



OTTAWA, September 6, 2013

RR-2013-002
4366-37

STATEMENT OF REASONS

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

**CERTAIN HOT-ROLLED STEEL PLATE ORIGINATING IN OR
EXPORTED FROM THE REPUBLIC OF BULGARIA,
THE CZECH REPUBLIC AND ROMANIA**

DECISION

On August 22, 2013, pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the President of the Canada Border Services Agency determined that the expiry of the order made by the Canadian International Trade Tribunal on January 8, 2009, in Expiry Review No. RR-2008-002, concerning the dumping of certain hot-rolled steel plate originating in or exported from the Republic of Bulgaria, the Czech Republic and Romania was likely to result in the continuation or resumption of dumping of these 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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SUMMARY

[1] On April 24, 2013, the Canadian International Trade Tribunal (Tribunal), pursuant to subsection 76.03(3) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its order made on January 8, 2009, in Expiry Review No. RR-2008-002, continuing, without amendment, its finding made on January 9, 2004 in Inquiry No. NQ-2003-002, concerning the dumping of hot-rolled carbon steel plate and high-strength low-alloy steel plate not further manufactured than hot-rolled, heat-treated or not, in cut lengths in widths from 24 inches (+/- 610 mm) to 152 inches (+/- 3,860 mm) inclusive and in thicknesses from 0.187 inch (+/- 4.75 mm) to 4 inches (+/-101.6 mm) inclusive, originating in or exported from the Republic of Bulgaria, the Czech Republic and Romania, excluding plate produced to American Society for Testing and Materials (ASTM) specifications A515 and A516M/A516 Grade 70 in thickness greater than 3.125 inches (+/- 79.3 mm), universal mill plate, plate for use in the manufacture of pipe and plate having a rolled, raised figure at regular intervals on the surface (also known as floor plate).

[2] For the purposes of this report, the subject goods shall be referred to as “certain hot-rolled steel plate” and the countries identified shall collectively be referred to as “the Named Countries.”

[3] As a result of the Tribunal’s notice, on April 25, 2013, the Canada Border Services Agency (CBSA) commenced an investigation to determine whether the expiry of the order is likely to result in the continuation or resumption of dumping. The decision by the President of the CBSA (the President) was to be made no later than August 22, 2013.

[4] The Canadian producers of certain hot-rolled steel plate, namely Essar Steel Algoma Inc. (formerly Algoma Steel Inc.), and Evraz Inc. NA Canada (formerly IPSCO Inc.) provided responses to the Expiry Review Questionnaire (ERQ) and submitted case arguments and reply submissions.

[5] The Canadian producer Essar Steel Algoma provided information in support of its position that the continuation or resumption of dumping of certain hot-rolled steel plate from the Republic of Bulgaria, the Czech Republic and Romania is likely if the Tribunal’s order is rescinded.

[6] The Canadian producer Evraz Inc. NA Canada (Evraz Canada) supported Essar Steel Algoma’s position with respect to Bulgaria and Romania. It also provided information in support of its position that the continuation or resumption of dumping of certain hot-rolled steel plate from the Czech Republic is unlikely.

[7] The CBSA received a response to the ERQ from SSAB Central Inc., a Canadian steel service center. SSAB Central Inc. did not provide case arguments or a reply submission, nor did it express an opinion on the likelihood of the continuation or resumption of dumping should the order be rescinded.

[8] The CBSA received one response from the exporter of subject goods, Evraz Vitkovice Steel, who expressed an opinion that the likelihood of the continuation or resumption of dumping from the Czech Republic was unlikely. The exporter also provided a case argument and a reply brief.

[9] The CBSA received responses to the ERQ from five importers. None of these parties imported subject goods during the period of 2010 to 2013. None expressed any position on the likelihood of continued or resumed dumping. However, the CBSA did receive a letter from a sixth importer in support of continuing the order against the Named Countries. No case arguments or reply briefs were received from the importers.

[10] Analysis of information on the record shows that the producers in the Republic of Bulgaria (Bulgaria) have substantial production capabilities; financial uncertainty and volatility in Europe continues to negatively impact its domestic market; global steel producers are experiencing reduced profitability caused by excess capacity and rising raw material costs; there is excess capacity and over-supply of hot-rolled steel plate in global markets, which is further exacerbated by the capital intensive nature of steel; exporters from Bulgaria have demonstrated an inability to compete in Canada at non-dumped prices; and the commodity nature of hot-rolled steel plate means that Bulgarian product would compete with other imports in the Canadian market largely on the basis of price.

[11] Analysis of information on the record shows that the producers in the Czech Republic have substantial production capabilities and high export dependency; financial uncertainty and volatility in Europe continues to negatively impact its domestic market; global steel producers are experiencing reduced profitability caused by excess capacity and rising raw material costs; there is excess capacity and over-supply of hot-rolled steel plate in global markets, which is further exacerbated by the capital intensive nature of steel; exporters from the Czech Republic have demonstrated an inability to compete in the Canadian market at non-dumped prices; and the commodity nature of hot-rolled steel plate means that Czech product would compete with other imports in the Canadian market largely on the basis of price.

[12] Analysis of information on the record shows that the producers in Romania have substantial production capabilities and high export dependency; financial uncertainty and volatility in Europe continues to negatively impact its domestic market; global steel producers are experiencing reduced profitability caused by excess capacity and rising raw material costs; there is excess capacity and over-supply of hot-rolled steel plate in global markets, which is further exacerbated by the capital intensive nature of steel; exporters from Romania have demonstrated an inability to compete in the Canadian market at non-dumped prices; the commodity nature of hot-rolled steel plate means that Romanian product would compete with other imports in the Canadian market largely on the basis of price; and there are trade measures in place against Romania with respect to the hot-rolled steel plate.

[13] For the foregoing reasons the President, having considered the relevant information on therecord, determined, on August 22, 2013, under paragraph 76.03(7)(a) of SIMA that the expiry of the order in respect of the dumping of certain hot-rolled steel plate, originating in or exported from Bulgaria, the Czech Republic and Romania is likely to result in the continuation or resumption of dumping of the goods into Canada.

BACKGROUND

[14] On June 13, 2003, following a complaint filed by Canadian industry, the original dumping investigation was initiated concerning certain hot-rolled steel plate originating in or exported from Bulgaria, the Czech Republic and Romania.

[15] The complaint was made by Algoma Steel Inc. (now Essar Steel Algoma Inc.), with support from the other Canadian producers of like products, IPSCO (now Evraz Inc. NA Canada) and Stelco Inc. (now United States Steel Canada Inc).

[16] On September 11, 2003, the Commissioner of Customs and Revenue (now the President of the CBSA) made a preliminary determination of dumping concerning the goods from the Named Countries. The final determination of dumping was made on December 9, 2003.

[17] On January 9, 2004, the Tribunal issued an injury finding in NQ-2003-002.

[18] On April 24, 2008, the CBSA initiated an expiry review pursuant to subsection 76.03(3) of SIMA, concerning certain hot-rolled steel plate. On August 21, 2008, pursuant to paragraph 76.03(7)(a) of SIMA, the President determined that the expiry of the order was likely to result in the continuation or resumption of dumping of the goods from Bulgaria, the Czech Republic and Romania.

[19] On January 8, 2009, in Expiry Review No. RR-2008-002, the Tribunal continued its order in respect of certain hot-rolled steel plate originating in or exported from the Named Countries.

[20] The CBSA completed its last reinvestigation to update the normal values and export prices of certain hot-rolled steel plate on July 16, 2010. No exporters cooperated. As a result, all imports of subject goods are subject to anti-dumping duty equal to 74.6% of the declared export price in accordance with a ministerial specification

[21] On March 5, 2013, the Tribunal issued a notice concerning the upcoming expiry of its order. The order was scheduled to expire on January 7, 2014. Based on the available information and the information submitted by the interested parties, the Tribunal decided, on April 24, 2013, that a review of the order was warranted.

PRODUCT DESCRIPTION

Product Definition

[22] The goods subject to the order are defined as:

Hot-rolled carbon steel plate and high-strength low-alloy steel plate not further manufactured than hot-rolled, heat-treated or not, in cut lengths in widths from 24 inches (+/- 610 mm) to 152 inches (+/- 3,860 mm) inclusive and in thicknesses from 0.187 inch (+/- 4.75 mm) to 4 inches (+/-101.6 mm) inclusive, originating in or exported from the Republic of Bulgaria, the Czech Republic and Romania, excluding plate produced to American Society for Testing and Materials (ASTM) specifications A515 and A516M/A516 Grade 70 in thickness greater than 3.125 inches (+/- 79.3 mm), universal mill plate, plate for use in the manufacture of pipe and plate having a rolled, raised figure at regular intervals on the surface (also known as floor plate).

Product Information

[23] Certain hot-rolled steel plate is manufactured to meet certain Canadian Standards Association (CSA) and/or American Society for Testing and Materials (ASTM) specifications or equivalent specifications.

[24] The CSA specification G40.21 covers steel for general construction purposes. In the ASTM, for instance, specification A36M/A36 comprises structural plate; specifications A572M/A572 comprises high strength low alloy steel plate; and specification A516M/A516 comprises pressure vessel quality plate.

[25] ASTM standards, such as A6/A6M and A20/A20M, recognize permissible variations for dimensions.

[26] It should be noted that the metric equivalent dimensions in the definition of the goods are rounded numbers as indicated by the “+/-” symbols.

Production Process

[27] Liquid steel, for use in the production of certain hot-rolled steel plate, is produced using blast furnaces, basic oxygen furnaces and electric arc furnaces. While details may vary from mill to mill, the process by which certain hot-rolled steel plate is produced from liquid steel is essentially the same for all producers and entails producing a slab, heating the slab, descaling it, rolling it, levelling it, cutting it to size, inspecting it and testing it. Certain hot-rolled steel plate may be heat-treated, which may include annealing, normalizing, stress relieving, quenching, tempering or combinations of these treatments.

Applications

[28] Certain hot-rolled steel plate can be used in a number of applications, the most common being in the production of rail cars, oil and gas storage tanks, heavy construction machinery, agricultural equipment, bridges, industrial buildings, high rise office towers, automobiles and truck parts, and shipbuilding, ship repairs, and pressure vessels.

Classification of Imports

[29] The subject goods are normally, but not exclusively, classified under the following Customs Tariff Harmonized System (HS) classification numbers:

Prior to January 1, 2012

7208.51.91.10	7208.51.99.10	7208.52.90.10
7208.51.91.91	7208.51.99.91	7208.52.90.91
7208.51.91.92	7208.51.99.92	7208.52.90.92
7208.51.91.93	7208.51.99.93	7208.52.90.93
7208.51.91.94	7208.51.99.94	7208.52.90.94
7208.51.91.95	7208.51.99.95	7208.52.90.95

On or after January 1, 2012

7208.51.00.10	7208.51.00.94	7208.52.00.92
7208.51.00.91	7208.51.00.95	7208.52.00.93
7208.51.00.92	7208.52.00.10	7208.52.00.94
7208.51.00.93	7208.52.00.91	7208.52.00.95

[30] This listing of HS codes is for convenience of reference only. Refer to the product definition for authoritative details regarding the subject goods.

PERIOD OF REVIEW

[31] The period of review (POR) for the CBSA's expiry review investigation is January 1, 2010, to March 31, 2013.

CANADIAN INDUSTRY

[32] During the POR, the Canadian industry for certain hot-rolled steel plate production was comprised of the following two producers:

- Essar Steel Algoma Inc. of Sault Ste. Marie, Ontario;
- Evraz Inc. NA Canada of Regina, Saskatchewan.

[33] SSAB Central Inc. also provided a response to the ERQ. The company is a steel service centre. It does not heat or roll plate in Canada, however, it operates cut-to-length facilities.

Essar Steel Algoma Inc.

[34] Incorporated on June 1, 1992, under the *Ontario Business Corporations Act*, Algoma Steel Inc. acquired all of the assets and some of the liabilities of the old Algoma Steel Corporation, Limited. On January 29, 2002, the company was further reorganized under a plan of Arrangement and Reorganization pursuant to the Companies' Creditors Arrangement Act.

[35] In June 2007, Algoma Steel Inc. was acquired by Essar Steel Holdings Ltd., a division of the multi-national conglomerate, Essar Global. On May 8, 2008, the company was renamed Essar Steel Algoma Inc.¹

[36] Essar Steel Algoma Inc., with its subsidiaries, is a vertically integrated primary iron and steel producer having a present capacity to produce approximately 3.7 million metric tonnes (MT) of raw steel annually. Expressed in terms of finished steel products, the annual capacity is approximately 3.4 million MT consisting of carbon and alloy steel plate, hot-rolled steel sheet, cold rolled sheet, floor plate and welded wide flange beams and unfinished parts. The company's production facilities are located in Sault Ste. Marie, Ontario.²

Evraz Inc. NA Canada

[37] Evraz Inc. NA Canada (the Western Canadian operations of the former IPSCO Inc.) was originally incorporated as the Prairie Pipe Manufacturing Co., Ltd. in 1956. The company commenced production of its own flat-rolled steel, including hot-rolled steel sheet in 1960. Evraz Inc. NA Canada continues to produce hot-rolled carbon and alloy steel plate in addition to other flat-rolled steel, including hot-rolled steel sheet products, oil country tubular goods, standard pipe and piling pipe.

[38] On July 17, 2007, SSAB, a subsidiary of SSAB Sverkst Stahl of Sweden, acquired IPSCO Inc. and its subsidiaries. A further reorganization led to IPSCO Inc. owning only the Canadian operations, excluding the coil processing facility in Scarborough, Ontario.

[39] On June 12, 2008, Evraz Group S.A. acquired from SSAB all of its IPSCO Inc. shares and all of its subsidiaries. SSAB retained a number of U.S. facilities and the coil processing facility in Scarborough, Ontario.

[40] On October 15, 2008, the name IPSCO Inc. was changed to Evraz Inc. NA Canada and the name of its wholly owned subsidiary IPSCO Canada Inc. was changed to Evraz Inc. NA Canada West.

¹ Exhibit 24 (NC) - Essar Steel Algoma Inc. response to Producer ERQ, Question A2.

² Ibid.

[41] On January 1, 2009, Evraz Inc. NA Canada West was amalgamated into Evraz Inc. NA Canada.³

[42] The company's Regina, Saskatchewan facility is the largest steel industrial complex in Western Canada, producing carbon steel sheet and plate. The company also operates tubular manufacturing facilities in Calgary, Camrose and Red Deer, Alberta as well as a coil processing facility in Surrey, British Columbia.

CANADIAN MARKET

[43] Detailed information regarding the volumes of sales from Canadian producers and from importers cannot be divulged for confidentiality reasons. Apparent Canadian market share percentages were calculated using the information in the Canadian producers' ERQ replies and from the CBSA's internally generated Customs information.

Apparent Canadian Market Share for Hot-rolled steel plate⁴

Source	2010	2011	2012
Canadian Producers	31%	25%	24%
Named Countries	0%	0%	1%
U.S.A.	58%	56%	49%
All Other Countries	11%	19%	26%
Total Market	100%	100%	100%

[44] The Canadian market for hot-rolled steel plate grew during 2012 and 2011 over 2010; however steel demand in Canada fell to abnormally low levels in 2009 and still remains below 2008 levels.

[45] During the POR, the Canadian producers' share of the market decreased from 31% in 2010 to 24% in 2012. The market share held by exporters from the United States of America decreased from 58% in 2010 to 49% in 2012, while the market share held by all other participants in the Canadian market increased over the three year period.

ENFORCEMENT

[46] During the POR, the volume of imports from Named Countries represented less than 0.01% of the total Canadian market for hot-rolled steel plate with respect to volume and value (CAD). Anti-dumping duty was collected on the small amount of goods that were imported into Canada since no exporters had normal values established for their goods.

³ Exhibit 59 (NC) - Evraz Inc. NA Canada response to Producer ERQ, Question A2.

⁴ Exhibit 42 (NC) - Import and Enforcement statistics.

PARTIES TO THE PROCEEDINGS

[47] On April 24, 2013, the Tribunal's notice concerning the expiry review of its order and the ERQs were sent to the known Canadian producers, importers, exporters and other interested parties.

[48] The ERQ requested information needed to consider the factors, as per subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR), relevant to this expiry review investigation. Any persons or governments having an interest in this investigation were also invited to provide a submission regarding the effect the expiry of the Tribunal's injury order would have on the continuation or resumption of dumping of the goods.

[49] As mentioned above, there are presently two Canadian producers of certain hot-rolled steel plate. In addition to participating in the expiry review investigation and answering the ERQ, the Canadian producer, Essar Steel Algoma provided a case brief and a reply submission stating that the dumping of subject goods from the Named Countries would continue or resume should the Tribunal's order be rescinded. Evraz Canada supported Essar Steel Algoma's position on Bulgaria and Romania and provided information in support of its position that continued or resumed dumping of certain hot-rolled steel plate from the Czech Republic is unlikely.

[50] As noted earlier, responses to the Expiry Review Questionnaires were also received from one Canadian steel service centre, SSAB Central Inc. The company did not provide a case brief or a reply submission, and did not express any position with respect to the likelihood of continued or resumed dumping. As such, it is not mentioned in the "position of the parties" section of this report.

[51] With regard to the participation of importers of the subject goods, five responses to the ERQ were received, namely from IMCO International⁵, Samuel, Son & Co. Limited⁶, Wirth Steel⁷, Accucut Profile and Grinding Limited⁸, and Russel Metals Inc.⁹ A letter was received from importer Edmonton Exchanger and Manufacturing Ltd.¹⁰ requesting a determination that there is a likelihood of continued or resumed dumping of the subject goods from the Named Countries. No importers provided case briefs or reply submissions. Since none of these importers imported subject goods from the Named Countries during the POR and none expressed a firm position in the matter of the likelihood of continued or resumed dumping, they are not mentioned in the "position of the parties" section of this report.

⁵ Exhibit 20 (NC) - IMCO International Inc., Limited response to Importer ERQ.

⁶ Exhibit 32 (NC) - Samuel, Son & Co., response to Importer ERQ.

⁷ Exhibit 39 (NC) - WIRTH steel, response to Importer ERQ.

⁸ Exhibit 51 (NC) - Accucut Profile and Grinding Limited, Limited response to Importer ERQ.

⁹ Exhibit 44 (NC) - Russel Metals Inc., response to Importer ERQ.

¹⁰ Exhibit 33 (NC) - Edmonton Exchanger, a letter in response to Importer ERQ.

[52] One exporter from Czech Republic, Evraz Vitkovice Steel (EVS), participated in the expiry review investigation by submitting a reply to the Expiry Review Questionnaire - Exporter. The company also filed a case brief and reply submission stating that, if current anti-dumping measures expire, the continuation or resumption of dumping of certain hot-rolled steel plate originating in or exported from the Czech Republic is unlikely.

INFORMATION CONSIDERED BY THE PRESIDENT

Administrative Record

[53] The information considered by the President for purposes of this expiry review investigation is contained on the administrative record. The administrative record includes the information on the CBSA's Exhibit Listing, which is comprised of the Tribunal's administrative record at initiation of the expiry review, CBSA exhibits, and information submitted by interested persons, including information which the parties feel is relevant to the decision as to whether dumping is likely to continue or resume, if the order is rescinded. This information may consist of expert analyst reports, excerpts from trade magazines and newspapers, orders and findings issued by authorities in Canada or of any country other than Canada, documents from international trade organizations such as the World Trade Organization, and responses to the ERQ submitted by Canadian producers, importers and exporters.

[54] For purposes of an expiry review investigation, the CBSA sets a date after which no new information may be placed on the administrative record. This is referred to as the "closing of the record date." This deadline allows participants time to prepare their case arguments and reply submissions based on the information that is on the administrative record as of the closing of the record date. For this investigation, the administrative record closed on June 13, 2013.

Procedural Issues

[55] The President will normally not consider any new information submitted by participants subsequent to the closing of the record date. However, in certain exceptional circumstances, it may be necessary to permit new information to be submitted. The President will consider the following factors in deciding whether to accept new information submitted after the closing of the record date:

- (a) the availability of the information prior to the closing of the record date;
- (b) the emergence of new or unforeseen issues;
- (c) the relevance and materiality of the information;
- (d) the opportunity for other participants to respond to the new information; and
- (e) whether the new information can reasonably be taken into consideration by the President in making the determination.

[56] Participants wishing to file new information after the closing of the record date, either separately or in case briefs or reply submissions, must identify this information so that the President can decide whether it will be included in the record for purposes of the determination.

[57] No new information was submitted after the closing of the record.

POSITION OF THE PARTIES

Parties Contending that Continued or Resumed Dumping is Likely

Canadian Producers

[58] The Canadian producer, Essar Steel Algoma provided a case brief and a reply submission stating that the dumping of subject goods from the Named Countries would continue or resume should the Tribunal's order be rescinded.

[59] Evraz Canada supported Essar Steel Algoma's position on Bulgaria and Romania and provided information in support of its position that continued or resumed dumping of certain hot-rolled steel plate from the Czech Republic is unlikely.

[60] Accordingly, the Canadian producers contend that the measures should remain in place with respect to Bulgaria and Romania. Essar Steel Algoma also contends that the measures should remain with regards to the Czech Republic.

[61] The Canadian producer Essar Steel Algoma presented arguments which focus largely on the detrimental effects of excess world hot-rolling capacity and export dependency of foreign producers that inevitably lead to dumping when left unrestrained by regulatory measures such as those found in SIMA.

[62] Essar Steel Algoma's position that in absence of the Tribunal order, dumping is likely to continue or resume from the Named Countries, is based predominantly on the following global and country specific factors.

Position of the Canadian Producers Regarding Global Hot-Rolled Steel Issues

[63] In its submission, Essar Steel Algoma identified certain global conditions related largely to the production and capacity of steel and specifically for certain hot-rolled steel plate as significant in arguing that the absence of the Tribunal order will lead to a continuation or resumption of dumping of subject goods. Evraz Canada supported Essar Steel Algoma's position with respect to Bulgaria and Romania stating that "the current record, including the close-of-record submission of Essar Steel Algoma Inc. in particular, makes clear that there is strong and substantial evidence supporting such a finding in respect of Bulgaria and Romania."¹¹

¹¹ Exhibit 57 (NC) - Producer Case Brief- Evraz Canada, paragraph 3.

[64] The main factors identified by Essar Steel Algoma can be summarized as follows:

- Commodity nature of the steel;
- Excess capacity in the Named Countries and Europe;
- Soft global market conditions;
- Soft global construction and real estate markets;
- Soft demand in shipbuilding industry;
- Competition from imports of hot-rolled steel plate into the Named Countries' home markets;
- Low-priced competition from other countries;
- Attractiveness of the Canadian and North American market.

[65] In addressing the commodity nature of subject goods, Essar Steel Algoma states that “the commodity nature of the Subject Goods facilitates dumping, as they are very price sensitive.”¹² The producer alleges that “substitutability amongst suppliers would make the domestic industry in Canada more vulnerable to certain hot-rolled steel plate imports if the Tribunal order is rescinded. Importers of Plate in Canada have a long history of source switching in order to find the lowest pricing available from different sources. Indeed, three countries - Brazil, Korea and Indonesia – were relieved of normal value requirements in 2004 and 2005 with the rescissions of Plate findings covering those countries and are now among the largest Plate exporters to Canada.”¹³

[66] The capital intensive nature of steel production creates a production imperative which leads to dumping.¹⁴

[67] Essar Steel Algoma states that significant capacity and overcapacity in European as well as Named Countries markets increases the likelihood of dumping.

[68] According to Essar Steel Algoma's representation, “between 2007 and 2011, excess steel capacity in Europe ranged from 26 million metric tonnes (“MT”) to 126 million MT a year.”¹⁵ Essar Steel Algoma made extensive representation concerning the threat of excess capacity and stated that “the production capacity for Plate has increased significantly in the Subject Countries [Named Countries] since the time of the Tribunal's last expiry review proceeding, and there is now significant existing excess capacity in the Subject Countries.”¹⁶ The producer further stated that the “producers in the Subject Countries are expected to increase production by 2% in 2013, 3% in 2014 and 5% in 2015. Consequently, excess Plate capacity will remain substantial even as producers in the Subject Countries increase production in the face of soft domestic and international market conditions.”¹⁷

¹² Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 2.

¹³ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 79.

¹⁴ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 2.

¹⁵ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 14.

¹⁶ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 15.

¹⁷ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 20.

[69] Essar Steel Algoma submits that reduced demand in the Named Countries due to international conditions, soft European demand and competition from other imports in the Named Countries' home markets will lead to continued dumping.

[70] Essar Steel Algoma states that in the wake of the global economic crisis, international market conditions remain weak. Essar Steel Algoma "expects Europe will remain the weakest region due to the continuing austerity measures and tight credit"¹⁸ and cites a TD Quarterly Economic Forecast "that the Eurozone is set to repeat the recession in 2013"¹⁹ and a report by Ernst & Young which states that "it is unlikely that steel demand will significantly improve in 2013, mainly due to the continuing economic crisis in developed countries and the structural shift in the Chinese economy."²⁰

[71] In addition, Essar Steel Algoma states that shipbuilding and construction demand around the world, in Europe and in the Named Countries is weak.²¹ Shipbuilding is one of the main downstream markets for plate. The Competitiveness Council of the European Union has recently noted that the "pronounced crisis on the global shipbuilding market continues while chances for an early recovery remain remote."²² Similarly, with regards to the construction sector, "Eurofer [The European Steel Association] noted that European Union (EU) construction output was particularly affected in 2012 because of the impact of austerity measures on public sector investment. Construction activity weakened further in 2013 and is expected to improve only marginally in 2014."²³

[72] Given that "the economic growth is uneven throughout the major European countries and steel demand in Europe continues to be depressed"²⁴, the producer believes that soft market conditions in the Named Countries' home markets will lead the Bulgarian, Czech and Romanian plate industries to continue or resume dumping.

[73] Producers in the Named Countries are facing pressure from other import sources and from each other in their respective domestic markets. For example, German and Romanian plate imports, the Czech Republic's largest sources of imported plate, have significantly increased to the Czech Republic.²⁵ Bulgaria's imports of plate under HS 7208.52 have increased by 13% in 2011-2012.²⁶ In short, "the Subject Countries are facing slowing growth in their domestic markets combined with increased competition from imported plate, underlying competition from other Subject Countries. These trends contribute significantly to the likelihood that producers in the Subject Countries would resume shipping dumped plate to Canada if the finding were to expire."²⁷

¹⁸ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 27.

¹⁹ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 22.

²⁰ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 33.

²¹ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 69.

²² Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 58.

²³ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 70.

²⁴ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 33.

²⁵ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 54.

²⁶ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 56.

²⁷ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 57.

[74] Essar Steel Algoma submits that there are numerous new offshore sources selling low priced plate in the Canadian market. If the order expires, exporters in the Named Countries would need to compete with these other low priced import sources. The producer also refers to the most recent expiry review regarding plate imported from China in January 2013, where the Tribunal noted that²⁸ :

“During the POR, hot-rolled carbon steel plate was imported at low prices in increasing volumes from non-subject countries. Sales from imports of non- Subject Goods increased by 43% in 2010 and then by 50% in 2011. This trend continued in the interim period of 2012, when these sales increased by 6%.”

[75] Essar Steel Algoma notes the reliance on exports in the Named Countries to revive their economies.

[76] As per the Canadian producer’s statement, the exporters from the Named Countries have been unable to compete while the order has been in place. Essar Steel Algoma contends that “if the finding were rescinded and producers from the Subject Countries were to resume exporting to Canada, they would have to do so at pricing that is competitive with other offshore import sources.”²⁹ Thus, it is highly likely that such exporters would resume selling significant volumes of subject goods into Canada at very low prices, if the order is rescinded.

[77] The Canadian producer cites the attractiveness of the Canadian market. The Canadian market will continue to be attractive to Bulgarian, Czech and Romanian plate exporters because of the relatively higher prices in Canada.³⁰ Essar Steel Algoma provided a table which demonstrates that the US. Midwest pricing (reflective of Canadian spot prices) has been generally higher than other markets since 2008, and this is projected to continue to be higher through 2017.

[78] Essar Steel Algoma argues that there is a clear history of a propensity to dump by the exporters of subject goods from the Named Countries. It identifies trade measures that are currently in place against the Named Countries and contends that the sheer number of these anti-dumping measures is clear evidence of the propensity to dump whenever they can do so. Examples include anti-dumping duties being imposed by Turkey against Bulgaria with respect to tube or pipe fittings; anti-dumping duties imposed by Argentina against Romania regarding hot-rolled flat products of iron or steel; and anti-dumping duties imposed by India and China against the European Union for products such as cold rolled flat products of stainless steel, flat products of stainless steel etc.³¹

²⁸ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 76.

²⁹ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 88.

³⁰ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 89.

³¹ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 98.

Position of the Canadian Producers Regarding Bulgaria

[79] Essar Steel Algoma contends that Bulgaria had excess plate capacity of 400,000 MT in 2012.³² Bulgaria did not produce plate in 2012.³³

[80] Essar Steel Algoma submits that the Bulgarian economy is plagued by extremely slow and declining growth, including a decline in the construction sector. Weak growth in these sectors directly impacts Bulgarian domestic demand for plate and weak domestic demand increases the likelihood of export.

[81] As stated above, Essar Steel Algoma believes that the commodity nature of the steel; potential capacity in Bulgaria as well as excess capacity in Europe; along with soft global market conditions; soft global construction and real estate markets; and soft demand in the shipbuilding industry will create an impetus to dump certain hot-rolled steel plate in Canada. Essar Steel Algoma further believes that given the attractiveness of the Canadian and North American market and low-priced competition from other countries, Bulgaria may have to compete at low prices, thereby increasing the likelihood of dumping.

[82] Evraz Canada supports Essar Steel Algoma's position on Bulgaria.

Position of the Canadian Producers Regarding the Czech Republic

[83] Essar Steel Algoma states that in 2012, the Czech Republic had excess plate capacity of approximately 1.1 million MT and a utilization rate of 49%.³⁴ The producer also notes that the exports will likely be the main stimulant in the Czech Republic's steel industry as the domestic consumption will not reach and exceed pre-2008 levels until 2016.³⁵

[84] This excess capacity and reliance on exports coupled with aforementioned arguments such as the commodity nature of the product, reduced demand in the domestic market, low-priced competition from other countries, soft global market conditions; soft global construction and real estate markets; and soft demand in the shipbuilding industry combined with the attractiveness of the Canadian and North American market would result in exporters selling significant volumes of subject goods into Canada at very low prices, if the order is rescinded.

[85] Evraz Canada, the other Canadian producer, presents its arguments in support of the position that the dumping of subject goods from the Czech Republic is unlikely. This position is supported by Evraz Vitkovice (EVS) and provided in detail under the section "Parties Contending that Continued or Resumed Dumping is Unlikely".

³² Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 17.

³³ Ibid.

³⁴ Exhibit 53 (NC) Producer Case Brief- Essar Steel Algoma Inc., paragraph 17.

³⁵ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 83.

[86] In response to Evraz's position, Essar Steel Algoma submits that the dumping of plate from the Czech Republic is likely to resume given that EVS exported a substantial amount of its production in 2011 and 2012.³⁶

[87] In response to Evraz Canada's local supply strategy, where EVS sales into Canada are negotiated and conducted exclusively through Evraz Canada and/or Evraz Inc. NA. to ensure non-dumped export pricing and to prevent adverse impacts on Canadian market conditions for domestic producers of like goods, Essar Steel Algoma provided a table to demonstrate that during the period of review, EVS's export sales were at low prices.³⁷

[88] Essar Steel Algoma further states that there are other companies capable of producing steel in the Czech Republic. It also adds that "plate can be produced on reversing mills, steckel and strip mills. Reversing mills produce only plate whereas steckel and strip mills can produce both plate and hot-rolled sheet/strip."³⁸

[89] Essar Steel Algoma submits that given EVS's behaviour regarding pricing in its main export markets relative to its domestic market, EVS will likely resume selling dumped plate into Canada if the order were rescinded.³⁹

Position of the Canadian Producers Regarding Romania

[90] Essar Steel Algoma states that in 2012, "Romania had excess plate capacity of over 4.4 million MT and a utilization rate of 28%."⁴⁰

[91] Essar further adds that "In spite of slow domestic demand, Romanian steel producers increased production by 1.0% in 2012 and similar growth is expected for 2013."⁴¹ The Canadian producer proposes that these modest growth rates must be assessed in the context of the very large plate capacity and excess capacity that exists in the Romanian plate industry.

[92] As stated above, Essar Steel Algoma believes that the commodity nature of the steel; potential capacity in Romania as well as excess capacity in Europe; along with soft global market conditions; soft global construction and real estate markets; and soft demand in the shipbuilding industry will create an impetus to dump certain hot-rolled steel plate in Canada. Essar Steel Algoma further believes that given the attractiveness of the Canadian and North American market and low-priced competition from other countries, Romania may have to compete at low prices, thereby increasing the likelihood of dumping.

[93] Evraz Canada supports Essar Steel Algoma's position on Romania.

³⁶ Exhibit 58 (PRO) - Producer Reply Submission.

³⁷ Exhibit 58 (PRO) - Producer Reply Submission.

³⁸ Ibid.

³⁹ Ibid

⁴⁰ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 17.

⁴¹ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 51.

Parties Contending that Continued or Resumed Dumping is Unlikely

Position of Canadian Producer regarding the Czech Republic

[94] Producer Evraz Canada contends that continued or resumed dumping of subject goods from the Czech Republic is unlikely.

[95] Evraz Canada, which fully supports the continuation of the order against Bulgaria and Romania, believes that the expiry of the order is unlikely to result in the continuation or resumption of dumping of the subject goods from the Czech Republic given that EVS, the only real supplier of subject goods from the Czech Republic, is a related company of Evraz Canada as it operates within the Evraz Group and is under common direct ownership.

[96] The producer states that it “continues to apply a local supply strategy for the Canadian market, whereby EVS sales into Canada are negotiated and conducted exclusively through Evraz Canada and/or Evraz North America to ensure non-dumped export pricing and to prevent adverse impacts on Canadian market conditions for domestic producers of like goods.”⁴²

Position of the Exporter regarding the Czech Republic

[97] Exporter EVS contends that continued or resumed dumping of subject goods from the Czech Republic is unlikely.

[98] EVS believes that it remains by far the largest steel plate producer in the Czech Republic and as such the CBSA “may reasonably focus its analysis on EVS as the only real potential exporter of subject goods to Canada in any material volume as the Agency did in its prior review.”⁴³

[99] EVS provided the sole exporter response from the Czech Republic. It highlights the four points which were used by the CBSA to continue the finding against the Czech Republic in 2008. These points, as presented by EVS are 1) the inability to compete in Canada at non-dumped prices; 2) continuing pressure to export in order to keep capacity utilization rates high; 3) the past practice of dumping plate in Canada; and 4) the presence in Canada of low-priced imports of plate from other countries with which the Czech exporters will likely have to compete to secure sales in Canada.

⁴² Exhibit 57 (NC) - Producer Case Brief- Evraz Canada, paragraph 4.

⁴³ Exhibit 55 (NC) - Exporter Case Brief- Evraz Vitkovice Steel , paragraph 8.

[100] In response to the four points, EVS submits that it will no longer export to North America except through Evraz Canada and/or Evraz North America exclusively and in accordance with the Evraz Group's local supply strategy. The exporter stated that “Evraz Canada and Evraz North America are now the gatekeepers for sales of steel plate into North America.”⁴⁴ EVS provided its budgeted sales data to demonstrate that it is not seeking to fill any production void caused by decreased demand in the wider European market with increased export sales to North American markets. EVS also points to its modest sales to the United States notwithstanding the absence of anti-dumping measures in place in that country on imports of steel plate from the Czech Republic as an indicator of its behaviour.

[101] In response to Essar Steel Algoma's statement, the exporter EVS, responds that Essar Steel Algoma's calculation exercise in principle looked to CRU data (if any) for “Reversing mills,” “Steckel mills,” and “Strip mills” and did not take any overlap into account in terms of the subject goods definition and any non-subject steel sheet, strip, or coil production.⁴⁵ The exporter further states that with respect to other producers in the Czech Republic, “ArcelorMittal Ostrava's flat products are known to EVS to be hot-rolled sheet and strip with very little overlap with the subject plate, and Moravia Steel a.s./Trinecke Zelezarny Group production is known to EVS to be long products rather than plate.”⁴⁶

[102] EVS states that Evraz Canada and EVS are under common direct ownership and any new potential EVS sales into Canada are now fully coordinated with its affiliate, Evraz Canada.⁴⁷

CONSIDERATION AND ANALYSIS

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

[104] Before presenting a country by country analysis concerning the likelihood of the continuation or resumption of dumping in absence of the Tribunal's order, there are certain issues that relate to the goods on a broader scale. The factors that relate to the nature of the product include the commodity nature of hot-rolled steel plate as well as the capital-intensive nature of steel production. The effects of these issues, combined with the latest steel market developments and trends, can have a significant impact on pricing.

⁴⁴ Exhibit 55 (NC) - Exporter Case Brief- Evraz Vitkovice Steel, paragraph 12.

⁴⁵ Exhibit 60 (NC) - Exporter Reply Submission, paragraphs 4 and 5.

⁴⁶ Exhibit 60 (NC) - Exporter Reply Submission, paragraph 6.

⁴⁷ Exhibit 55 (NC) - Exporter Case Brief- Evraz Vitkovice Steel, paragraph 11.

Commodity nature of hot-rolled steel plate

[105] Generally speaking, plate produced to a given specification by a producer in a given country is physically interchangeable with plate produced to the same specification in any other country. As such, the goods compete amongst themselves regardless of origin and share the same channels of distribution and the same potential customers. This characteristic means that plate must compete in a market that is extremely price sensitive, where price is one of the primary factors affecting purchasing decisions from customers. 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 offerings.

[106] There is a history of plate dumping cases in Canada. “The first finding regarding certain carbon and alloy steel plate dates back to 1983. On December 7, 1983, in Inquiry No. ADT-10-83, the Anti-dumping Tribunal [now the Canadian International Trade Tribunal] found that the dumping of steel plates from ten countries, which included Czechoslovakia and Romania, had caused, was causing and was likely to cause material injury to domestic production. On January 26, 1984, in Inquiry No. ADT-13-83, the Anti-dumping Tribunal extended its 1983 material injury finding to include the Netherlands. The finding made by the Anti-dumping Tribunal against the eleven countries was rescinded by the Tribunal on May 1, 1990 in Review No. RR-89-006.”⁴⁸

[107] “Since 1992, there have been five other inquiries concerning similar plate products, each resulting in the imposition of either anti-dumping measures or both anti-dumping and countervailing measures against imports from various countries. The measures resulting from two of the five investigations are still in force. The five plate cases are informally referred to as Plate I, Plate II, Plate III (which is still in force against the People’s Republic of China), Plate IV and Plate V (which is the subject of this expiry review).”⁴⁹ On February 2, 2010, in Inquiry No. NQ-2009-003, the Tribunal found that the dumping of hot-rolled steel plate originating in or exported from Ukraine was threatening to cause injury to the domestic industry.⁵⁰ This plate case, informally referred to as Plate VI, provides further evidence that there is a history of plate being dumped into Canada.

[108] Given the commodity nature of the subject goods, when the measures are in place for one country, other sources of supply of certain hot-rolled steel plate emerge. This is evident from the number of measures in place in Canada, both historically and currently, with respect to certain hot-rolled steel plate.

⁴⁸ Exhibit 4 (NC) - Statement of Reasons – Expiry Review 2008

⁴⁹ Exhibit 4 (NC) - Statement of Reasons – Expiry Review 2008

⁵⁰ http://www.citt.gc.ca/dumping/inquiry/findings/archive_nq2i003_e.asp.

Capital-intensive nature of steel production

[109] A second characteristic of the product involves the capital-intensive nature of steel production. As noted previously by the Tribunal, “Steel mills are capital intensive with high fixed costs. In order to recover fixed expenses, steel mills must run at high levels of production capacity. When home market demand drops, producers will search out foreign markets to maintain capacity utilization to ensure that these fixed costs are recovered.”⁵¹ This is often referred to as the “economics of steel production.” This characteristic is particularly important when there are conditions of overcapacity, as a producer may find it more feasible to sell excess production in foreign markets at depressed prices rather than reduce production, as long as the producer’s fixed costs are covered.

Steel market developments and trends – 2010 to 2012

[110] Before 2010, the global steel industry was operating under difficult conditions as a result of a global downturn caused by the worldwide financial crisis. The global steel demand was weak and many steelmakers around the world had already begun to respond to declining demand by commencing production cuts towards the end of 2008. When the financial crisis hit, it resulted in a very sharp and sudden decrease in steel demand at a time when steelmakers were operating at a high capacity. This resulted in an unexpected over-supply of steel in the market which created a structural overcapacity in certain product segments that affects the market to this date.⁵²

[111] The steel market situation for 2010 and 2011 was well explained in the CBSA’s 2012 plate expiry review *Statement of Reasons*: “In 2010, the global steel market experienced a steady recovery in demand and enjoyed a re-stocking period which led to a rebound in crude steel production to 2008 levels. This recovery could be linked, in part, to future steel demand having been brought forward as a result of the stimulus packages used by governments of major economies to spur investment in infrastructure and other steel-intensive projects. However, the economic stimulus failed to result in a recovery to 2008 pre-crisis levels of steel consumption and production for developed countries such as those in Europe and the US.”⁵³

⁵¹ Exhibit 3 (NC) - Statement of Reasons- Plate 3 Expiry Review 2012, paragraph 90.

⁵² Exhibit 3 (NC) - Statement of Reasons- Plate 3 Expiry Review 2012, paragraphs 92-95.

⁵³ Exhibit 3 (NC) - Statement of Reasons- Plate 3 Expiry Review 2012, paragraph 96.

[112] In 2011, “the world steel market continued to show modest improvement with global crude steel production increasing by 4.3% to 1.49 billion tonnes. While recovery continued following the global financial crisis of 2009, the European debt crisis caused significant market uncertainty in 2011. The crisis led to countries adopting a number of austerity measures as a result of large government budget deficits. This in turn resulted in some countries suspending investment altogether in infrastructure and other industries, which had a detrimental impact on steel demand. With reduced demand, previous expectations of stronger steel market growth in 2011 were not realized and the problem of excess capacity was only exacerbated.”⁵⁴ “Optimism that steel demand would continue to grow led to record global production of 1.5 billion metric tons last year (2011), while actual demand reached only 1.36 billion metric tons, according to the World Steel Association.”⁵⁵ This significant excess capacity continued to put pressure on the profitability of the world’s steelmakers.

[113] Furthermore, quarterly contracts for iron ore and coking coal took effect and replaced the annual contracts that had been used by the steel industry up until that point. This resulted in a much greater volatility in raw materials prices whereas prices had remained flat in prior years. These shorter term contracts made pricing steel products more difficult for steel producers. The challenges included coping with fluctuating steel demand, while attempting to adjust prices quickly in response to a volatile raw materials market in order to remain profitable. However, this has been difficult for steel producers to achieve given that iron ore producers see any strength in steel prices as an opportunity to increase raw materials prices in the next contract, regardless of whether steel producers are able to pass on any price increases to their customers.⁵⁶

[114] Global economic growth faltered in 2012, “amidst renewed recessions in Japan and the euro zone, and concurring slowdowns in the U.S. and developing economies. As a result, the global economy expanded by a sub-par 2.9%.”⁵⁷ The main sources of acceleration were emerging market economies and the United States.⁵⁸ In Europe, the apparent steel use dropped by around 9% in the first half of 2012 and was 23% below 2007.⁵⁹ Several steelmakers across the EU continued to cut output to rebalance supply with demand and prevent further falls in steel prices.

⁵⁴ Exhibit 3 (NC) - Statement of Reasons- Plate 3 Expiry Review 2012, paragraph 100.

⁵⁵ Exhibit 27 (NC) Internet Articles regarding the steel industry- #1, “Steelmakers grid for a downturn” by John W. Miller and Matthew Day, Wall Street Journal, June 19, 2012.

⁵⁶ Exhibit 3 (NC) - Statement of Reasons- Plate 3 Expiry Review 2012, paragraph 106.

⁵⁷ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2 ,TD Economics: Quarterly Economic Forecast - Global Outlook: Transitioning from weak to sturdy.

⁵⁸ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2, World Economic Outlook Update: Gradual Upturn in Global Growth During 2013.

⁵⁹ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2, European Commission: New Dialogue on the Competitiveness of the European steel By Mr. Stefan Lorenz-Meyer, DG Enterprise and Industry, EU; 73rd OECD Steel Committee Meeting, Item 4 (December 6-7, 2012).

[115] North American Free Trade Agreement (NAFTA) countries saw slowing production rates in 2012. However, while the domestic production slowed, the spike in non-NAFTA imports continued.⁶⁰ Prices also continued to fall. “Since February 2012, the price of hot-rolled steel fell from \$827 a ton to \$723 a ton, and is expected to fall below \$700 a ton this summer [2012], according to industry researcher World Steel Dynamics.”⁶¹ Furthermore, in examining the Customs importation data and enforcement data, it was interesting to note that since 2010, the share of imports from the US has dropped from 84% to 74% in 2011 and has continued this trend into 2012 where the US volume accounts for 64% of imports. Thus, the overall import market into Canada has increased since 2010 as well as the share of imports from non-US countries.⁶²

[116] China, which produces more than 45% of the world’s crude steel and finished steel products, continued to impact the world steel market.⁶³ Despite a slowdown in the economy, steel production in China grew moderately during 2012. Even though the production capacity utilization of Chinese steelmakers steadily declined from 84% in 2009 to around 78% in 2012, the steel inventory rose steadily after a sharp decline in 2009.⁶⁴ This excess capacity continued to exert pressure on the prices.

Latest developments and trends

[117] In 2013, the world economy is expected to grow 3.6%, however, this growth will be driven by China and India. The North American economy is expected to grow by 1.8% while the EU is expected to decline 0.3%.⁶⁵

[118] In the EU, economic activity will stabilize at depressed levels in the first half of 2013, and a languid recovery is set for the second half.⁶⁶ Eurofer states that economic stagnation in Europe is creating a situation of unused capacities, which are estimated to be 40-50 million tonnes. There have been temporary or permanent stoppages at steel mills across the EU, including Belgium, Germany, Poland, Luxemburg and Spain in order to manage the production.⁶⁷ Nonetheless, “downside risks surrounding the economic outlook for the euro area persist. These relate to the possibility of inadequate structural reforms, weaker than expected exports, and sluggish domestic demand.”⁶⁸

⁶⁰ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2, Recent Developments in the NAFTA Steel Industry by Mr. Kevin Dempsey and Ron Watkins, NAFTA ;73rd OECD Steel Committee Meeting, Item 5- Global steel market situation and outlook (December 7, 2012).

⁶¹ Exhibit 27 (NC) Internet Articles regarding the steel industry- #1, “Steelmakers grid for a downturn” by John W. Miller and Matthew Day, Wall Street Journal, June 19, 2012.

⁶² Exhibit 42 (NC) Import and Enforcement statistics.

⁶³ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Steel Statistical Yearbook 2012- World Steel Association.

⁶⁴ Exhibit 46 (NC) - Internet Articles regarding the steel industry- #6, Global steel 2013- Ernest and Young.

⁶⁵ Ibid.

⁶⁶ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2, TD Economics: Economic Snapshot- A bird’s eye view of the global economy).

⁶⁷ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2, 73rd OECD Steel Committee Meeting, Item 4- The future of steel: how will the industry evolve and stay competitive in the long term?

⁶⁸ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2 ,TD Economics: Quarterly Economic Forecast - Global Outlook: Transitioning from weak to sturdy.

[119] The excess capacity in the EU may increase imports in the NAFTA market. Financial Times states that according to the World Steel Association, steelmakers in Europe have been cutting production, with steel output falling 6.1% in November 2012. In the US, on the other hand, steel mills are producing at their highest rate relative to capacity since the financial crisis. Analysts say that the wide gap between steel prices on either side of the Atlantic is likely to encourage imports into the US, thus bringing the two markets closer together.⁶⁹

[120] NAFTA steel consumption for 2013 is projected to be 135.1 million MT compared to 130.4 million MT in 2012. However, the demand remains below pre-recession levels and the global steel market continues to be oversupplied.⁷⁰

[121] In China, “the steel oversupply is likely to persist as total steel output growth will outpace total steel consumption growth. Chinese steel prices, which are trading near the lows of 2008, are likely to find support from the fact that these prices are near the cash cost levels of Chinese steelmakers. However, a short-term upside in prices is also unlikely, considering the predictions of sluggish demand in 2013. Although steel production in China will decelerate due to slowdown in end-user demand, it is unlikely to fall from current levels as the steel sector remains one of the country’s largest contributors to GDP and jobs.”⁷¹

[122] It appears that steel prices in the world will continue to remain under pressure due to excess capacity, increase in production and slow demand. The increase in the production capacity in the Republic of Korea and the slowdown in steel demand in Japan, may lead to a search for other markets for their products. Furthermore, as the new capacity becomes operational in India in the next one-two years, its domestic oversupply concerns may resurface.⁷² Thus, as producers try to find other markets to absorb their excess production, the global steel market will struggle.

[123] Despite a slight increase in demand for steel and the removal of older steelmaking capacity in 2012, the global percentage level of excess capacity is greater now than it was a year ago. This is due to the continued growth in new steelmaking facilities. Capacity utilization rates in the sector remain at about 80%. In 2013, excess capacity will remain the most significant issue in the steel sector.⁷³

⁶⁹ Exhibit 27 (NC) - Internet Articles regarding the steel industry- #1, “US and Europe steel prices diverge sharply” by Jack Farthy, Financial Times ,January 3, 2013.

⁷⁰ Exhibit 28 (NC) - Internet Articles regarding the steel industry- #2, Recent Developments in the NAFTA Steel Industry by Mr. Kevin Dempsey and Ron Watkins, NAFTA ;73rd OECD Steel Committee Meeting, Item 5- Global steel market situation and outlook (December 7, 2012).

⁷¹ Exhibit 46 (NC) - Internet Articles regarding the steel industry- #6, Global steel 2013- Ernest and Young.

⁷² Exhibit 3 (NC) - Statement of Reasons- Plate 3 Expiry Review 2012.

⁷³ Exhibit 46 (NC) - Internet Articles regarding the steel industry- #6, Global steel 2013- Ernest and Young.

LIKELIHOOD OF CONTINUED OR RESUMED DUMPING

[124] The following analysis of the likelihood of continued or resumed dumping begins with Bulgaria, followed by the Czech Republic, and Romania.

Bulgaria

[125] Guided by the factors in the aforementioned SIMR and based on the documentation on the administrative record, the ensuing list represents a summary of the factors considered most relevant to the analysis:

- the potential plate capacity;
- high export dependency in Bulgaria in order to revive its economy;
- inability to compete in Canada at non-dumped prices; and
- the presence of low-priced imports of plate from other countries in Canada with which Bulgaria would likely have to compete to secure sales in the Canadian market.

[126] No exporters from Bulgaria provided a response to the ERQ or filed case arguments or reply submissions for the President to consider in making a determination. In the absence of information from any plate exporters from Bulgaria, the CBSA's analysis relied on various market sources and independent trade reports.

[127] In the Canada Customs and Revenue Agency's (CCRA) (now CBSA) original investigation in 2003, Stomana Industry s.a.⁷⁴ (Stomana) was the only known producer/exporter to have shipped subject goods to Canada during the period of investigation (POI).⁷⁵ Stomana did not participate in the original investigation nor has it participated in the last three re-investigations which concluded in 2006, 2008⁷⁶ and 2010⁷⁷. As a result of the non-cooperation by exporters in the original investigation and in the three subsequent re-investigations, normal values for Bulgaria were determined pursuant to a ministerial specification, on the basis of an advance of 74.6% over the export price.

⁷⁴ Stomana is a subsidiary of Greek's Sidenor Group.

⁷⁵ Exhibit 7 (NC) - Statement of Reasons - Investigation 2003.

⁷⁶ Exhibit 4 (NC) - Statement of Reasons - Expiry Review 2008.

⁷⁷ Exhibit 2 (NC) - Notice of Conclusion of Re-Investigation – 2010.

[128] “Bulgaria is among the Central and Eastern European countries that are most vulnerable to the ongoing debt crisis, according to a report of international consultancy PricewaterhouseCoopers, issued at the end of September [2012].”⁷⁸ Economic conditions in Bulgaria have also impacted the steel production. The largest steel-producer Kremikovtzi’s plant in Sofia has been insolvent whereas the second largest steel producer Stomana, along with its Greek parent company Sidenor, has been operating at loss. “Indeed, in the first half of 2009, Bulgaria registered a 57% decrease in its output of crude steel to 334,500 metric tonnes (MT), an 85% drop in its flat steel products to 107,400 MT and 16% drop in long steel output to 360,800 MT, compared to the same period of 2008.”⁷⁹ It should be noted that while the drop in the steel production was partly as a result of the global economic crisis, it was largely blamed on the closure of the Kremikovtzi plant.

[129] To put steel plate production in perspective, “according to World Steel Dynamics, in 2005, Bulgaria produced 400,000 MT of plate. Plate represented approximately 20% of Bulgaria’s total steel output (2 million MT).”⁸⁰ By 2011, the Bulgarian crude steel production had fallen to 0.8 million MT and the plate production to zero. Specific plate production figures were not available for years following the year 2005. However, the Steel Statistical Yearbook 2012, published by the World Steel Association, provided information pertaining to the production of crude steel and hot rolled flat products. Based on the following information, it can be stated that if the Bulgarian crude steel input increased to pre-2008 levels, the steel producing capacity in Bulgaria could significantly impact the Canadian market.

Steel Production in Bulgaria (2004-2011)⁸¹

Bulgaria	2004	2005	2006	2007	2008	2009	2010	2011
Production of Crude Steel (000s MT)	2 106	1 949	2 102	1 909	1 330	726	737	835
Production of Hot Rolled Products (000s MT)	1 819	1 604	1 917	1 833	1 913	947	896	1115
Production of Hot Rolled Flat Products (000s MT)	1 009	1 037	1 214	1 433	1 038	303	284	301
% of hot rolled flat products	48%	53%	58%	75%	78%	42%	39%	36%

⁷⁸ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, The Bulgaria 2012 Review: Finance; Author: Milena Hristova, January 7, 2013.

⁷⁹ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Economic Update Bulgaria: Selling off steel; Oxford business group.

⁸⁰ Exhibit 4 (NC) - Statement of Reasons – Expiry Review 2008.

⁸¹ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Steel Statistical Yearbook 2012- World Steel Association.

[130] Furthermore, Stomana's parent company Sidenor has been pursuing a policy of developing into new markets and expanding its steel base while reducing the overhead in the global market.⁸² According to a report by Deutsche Bank, with respect to labour costs in the steel sector, Bulgarian labour costs are second-cheapest globally, alongside China.⁸³ Given Bulgaria's low labour costs, it is a strong possibility that Stomana may follow its parent company's policy of developing into new markets and expanding its steel base.

[131] "Weak domestic demand and a pickup in exports kept Bulgaria's current account in surplus during the years right before the "big recession" erupted."⁸⁴ After the recession in 2008, the Bulgarian "GDP contracted by 5.5% in 2009, stagnated in 2010, despite a significant recovery in exports, grew 1.7% in 2011, and approximately 1% in 2012."⁸⁵ Furthermore, "the Standard & Poor's Ratings Services said [that]in the middle of December it expects real GDP growth of about 1.7% in 2013 and an average of 2.0% from 2013-2015, supported by a recovery in both domestic and external demand."⁸⁶ These references clearly indicate Bulgaria's export dependency in order to revive its market.

[132] During the original investigation, import volumes of plate from Bulgaria represented 3.1% of total imports into Canada from all countries. During the POR, there were minimal shipments of plate from Bulgaria into Canada. Anti-dumping duties were collected during the POR on the subject goods imported into Canada from Bulgaria. The collection of anti-dumping duties as well as Stomana's lack of cooperation in the various anti-dumping proceedings mentioned above suggests an inability on behalf of the Bulgarian plate producers to compete in Canada at non-dumped prices.

[133] A final point to observe is that plate is a commodity product whose market is highly price sensitive. The Canadian plate market is marked by increasing competition from several foreign sources. The record indicates that, during the POR, plate from certain countries was imported into Canada at prices significantly lower than the average price of the domestic producers.⁸⁷ As price is a major factor for commodity products such as plate, Bulgarian exporters will likely have to compete against these low-priced imports in Canada to regain their volumes and market share achieved when they were selling at dumped prices.

⁸² The website of Sidenor, <http://www.sidenor.gr>.

⁸³ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Economic Update Bulgaria: Selling off steel; Oxford business group.

⁸⁴ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, The Bulgaria 2012 Review: Finance; Author: Milena Hristova, January 7, 2013.

⁸⁵ Exhibit 50 (NC), Attachment 15, CIA World Factbook and World bank data monitor; The website of Sidenor, <http://www.sidenor.gr>.

⁸⁶ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, The Bulgaria 2012 Review: Finance; Author: Milena Hristova Finance | January 7, 2013.

⁸⁷ Exhibit 42 (NC) - Import and Enforcement statistics.

President's Determination – Bulgaria

[134] Based on information on the record in respect of: the commodity nature of hot-rolled steel plate and capital intensive nature of steel production; the potential production capacity; the high export dependency in order to maintain capacity utilization rate; the inability to compete in Canada at non-dumped prices; and combined with low-priced imports into Canada of plate from other countries with which exporters from Bulgaria will likely have to compete to secure sales to Canada, the President determined that the expiry of the order in respect of certain hot-rolled steel plate originating in or exported from Bulgaria is likely to result in the continuation or resumption of dumping of these goods into Canada.

Czech Republic

[135] Guided by the factors in the aforementioned SIMR and based on the documentation on the administrative record, the ensuing list represents a summary of the factors considered most relevant to the analysis regarding the Czech Republic:

- high export dependency in the Czech Republic in order to maintain capacity utilization rate;
- the presence of excess plate capacity in the Czech Republic;
- inability to compete in Canada at non-dumped prices; and
- the presence of low-priced imports of plate from other countries in Canada with which the exporters from the Czech Republic would likely have to compete to secure sales in the Canadian market.

[136] The exporter EVS from the Czech Republic provided a response to the ERQ and filed case argument and reply submission for the President to consider in making a determination. The exporter submitted that continued or resumed dumping of subject goods from the Czech Republic was unlikely and the order against certain hot-rolled steel plate originating or exported from Czech Republic should be rescinded.

[137] In the CCRA's (now CBSA) original investigation in 2003, Vitkovice Steel A.S.⁸⁸ (EVS) was the only known producer/exporter to have shipped subject goods to Canada during the POI.⁸⁹ Although EVS participated in the investigation, the CCRA found that the costing data was not reliable and normal values for the Czech Republic were determined pursuant to a ministerial specification, on the basis of an advance of 74.6% over the export price. There was no cooperation by exporters in the two subsequent re-investigations concluded in 2006 and 2008.⁹⁰ EVS was the sole responder for the 2010 re-investigation, where it submitted a letter indicating that it had not shipped subject goods to Canada during the period being investigated and had no intention of doing so in the near future.⁹¹

⁸⁸ In November 2005, the Evraz Group acquired Vitkovice Steel a.s. and renamed it Evraz Vitkovice Steel (EVS).

⁸⁹ Exhibit 7 (NC) - Statement of Reasons - Investigation 2003 .

⁹⁰ Exhibit 4 (NC) - Statement of Reasons - Expiry Review 2008.

⁹¹ Exhibit 2 (NC) - Notice of Conclusion of Re-Investigation – 2010.

[138] Due to its external vulnerabilities, the Czech steel industry has been unfavourably affected by the economic downturn across Europe. The temporary shutdown of EVS, in October 2012 had an impact on Business Monitor International's (BMI) estimated crude steel output for 2012, which was revised down from 5.25 million MT to 5.08 million MT.⁹² Poor performance in 2012 wiped out the gains made in 2011. The shutdown lasted from October 2012 till January 2013. A few months later, the plant was closed again in April 2013. These decisions were made due to low demand and provide an insight into the challenges EVS faces such as high inventory and low demand.⁹³

Steel Production in the Czech Republic (2004-2011)⁹⁴

Czech Republic	2004	2005	2006	2007	2008	2009	2010	2011
Production of Crude Steel (000s MT)	7 033	6 189	6 862	7 059	6 387	4 594	5 180	5 583
Production of Hot Rolled Products (000s MT)	5 947	5 423	5 822	5 664	5 286	3 957	4 608	4 610
Production of Hot Rolled Flat Products (000s MT)	1 894	1 843	1 959	1 927	1 702	1 051	1 281	1 254
% of hot rolled flat products	27%	30%	29%	27%	27%	23%	25%	22%

[139] The historic data on the record demonstrates that in 2007, export sales represented 64% of EVS's total sales of plate and, in 2006, 56% of its sales of plate were to exports markets. Thus, EVS has a history of dependence on exports.⁹⁵

[140] An analysis of EVS's sales information indicated that EVS is very dependent on its plate export sales in order to sustain its production levels and to maintain its capacity utilization rates.

[141] EVS's total annual production capacity is more than three times the Canadian production.

⁹² Exhibit 46 (NC)- Internet Articles regarding the steel industry- #6, "Czech Republic Metals Report Q1 2013", Business Monitor International, January 16, 2013.

⁹³ Exhibit 46 (NC)- Internet Articles regarding the steel industry- #6, "Czech Republic Metals Report Q1 2013", Business Monitor International, January 16, 2013.

⁹⁴ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Steel Statistical Yearbook 2012- World Steel Association.

⁹⁵ Exhibit 4 (NC) - Statement of Reasons - Expiry Review 2008, paragraph 118.

[142] Both Evraz Canada and EVS have referenced the “local supply strategy”, where the Canadian producer and exporter, by virtue of the common ownership, will ensure that EVS exports coming into Canada will not disrupt the Canadian market. However, it should be noted that the local supply policy will be in place as long as EVS remains “within the Evraz Group of companies and under common direct ownership”⁹⁶. This indicates that a change in ownership will change the policy Evraz Canada and EVS are planning to put in place.

[143] Business Monitor International’s report on the Czech Republic states that “exports are likely to be the main stimulant in the Czech steel industry over the foreseeable future. It will take until 2016 before domestic consumption levels reach and exceed pre-2008 levels.”⁹⁷ The economic conditions in the Czech Republic and EVS’s export dependency, as demonstrated by the data provided by EVS stands in direct contrast to EVS’s statement that “the domestic market has always been the most robust market for EVS, and it has consistently provided stable demand for EVS.”⁹⁸

[144] EVS’s dormant export activity regarding Canada may suggest an inability to compete in Canada at non-dumped prices. Furthermore, the collection of anti-dumping duties on subject goods from Czech Republic during the POR demonstrates that EVS is not the sole exporter of certain hot-rolled steel plate into Canada.

[145] A final point to observe is that plate is a commodity product whose market is highly price sensitive. The Canadian plate market is marked by increasing competition from several foreign sources. The record indicates that, during the POR, plate from certain countries was imported into Canada at prices significantly lower than the average price of the domestic producers.⁹⁹ As price is a major factor for commodity products such as plate, the exporters in the Czech Republic will likely have to compete against these low-priced imports into Canada to regain their volumes and market share achieved when they were selling at dumped prices.

⁹⁶ Exhibit 56 (PRO)- Case Brief -Evraz Canada

⁹⁷ Exhibit 46 (NC)- Internet Articles regarding the steel industry- #6, “Czech Republic Metals Report Q1 2013”, Business Monitor International, January 16, 2013.

⁹⁸ Exhibit 26 (NC) - Response to the Exporter Expiry Review Questionnaire- Evraz Vitkovice Steel.

⁹⁹ Exhibit 42 (NC) Import and Enforcement statistics.

President's Determination – Czech Republic

[146] Based on information on the record in respect of: the commodity nature of hot-rolled steel plate and capital intensive nature of steel production; the dependence on export; the continuing pressure to export in order to keep capacity utilization rates high; the inability to compete in Canada at non-dumped prices; and combined with the presence in Canada of low-priced imports of plate from other countries with which the Czech exporters will likely have to compete to secure sales in Canada, the President determined that the expiry of the order in respect of certain hot-rolled steel plate originating in or exported from the Czech Republic is likely to result in the continuation or resumption of dumping of these goods into Canada

Romania

[147] Guided by the factors in the aforementioned SIMR and based on the documentation on the administrative record, the ensuing list represents a summary of the factors considered most relevant to the analysis regarding Romania:

- the potential plate capacity in Romania;
- high export dependency in Romania in order to maintain capacity utilization rate;
- inability to compete in Canada at non-dumped prices;
- the trade measures in place against Romania; and
- the presence of low-priced imports of plate from other countries in Canada with which the exporters from the Czech Republic would likely have to compete to secure sales in the Canadian market.

[148] No exporters from Romania provided a response to the ERQ or filed case arguments or reply submissions for the President to consider in making a determination. In the absence of information from any plate exporters from Romania, the CBSA's analysis relied on various market sources and independent trade reports.

[149] In the CCRA's (now CBSA) original investigation in 2003, Ispat Sidex S.A. (now ArcelorMittal Galati (AMG)) was the only known producer/exporter to have shipped subject goods to Canada during the POI. AMG participated in the investigation as well as in the subsequent two re-investigations concluded in 2006 and 2008.¹⁰⁰ However, no exporter participated in the last re-investigation, which concluded in 2010.¹⁰¹

¹⁰⁰ Exhibit 4 (NC) - Statement of Reasons - Expiry Review 2008.

¹⁰¹ Exhibit 2 (NC) - Notice of Conclusion of Re-Investigation – 2010.

[150] Although there is no information on the record indicating the quantity of plate produced in Romania; the Steel Statistical Yearbook 2012, which is published by the World Steel Association, provides information pertaining to the production of crude steel and broader category of goods, namely hot rolled flat products.¹⁰² Based on the data presented below, hot rolled flat products consistently formed more than 50% of the crude steel production in Romania, irrespective of the changes in economic conditions. After the global crisis, steel production has been reduced by almost half and the global turnover of the Romanian iron and steel sector has dropped by more than 40%.¹⁰³ However, the production of hot rolled flat products was consistent compared to the crude steel production. This underscores the importance of the hot rolled flat products industry in Romania.

Steel Production in Romania (2004-2011)¹⁰⁴

Romania	2004	2005	2006	2007	2008	2009	2010	2011
Production of Crude Steel (000's MT)	6 042	6 280	6 266	6 261	5 035	2 761	3 721	3 835
Production of Hot Rolled Products (000s MT)	5 156	5 305	5 696	5 730	4 652	2 862	3 540	3 560
Production of Hot Rolled Flat Products (000s MT)	3 535	3 608	3 676	3 662	2 869	1 674	1 815	2 060
% of hot rolled flat products	59%	57%	59%	58%	57%	61%	49%	54%

[151] Romanian steel manufacturers have also decreased production in order to respond to the market challenges. Steel Orbis reported that in October 2012, AMG (Romania) temporarily shut down one of its two plate mills. Production at Plate mill No. 1 is only set to resume once the market situation improves. As a result of the European economic downturn combined with the overcapacity situation, AMG faced a strong reduction in order volumes. Plate mill No.1 was restarted in the summer of 2012 after having been idled for three and a half years due to lack of orders in the steel market.¹⁰⁵ Given that the mill is now active, it is understandable that AMG will seek new markets to keep its capacity utilization high.

[152] AMG participated in the 2006 and 2008 re-investigations and obtained normal values, however, it did not export any subject goods to Canada with these normal values. Consequently, AMG further demonstrated an apparent inability to sell subject goods at non-dumped prices.

¹⁰² Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Steel Statistical Yearbook 2012- World Steel Association.

¹⁰³ Exhibit 30 (NC) - Internet Articles regarding the steel industry- #5, The global crisis implications on steel production- Romania's case, C. Roman, March 20,2012.

¹⁰⁴ Exhibit 29 (NC) - Internet Articles regarding the steel industry- #4, Steel Statistical Yearbook 2012- World Steel Association.

¹⁰⁵ Exhibit 50 (NC), Attachment 82, Steel Orbis, "ArcelorMittal Galati to temporarily idle its heavy plate mill No.1", October 16,2012.

[153] During the period before the original investigation, import volumes of plate from Romania represented 14.2% of total imports into Canada from all countries. However, during the POR for this expiry review, the imports of plate from Romania into Canada were nil. This suggests an inability on behalf of the Romanian plate producers to compete in the Canadian market at non-dumped prices.

[154] Based on the evidence on the record, there is one anti-dumping measure currently in place against Romania by Argentina regarding hot-rolled flat products of iron or steel.¹⁰⁶

[155] A final point to observe is that plate is a commodity product whose market is highly price sensitive. The Canadian plate market is marked by increasing competition from several foreign sources. The record indicates that, during the POI, plate from certain countries was imported into Canada at prices significantly lower than the average price of the domestic producers.¹⁰⁷ As price is a major factor for commodity products such as plate, Romanian exporters will likely have to compete against these low-priced imports in Canada to regain their volumes and market share achieved when they were selling at dumped prices.

President's Determination – Romania

[156] Based on the information on the record in respect of: the commodity nature of hot-rolled steel plate and capital intensive nature of steel production; the export orientation to maintain utilization rates; an inability to compete at non-dumped prices; the imposition of anti-dumping measures in countries other than Canada with respect to hot-rolled flat product; and combined with the presence in Canada of low-priced imports of plate from other countries with which Romanian exporters will likely have to compete to secure sales in Canada, the President determined that the expiry of the order in respect of certain hot-rolled steel plate originating in or exported from Romania is likely to result in the continuation or resumption of dumping of these goods into Canada.

CONCLUSION

[157] For the purpose of making a determination in this expiry review investigation, the CBSA conducted its analysis within the scope of the factors contained in subsection 37.2(1) of the SIMR. Based on the foregoing consideration of pertinent factors and analysis of the information on the record, the President determined that the expiry of the order made by the Canadian International Trade Tribunal on January 8, 2009, in Expiry Review No. RR-2008-002, concerning the dumping of certain hot-rolled steel plate originating in or exported from the Republic of Bulgaria, the Czech Republic and Romania is likely to result in the continuation or resumption of dumping of these goods into Canada.

¹⁰⁶ Exhibit 53 (NC) - Producer Case Brief- Essar Steel Algoma Inc., paragraph 98.

¹⁰⁷ Exhibit 13 (NC) - Imports and Enforcement Statistics for the Period of Review.

FUTURE ACTION

[158] On August 23, 2013, the Tribunal commenced its inquiry to determine whether the expiry of its order concerning the dumping of certain hot-rolled steel plate from the Republic of Bulgaria, the Czech Republic and Romania is likely to result in injury or retardation to the Canadian industry. The Tribunal has announced that it will issue its decision by January 7, 2014.

[159] If the Tribunal determines that the expiry of the order with respect to goods from the Republic of Bulgaria, the Czech Republic and Romania is likely to result in injury or retardation, the order 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 certain hot-rolled steel plate originating in or exported from the Republic of Bulgaria, the Czech Republic and Romania.

[160] If the Tribunal determines that the expiry of the order with respect to the goods from the Republic of Bulgaria, the Czech Republic and Romania is unlikely to result in injury or retardation, the order in respect of those goods will be rescinded. Anti-dumping duty would no longer be levied on importations of hot-rolled steel plate beginning on the date the order is rescinded.

INFORMATION

[161] For further information, please contact the officer listed below:

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