporting 7.9 million MT of steel in 2020 while importing 8.7 million MT of steel the same year.¹⁹³

¹⁹¹ Exhibit 57 (PRO) – Close of record - attachments from AMLPC and AltaSteel, Public Attachment 121, *World Steel Association*, December 2021 Crude Steel Production, page 4.

¹⁹² *Ibid*, and Exhibit 48 (NC) – CBSA Research – World Steel Association, *World Steel in Figures 2021*, page 9.

¹⁹³ Exhibit 48 (NC) – CBSA Research – World Steel Association, *World Steel in Figures 2021*, page 27.

[156] With respect to rebar production and capacity, information was provided by the Canadian producers from CRU.¹⁹⁴ The rebar production capacity shows no recent or forecasted changes in rebar production capacity. After rebar production levels fell in 2020, the level of production in 2021 rose and is forecasted for 2022 and beyond to exhibit modest growth. However, the capacity utilization rates experienced in 2021 and forecasted for 2022 and 2023 are very low. This leaves significant levels of unused rebar production capacity available. The excess capacity expected in 2022 is larger than the entire apparent Canadian market for rebar.¹⁹⁵ Therefore, exporters of rebar in Spain will be likely to seek additional export sales of rebar to boost their production levels.

[157] With respect to domestic market conditions in Spain, information on the record indicates relatively poor economic conditions. The economy in Spain was particularly hard hit by the COVID-19 pandemic, which caused GDP to decline by 10.8% in 2020.¹⁹⁶ While the economy has seen some recovery with expected growth of 5.1% in 2021 and 4.8% in 2022, it is not expected to fully recover to 2019 levels until some time in the year 2023.¹⁹⁷ Spain's construction industry was also severely impacted by the pandemic and saw a 14.5% contraction in 2020, with only 0.5% growth in 2021.¹⁹⁸ It is likely that the declining domestic construction sector will cause Spanish rebar producers to look to export markets to maintain production and sales levels.

[158] Information obtained from CRU shows the rebar consumption and demand forecasts in Spain.¹⁹⁹ The demand for rebar in Spain fluctuated greatly with the impacts to the economy and construction sector. After a significant contraction in 2020, demand for rebar rebounded strongly in 2021. However, demand for rebar is forecasted to decline again in 2022 and then shows limited growth afterwards. This again indicates a likelihood that Spanish rebar producers will look to export markets to maintain production and sales levels.

[159] Rebar producers in Spain are already very export-oriented. In 2021, Spain was highly ranked in terms of the world's largest rebar exporting countries.²⁰⁰ Between 2019 and 2021, rebar producers in Spain exported significant volumes of their production of rebar.²⁰¹ An important export market for Spanish rebar producers is France.²⁰² France's demand for rebar is expected to significantly decline in 2022, and only have a minimal growth in 2023-2024.²⁰³ With this important export market struggling, rebar producers in Spain will be more likely to seek sales in other export markets.

¹⁹⁴ Exhibit 57 (PRO) – Close of record - attachments from AMLPC and AltaSteel, Attachment 14, page 10 and Attachment 16, pages 1 and 6.

¹⁹⁵ The apparent Canadian market of rebar was 1.636 million MT in 2021 (from Table 1 – Apparent Canadian Market above).

¹⁹⁶ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, para 244; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 84.

¹⁹⁷ *Ibid.*

¹⁹⁸ Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 84.

¹⁹⁹ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Table 38.

²⁰⁰ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 261.

²⁰¹ Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, Table 40.

²⁰² Exhibit 61 (PRO) – Case brief filed on behalf of AMLPC and AltaSteel, para 265.

²⁰³ *Ibid.*

[160] Rebar exporters in Spain have less access to markets that are free of tariffs or import restrictions. Information provided by the Canadian producers shows that rebar from Spain remains subject to TRQ systems in both the UK safeguard measure and the USA Section 232 measure.²⁰⁴ Additionally, there are anti-dumping findings against rebar from Spain in Australia, the Dominican Republic and the USA. Along with the TRQ measures currently in place, rebar producers in Spain are encountering trade restrictions that are having a real impact on their ability to sell in export markets.²⁰⁵ This would make the Canadian market very attractive to rebar producers in Spain if the finding were allowed to expire. Additionally, the other anti-dumping findings against rebar from Spain demonstrate a propensity to dump rebar in export markets by Spanish rebar exporters.

[161] In terms of shipments of subject goods to Canada during the POR, there were only imports of subject goods from Spain in 2019 and 2020 and the volumes were small in terms of the apparent Canadian market, with SIMA duties being assessed in both years²⁰⁶. During 2020 and 2021, importers in Canada sourced rebar from low-priced exporters covered by the Rebar 1, Rebar 3 and Rebar 4 findings. During 2020 and 2021, rebar producers in Spain had large amounts of excess production capacity available and were export-oriented. The limited amount of imports of subject goods during the POR, and the application of anti-dumping duty to the importations that did occur, both indicate an inability for rebar exporters in Spain to compete in Canada without dumping. Given the commodity nature of rebar, if the finding were allowed to expire, exporters of rebar in Spain would be compelled to offer low-priced rebar competitive with other import sources. This would increase the likelihood of continued or resumed dumping in the absence of the finding.

Determination Regarding Likelihood of Continued or Resumed Dumping for Spain

[162] Based on the evidence on the record in respect of: the commodity nature of rebar; excess global production capacity and weakening global demand for rebar; weakening economic growth and a declining construction sector in Spain; Spain's significant excess rebar production capacity; the export orientation of Spanish rebar producers; the restricted access to export markets due to trade restrictions imposed by other countries; the anti-dumping measures in other countries against rebar that demonstrate that rebar exporters in Spain have a propensity to dump into export markets; and the inability of rebar exporters in Spain to compete in Canada at non-dumped prices, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of rebar from Spain.

²⁰⁴ Exhibit 62 (NC) – Case brief filed on behalf of AMLPC and AltaSteel, paras, 286-289; Exhibit 60 (NC) – Case brief filed on behalf of Gerdau, para 90.

²⁰⁵ *Ibid.*

²⁰⁶ Exhibit 51 (PRO) – Compliance statistics - day 51.

CONCLUSION

[163] For the purpose of making a determination in the expiry review investigation, the CBSA conducted its analysis within the scope of the factors found under subsection 37.2(1) of the SIMR. Based on the foregoing consideration of pertinent factors and analysis of information on the record, the CBSA made a determination under paragraph 76.03(7)(a) of SIMA that the expiry of the finding made on May 3, 2017, in Inquiry No. NQ-2016-003, concerning the dumping of certain concrete reinforcing bar originating in or exported from Belarus, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Hong Kong Special Administrative Region of the People's Republic of China, Japan, Portugal and Spain is likely to result in the continuation or resumption of dumping of the goods into Canada.

FUTURE ACTION

[164] The CITT has now initiated its expiry review to determine whether the continued or resumed dumping is likely to result in injury to the domestic industry. The CITT's Expiry Review schedule indicates that it will make its order by February 2, 2023.

[165] If the CITT determines that the expiry of its finding with respect to the goods is likely to result in injury, the finding will be continued in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping duty on dumped importations of the subject goods.

[166] If the CITT determines that the expiry of its finding with respect to the goods is not likely to result in injury, the finding will be rescinded in respect of those goods. In this case, anti-dumping duty would then no longer be levied on importations of the subject goods, and any anti-dumping duty paid in respect of goods that were released after the date that the finding was scheduled to expire will be returned to the importer.

INFORMATION

[167] For further information, please contact the officers listed below:

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