



OTTAWA, January 31, 2014

4214-41  
AD/1402

## STATEMENT OF REASONS

**Concerning the preliminary determination with respect to the dumping of**

**CERTAIN HOT-ROLLED CARBON STEEL PLATE AND HIGH-STRENGTH  
LOW-ALLOY STEEL PLATE FROM THE FEDERATIVE REPUBLIC OF BRAZIL,  
CHINESE TAIPEI, THE KINGDOM OF DENMARK, THE REPUBLIC OF  
INDONESIA, THE ITALIAN REPUBLIC, JAPAN AND THE REPUBLIC OF KOREA**

## DECISION

Pursuant to subsection 38(1) of the *Special Import Measures Act*, the President of the Canada Border Services Agency made a preliminary determination of dumping on January 17, 2014, respecting certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from the Federative Republic of Brazil, Chinese Taipei, the Kingdom of Denmark, the Republic of Indonesia, the Italian Republic, Japan, and the Republic of Korea.

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

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## **SUMMARY OF EVENTS**

[1] On July 15, 2013, the Canada Border Services Agency (CBSA) received a written complaint from Essar Steel Algoma Inc. (Essar Algoma), of Sault Ste. Marie, Ontario (the complainant), alleging that imports of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from the Federative Republic of Brazil (Brazil), Chinese Taipei, the Kingdom of Denmark (Denmark), the Republic of Indonesia (Indonesia), the Italian Republic (Italy), Japan, and the Republic of Korea are being dumped. The complainant alleged that the dumping has caused injury and is threatening to cause injury to the Canadian industry producing these goods.

[2] On August 6, 2013, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainant that the complaint was properly documented. The CBSA also notified the governments of Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and the Republic of Korea that a properly documented complaint had been received.

[3] On September 5, 2013, pursuant to subsection 31(1) of SIMA, the President of the CBSA (President) initiated an investigation respecting the dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and the Republic of Korea.

[4] Upon receiving notice of the initiation of the investigation, the Canadian International Trade Tribunal (Tribunal) commenced a preliminary injury inquiry, pursuant to subsection 34(2) of SIMA, into whether the evidence discloses a reasonable indication that the alleged dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate from the named countries has caused injury or retardation or is threatening to cause injury to the Canadian industry producing the goods.

[5] On November 4, 2013, pursuant to subsection 37.1(1) of SIMA, the Tribunal made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate from the named countries has caused injury or is threatening to cause injury to the domestic industry.

[6] On November 29, 2013, pursuant to paragraphs 39(1)(a) of SIMA, the President made a decision to extend the 90-day period for making a preliminary decision in the investigation to 135 days, due to the complexity and novelty of the issues presented by the investigation.

[7] On January 17, 2014, as a result of the CBSA's preliminary investigation and pursuant to subsection 38(1) of SIMA, the President made a preliminary determination of dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and the Republic of Korea.

## **PERIOD OF INVESTIGATION**

[8] The Period of Investigation (POI) with respect to dumping covered all subject goods released into Canada from January 1, 2012 to March 31, 2013.

## **PROFITABILITY ANALYSIS PERIOD**

[9] The Profitability Analysis Period covered domestic sales and costing information for goods sold from October 1, 2011 to March 31, 2013.

## **BACKGROUND**

[10] This is the seventh in a series of complaints which have been filed by the Canadian industry in respect of certain steel plate since 1992. In all of the cases the products are generally similar goods. Each of these complaints has resulted in the imposition of either anti-dumping duty or both anti-dumping and countervailing duties against goods imported from various countries. The measures resulting from three of the six investigations are still in force. Following is a brief history of the six previous plate investigations.

### **Plate I**

[11] On May 6, 1993, in Inquiry No. NQ-92-007, the Canadian International Trade Tribunal (Tribunal) found that dumped imports from Belgium, Brazil, the Czech Republic, Denmark, Germany, Romania, the United Kingdom and the Former Yugoslav Republic of Macedonia were injuring the production of plate in Canada. On May 5, 1998, in Expiry Review No. RR-97-006, the Tribunal concluded that there was no likelihood of resumed dumping from the named countries and, therefore, rescinded its finding.

### **Plate II**

[12] On May 17, 1994, in Inquiry No. NQ-93-004, the Tribunal found that dumped imports from Italy, the Republic of Korea, Spain and Ukraine were injuring the production of plate in Canada. On May 17, 1999, in Expiry Review No. RR-98-004, the Tribunal issued an order continuing its finding. On May 17, 2004, in Expiry Review No. RR-2003-001, the Tribunal concluded that the expiry of this order would not likely result in material injury to the domestic industry in the near to medium term and therefore rescinded its order against the named countries.

### **Plate III**

[13] On October 27, 1997, in Inquiry No. NQ-97-001, the Tribunal found that dumped imports from Mexico, the People's Republic of China (China), the Republic of South Africa and the Russian Federation were threatening to cause material injury to the domestic industry. On January 10, 2003, in Expiry Review No. RR-2001-006, the Tribunal continued its finding against China, South Africa and the Russian Federation and rescinded its finding against Mexico. On January 9, 2008, in Expiry Review No. RR-2007-001, the Tribunal continued its order against China and rescinded its order against South Africa and the Russian Federation. On January 8, 2013, in Expiry Review No. RR-2012-001, the Tribunal continued its order against China.

#### **Plate IV**

[14] On June 27, 2000, in Inquiry No. NQ-99-004, the Tribunal found that dumped imports from Brazil, Finland, India, Indonesia, Thailand and Ukraine and subsidized imports from India, Indonesia and Thailand had caused material injury to the domestic industry. On June 27, 2005, in Expiry Review No. RR-2004-004, the Tribunal concluded that the expiry of the finding would not likely result in material injury to the domestic industry in the near to medium term and therefore rescinded its finding against the named countries.

#### **Plate V**

[15] On January 9, 2004, in Inquiry No. NQ-2003-002, the Tribunal found that dumped imports from the Republic of Bulgaria, the Czech Republic and Romania had caused material injury to the domestic industry. On January 8, 2009, in Expiry Review No. RR-2008-002, the Tribunal continued its finding against the named countries. On January 7, 2014 in Expiry Review No. RR-2013-002 the Tribunal continued its order in respect of the goods without amendment for another five years.

#### **Plate VI**

[16] On February 2, 2010, in Inquiry No. NQ-2009-003, the Tribunal found that dumped imports from Ukraine did not cause injury but threatened to cause injury to the domestic industry.

[17] In summary, at this time there are three plate findings/orders being enforced by the CBSA; Plate III against subject goods from China; Plate V against subject goods from the Republic of Bulgaria, the Czech Republic and Romania; and Plate VI against subject goods from Ukraine.

### **INTERESTED PARTIES**

#### **Complainant**

[18] The complainant, Essar Algoma is a major producer of hot-rolled carbon steel plate and high-strength low-alloy steel plate in Canada. The complainant's goods are produced at a manufacturing facility located in Sault Ste. Marie, Ontario.

[19] The name and address of the complainant is:

Essar Steel Algoma Inc.  
105 West Street  
Sault Ste. Marie, Ontario P6A 7B4

## **Importers**

[20] At the initiation of the investigation, the CBSA identified 46 potential importers of the subject goods from CBSA import documentation and from information submitted in the complaint.

[21] The CBSA sent a Request for Information (RFI) to all potential importers of the goods and received 11 responses to the Importer RFI, with varying degrees of completeness.

## **Exporters**

[22] At the initiation of the investigation, the CBSA identified 75 potential exporters of the subject goods from CBSA import documentation and from information submitted in the complaint.

[23] The CBSA sent an Exporter RFI to each potential exporter in the named countries and received 9 responses to the Exporter RFI with varying degrees of completeness.

## **PRODUCT INFORMATION**

### **Definition**

[24] For the purpose of this investigation, subject goods 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 thicknesses from 0.187 inches (+/- 4.75 mm) up to and including 3.0 inches (76.2 mm) (with all dimensions being plus or minus allowable tolerances contained in the applicable standards), but excluding plate for use in the manufacture of pipe and tube (also known as skelp); plate in coil form, plate having a rolled, raised figure at regular intervals on the surface (also known as floor plate), originating in or exported from the Federative Republic of Brazil, Chinese Taipei, the Kingdom of Denmark, the Republic of Indonesia, the Italian Republic, Japan, and the Republic of Korea.

## **Additional Product Information**

[25] For greater certainty, the subject goods include steel plate which contains alloys greater than required by recognized industry standards provided that the steel does not meet recognized industry standards for an alloy-grade steel plate.

[26] Hot-rolled carbon steel plate is manufactured to meet certain Canadian Standards Association (CSA) and/or American Society for Testing & Materials (ASTM) specifications, or equivalent specifications. CSA specification G40.21 covers steel for general construction purposes. In the ASTM specifications, for instance, specification A36M/A36 comprises structural plate; specification A572M/A572 comprises high-strength low-alloy steel plate; and specification A516M/A516 comprises pressure vessel quality plate. ASTM standards, such as A6/A6M and A20/A20M, recognize permissible variations for dimensions.

## **Production Process**

[27] Carbon steel is, in effect, refined pig iron. Integrated producers make pig iron by combining iron ore, coke, limestone and oxygen and superheating the mixture in a blast furnace. The ensuing hot liquefied pig iron is combined with scrap metal and additional oxygen in a basic oxygen furnace. Mini-mills, on the other hand, produce molten carbon steel in electric arc furnaces (EAF's). The basic raw material used by mini-mills is scrap metal.

[28] In both integrated and mini-mill production, the molten carbon steel is poured from a ladle into the tundish of a continuous strand caster. From the tundish it flows into the caster's moulds to cool and to form a slab. The slab continues to move through the caster, cooling as it progresses, until it exits the caster, where it is cut to length with a torch. The slab is then either placed in inventory or immediately transferred to a reheat furnace where it is heated to a uniform rolling temperature. The plate is rolled to its final gauge in a series of rolling mills, leveled, identified and inspected for conformance to thickness tolerances and surface requirements. The plate is then either formed directly into rectangular shapes or coiled and later unwound and cut into lengths. The former is known as "discrete plate" and the latter as "plate from coil" or "cut to length plate".

[29] At Essar Algoma, slabs are charged into re-heating furnaces and are progressively brought forward and heated to approximately 2370 °F (1300 °C) before being discharged then descaled by high pressure water sprays. The first reduction of steel thickness occurs in the breakdown mill where the slab is reduced in gauge depending on the final plate thickness required.

[30] The heavier plates (i.e., 3/8" and thicker) go directly to Essar Algoma's 166" Plate Mill where they are reduced to their final thickness, are levelled and then sent to the plate finishing area where the plate is sized, side trimmed, cut to length (either sheared or flame cut), tested and shipped.

[31] For the lighter plate, Essar Algoma's 166" Plate Mill acts a breakdown mill and the extended slab proceeds to the 106" Wide Strip Mill where it is reduced to its final thickness through this 6-stand operation and then coiled. The coils are sent to the #1 finishing line, where they are uncoiled, levelled, cut-to-length, tested, bundled and shipped.

### **Classification of Imports**

[32] Imports into Canada of the subject goods described above are normally, but not exclusively, classified under the following Harmonized System (HS) classification numbers for importations that occurred prior to January 1, 2012:

7208.51.10.00	7208.51.99.10	7208.52.19.00
7208.51.91.10	7208.51.99.91	7208.52.90.10
7208.51.91.91	7208.51.99.92	7208.52.90.91
7208.51.91.92	7208.51.99.93	7208.52.90.92
7208.51.91.93	7208.51.99.94	7208.52.90.93
7208.51.91.94	7208.51.99.95	7208.52.90.94
7208.51.91.95	7208.52.11.00	7208.52.90.95

[33] As a result of the amendments made to the 2012 Customs Tariff, imports into Canada of the subject goods on or after January 1, 2012 are normally, but not exclusively, classified under the following HS Classification numbers:

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

[34] The listing of HS classification numbers is for convenience of reference only. The HS classification number may include non-subject goods. Also, subject goods may be imported under HS classification numbers that are not listed. Refer to the product definition for the authoritative details regarding the subject goods.

### **LIKE GOODS**

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

[36] Steel plate produced by the domestic industry has the same physical characteristics and end uses as the subject goods imported from the named countries. The goods produced in Canada and the named countries are fully interchangeable when manufactured to industry standards and specifications. Subject goods from the named countries compete directly with like goods produced by the complainant. Therefore, the CBSA has concluded that certain steel plate produced by the Canadian industry constitute like goods to the subject goods.



[37] Like goods and the subject goods are made from the same primary input materials and in similar manufacturing processes. When chemical and dimensional specifications of either subject or like goods meet industry standards, the only differentiating factor is price. When sold, certain steel plate is sold in the same channels of distribution, whether subject or like goods, to the same types of customers and in many cases, to the same customers.

[38] The Tribunal has previously recognized plate as a single class of goods. In considering the issue of like goods, the Tribunal typically looks at a number of factors, including the physical characteristics of the goods, their market characteristics and whether the domestic goods fulfill the same customer needs as the subject goods.

[39] In Expiry Review No. RR-2013-002, in its Orders and Reasons issued January 7, 2014, concerning hot-rolled carbon steel plate and high-strength low-alloy steel plate from the Republic of Bulgaria, the Czech Republic and Romania, the Tribunal again looked at factors in its assessment of like goods. The Tribunal stated that:

“The Tribunal typically looks at a number of factors, including the physical characteristics of the goods (such as composition and appearance) and their market characteristics (such as substitutability, pricing, distribution channels, ends uses and whether they fulfill the customer needs). In considering whether there is more than one class of goods, the Tribunal typically looks at the same factors as above and applies them to the like goods.”

“The undisputed evidence on the record in this expiry review indicates that the domestic industry produces substantially the same goods as the subject goods and that it does so using the same of very similar manufacturing processes as are used in respect of the subject goods. Moreover, carbon steel plate produced domestically and the subject goods compete with one another, rely on the same distribution channels and have the same end uses. In Inquiry No NQ-2003-002, the Tribunal found that carbon steel plate produced in Canada by the domestic producers constituted like goods in relation to the subject goods and that carbon steel plate comprised a single class of goods. The Tribunal did not vary its approach in Expiry Review No. RR-2008-002.”

“In the course of this expiry review (RR-2013-002), no evidence was submitted that would warrant a departure from this conclusion. Accordingly, the Tribunal is satisfied that the carbon steel plate produced by Essar Algoma, Evraz Inc. NA Canada and SSAB Central Inc. is like goods in relation to the subject goods and that it comprises a single class of goods.”<sup>1</sup>

[40] Given the timeliness of the Tribunal’s review, and the fact that there were no changes in circumstances evident during the PAP, the CBSA is of the opinion that plate produced by the domestic industry forms a single class of like goods to the subject goods.

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<sup>1</sup> Canadian International Trade Tribunal – Expiry Review RR-2013-002

## **THE CANADIAN INDUSTRY**

[41] The domestic industry is comprised of two domestic producers, Essar Algoma and Evraz Inc. NA Canada of Regina, Saskatchewan. In addition, SSAB Central Inc. of Toronto, Ontario is a service centre that, while it does not heat or roll plate in Canada, operates plate dedicated cut-to-length facilities that produce plate from coil and resells discrete plate that it purchases from other manufacturers. Furthermore, there are a few domestic steel service centres that have the capability to cut plate from coil. In recent expiry reviews, the Tribunal included plate cut from hot-rolled coil as part of Canadian production.

## **CANADIAN MARKET**

[42] The complainant noted that the total domestic mills production includes some portion of non-subject alloy plate and the total domestic sales of cut-to-length plate by service centres is likely less than estimated.

[43] For the initiation of the investigations, the CBSA conducted its own analysis of imports of subject goods based on actual import data. The CBSA's import data demonstrated similar trends and volumes as the information provided by the complainant.

[44] For the preliminary phase of the investigation, the CBSA further refined the estimated volume of imports based on information from CBSA import entry documentation and other information received from exporters and importers. In addition, the CBSA reviewed import documentation entries under the HS classification numbers under which the goods under investigation would be imported.

[45] Detailed information regarding domestic production and the volume of imports of subject goods cannot be divulged for confidentiality reasons. The CBSA prepared the following table to show the estimated import share for subject goods in Canada.

## **IMPORTS INTO CANADA**

[46] The following table presents the CBSA's analysis of imports of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate for the purposes of the preliminary determination.

**TABLE 1**  
**Import Volumes of Certain Steel Plate**  
**January 1, 2012 to March 31, 2013**  
**(Based on Metric Tonne Volume)**

<b>Imports into Canada</b>	<b>% of Total Import Volume</b>
Brazil	3.7%
Chinese Taipei	0.3%
Denmark	1.6%
Indonesia	2.4%
Italy	2.5%
Japan	1.4%
Republic of Korea	11.9%
<b>Total –Named Countries</b>	<b>23.8%</b>
<b>Total – Other Countries</b>	<b>76.2%</b>
<b>Total All Imports</b>	<b>100%</b>

## **REPRESENTATIONS RECEIVED FROM INTERESTED PARTIES**

[47] The CBSA received four separate representations and in three of the representations, there is some commonality in the issues raised, mainly that their exports of subject plate are negligible on an individual basis.

### **Representations from the Government of Indonesia**

[48] On October 11, 2013, the Government of Indonesia provided representations with regards to several issues.<sup>2</sup> The Government of Indonesia representations and the CBSA response are summarized in **Appendix 1**.

### **Representations from exporters in Japan – Nippon Steel & Sumitomo Metal Corporation**

[49] On November 15, 2013, a joint representation by Nippon Steel (Nippon) and Sumitomo Metal Corporation (Sumitomo) was provided to the CBSA.<sup>3</sup> The Nippon and Sumitomo representations and the CBSA response are summarized in **Appendix 2**.

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<sup>2</sup> CBSA Dumping Exhibit 88

<sup>3</sup> CBSA Dumping Exhibit 145

## **Representations from an exporter in Brazil – Usiminas**

[50] On January 11, 2014, Usiminas provided representations in support of the issues raised by Nippon and Sumitomo, namely negligible volumes and the use of a more current period for the POI.<sup>4</sup> These issues are addressed in the CBSA responses to the Nippon and Sumitomo representations. Refer to **Appendix 2**.

## **Representations from an exporter in the Republic of Korea – POSCO & an importer DSME Trenton on Subject Goods**

[51] Commencing in November 2013, POSCO and an importer, DSME Trenton of Trenton, Nova Scotia made several representations regarding the subject goods and a particular plate product manufactured by POSCO that was shot blasted and primer coated and then shipped to DSME Trenton during the POI.<sup>5</sup> POSCO and DSME submitted that this plate product is not subject. The representations and CBSA response are summarized in **Appendix 3**.

## **INVESTIGATION PROCESS**

[52] Information was requested from all known and potential exporters, vendors and importers, concerning shipments of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and the Republic of Korea released into Canada during the dumping POI of January 1, 2012 to March 31, 2013.

[53] After reviewing the responses to the RFIs, supplemental RFIs were sent to some of the responding parties to clarify information provided in the submissions.

[54] Several parties requested an extension to respond to the RFIs.<sup>6</sup> The CBSA did not agree to these requests as the reasons identified in the request letters did not constitute unforeseen circumstances or unusual burdens. The CBSA advised each party to submit as complete a response as possible by the deadline date for the RFI response. The CBSA advised that for any information which was submitted after the RFI responses deadline, the CBSA could not guarantee that such information would be taken into consideration for the purposes of the preliminary phase of the investigation.

[55] Preliminary determinations are based on the information available to the President at the time of the preliminary determination. Any additional information provided in supplemental RFI responses will be taken into consideration during the final phase of the investigation. During the preliminary phase of the investigation, submissions were verified by the CBSA with on-site verifications conducted at Usiminas in Brazil and Hyundai Steel and Hyundai Corporation and POSCO (facilities in Pohang and Kwangyang) in the Republic of Korea. The results of these verifications will be taken into consideration for the President's final decision which must be made by April 17, 2014.

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<sup>4</sup> CBSA Dumping Exhibit 214

<sup>5</sup> CBSA Dumping Exhibits 203 & 212

<sup>6</sup> CBSA Administrative Record Plate VII Dumping Investigation

## **Dumping Investigation**

[56] The CBSA received responses to the Exporter Dumping RFI from the following companies:

- Usinas Siderurgias de Minas Gerais S.A. (Brazil);
- Shang Chen Steel Co. Ltd. (Chinese Taipei);
- Tung Ho Steel Enterprise Corporation (Chinese Taipei);
- Ilva S.p.A. (Italy);
- Tokyo Steel Manufacturing Co. Ltd. (Japan);
- Dongkuk Steel Mill Company Ltd (Republic of Korea);
- Hyundai Steel Company (Republic of Korea);
- Hyundai Corporation (Republic of Korea);
- POSCO / Daewoo International Corporation (Republic of Korea).

[57] Tung Ho Steel Enterprises Corporation (Tung Ho) did not ship the subject goods to Canada during the POI. As dumping investigations focus solely on subject goods sold or imported to Canada during the POI, Tung Ho's information was not used.

[58] Tokyo Steel Manufacturing Co. Ltd. provided an incomplete response and later confirmed with the CBSA that it would not further participate in the investigation.

[59] Hyundai Corporation provided a late response to the Exporter RFI on December 16, 2013, and Dongkuk Steel Mill Company submitted a late response to the CBSA on January 10, 2014. If time permits and the CBSA is able to analyze and verify the information contained in these late responses, they may be taken into consideration for the final decision.

[60] The remaining five exporters provided substantially complete responses and the CBSA's analysis of each exporter's information follows.

## **Normal Values**

[61] Normal values are generally estimated on the domestic selling prices of like goods in the country of export, in accordance with the methodology of section 15 of SIMA, or on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits, in accordance with the methodology of paragraph 19(b) of SIMA.

## **Export Price**

[62] The export price of goods sold to importers in Canada is generally based on the lesser of the adjusted exporter's selling price for the goods or the adjusted importer's purchase price, in accordance with the methodology of section 24 of SIMA. These prices are adjusted where necessary by deducting the costs, charges, expenses, duties and taxes resulting from the exportation of the goods as provided for in subparagraphs 24(a)(i) to 24(a)(iii) of SIMA.

## **Margins of Dumping**

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

## **Preliminary Results of the Dumping Investigation**

[64] Where complete and timely information was provided by exporters, the CBSA was able, in some instances, to estimate normal values in accordance with the provisions of section 15 of SIMA based on sales of like goods in the country of export. In other instances, the CBSA was able to estimate normal values based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits, using the methodology of paragraph 19(b) of SIMA.

[65] For the exporters that did not submit complete responses or that submitted late responses to the Exporter RFI, margins of dumping were estimated using normal values based on advancing the export prices by the highest amount by which the normal value exceeded the export price on an individual transaction of an exporter that provided a complete response to the RFI.

[66] In calculating the estimated margin of dumping of each named country, the estimated margin of dumping in respect of each exporter was weighted according to each exporter's volume of subject hot-rolled carbon steel plate and high-strength low-alloy steel plate imported into Canada during the POI.

[67] Estimated margins of dumping by exporter are presented in a summary table in **Appendix 4** of this document, while the estimated margin of dumping for the named countries is presented in **Table 2** at the end of this section.

## **Brazil**

### Usinas Siderurgias de Minas Gerais S.A.

[68] Usinas Siderurgias de Minas Gerais S.A. (Usiminas) is a publicly traded company involved in all stages of steel production. Usiminas owns and operates two steel mills in Brazil, Ipatinga (MG) and Cubatão (SP), which produce a full range of steel products including thick plates, hot strips, cold strips and galvanized sheets. While both steel mills can produce subject goods, subject goods exported to Canada during the POI were all produced by the Cubatão Mill.

[69] Usiminas provided substantially complete responses to the dumping RFI as well as additional supplemental RFIs. The information submitted by Usiminas included a database of domestic sales of goods which were identified as similar goods to the subject goods shipped to Canada, along with details on the full cost of production, administrative, selling and other costs associated with the sales. Normal values were estimated using the methodology of section 15 of SIMA based on domestic selling prices of like goods. Adjustments were made to the domestic selling prices of like goods for delivery costs included in the selling price in accordance with section 7 of the *Special Import Measures Regulations* (SIMR), for taxes that were borne by the like goods that were not borne by the subject goods exported to Canada in accordance with section 10 of the SIMR, and for differences in the conditions of sale in accordance with paragraph 5(d) of the SIMR. On-site verifications were conducted at the premises of Usiminas in Brazil, in December 2013.

[70] Export prices for subject goods exported to Canada by Usiminas were estimated using the methodology of section 24 of SIMA, based on the lesser of the importer's purchase price and the exporter's selling price less all costs, charges and expenses resulting from the exportation of the goods.

[71] The total estimated normal value was compared with the total estimated export price for the subject goods imported into Canada during the POI from Usiminas. The estimated margin of dumping for Usiminas is 17.8% expressed as a percentage of the export price.

## **Chinese Taipei**

### Shang Chen Steel Co. Ltd.

[72] Shang Chen Steel Co., Ltd. (Shang Chen) is a producer and exporter of subject goods. Shang Chen is a private limited company. Shang Chen owns and runs one production facility located in Chinese Taipei. The subject goods were all produced in Kaohsiung City, Chinese Taipei.

[73] Shang Chen provided substantially complete responses to the dumping RFI and several supplementary RFIs. Shang Chen submitted a database of domestic sales of goods which were identified as similar goods to the subject goods shipped to Canada, along with details on the full cost of production, administrative, selling and other costs associated with the sales. Normal values were estimated using the methodology of paragraph 19(b) of SIMA based on the aggregate of the cost of production, a reasonable amount for administrative, selling and other costs and a reasonable amount for profits. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(ii) of the SIMR, based on Shang Chen's profitable domestic sales of goods of the same general category as the goods sold to the importer in Canada. An adjustment was made to the selling prices for delivery costs included in the selling price in accordance with section 7 of the SIMR.

[74] For subject goods exported from Shang Chen, export prices were estimated using the methodology of section 24 of SIMA, based on the lesser of the importer's purchase price and the exporter's selling price less all costs, charges and expenses resulting from the exportation of the goods.

[75] The total estimated normal value was compared with the total estimated export price for the subject goods imported into Canada during the POI from Shang Chen. The estimated margin of dumping for Shang Chen is 10.1%, expressed as a percentage of the export price.

## **Italy**

### ILVA S.p.A.

[76] ILVA S.p.A (ILVA) is a privately held partnership that produces flat carbon steel products including coils, plates and large diameter welded steel pipes. ILVA has 15 production sites, 12 of which are located in Italy, in addition to plants in France, Greece and Tunisia. The subject goods were all produced in Taranto, Italy.

[77] ILVA provided substantially complete responses to the dumping RFI and several supplementary RFIs. ILVA submitted a database of domestic sales of goods which were identified as similar goods to the subject goods shipped to Canada, along with details on the full cost of production, administrative, selling and other costs associated with the sales. Normal values were estimated using the methodology of section 15 of SIMA based on domestic selling prices of like goods. An adjustment was made to the selling prices for delivery costs included in the selling price in accordance with section 7 of the SIMR.

[78] For subject goods exported from ILVA, export prices were estimated using the methodology of section 24 of SIMA, based on the lesser of the importer's purchase price and the exporter's selling price less all costs, charges and expenses resulting from the exportation of the goods.

[79] The total estimated normal value was compared with the total estimated export price for the subject goods imported into Canada during the POI from ILVA. The estimated margin of dumping for ILVA is 31.3%, expressed as a percentage of the export price.

## **Republic of Korea**

### Hyundai Steel Company

[80] Hyundai Steel Company (Hyundai Steel) is a publicly traded company and part of the Hyundai-Kia Automotive Group. Hyundai Steel produces hot-rolled steel plate, among other goods and is the world's second largest electric arc furnace steel producer. The company's headquarters are located in Seoul, Republic of Korea. The company owns three steel mills in the Republic of Korea (Incheon, Pohang, and Dangjin) and one steel mill in China (Qingdao). The subject goods were all produced in Dangjin, Republic of Korea.



[81] Hyundai Steel provided substantially complete responses to the dumping RFI and several supplementary RFIs. Hyundai Steel submitted a database of domestic sales of goods which were identified as similar goods to the subject goods shipped to Canada, along with details on the full cost of production, administrative, selling and other costs associated with the sales. Normal values were estimated using the methodology of section 15 of SIMA based on domestic selling prices of like goods and the methodology of paragraph 19(b) of SIMA, where normal values are an aggregate of the cost of production, a reasonable amount for administrative, selling and other costs and a reasonable amount for profits as per subparagraph 11(1)(b)(i) of the SIMR, based on Hyundai Steel's profitable domestic sales of like goods. An adjustment was made to the selling prices for delivery costs included in the selling price in accordance with section 7 of the SIMR. On-site verifications were conducted at the premises of Hyundai Steel in the Republic of Korea in December 2013.

[82] For subject goods exported from Hyundai Steel, export prices were estimated using the methodology of section 24 of SIMA, based on the lesser of the importer's purchase price and the exporter's selling price less all costs, charges and expenses resulting from the exportation of the goods.

[83] The total estimated normal value was compared with the total estimated export price for the subject goods imported into Canada during the POI from Hyundai Steel. The estimated margin of dumping for Hyundai Steel is 2.5%, expressed as a percentage of the export price.

#### POSCO / Daewoo International Corporation

[84] POSCO is a publicly listed company and an integrated steel manufacturer that produces a wide range of steel products including hot-rolled sheet and coil, cold-rolled sheet and coil, galvanized steel sheet and coil, plate, wire rod, and stainless steel sheet and coil. POSCO has two steel mills, Pohang and Kwangyang. The subject goods were produced at both mills.

[85] POSCO and its related trading companies Daewoo International Corporation (Daewoo International) located in the Republic of Korea and Daewoo International (America) Corporation (Daewoo America) located in the U.S. provided substantially complete responses to the dumping RFI and several supplementary RFIs. POSCO submitted a database of domestic sales of goods which were identified as similar goods to the subject goods shipped to Canada, along with details on the full cost of production, administrative, selling and other costs associated with the sales. Both trading companies also provided details on the administrative, selling and other costs associated with their exports of the subject goods to Canada.

[86] Normal values were estimated using the methodology of section 15 of SIMA based on domestic selling prices of like goods. An adjustment was made to the selling prices for delivery costs included in the selling prices in accordance with section 7 of the SIMR. In the absence of domestic sales of like goods, normal values were estimated using the methodology of paragraph 19(b) of SIMA based on the aggregate of the cost of production, a reasonable amount of administrative, selling and other costs, and a reasonable amount for profits. The amount for profits was estimated in accordance with subparagraph 11(1)(b)(i) of the SIMR, based on the profitable domestic sales of like goods. On-site verifications were conducted at the premises of POSCO Pohang and Daewoo International in the Republic of Korea in December 2013.

[87] For subject goods exported from POSCO, Daewoo International and Daewoo America, export prices were estimated using the methodology of section 24 of SIMA, based on the lowest selling prices between POSCO, Daewoo International, Daewoo America and the Canadian importers, less all costs, charges and expenses resulting from the exportation of the goods.

[88] The estimated normal values were compared with the estimated export prices for the subject goods imported into Canada during the POI. The estimated margin of dumping for POSCO (Pohang) is 8.1%, expressed as a percentage of the export price. The estimated margin of dumping for POSCO (Kwangyang) is 21.8%, expressed as a percentage of the export price.

### **All other Exporters – Margin of Dumping**

[89] For all other exporters, the normal values and related margins of dumping were based on the highest amount by which an estimated normal value exceeded an estimated export price (65.2%), on an individual transaction during the dumping POI as estimated for an exporter that provided a complete submission. Export prices were obtained through CBSA import entry documentation for the subject goods imported into Canada during the POI.

[90] As such, normal values for these other exporters were estimated by advancing the estimated export price of the goods by 65.2%.

### **Summary of the Preliminary Results of the Dumping Investigation**

[91] A summary of the preliminary results of the investigation respecting all subject goods released into Canada during the POI follows.

**TABLE 2**  
**Summary of Preliminary Results of the Dumping Investigation**  
**Period of investigation – January 1, 2012 to March 31, 2013**

<b>Country</b>	<b>Estimated Volume of Dumped Goods as Percentage of Country Imports</b>	<b>Estimated Margin of Dumping</b>	<b>Estimated Volume of Country Imports as Percentage of Total Imports</b>	<b>Estimated Volume of Dumped Goods as Percentage of Total Imports</b>
<b>Brazil</b>	100%	17.9%	3.7%	3.7%
<b>Chinese Taipei</b>	100%	10.5%	0.3%	0.3%
<b>Denmark</b>	100%	65.2%	1.6%	1.6%
<b>Indonesia</b>	100%	65.2%	2.4%	2.4%
<b>Italy</b>	100%	31.8%	2.5%	2.5%
<b>Japan</b>	100%	65.2%	1.4%	1.4%
<b>Republic of Korea</b>	100%	34.6%	11.9%	11.9%

[92] Under subsection 35(1) of SIMA, the President is required to terminate an investigation prior to the preliminary determination if the President is satisfied that there is insufficient evidence of dumping, that the margin of dumping of the goods of a country is insignificant or that the volume of dumped goods of a country is negligible.

[93] Pursuant to subsection 2(1) of SIMA, a margin of dumping of less than 2% of the export price is defined as insignificant and a volume of dumped goods is considered negligible if it accounts for less than 3% of the total volume of goods that are released into Canada from all countries that are of the same description as the dumped goods, except that where the total volume of dumped goods of three or more countries, each of whose exports of dumped goods into Canada is less than 3% of the total volume of goods, is more than 7% of the total volume of goods, the volume of dumped goods of any of those countries is not negligible.

[94] The results provided in **Table 2** above indicate that the estimated volumes of dumped goods for Brazil and the Republic of Korea are greater than 3% and are not negligible. The estimated volumes of imports for Chinese Taipei, Denmark, Indonesia, Italy and Japan are less than 3% each. However, the total volume of imports from Chinese Taipei, Denmark, Indonesia, Italy and Japan is 8.2%. As per subsection 2(1) of SIMA, on a cumulative basis, the estimated volume of imports for each of the countries, Chinese Taipei, Denmark, Indonesia, Italy and Japan, is above 7% and therefore not negligible.

### **PRELIMINARY DETERMINATION**

[95] Based on the preliminary results of the investigation, on January 17, 2014 the President of the CBSA made a preliminary determination of dumping respecting certain hot-rolled carbon steel plate and high-strength low-alloy steel plate from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, Japan and the Republic of Korea, pursuant to subsection 38(1) of SIMA.

### **PROVISIONAL DUTY**

[96] Pursuant to subsection 8(1) of SIMA, provisional duty payable by the importer in Canada will be applied to dumped imports of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate that are released during the period commencing on the day the preliminary determination is made and ending on the earlier of the day on which the President causes the investigations to be terminated, in accordance with subsection 41(1), or the day on which the Tribunal makes an order or finding. The imposition of provisional duty is needed to prevent the injury because, as per the Tribunal's preliminary determination, there is evidence that discloses a reasonable indication that the dumping of subject goods has caused injury to the hot-rolled carbon steel plate and high-strength low-alloy steel plate industry in Canada.

[97] Provisional duty is based on the estimated margin of dumping, expressed as a percentage of the export price of the goods. **Appendix 4** contains the estimated margins of dumping, and the rates of provisional duty payable on subject goods released from the CBSA on and after January 17, 2014.

[98] Importers are required to pay provisional duty in cash or by certified cheque. Alternatively, importers may post security equal to the amount payable. Importers should contact their CBSA regional customs office if they require further information on the payment of provisional duty or the posting of security. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the import documents, an administrative monetary penalty could be imposed. The imported goods are also subject to the *Customs Act*. As a result, failure to pay duties within the specified time will result in the application of the provisions of the *Customs Act* regarding interest.

## **FUTURE ACTION**

### **The Canada Border Services Agency**

[99] The CBSA will continue its investigation and the President will make final decisions by April 17, 2014.

[100] If the President is satisfied that the goods were dumped, and that the margin of dumping is not insignificant, a final determination will be made. Otherwise, the President will terminate the investigation and any provisional duty paid or security posted, will be returned to importers.

### **The Canadian International Trade Tribunal**

[101] The Tribunal has begun its inquiry into the question of injury to the Canadian industry. The Tribunal is expected to issue its finding by May 16, 2014.

[102] If the Tribunal finds that the dumping has not caused injury or is not threatening to cause injury, the proceedings will be terminated and all provisional duty collected or security posted will be returned.

[103] If the Tribunal makes a finding that the dumping has caused injury or is threatening to cause injury, anti-dumping duty in an amount equal to the margin of dumping will be levied, collected and paid on imports of the subject plate.

[104] For purposes of the preliminary determination of dumping, the CBSA has responsibility for determining whether the actual and potential volume of dumped goods is negligible. After a preliminary determination of dumping, the Tribunal assumes this responsibility. In accordance with subsection 42(4.1) of SIMA, the Tribunal is required to terminate its inquiry in respect of any goods if the Tribunal determines that the volume of dumped goods from a country is negligible.

## **RETROACTIVE DUTY ON MASSIVE IMPORTATIONS**

[105] Under certain circumstances, anti-dumping duty can be imposed retroactively on subject goods imported into Canada. When the Tribunal conducts its inquiry on material injury to the Canadian industry, it may consider if dumped goods that were imported close to or after the initiation of the investigation constitute massive importations over a relatively short period of time and have caused injury to the Canadian industry. Should the Tribunal issue a finding that there were recent massive importations of dumped goods that caused injury, imports of subject goods released by the CBSA in the 90 days preceding the day of the preliminary determination could be subject to anti-dumping duty.

## **UNDERTAKINGS**

[106] After a preliminary determination of dumping, exporters may give a written undertaking to revise selling prices to Canada so that the margin of dumping or the injury caused by the dumping is eliminated.

[107] Acceptable undertakings must account for all or substantially all of the exports to Canada of the dumped goods. In the event that an undertaking is accepted, the required payment of provisional duty on the goods would be suspended.

[108] In view of the time needed for consideration of undertakings, written undertaking proposals should be made as early as possible, and no later than 60 days after the preliminary determination of dumping. Further details regarding undertakings can be found in the CBSA's Memorandum D14-1-9, available online at <http://www.cbsa-asfc.gc.ca/publications/dm-md/d14/d14-1-9-eng.html>.

[109] SIMA allows all interested parties to make representations concerning any undertaking proposals. The CBSA will maintain a list of interested parties and will notify them should an undertaking proposal be received. Persons wishing to be notified must provide their name, address, telephone, fax, or email address, to one of the officers listed below. Interested parties may also consult the CBSA Web site noted below for information on undertakings offered in these investigations. A notice will be posted on the CBSA Web site when an undertaking proposal is received. Interested parties have nine days from the date the undertaking offer is received to make representations.

## **PUBLICATION**

[110] A notice of these preliminary determination of dumping will be published in the *Canada Gazette* pursuant to paragraph 38(3)(a) of SIMA.

## **INFORMATION**

[111] This *Statement of Reasons* has been provided to persons directly interested in these proceedings. It is also posted on the CBSA's Web site at the address below. For further information, please contact the officers identified as follows:

**Mail:** SIMA Registry and Disclosure Unit  
Anti-dumping and Countervailing Directorate  
Canada Border Services Agency  
100 Metcalfe Street, 11<sup>th</sup> floor  
Ottawa, Ontario K1A 0L8  
Canada

**Telephone:** Barbara Chouinard 613-954-7399  
Jason Huang 613-954-7388

**Fax:** 613-948-4844

**E-mail:** [simaregistry-depotimsi@cbsa-asfc.gc.ca](mailto:simaregistry-depotimsi@cbsa-asfc.gc.ca)

**Web site:** <http://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/menu-eng.html>



Caterina Ardito-Toffolo  
Acting Director General  
Anti-dumping and Countervailing Directorate

Attachments

## **APPENDIX 1 – REPRESENTATIONS FROM THE GOVERNMENT OF INDONESIA**

On October 11, 2013, the Government of Indonesia provided representations with regards to several issues.<sup>7</sup>

### ***Statement of Reasons* should have been provided at time of initiation as per Article 6.1.3 of the Anti-dumping Agreement**

The Government of Indonesia cited that the *Statement of Reasons* should have been provided at the same time as the notice of initiation to the exporters. The Government of Indonesia cited:

Article 6.1.3 of the Anti-dumping Agreement (ADA) where, “as soon as investigation has been initiated, the authorities shall provide the full text of the written application received under paragraph 1 of Article 5 to the known exporters.”

### **CBSA Response**

On August 6, 2013, the CBSA notified the Embassy of Indonesia that a properly documented complaint had been received by the CBSA. On September 5, 2013, on initiation of the dumping investigation, the Embassy of Indonesia was sent a letter with the non-confidential version of the complaint. The CBSA’s standard practice is to provide its *Statement of Reasons* by the 15<sup>th</sup> day after the initiation, preliminary and final determination of investigations. The *Statement of Reasons* for the initiation of the investigation was available on September 20, 2013. The “full written text of the written application received under paragraph 1 of Article 5” is the non-confidential version of the complaint which was available on the initiation date on request. The *Statement of Reasons* is an entirely separate document that provides the CBSA’s reasons for the decisions and the future actions in an investigation.

### **Request for Extension for Response to the Exporter Request for Information**

The Government of Indonesia raised the matter that an Indonesian exporter had twice requested an extension to the time to provide a submission and the CBSA refused both requests. The Government of Indonesia cited Article 6.1.1. of the ADA that exporters should be given at least 30 days to respond and due consideration should be given to any request for an extension of the 30-day period, and upon cause shown, the extension should be granted when practicable.

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<sup>7</sup> CBSA Dumping Exhibit 88

## **CBSA Response**

It was the CBSA's opinion that the exporter's reasons for the request for an extension were normal business activities and therefore, did not constitute unforeseen circumstances or unusual burdens justifying the granting of an extension of time. As a result, an extension to respond to the exporter RFI was not granted. The CBSA advised the exporter to submit as complete a response to the RFI as possible by the Exporter deadline for submission date. Furthermore any information which was submitted after the RFI responses deadline, the CBSA advised that it could not guarantee that such information would be taken into consideration for the purposes of the preliminary phase of the investigation.

## **Share of the Indonesian Steel in Canada is negligible**

The Government of Indonesia also cited that the share of Indonesian steel in Canada is negligible and this small amount of steel in Canada would not affect Canadian steel industries.

## **CBSA Response**

Pursuant to subsection 2(1) of SIMA, a volume of dumped goods is considered negligible if it accounts for less than 3% of the total volume of goods that are released into Canada from all countries that are of the same description as the dumped goods, except that where the total volume of dumped goods of three or more countries, each of whose exports of dumped goods into Canada is less than 3% of the total volume of goods, is more than 7% of the total volume of goods, the volume of dumped goods of any of those countries is not negligible.

The estimated volume of imports from Indonesia is less than 3%. However, the total volume of imports from Chinese Taipei, Denmark, Indonesia, Italy and Japan is 8.2%. As per subsection 2(1) of SIMA, on a cumulative basis, the estimated volume of imports for each of the countries, Chinese Taipei, Denmark, Indonesia, Italy and Japan, is above 7% and therefore not negligible.



## **APPENDIX 2 – REPRESENTATIONS FROM EXPORTERS IN JAPAN**

On November 15, 2013, a joint representation by Nippon Steel (Nippon) and Sumitomo Metal Corporation (Sumitomo) was provided to the CBSA. Nippon and Sumitomo raised several issues.<sup>8</sup> Usiminas supported certain of these issues in their representations of January 11, 2014.<sup>9</sup>

### **Request for Termination**

The parties requested that the President of the CBSA terminate the investigation against goods from Chinese Taipei, Denmark, Indonesia, Italy and Japan “because the evidence on record demonstrates that the actual and potential volumes of dumped imports from these five countries are negligible”. This argument was supported by Usiminas on January 11, 2014.

### **CBSA Response**

Pursuant to subsection 2(1) of SIMA, a volume of dumped goods is considered negligible if it accounts for less than 3% of the total volume of goods that are released into Canada from all countries that are of the same description as the dumped goods, except that where the total volume of dumped goods of three or more countries, each of whose exports of dumped goods into Canada is less than 3% of the total volume of goods, is more than 7% of the total volume of goods, the volume of dumped goods of any of those countries is not negligible.

The estimated volumes of imports for Chinese Taipei, Denmark, Indonesia, Italy and Japan are less than 3% each. However, the total volume of imports from Chinese Taipei, Denmark, Indonesia, Italy and Japan is 8.2%. As per subsection 2(1) of SIMA, on a cumulative basis, the estimated volume of imports for each of the countries, Chinese Taipei, Denmark, Indonesia, Italy and Japan, is above 7% and therefore not negligible.

### **Volume of Dumped Goods includes Non-dumped Goods**

Nippon and Sumitomo made representations that the CBSA calculated the volume of dumped goods by country based on the total volume of exports per country and did not remove any non-dumped imports.

### **CBSA Response**

The calculation of the volume of dumped goods is related to the determination of the margin of dumping by exporter according to subsection 30.2(1) of SIMA and to the margin of dumping by country according to section 30.1 of SIMA.

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<sup>8</sup> CBSA Dumping Exhibit 145

<sup>9</sup> CBSA Dumping Exhibit 214

The margin of dumping is determined for each exporter by comparing the exporter's total normal value of subject goods imported into Canada with the exporter's total export price of the goods during the period of investigation. If an exporter is found to be dumping the goods, all subject goods of that exporter are considered dumped and are included in the volume of dumped goods by exporter. If an exporter is found not to be dumping the goods, all subject goods of that exporter are considered not dumped and the volume of dumped goods by that exporter is zero.

### **Selection of Period of Investigation (POI)**

Nippon and Sumitomo argued that a more appropriate POI would be the 12 months period immediately preceding the initiation of the investigation. This argument was supported by Usiminas on January 11, 2014.

### **CBSA Response**

The POI specifies a period during which sales and exports to or imports into Canada of the subject goods from all countries are identified for the purpose of determining if such goods are dumped and causing injury to the domestic industry in Canada.

SIMA does not specify as to how to select a POI in an investigation. However, for purposes of a dumping investigation the POI will normally cover one year, but may be longer or shorter depending on the industry and the export patterns, provided that the period selected gives a representative picture of trading practices.

### **Volume of Dumped Goods Declining**

Nippon and Sumitomo contend that the volume of subject imports from Brazil, Chinese Taipei, Denmark, Indonesia, Italy, and Japan has been declining and that this is a trend that will continue, so the future imports from these countries will be negligible.

### **CBSA Response**

When determining if the volume of dumped goods from a named country is negligible, the CBSA looks at the actual volume of goods exported, sold to or released into Canada during the POI and does not consider trends or expectations as to the volumes of goods sold, exported to or released into Canada outside the POI.

## **APPENDIX 3 – REPRESENTATIONS MADE CONCERNING SUBJECT GOODS**

In November and December 2013, POSCO and an importer, DSME Trenton of Trenton, Nova Scotia made several representations regarding the subject goods and a particular plate product manufactured by POSCO.

### **Whether Goods are Subject**

An importer, DSME Trenton of Trenton, Nova Scotia made representations that steel plate that it imported during the POI which was produced by POSCO and then further processed in the Republic of Korea by shot blasting and primer coating and shipped to Canada are not subject goods.<sup>10</sup> The CBSA consulted with industry and requested information concerning this process from Essar Algoma.<sup>11</sup> Essar Algoma responded that it does not consider that the blasting or primer coating to be further manufactured than hot-rolled and that blasted and/or primed plate are considered to be subject goods.<sup>12</sup> According to Essar Algoma, the shot blasting and/or priming are minor operations which simply affect the surface of the plate.

### **CBSA Response**

Based on the information on the record to date, the CBSA considers shot blasted and primer coated steel plate to be goods that fall within the scope of the investigation. The CBSA continues to gather and review information and invites submissions on this issue prior to the close of the record date.

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<sup>10</sup> CBSA Dumping Exhibits 203 & 212

<sup>11</sup> CBSA Dumping Exhibit 195

<sup>12</sup> CBSA Dumping Exhibit 223

**APPENDIX 4 – SUMMARY OF ESTIMATED MARGINS OF DUMPING AND RATES OF PROVISIONAL DUTY PAYABLE**

The following table lists the estimated margins of dumping by exporter and the rates of provisional duty payable on subject goods released from the CBSA on and after January 17, 2014.

<b>Country</b>	<b>Estimated Margin of Dumping</b>	<b>Total Provisional Duty Payable*</b>
<b>Brazil</b>		
Usinas Siderugias de Minas Gerais S.A.	17.8%	17.8%
All Other Exporters	65.2%	65.2%
<b>Chinese Taipei</b>		
Shang Chen Steel Co. Ltd	10.1%	10.1%
All Other Exporters	65.2%	65.2%
<b>Denmark</b>		
All Exporters	65.2%	65.2%
<b>Indonesia</b>		
All Exporters	65.2%	65.2%
<b>Italy</b>		
ILVA S.p.A	31.3%	31.3%
All Other Exporters	65.2%	65.2%
<b>Japan</b>		
All Exporters	65.2%	65.2%
<b>Republic of Korea</b>		
Hyundai Steel Co.	2.5%	2.5%
POSCO (Pohang)	8.1%	8.1%
POSCO (Kwangyang)	21.8%	21.8%
All Other Exporters	65.2%	65.2%

\* Expressed as percentage of the export price