Canada Border Services Agency | Agence des services frontaliers du Canada

PLA6 2020 ER

OTTAWA, June 19, 2020

STATEMENT OF REASONS

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

THE DUMPING OF CERTAIN HOT-ROLLED CARBON STEEL PLATE AND HIGH-STRENGTH LOW-ALLOY STEEL PLATE ORIGINATING IN OR EXPORTED FROM UKRAINE

DECISION

On June 4, 2020, pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the Canada Border Services Agency determined that the expiry of the order made by the Canadian International Trade Tribunal on January 30, 2015, in Expiry Review No. RR-2014-002 is likely to result in the continuation or resumption of dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from Ukraine.

Canada

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EXECUTIVE SUMMARY

[1] On January 6, 2020, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(3) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its order made on January 30, 2015, in Expiry Review No. RR-2014-002, concerning the dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate (hereinafter "certain hot-rolled steel plate" or the "subject goods") originating in or exported from Ukraine.

[2] As a result of the CITT's notice of expiry review, the Canada Border Services Agency (CBSA) initiated an expiry review investigation on January 7, 2020 to determine, pursuant to 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 period of review for the CBSA's expiry review investigation was from January 1, 2017 to December 31, 2019.

[3] The CBSA received a response to its Canadian Producer and Service Center Expiry Review Questionnaire (ERQ) from Algoma Steel Inc. (Algoma)[1] and Evraz Inc. NA Canada (Evraz),[2] fully integrated producers of certain hot-rolled steel plate in Canada. Algoma also provided the CBSA with additional information prior to the close of the record.[3]

[4] The CBSA also received responses to its Canadian Producer and Service Center ERQ from the following Canadian service centres that produce certain hot-rolled steel plate: Russel Metals Inc. (Russel Metals)[4], Acier Nova Inc. (Acier Nova)[5], and SSAB Central Inc. (SSAB)[6].

[5] The CBSA received responses to its Importer ERQ from three Canadian importers of hot-rolled steel plate: Russel Metals[7], Olbert Metal Sales Limited[8] and Hyundai Canada Inc.[9]

[6] The CBSA also received a response to the Exporter ERQ submitted on behalf of the Metinvest Group by Metinvest International S.A. (MISA).[10] Companies within the Metinvest Group produce certain hot-rolled steel plate in Ukraine and sell those goods both domestically and for export.

[1] Exhibits 31 (PRO) & 32 (NC) – Response to Canadian Producer / Service Center ERQ – Algoma Steel Inc.
[2] Exhibits 33 (PRO) & 34 (NC) – Response to Canadian Producer / Service Center ERQ – Evraz Inc. NA.
[3] Exhibits 42 (PRO) & 43 (NC) – Additional Information from Algoma Steel Inc.
[4] Exhibits 21 (PRO) & 22 (NC) – Response to Canadian Producer / Service Center ERQ – Russel Metals Inc.
[5] Exhibits 29 (PRO) & 30 (NC) – Response to Canadian Producer / Service Center ERQ – Acier Nova Inc.
[6] Exhibits 27 (PRO) & 28 (NC) – Response to Canadian Producer / Service Center ERQ – SSAB Central Inc.
[7] Exhibits 19 (PRO) & 20 (NC) – Response to Importer ERQ – Russel Metals Inc.
[8] Exhibits 25 (PRO) & 26 (NC) – Response to Importer ERQ – Olbert Metal Sales Limited.
[9] Exhibits 23 (PRO) & 24 (NC) – Response to Importer ERQ – Hyundai Canada Inc.
[10] Exhibits 37 (PRO) & 38 (NC) – Response to Exporter ERQ – Metinvest International S.A.

[7] Case briefs were received from counsel on behalf of two Canadian producers: Algoma[11] and Evraz[12], one service centre SSAB[13], as well as from one exporter, MISA[14]. The case briefs received on behalf of the three Canadian producers included information supporting their position that continued or resumed dumping of subject goods is likely should the CITT's order be allowed to expire. Acier Nova noted in its ERQ response that it supported a continuation of the order against subject goods from Ukraine and that it supported Algoma's position in this expiry review.[15] MISA is the only party that explicitly expressed the opinion that continued or resumed dumping is not likely.

[8] Reply submissions were also received from the Canadian producer Algoma[16] and the exporter MISA.[17]

[9] The analysis of information on the record indicates that: Ukraine has substantial excess hot-rolled steel plate production capacity; Ukrainian steel producers are dependent on exports; recent safeguard measures by Ukraine's largest export markets for hot-rolled steel plate could significantly increase the volume exported to other markets including Canada; Ukrainian exporters exported hot-rolled steel plate at potentially dumped prices to various markets during the period of review; Ukraine dumped subject goods into Canada during the period of review; Ukrainian exporters are unable to compete in the Canadian market at undumped prices; Ukrainian exporters maintain a significant interest in the Canadian Market; and Ukrainian exporters have a propensity to dump hot-rolled steel plate as evidenced by the numerous anti-dumping measures imposed by Canada and countries around the globe.

[10] For the foregoing reasons, the CBSA, having considered the relevant information on the administrative record, determined on June 4, 2020, under paragraph 76.03(7)(a) of SIMA, that the expiry of the order in respect of the dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from Ukraine is likely to result in the continuation or resumption of dumping of the goods into Canada.

BACKGROUND

[11] On July 6, 2009, following a complaint made by Algoma (previously Essar Steel Algoma Inc.), the CBSA initiated an investigation, pursuant to subsection 31(1) of SIMA, respecting the dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate (subject goods) from Ukraine.

[12] On January 4, 2010, pursuant to paragraph 41(1)(a) of SIMA, the CBSA made a final determination of dumping concerning subject goods originating in or exported from Ukraine. The CBSA was satisfied that the subject goods had been dumped and that the margins of dumping were not insignificant.

[11] Exhibits 46 (PRO) & 47 (NC) – Case Brief filed on behalf of Algoma Steel Inc.
[12] Exhibit 44 (NC) – Case Brief filed on behalf of Evraz Inc. NA Canada.
[13] Exhibits 48 (PRO) & 49 (NC) – Case Brief filed on behalf of SSAB Central Inc.
[14] Exhibit 45 (NC) – Case Brief filed on behalf of Metinvest International S.A.
[15] Exhibit 30 (NC) – Response to Canadian Producer / Service Center ERQ – Acier Nova Inc., response to Q28.
[16] Exhibits 51 (PRO) & 52 (NC) – Reply Case Brief filed on behalf of Algoma Steel Inc.
[17] Exhibit 50 (NC) – Reply Case Brief filed on behalf of Metinvest International S.A.

[13] On February 2, 2010, pursuant to subsection 43(1) of SIMA, the CITT found in Inquiry No. NQ-2009-003[18] that the dumping of hot-rolled steel plate and high-strength low-alloy steel plate originating in or exported from Ukraine had not caused injury but was threatening to cause injury to the domestic industry in Canada.

[14] On July 16, 2010, the CBSA completed its last re-investigation to update the normal values and export prices of certain steel plate originating in or exported from China, Bulgaria, the Czech Republic, Romania, and Ukraine. The Metinvest Group was the only exporter to submit a complete response to the CBSA and receive normal values at the conclusion of the re-investigation.

[15] On May 22, 2014, pursuant to subsection 76.03(3) of SIMA, the CBSA initiated an expiry review concerning certain hot-rolled steel plate. On September 18, 2014, pursuant to paragraph 76.03(7)(a) of SIMA, the CBSA determined that the expiry of the finding was likely to result in the continuation or resumption of dumping of the goods from Ukraine.

[16] On January 30, 2015, in Expiry Review No. RR-2014-002[19], the CITT issued an order to continue its finding in respect of hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from Ukraine.

[17] On June 22, 2018, the CITT informed parties to the proceedings of Expiry Review No. RR-2013-002[20], Expiry Review No. RR-2014-002[21], and Inquiry No. NQ-2013-005[22] that an interim review would commence in order to assess the importance and performance of service centers in the Canadian market during the years between 2012 and 2013. The CITT's primary concern was whether the volume of production by service centers during those years was of a magnitude other than what was estimated in the aforementioned proceedings, and if so, whether that impacted the appropriateness of the CITT's injury determinations in these proceedings.

[18] On December 27, 2018, in the matter of the Interim Review No. RD-2016-002, the CITT, pursuant to paragraph 76.01(5)(a) of SIMA, continued its orders and finding in the aforementioned proceedings without amendment.

[19] On November 12, 2019, pursuant to subsection 76.03(2) of SIMA, the CITT issued a notice concerning the expiry of its order regarding the subject goods, which was scheduled to expire on January 29, 2020. Based on the information filed during the expiry process, the CITT decided that a review of the finding was warranted.

[20] On January 6, 2020, the CITT initiated an expiry review of its order made on January 30, 2015, in Expiry Review No. RR-2014-002[23], pursuant to subsection 76.03(3) of SIMA.

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[18] CITT Inquiry No. NQ-2009-003, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353468/index.do.
[19] CITT Expiry Review No. RR-2014-002, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354202/index.do.
[20] CITT Expiry Review No. RR-2013-002, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353832/index.do.
[21] CITT Expiry Review No. RR-2014-002, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354202/index.do.
[22] CITT Inquiry No. NQ-2013-005, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353996/index.do.
[23] CITT Expiry Review No. RR-2014-002, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/354202/index.do.

[21] On January 7, 2020, the CBSA commenced an expiry review investigation to determine whether the expiry of the order is likely to result in continued or resumed dumping of the subject goods from Ukraine.

PRODUCT INFORMATION

Product Definition

[22] The goods subject to the order under review and referred to as certain hot-rolled steel plate throughout this report 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 inches (4.75 mm) up to and including 3.0 inches (76.0 mm) inclusive (with all dimensions being plus or minus allowable tolerances contained in the applicable standards e.g. ASTM standards A6/A6M and A20/A20M), originating in or exported from Ukraine; excluding 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)."

[23] A list of all goods that were excluded from the CITT's order can be found on the CBSA's website.[24]

Additional Product Information

[24] 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.

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

[26] 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.

[24] https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/pla6-eng.html

CLASSIFICATION OF IMPORTS

[27] The subject goods are normally classified under the following tariff 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	7208.52.00.96
7208.51.00.93	7208.52.00.91	

[28] Prior to January 1, 2019, the subject goods were normally classified under the following tariff 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

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

PERIOD OF REVIEW

[30] The period of review (POR) for the CBSA's expiry review investigation is from January 1, 2017, to December 31, 2019.

CANADIAN INDUSTRY

[31] The Canadian industry for certain hot-rolled steel plate production is comprised of the following two integrated steel mills:

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

and the following nine service centers:

- Acier Nova Inc.
- Alliance Steel Corporation
- Coilex Inc.
- Del Metals
- Janco Steel Ltd.
- Russel Metals Inc.
- Samuel, Son & Co., Limited
- SSAB Central Inc.[25]
- Varsteel Ltd

[25] According to the CITT, although SSAB has been considered alongside the domestic mills in previous proceedings, it is more akin to a service centre than to a mill. See NQ-2013-005, at para. 53.

Algoma Steel Inc.

[32] Algoma is a primary iron and steel producer which began producing hot-rolled steel plate in 1959. On its 166" Plate Mill and 106" Wide Strip Mill, Algoma produces steel plate in widths up to 152 inches (3,860 mm) and in thicknesses up to 4.0 inches (101 mm) and other non-like steel plate and hot-rolled sheet.[26]

[33] The company was incorporated on June 1, 1992. On January 29, 2002, the company was re-organized under a Plan of Arrangement and Reorganization pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). The company became part of Essar Steel Holdings Limited in June 2007. On May 8, 2008 the company name was changed to "Essar Steel Algoma Inc." [27]

[34] Essar Steel Algoma Inc. commenced court-supervised restructuring proceedings under the CCAA on November 9, 2015. On November 30, 2018, a group of creditors purchased the company's assets, with the company emerging from CCAA protection as "Algoma Steel Inc."[28]

Evraz Inc. NA Canada

[35] Evraz's facility in Regina was formerly known as IPSCO Inc. (IPSCO), which was incorporated in 1956 under the name of Prairie Pipe Manufacturing Co. Ltd. It commenced operations in 1957 with the completion of an electric resistance weld pipe mill in Regina. In 1959, the company acquired assets of Interprovincial Steel Corp. Ltd. and began production of flat rolled steel in 1960, including the subject goods. Since then, the company expanded its manufacturing capabilities and established scrap companies in Canada as well as in the U.S. through acquisitions and plant constructions.[29]

[36] On July 17, 2007, SSAB, a wholly-owned subsidiary of SSAB Svenkst Stahl of Sweden, acquired IPSCO and its subsidiaries through a 100 percent share acquisition. Under SSAB's direction, IPSCO was reorganized to own only the Regina facility, and the facilities in Calgary, Camrose, Red Deer, and the formerly owned facility in Surrey were reorganized as a wholly owned subsidiary IPSCO Canada Inc.[30]

[37] On June 12, 2008, Evraz Group S.A., now a wholly-owned subsidiary of Evraz plc., acquired IPSCO and its subsidiaries from SSAB through a share acquisition.[31]

[38] On October 15, 2008, the names of IPSCO and IPSCO Canada Inc. were changed to Evraz Canada and Evraz Inc. NA Canada West respectively. On January 1, 2009, Evraz Inc. NA Canada West was amalgamated into Evraz Canada.[32]

[26] Exhibit 32 (NC) – Response to Canadian Producer / Service Center ERQ - Algoma Steel Inc., Q7.
[27] Exhibit 32 (NC) – Response to Canadian Producer / Service Center ERQ - Algoma Steel Inc., Q7.
[28] Exhibit 32 (NC) – Response to Canadian Producer / Service Center ERQ - Algoma Steel Inc., Q7.
[29] Exhibit 34 (NC) – Response to Canadian Producer / Service Center ERQ - Evraz Inc. NA Canada, Q7.
[30] Exhibit 34 (NC) – Response to Canadian Producer / Service Center ERQ - Evraz Inc. NA Canada, Q7.
[31] Exhibit 34 (NC) – Response to Canadian Producer / Service Center ERQ - Evraz Inc. NA Canada, Q7.
[32] Exhibit 34 (NC) – Response to Canadian Producer / Service Center ERQ - Evraz Inc. NA Canada, Q7.

[39] On December 13, 2013, Evraz sold its entire cut-to-length plate facility in Surrey, British Columbia to Samuel, Son & Co. On June 27, 2014, Evraz sold its cut-to-length line and the associated assets thereof, located in Regina, Saskatchewan, to Varsteel. Evraz retained its discrete plate production line at its Regina facility and it is the only location where the company produces steel plate.[33]

CANADIAN MARKET

[40] The apparent Canadian market for certain hot-rolled steel plate during the POR is presented in **Table 1** and **Table 2** below. Table 1 reports the sales volume of the apparent Canadian market, while Table 2 reports the corresponding sales value in Canadian Dollars (CAD).

Table 1
Apparent Canadian Market for the POR[34]
(Quantity in MT)

Source	2017		2018		2019	
	Quantity	**%**	**Quantity**	**%**	**Quantity**	**%**
Total Canadian Domestic Sales	363,640	43	388,062	51	356,962	51
Ukraine	*	*	*0*	*0*	*	*
People's Republic of China	0	0	*	*	*	*
Bulgaria	0	0	0	0	0	0
Czech Republic	0	0	0	0	*	*
Romania	0	0	0	0	0	0
Brazil	0	0	0	0	0	0
Denmark	*	*	0	0	*	*
Indonesia	0	0	0	0	0	0
Italy	0	0	0	0	0	0
Japan	0	0	0	0	0	0
Korea, Republic of	0	0	*	*	*	*
Chinese Taipei	24,983	3	39,037	5	39,781	6
Germany	17,996	2	29,657	4	50,626	7
Turkey	53,818	6	61,373	8	33,248	5
United States	353,003	42	211,993	28	152,100	22
All Other Countries	28,346	3	33,757	4	43,776	6
Total Imports	478,156	57	375,826	49	338,040	49
Total Canadian Market**	**841,796**	**100**	**763,888**	**100**	**695,002**	**100**

* This data cannot be disclosed without revealing information that relates to a single importer or exporter. Such information cannot be disclosed pursuant to section 107 of the Customs Act.
** Totals may vary from row-by-row addition due to rounding.

[33] Exhibit 34 (NC) – Response to Canadian Producer / Service Center ERQ - Evraz Inc. NA Canada, Q7.
[34] Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.

Table 2
Apparent Canadian Market for the POR[35]
(Value in CAD)

Source	2017		2018		2019	
	Value	**%**	**Value**	**%**	**Value**	**%**
Total Canadian Domestic Sales	$354,582,721	45	$470,192,009	54	$398,061,903	51
Ukraine	*	*	*$0*	*0*	*	*
People's Republic of China	$0	0	*	*	*	*
Bulgaria	$0	0	$0	0	$0	0
Czech Republic	$0	0	$0	0	*	*
Romania	$0	0	$0	0	$0	0
Brazil	$0	0	$0	0	$0	0
Denmark	*	*	$0	0	*	*
Indonesia	$0	0	$0	0	$0	0
Italy	$0	0	$0	0	$0	0
Japan	$0	0	$0	0	$0	0
Korea, Republic of	$0	0	*	*	*	*
Chinese Taipei	$20,141,412	3	$36,781,725	4	$39,408,972	5
Germany	$18,917,899	2	$34,841,467	4	$59,688,357	8
Turkey	$39,475,090	5	$55,943,363	6	$33,074,371	4
United States	$332,167,753	42	$232,970,250	27	$182,797,962	23
All Other Countries	$22,695,858	3	$36,601,944	4	$46,126,959	6
Total Imports	$433,414,370	55	$397,150,055	46	$380,508,454	49
Total Canadian Market**	**$787,997,091**	**100**	**$867,342,064**	**100**	**$778,570,357**	**100**

* This data cannot be disclosed without revealing information that relates to a single importer or exporter. Such information cannot be disclosed pursuant to section 107 of the Customs Act.
** Totals may vary from row-by-row addition due to rounding.

Canadian Production

[41] Based on the information on the administrative record and presented in Tables 1 and 2 above, the Canadian producers' domestic sales of certain hot-rolled steel plate increased in 2018 and then decreased in 2019, both in terms of quantity and value. As detailed below, the percentage changes year-over-year (y-o-y) were not as significant in terms of volume as compared to the changes in value. This is likely a result of the significant price changes for Canadian produced certain hot-rolled steel plate sold domestically during the POR.

[35] Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.

[42] In 2018, the total volume of sales made by the Canadian producers increased by 24,422 MT in comparison to 2017, representing an increase of 7%. In 2019, the total volume of sales made by the Canadian producers decreased by 31,100 MT, a decrease of 8% y-o-y. The decrease in volume in 2019 exceeded the increase experienced in 2018 and resulted in the Canadian producers selling 6,678 MT less in 2019 as compared to 2018.

[43] In terms of value, total domestic sales made by the Canadian producers rose 33% in 2018 to reach CAD $470 million. While total domestic sales fell 15% to CAD $398 million in 2019, this figure was still 12% higher than total sales in 2017 of almost CAD $356 million. The higher sales value in 2019 as compared to 2017 despite there being less volume sold in 2019 can be attributed to higher prices. As shown in **Table 3** below, the Canadian producers' weighted average price increased considerably in 2018 before decreasing significantly in 2019, albeit remaining above the 2017 weighted average price.

Table 3
Canadian Producers' Annual Weighted Average Domestic Selling Price[36]

2017		2018		2019	
CAD/MT	**% Change y-o-y**	**CAD/MT**	**% Change y-o-y**	**CAD/MT**	**% Change y-o-y**
$975	N/A	$1,212	24%	$1,115	-8%

[44] With respect to market share in terms of volume, the Canadian producers represented 43% of the total apparent Canadian market in 2017. In 2018, the Canadian producers improved their share of the total apparent Canadian market by 8% to reach 51%. Their market share remained unchanged at 51% in 2019.

[45] The Canadian producers' market share in terms of value shows a trend similar to the one respecting volume. In 2017, the Canadian producers held 45% of the total apparent Canadian market based on value. In 2018, their share of the total apparent Canadian market increased by 9% to reach 54% before dropping 3% in 2019 to 51%.

Imports

[46] During the POR, subject goods were imported into Canada from Ukraine. As noted in Tables 1 and 2 above, the specific details regarding the volume and value of those imports cannot be disclosed without revealing information that relates to a single party and as such cannot be disclosed pursuant to section 107 of the *Customs Act*.

[36] Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.

[47] In 2017, the total volume of imports of hot-rolled steel plate from all countries into Canada equalled 478,156 MT. In 2018, the total volume of hot-rolled steel plate imported into Canada fell by 102,330 MT to 375,826 MT, representing a decrease of 21% y-o-y. In 2019, the total volume of imports into Canada declined by 37,786 MT to 338,040 MT, resulting in a decrease of 10% y-o-y.

[48] In terms of value, hot-rolled steel plate imports into Canada from all countries went from just over CAD $433 million in 2017 to CAD $397 million in 2018, resulting in a decrease of 8% y-o-y. In 2019, the value of hot-rolled steel plate imports from all countries was just over CAD $380 million, representing a decrease of 4% y-o-y. As shown in **Table 4** below, the weighted average price of hot-rolled steel plate imported into Canada from all sources significantly increased in 2018 followed by a more modest increase in 2019.

Table 4
Annual Weighted Average Domestic Selling Price of Hot-Rolled Steel Plate Imported into Canada[37]

2017		2018		2019	
CAD/MT	**% Change y-o-y**	**CAD/MT**	**% Change y-o-y**	**CAD/ MT**	**% Change y-o-y**
$906	N/A	$1,057	17%	$1,126	7%

[49] With respect to market share in terms of volume, total imports of hot-rolled steel plate represented 57% of the total apparent Canadian market in 2017. In 2018, subject imports share of the total apparent Canadian market decreased by 8% equalling 49%. The market share attributable to hot-rolled steel plate imports from all countries remained unchanged at 49% in 2019.

[50] In terms of value, the trend in market share for hot-rolled steel plate imports was somewhat similar to the one respecting volume. In 2017, the hot-rolled steel plate imports held 55% of the total apparent Canadian market. In 2018, their share of the total apparent Canadian market decreased by 9% to 54% before increasing by 3% in 2019 to 49%.

ENFORCEMENT DATA

[51] Subject goods were imported into Canada from Ukraine and were assessed anti-dumping duty during the POR. However, as noted above, the specific details cannot be disclosed as the information is protected under the *Customs Act*.

[37] Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.

PARTIES TO THE PROCEEDINGS

[52] On January 7, 2020, the CBSA sent a notice concerning the initiation of the expiry review investigation to known Canadian producers, potential importers, and exporters of the subject goods.

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

[54] Five Canadian producers (two integrated steel mills and three service centers) participated in the expiry review investigation and responded to the CBSA's ERQ. Three importers and one exporter also provided a response to the CBSA's ERQ.

[55] Case briefs were received on behalf of two Canadian producers, Algoma, Evraz, and one service center, SSAB, as well as an exporter, MISA. Reply submissions were also received from Algoma and MISA. No other case briefs or reply submissions were received by the CBSA from any other parties notified by the CBSA at the initiation of this expiry review investigation.

INFORMATION CONSIDERED BY THE CBSA

Administrative Record

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

[57] For purposes of an expiry review investigation, the CBSA sets a date after which no new information submitted by interested parties may be placed on the administrative record or considered as part of the CBSA's investigation. This is referred to as the closing of the record date. This allows participants time to prepare their case briefs and reply submissions based on the information that is on the record as of the date the record closed. For this expiry review investigation, the record closed on February 25, 2020.

POSITION OF THE PARTIES

Parties Contending that Continued or Resumed Dumping is Likely

[58] Four parties expressed a position of likelihood of continued or resumed dumping. Case briefs were received from three Canadian producers, Algoma, Evraz and SSAB, supporting their position that dumping from Ukraine is likely to continue or resume in the event the order is allowed to expire. Furthermore, Acier Nova, a Canadian service centre, also indicated its position supporting the continuation of the order in its ERQ response. In addition, Evraz, SSAB, and Acier Nova all expressed support of Algoma's detailed submissions and position in this expiry review. Algoma also provided a reply submission in response to the case brief submitted by MISA.

[59] The main factors identified by the parties can be summarized as follows:

- International Market Conditions
- Economic Conditions and the Steel Plate Market in Ukraine
- Ukrainian Plate Producers Export Orientation and Pricing in Other Markets
- Inability to Sell at Normal Values and Propensity to Dump
- Canadian Market Conditions

International Market Conditions

[60] Algoma, SSAB, and Evraz have all expressed concern over global steel market conditions and more specifically, conditions in the steel plate market. These Canadian producers have noted that recent market conditions and market forecasts for the near-term identify conditions that would leave the Canadian domestic industry susceptible to resumed dumping should the order be allowed to expire. The following sections summarize the Canadian producers' arguments supporting their position regarding global steel and steel plate markets.

Weak Demand and Excess Capacity for Steel Globally

[61] In its case brief, Evraz indicates that the global steel market is and continues to be highly unstable due to a worldwide weakness in demand. According to Evraz, growth in steel demand in 2019 was 3.9% but fell to 1.7% percent in 2020.[38]

[62] Based on information provided to SSAB from sister companies in other world markets, SSAB indicates that the European steel market, particularly the plate market, continues to decline with demand in the recent period also decreasing. SSAB also notes that offshore imports in Europe have continued to put downward pressure on prices despite the safeguard measures put in place on steel products in Europe in 2018, which included steel plate. SSAB contends that these deteriorating market conditions will force Ukrainian producers to seek alternate markets, including Canada.[39]

[38] Exhibit 44 (NC) – Case brief filed on behalf of Evraz Inc. NA Canada., para. 4.
[39] Exhibit 49 (NC) – Case brief filed on behalf of SSAB Central Inc., page 1.

[63] Citing World Steel, Algoma states that steel demand in developed economies was expected to contract 0.1% in 2019 due in large part to a manufacturing slump caused by the declining export and investment environment during the period. According to World Steel, demand for steel in developed economies is only expected to increase slightly in 2020 by 0.6%.[40]

[64] With respect to steel plate, Algoma states that a contraction in demand in the industrial production sectors caused plate prices to fall throughout 2019 in the North American market. Algoma also indicates that the global plate industry as a whole is experiencing a very weak demand environment which is forecast to remain negative due to deep uncertainties. Further, Algoma also notes that China's steel plate production growth continues to outpace its demand.[41]

[65] In addition to weak demand, Algoma submits that the global steel market continues to face a crisis in the form of excess steelmaking capacity and that the crisis will continue to worsen. Algoma contends that the excess capacity crisis forces global steel producers to search for new markets to sell their steel products, including plate, and to price aggressively to secure throughput on their mills. Referencing a recent report from the G20 Global Forum on Steel Excess Capacity (GFSEC), Algoma noted that excess steel capacity creates regional imbalances, leads to damaging trade distortions, and jeopardizes the existence of companies.[42]

[66] Citing the G20 GFSEC and Organisation for Economic Co-operation and Development (OECD) documents, Algoma notes that global crude steelmaking capacity exceeded steel demand by approximately 504 million MT in 2018 and was expected to exceed demand by 440 million MT in 2019 based on annualized data available from the first half of that year. In September 2019, the World Steel Association stated that current installed capacities are sufficient to meet projected steel demand until 2035. Despite sufficient installed capacities, Algoma notes that the OECD recently reported that capacity additions of 42.2 million MT were expected between 2020 and 2022 globally with an additional 17.7 million MT planned during the same period. Based on the above, Algoma contends that global steel overcapacity will continue to be a significant issue in years to come.[43]

[67] Algoma submits that global excess capacity is particularly problematic for steel plate. Algoma notes that capacity to produce steel plate increased significantly during the 2016-2020 period based on CRU data. Further, Algoma indicates that CRU data shows that through 2022, excess capacity on reversing, steckel, and hot strip mills is forecast to remain above 129 million MT.[44]

[40] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 44.
[41] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 39, 40, and 42.
[42] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 45-46.
[43] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 49-55.
[44] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 56-57.

[68] Focusing solely on reversing mills, Algoma pointed out that in 2020, CRU expects 60.37 million MT of excess steel plate capacity with an expected utilization rate of only 69%. Algoma also notes that global excess reversing mill capacity of just over 60 million MT in 2019 is significantly greater than the size of Canada's plate market which was approximately 700,000 MT in 2019. Moreover, Algoma states that global reversing mill plate capacity has been increasing since 2016 and is expected to continue to trend upwards through 2022 despite calls to reduce global capacity.[45]

[69] Algoma submits that the trends in global steel plate capacity and production demonstrate that there is structural imbalance in the global steel plate market and that this imbalance will remain a major destabilizing factor for at least the next 12 to 24 months.[46]

Global Economic Conditions

[70] Algoma submits that economic growth both globally and in Canada has recently been forecast to be weaker than previously expected. Further, Algoma claims that conditions in industrial sectors which represent the main end-users for steel are forecast to experience limited growth.

[71] Algoma indicates that in January 2020, the International Monetary Fund (IMF) reduced its forecast for global economic growth expected in 2019 by 0.1% to equal 2.9%. At the same time, the IMF also lowered the growth forecast for 2020 to 3.3% and 3.4% for 2021.The reasons cited by the IMF for the cuts to its growth projections included trade policy uncertainty, geopolitical tensions as well as reduced growth in emerging market economies. Algoma also notes that the World Bank shared the IMF's pessimism and had revised its own forecasts downward due to weak trade and investment.[47]

[72] Citing IHS Markit reports, Algoma notes that the construction sector accounts for roughly half of all worldwide steel demand with 20% attributable to machinery and equipment and 5% to other transportation (rail and ships). Algoma states that IHS Markit expects many of these sectors to see limited growth in the foreseeable future, details of which are below.[48]

[73] Especially weak conditions are forecast with respect to railroad equipment and shipbuilding, two significant end-use sectors for plate. Railroad equipment production growth fell from 7% in 2018 to 3.8% in 2019 and is projected to remain at 3.7% in 2020 and 2021. Production growth in the shipbuilding sector is projected to remain flat at 2.5% in 2019 and 2020 before declining to 2.3% in 2021. Construction growth is anticipated to be less than 0.2% in 2020 and remain flat. Industrial machinery production growth is projected to be between 3.6% and 2.6% during the 2019-2022 period, well below the peak growth rate of 6.4% in 2018.[49]

[45] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 58-64.
[46] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 66.
[47] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 67-68.
[48] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 74-75.
[49] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 75-76.

[74] Algoma contends that a depressed global economic outlook will only exacerbate the excess steel capacity crisis while also increasing downward pressure on production capacity utilization rates. As a result, producers of subject goods in Ukraine would likely target Canada in an effort to maintain production volumes in the event the order expires. Algoma also argues that conditions in main end-use industries for steel and steel plate will further incentivize Ukrainian exporters to dump subject steel plate into Canada should the order be rescinded.[50]

Divergence between Production and Consumption of Plate Globally

[75] Algoma submits that information on the administrative record demonstrates a concerning trend respecting global plate production and consumption that suggests increased pressure on globally exposed steel markets.

[76] According to CRU data presented by Algoma, global production of reversing mill plate and coil plate rose by 7 million MT in 2018 before declining briefly in 2019. During that period, global production exceeded consumption by 2.4 million MT in 2018 and by 2.6 million MT in 2019. With global plate production forecast to rise during the 2020-2022 period, production is expected to continue to exceed consumption by 2.3 million MT and 2.6 million MT during the same period.[51]

[77] Algoma contends that the divergence between global plate production and consumption suggest oversupply in the market and that this will likely result in putting pressure on Ukrainian exporters of subject goods to price aggressively when market opportunities arise.[52]

Weak Demand and the Import Crisis in the European Steel Market

[78] Algoma contends that the current import crisis in the European steel market is likely to impact plate producers in Ukraine since the European Union (EU) is one of their top export markets.[53]

[79] Algoma notes that in 2019, press releases from the European Steel Association (EUROFER) expressed concern that "surging import volumes" were threatening Europe's steel sector and attributed the surge to the diversion of steel from the United States (US) as a result of the section 232 measures implemented in 2018. In February 2019, the EU implemented a steel safeguard covering 26 products, including steel plate. Following concerns expressed by the EU steel sector regarding poor economic performance and high raw material costs, the EU revised the safeguard in September 2019 in an effort to provide further relief. Despite the implementation of the safeguard, EUROFER has remained concerned that the measures are insufficient and, following the revisions, has expressed the need for a review of the "artificially high tariff free quota level".[54]

[50] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 71-72.
[51] Exhibit 47 (NC) - Case brief filed on behalf of Algoma Steel Inc., paras. 77-79.
[52] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 79.
[53] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 81.
[54] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 83-87

[80] In addition to the import crisis, Algoma indicates that European demand for steel plate was very poor in 2019 and that there are few signs demand will recover in 2020. Algoma also noted that during the 2016-2019 period, production of reversing mill and coil plate matched consumption in Europe, a trend that is expected to continue in 2020. In 2021 and 2022, Algoma submits that production is forecast by CRU to exceed consumption in Europe.[55]

[81] Algoma also notes that a January 2020 report published by World Bank indicated that economic activity in Europe had deteriorated significantly and that, due to worse-than-expected data, World Bank had revised growth projections for 2020 downward to 1% from a previous forecast of 1.4%. Further, projections by World Bank of moderate growth of 1.3% in 2021 and 2022 are contingent upon a number of factors including Brexit unfolding with minimal disruption and no further escalation in trade restrictions.[56]

[82] Based on the above, Algoma contends that instability in the EU market is likely to pressure Ukrainian steel producers to rely increasingly on other export markets to maintain throughput, which in turn poses a threat to the Canadian plate market.[57]

US Section 232 Measures and the US Public Procurement Market

[83] Algoma argues that the US section 232 measures have impacted Ukrainian steel producers both directly in terms of declining exports and indirectly due to imports being diverted from the US market and saturating the global market. According to Algoma, imports of plate into the US have been stunted due to the section 232 measures and a recent US anti-dumping order put in place against 12 countries in May 2017. Based on US import data, Algoma calculates that plate imports into the US declined by more than 519,000 MT between 2016 and 2019 and contends that these imports were likely diverted to other markets.[58]

[84] In addition, Algoma noted that the President of the US proposed an executive order in July 2019 that considered limiting the use of foreign steel in government procurement projects to no more than 5% of the total cost of steel used in the project. While the executive order was not implemented, it was reported in February 2020 that the US was contemplating withdrawing from the WTO Government Procurement Agreement to prevent foreign producers from accessing its public procurement market. Algoma contends that an inability to access the US public procurement market, valued at USD $837 billion, would further restrict steel plate imports into the US market forcing Ukrainian producers to seek other export markets.[59]

[55] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 88-91.
[56] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 92.
[57] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 92-93.
[58] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 165-166.
[59] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 168.

Economic Conditions and the Steel Plate Market in Ukraine

[85] According to the World Bank, Ukraine's GDP was expected to have grown in 2019 by 3.6% and is projected to expand further by 3.7% in 2020 and 4.2% in 2021 and 2022. Despite positive growth figures, Algoma claims that these figures are below the Ukrainian Government's annual growth target of 5% to 7%. As exports of agricultural and industrial products such as steel are central to Ukraine's economy, Algoma contends that increasing those exports will likely be a priority in order to further expand economic growth in Ukraine.[60]

[86] According to Algoma, the capacity and production figures reported by CRU for Ukraine include production and capacity at two plate-making facilities, Donetsksteel and Alchevsk, which are no longer in territory controlled by Ukraine due to the result of an armed conflict with Russia. However, Algoma notes that it is still reasonable to rely on CRU's data as Metinvest, who is not under Russian control, accounts for the majority of Ukrainian plate production. Algoma notes that CRU data shows that plate production capacity in Ukraine has remained consistent throughout the POR and is projected to remain unchanged through 2022.[61]

[87] While the CRU data noted above suggests capacity will remain flat, Algoma contends that plate capacity in Ukraine could rise. Citing information available from the Metinvest Group's website, Algoma indicates that the revamped hot-strip mill at the Ilyich steel plant, launched in November 2019, has increased capacity from 1.3 million MT to 2.5 million MT.[62]

[88] Focusing on reversing mill plate, Algoma notes that Ukrainian production has continued to increase annually since 2016. Algoma points out that CRU's February 2020 outlook expects the trend to continue as production is forecasted to increase between 2019 and 2022. Algoma notes that CRU also projects domestic consumption of reversing mill plate in Ukraine to increase during the 2019-2022 period, but that the increase in consumption will be less than the increase in production.[63]

[89] According to CRU data, Ukraine's reversing mill plate capacity utilization was only 35% in 2019 and is expected to increase to 38% in 2020 before reaching 44% in 2022. In terms of volume, Ukraine's excess reversing mill plate capacity in 2020 is projected to exceed 4 million MT. In comparison, the total apparent Canadian market for certain hot-rolled steel plate in 2019 was only 695,002 MT.[64]

[60] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 95-96.
[61] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 100-101.
[62] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 102-103.
[63] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 104.
[64] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 108.

[90] Algoma submits that a production imperative exists for steel plate which incentivizes the export of plate at dumped prices because it is economically rational to sell goods below the average cost of production so long as the selling price is above the marginal cost of production. Algoma argues that given the low capacity utilization rate in Ukraine, producers are incurring high fixed costs spread over a minimal volume of plate production and that there is incentive for producers to increase production volumes to increase profit margins or reduce losses. Given domestic demand in Ukraine, Algoma contends that the production imperative would cause Ukrainian producers to increase sales to export markets.[65]

[91] Algoma concludes that the continued growth in production combined with the existing significant excess capacity and low capacity utilization rates in Ukraine's plate market will result in an increasing likelihood that the producers of subject goods will resume dumping should the order expire.[66]

Ukrainian Plate Producers Export Orientation and Pricing in Other Markets

[92] Algoma submits that Ukraine's steel industry is highly export oriented. Referring to information from the US International Trade Commission (USITC), Algoma notes that Ukraine has consistently exported between 71% and 80% of its total steel production since 2009. Algoma also notes that data published by the Ukrainian Steel Association (Ukrmetallurgprom) showed that in 2019, Ukraine exported 82.1% of the 18.2 million MT of the metal products it produced, representing an increase of 3.6% year-over-year.[67]

[93] Algoma argues that Ukraine's export orientation applies equally to steel plate production. Algoma notes that CRU expects Ukraine's plate production to grow 5% per year throughout 2020 and beyond and that the gradual recovery in steel plate production will support higher exports. According to the February 2020 CRU Outlook, net exports of coil and reversing mill plate from Ukraine will increase 5% in 2020 compared to 2019 and represent 75% of total coil and reversing mill plate production in 2020. Moreover, CRU forecasts that net exports of coil and reversing mill plate will increase a further 9% between 2020 and 2022.[68]

[94] With respect to export orientation, Evraz notes in its case brief that Azovstal, one of the two Ukrainian plate facilities owned and operated by the Metinvest Group, exports to more than 70 countries worldwide. Evraz also notes that in 2019, Azovstal made investments to expand its product offerings and that of the 39 new products produced, most were steel plates not previously produced. Evraz submits that these products were added to adapt to export markets.[69]

[65] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 110-111.
[66] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 98 and 112.
[67] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 113.
[68] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 114-116.
[69] Exhibit 44 (NC) – Case Brief Filed on Behalf of Evraz Inc. NA Canada, para. 6.

[95] Referencing data from COMTRADE, Algoma indicates that Ukraine's total plate exports decreased by 182,881 MT between 2016 and 2018 while its plate exports to the EU and Russia decreased during that same period by 226,472 MT and 134,364 MT, respectively. Algoma attributes the fall in exports to the EU to anti-dumping duties put in place in 2017 against Ukrainian hot-rolled flat products, which include plate, and contends that the decrease in exports to Russia can be linked to the military conflict between the two nations. With respect to 2019, COMTRADE data shows that by the end of November, Ukraine's total plate exports were 548,336 MT lower than full-year 2018. Algoma states that the drop in plate exports in 2019 is attributable to overall declines in Ukraine's key export markets. Algoma notes that COMTRADE data as of the end of November 2019 shows plate exports from Ukraine to the EU fell 311,273 MT, while exports to Turkey decreased by 25,136 MT. Algoma links the decrease in Ukrainian steel plate exports to the EU to the safeguard implemented in February 2019 and also notes that flat product consumption in Turkey reportedly fell 12% in 2019.[70]

[96] Based on the information above, Algoma submits that the export orientation of producers of subject goods in Ukraine is increasingly concerning given the ongoing and current difficulties in Ukraine's primary export markets. Moreover, Algoma notes that Metinvest's participation in the CBSA's ongoing normal value review illustrates that the largest plate producer in Ukraine maintains an interest in exporting to the Canadian market.[71] Evraz also contends that Ukrainian producers maintain an interest in the Canadian steel plate market and notes that Metinvest has a sales office in Canada and that during the 2014-2018 period, reduced its sales to the Commonwealth of Independent States (CIS) region while increasing sales to North America.[72]

[97] Algoma also contends that evidence on the administrative record demonstrates that Ukraine sells plate at very low prices in export markets. Algoma also contends that the pricing information for the POR indicates that Ukrainian producers would likely resume selling dumped plate to Canada.[73]

Inability to Sell at Normal Values and Propensity to Dump

Inability to Sell at Normal Values

[98] Algoma notes that, according to CBSA import statistics, only negligible volumes of subject goods from Ukraine were imported into Canada over the past four years. Algoma submits that the lack of imports demonstrates that Ukrainian plate producers have been unable to compete in the Canadian market at non-dumped prices. Algoma then argues that subject goods from Ukraine will likely only re-enter the Canadian market should the order be allowed to expire and dumping can resume.[74]

[70] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 118 and 121.
[71] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 115 and 123.
[72] Exhibit 44 (NC) – Case Brief Filed on Behalf of Evraz Inc. NA Canada, para. 7.
[73] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 124-125.
[74] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 133-134.

Trade Remedy Findings by Other Jurisdictions

[99] Algoma contends that Ukrainian producers of steel plate have demonstrated a propensity to dump as evidenced by the number of current trade remedies imposed against Ukraine by many WTO members. As of February 2019, Algoma indicates that there were eight anti-dumping measures in place against steel plate from Ukraine based on WTO reports. The eight countries that have imposed anti-dumping measures include Brazil, Canada, the EU, Indonesia, Mexico, Chinese Taipei, Thailand, and the US. Algoma also notes that three countries have imposed safeguards against global steel imports of steel plate, including India, South Africa, and Thailand.[75] According to Evraz, in October 2019 the Cooperation Council for the Arab States of the Gulf (Gulf Cooperation Council) consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, also initiated a safeguard investigation respecting global steel imports including steel plate.[76]

[100] With respect to the anti-dumping measures in the US, Algoma notes that Ukrainian plate imports have been subject to a suspension agreement since 1997 with the most recent revision taking place in 2008. The last Sunset Review of the suspension agreement in 2015 resulted in its continuation for another five years. In that review, the US Department of Commerce noted that expiry of the suspension agreement would result in continued or recurring dumping at a weighted-average margin of dumping up to 237.91%.[77]

[101] Since the last Sunset Review in 2015, Algoma notes that imports of Ukrainian plate into the US have significantly increased and can be likely attributed to low pricing. US imports of plate from Ukraine went from 9,250 MT in 2016 to 53,238 in 2017. This was followed by annual decreases of nearly 10,000 MT with Ukrainian plate imports amounting to 32,366 MT in 2019. According to Algoma's calculations, the price for Ukrainian plate imports during the 2016-2018 period were below the average price from all other world sources while Ukrainian prices were slightly higher than the average US import price in 2019.[78]

[102] Algoma contends that the recent import volumes into the US demonstrate the attractiveness of the North American market to Ukrainian producers. Algoma also notes that the US suspension agreement between the US and Ukraine is not guaranteed to remain in effect given that an administrative review of the agreement was announced in January 2020. As a result, Algoma submits that Canada is an attractive alternative market to the US where Ukrainian producers could receive high North American prices and that, in the event the suspension agreement was terminated, Ukrainian plate would be diverted to Canada.[79]

[75] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 163.
[76] Exhibit 44 (NC) – Case Brief Filed on Behalf of Evraz Inc. NA Canada, para. 4.
[77] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 170-171.
[78] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 172-173.
[79] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 175-178.

[103] In addition to the measures addressed above, Algoma also notes that the EU recently imposed a safeguard on steel products, including plate, in February 2019. Given Ukraine's high volume of plate exports to the EU, the safeguard applies an individual tariff-rate quota on Ukrainian plate which is not scheduled to expire until June 2022.[80]

[104] Beginning in December 2019, the Eurasian Economic Union[81], which includes Russia, added a quota on imports of hot-rolled flat steel to a steel safeguard measure it had originally put in place in August 2018. Originally intended to prevent the redirection of imports from the US and EU, the hot-rolled quota in 2019 was mainly added to protect the Russian market from Ukrainian imports.[82]

[105] Algoma concludes by stating that the trade measures noted above combined with weak conditions in the global plate market will further pressure exporters to compete aggressively for market share anywhere they have access. Algoma contends that subject goods from Ukraine will have to be diverted to other non-traditional export markets which increases the likelihood that Ukrainian producers will resume dumping in significant volumes into Canada should the order be rescinded.[83]

Canadian Market Conditions

[106] Algoma submits that while the Canadian economic outlook appears positive, there are a number of factors that could threaten future growth. According to an outlook published by the IMF in January 2020, the Canadian economy grew by 1.9% in 2018, 1.5% in 2019, and is anticipated to grow by 1.8% in 2020 and 2021. However, Algoma points out that the growth projected for 2020 is at now risk due to the global spread of coronavirus and blockades inhibiting Canada's railway transportation network. In early February 2020, the Parliamentary Budget Office estimated that the coronavirus could reduce Canadian growth in the first quarter by 0.3%.[84]

[107] During the POR, Canadian plate producers faced significant and increasing pressure from low-price offshore imports. Algoma contends that should the order be rescinded, Ukrainian plate producers will have to compete at or below the low prices offered by current offshore sources in order to regain market share in Canada. Moreover, according to Statistics Canada data analysed by Algoma, this is already occurring. In 2019, the average price for plate imported into Canada from Ukraine was lower than the average price of imports from all other new offshore sources.[85]

[80] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 179-180.
[81] The Eurasian Economic Union (EEU) consists of Russia, Belarus, Armenia, Kazakhstan, and Kyrgyzstan.
[82] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 181.
[83] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 183.
[84] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 187-189.
[85] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 136-138 and 146.

[108] Algoma notes that Statistics Canada data shows that a significant source of plate imports into Canada during the POR came from new offshore sources. In particular, Algoma identifies Turkey, Malaysia, Taiwan and Germany as the main new sources of imports. According to Statistics Canada data, the volume of imports from those four countries represented 11% of Canadian plate imports in 2016, increased to 23% in 2017, and continued rising to 32% in 2018 and 37% in 2019. Moreover, Algoma notes that during the 2016-2019 period when offshore import volumes were rising, imports of steel plate from the US dramatically declined.[86]

[109] With respect to pricing, Algoma notes that the average price of plate imports from Turkey, Malaysia, Taiwan and Germany was $808/MT in 2017, $997/MT in 2018, and $1,089/MT in 2019. In comparison, the average price of plate imports from the US was $955/MT in 2017, $1,132/MT in 2018, and $1,249/MT in 2019. Based on these figures, Algoma calculates that the average price of offshore imports from those four countries undercut US import prices by $134/MT in 2018 and $161/MT in 2019.[87]

[110] In addition to Statistics Canada data, Algoma also includes account-specific evidence in its case brief which references a number of low-priced offers for steel plate originating from offshore sources it received between August 2018 and September 2019. Algoma submits that those examples demonstrate the significant pricing pressures occurring in the Canadian plate market which are creating significant challenges for the Canadian industry. Moreover, Algoma notes that the Canadian safeguard measures on heavy plate, which do not apply to plate originating in Ukraine, increase price competition in the Canadian market and will continue to do so until the measures end in October 2021. As safeguard measures are designed to address issues unrelated to dumping, they do not apply any price discipline on in-quota import volumes meaning that those volumes may still be injuriously dumped.[88]

[111] According to Algoma, weak demand persists in the Canadian plate market and uncertainties such as section 232 tariffs, in place from June 2018 to mid-May 2019, have caused customers to build up inventories. While inventories are now being sold, customer purchases have been limited due to weak demand driven by geopolitical uncertainties and signs of an economic downturn. Algoma also notes that based on CRU data, Canadian plate consumption declined significantly in 2019 and only moderate growth is projected between 2020 and 2022. [89]

[112] With respect to pricing, Algoma notes that CRU projects the US Midwest benchmark price of steel plate to remain well below the 2018 peak price through to the end of 2024. CRU projections expect the benchmark price at the end of 2019 to drop by 34% as compared to the benchmark price in Q1 of 2019, followed by a slight bump in 2021, before falling back to Q4 2019 levels. Only moderate growth is projected between 2022 and 2024 according to the February 2020 outlook.[90]

[86] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 142 and 145.
[87] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 143.
[88] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 34-36 and 148-161.
[89] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 196-197.
[90] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 198.

Parties Contending that Resumed or Continued Dumping is Unlikely

[113] One party expressed a position of unlikelihood of continued or resumed dumping. MISA provided a response to the Exporter ERQ on behalf of the Metinvest Group, and made a representation in its case brief opposing the position that dumping from Ukraine is likely to continue or resume should the order be allowed to expire. MISA also provided a reply submission to the case briefs filed by the Canadian producers.

[114] The main factors identified by MISA can be summarized as follows:

- Changes in the Canadian Steel Plate Market Since 2010
- Canadian Industry is Protected by the Safeguard Measures on Heavy Plate
- Changes in the Ukrainian Steel Plate Market Since 2010
- Canada is not a Target Export Market for Ukrainian Exporters
- Global Steel Plate Market

Changes in the Canadian Steel Plate Markets Since 2010

[115] MISA submits that the Canadian steel plate market has changed since the original finding was made 10 years ago. MISA notes that current forecasts for low steel plate prices and little market growth make the Canadian market only attractive to exporters that already have well established supply chains. It argues that it would not make logistical sense for Ukrainian exporters to actively seek out lower prices in a declining Canadian market when those exporters have the option to sell in stable markets in closer proximity.[91]

[116] MISA indicates that it shares the Canadian industry's assessment that the industry has performed well in the last three years. MISA submits that the Canadian industry is well-positioned to compete effectively in the future given its investments in capital improvements which have been supported by the industry's strong financial performance in recent years. MISA notes that Evraz is planning to construct an integrated flat casting and rolling facility, which will increase sales of coil by 2.5 million MT per year, as well as make other investments to increase production of non-subject goods such as beams, sheet piles, and pipe blanks. As well, MISA notes that Algoma is implementing a plate modernization plan aimed at producing more specialized, value-added plate that is outside the scope of the product description.[92]

[117] MISA submits that that new investment projects being planned and implemented by Evraz and Algoma will result in an increase in capacity for goods that will not compete against subject goods from Ukraine. As a result, MISA contends that future imports of Ukrainian steel plate would not have any impact on Canadian industry's capital investment projects.[93]

[91] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 4.
[92] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 5-7.
[93] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 6-8.

Canadian Industry is Protected by the Safeguard Measures on Heavy Plate

[118] MISA contends that the safeguard measures on heavy plate will limit the importation of subject goods into Canada and provide ample protection to the Canadian industry even if the anti-dumping order were to expire. MISA notes that while the safeguard measures exempt countries that are beneficiaries of the General Preferential Tariff (GPT), which include Ukraine, the safeguard still limits imports from GPT countries to 3% of the total imports of heavy plate into Canada, above which the safeguard would begin to apply. Additionally, imports of heavy plate from GPT countries below 3% of the total cannot collectively account for more than 9% of total heavy plate imports, above which the safeguard would also begin to apply.[94]

Changes in the Ukrainian Steel Plate Market since 2010

[119] MISA submits that the Ukrainian steel plate industry has experienced a number of significant changes since 2010 that should be taken into consideration in determining whether dumping is likely to resume.[95]

[120] MISA indicates that exports of steel plate from Ukraine have declined by 42% between 2011 and 2018 and that the decline is largely attributable to the ongoing conflict with Russia in the Crimean region. MISA contends that the conflict has severely impacted the production capacity of steel-making plants located in Donetsk and Luhansk which are no longer under Ukrainian control. MISA also notes that the CRU production capacity figures on the administrative record reflect the maximum rated capacity for those plants and do not reflect actual production capacity which has negatively been impacted by the armed conflict.[96]

[121] According to MISA, Ukrainian producers have also been impacted by a decree issued by the President of Ukraine in March 2017 prohibiting the movement of all goods, except humanitarian goods, from the Donetsk and Luhansk regions to the rest of Ukraine. MISA contends that steel plate produced under armed control in those regions which is not permitted to move into other parts of Ukraine cannot be considered subject goods.[97]

[122] MISA concludes that there is no indication that the conflict will be resolved in the foreseeable future and as a result, trends indicate that exports of Ukrainian steel plate in absolute terms will continue to decline or remain flat in the foreseeable future. Therefore, MISA argues that these facts do not indicate a likelihood of dumping or resumed injury if the order were to expire.[98]

[94] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 10-11.
[95] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 12.
[96] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 13-14.
[97] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 15.
[98] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 16.

Canada is not a Target Export Market for Ukrainian Exporters

[123] MISA contends that Ukrainian exporters do not view Canada as a target export market and that historical export quantities to Canada have been small. MISA notes that Ukraine exports steel to more than 120 countries and territories and that Ukraine steel exports are highly diversified allowing it to avoid being reliant on any single market. Ukraine's top export markets include Italy, Turkey, Egypt and Russia.[99]

[124] MISA indicates that its business plan for 2020 forecasts negligible sales of steel plate to Canada. MISA claims that the majority of its exports of subject goods will be sold to more desirable markets including the EU, Asia, and the Persian Gulf Region where it has geographical proximity and existing supply chains and customers.[100]

[125] MISA argues that the decline in exports of Ukrainian steel products to Russia between 2017 and 2018 is not evidence that diversion to Canada will occur. MISA notes that decreases during that period were offset by increased exports to other markets such as Bulgaria, the United Kingdom, Italy and Poland. MISA also notes that in each of those markets, it has spent capital developing long-term customer relationships and entering into contracts to sell like goods. In further addressing Ukraine's vulnerability to Russia as a key export market, MISA notes that a considerable part of Ukrainian steel plate production is located in territories currently occupied by Russian forces, as detailed in the previous section. It notes that this has affected Ukraine's steel plate capacity, production and export volumes.[101]

[126] MISA also contends that there is no evidence that the existence of trade restrictive measures elsewhere is likely to divert subject goods to Canada should the order expire. MISA submits that only certain types of steel plate are subject to the current EU safeguard measures, noting the measures only apply to "Non Alloy and Other Alloy Quarto Plate" from Ukraine and do not apply to "Stainless Hot Rolled Quarto Plates" from Ukraine. MISA notes that the EU's safeguard measures permit the continued export of Ukrainian steel plate at or above historical levels and that Ukraine's quota allocation for "Non Alloy and Other Alloy Quarto Plate" is the highest of all country-specific allocations for that product category. Moreover, MISA notes that a general quota amount is available on a first come first serve basis for imports from any source and that this would be available to Ukraine should exports of steel plate exceed their specific quota.[102]

[99] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 17.
[100] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 18.
[101] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 19-20.
[102] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 21-24.

Global Steel Plate Market

[127] MISA submits that the global market data on the administrative record indicates that global steel plate demand and prices have been weak over the past year but are expected to trend upwards by the end of 2020. They also note that global steel consumption growth has been increasing gradually in recent years and continued to increase at a more rapid pace in 2018 according to the OECD.[103]

[128] MISA acknowledges that the Canadian industry is facing increased imports of steel plate from countries other than Ukraine and that these imports may include dumped goods. However, MISA argues that the CBSA must focus on whether there is a likelihood of resumed dumping of the subject goods only and that any potential dumping of steel plate from other counties should not be a factor in the current expiry review.[104]

CONSIDERATION AND ANALYSIS

[129] 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 CBSA may consider the factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant under the circumstances.

[130] Before presenting the specific analysis with respect to Ukraine concerning the likelihood of the continuation or resumption of dumping in absence of the CITT's order, there are certain issues that relate to the goods on a broader scale that will be addressed below. The issues are:

- Commodity Nature of Hot-Rolled Steel Plate;
- Capital-Intensive Nature of Steel Production; and
- Steel Market Developments and Trends.

Commodity Nature of Hot-Rolled Steel Plate

[131] In general, hot-rolled steel plate produced to a given specification by a producer in a given country is physically interchangeable with hot-rolled steel plate produced to the same specification in any other country. As such, goods compete amongst themselves regardless of origin and share the same channels of distribution and the same potential customers. This characteristic means that hot-rolled steel plate must compete in a market that is price sensitive, where price is one of the primary factors affecting the customer purchasing decision. Furthermore, because of this high degree of price sensitivity, prices in a given market have historically tended to converge over time towards the lowest available price offering.

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

[103] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., para. 26.
[104] Exhibit 45 (NC) – Case Brief Filed on behalf of Metinvest International S.A., paras. 27-28.

[133] The first finding regarding certain hot-rolled steel plate dates back to 1983. On December 7, 1983, in Inquiry No. ADT-10-83, the Anti-dumping Tribunal (now the CITT) 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 CITT on May 1, 1990 in Review No. RR-89-006.[105]

[134] Between 1992 and 2010, there were five other inquiries concerning similar steel 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 five steel plate cases are informally referred to as Plate I, Plate II, Plate III, Plate IV and Plate V. The measures resulting from two of the five investigations, Plate III and Plate V with respect to China, Bulgaria, Czech Republic and Romania remain in force.[106]

[135] On February 2, 2010, in Inquiry No. NQ-2009-003 (Plate VI), the CITT found that the dumping of plate originating in or exported from Ukraine was threatening to cause injury to the domestic industry.[107] Additionally, on May 20, 2014, in Inquiry No. NQ-2013-005 (Plate VII), the CITT found that the dumping of steel plate originating in or exported from Brazil, Denmark, Indonesia, Italy, Japan and South Korea threatened to cause injury to the domestic industry.[108]

[136] The history of steel plate being dumped into Canada supports the opinion that steel plate is a commodity product and that measures in place preventing one country to export steel plate to Canada at dumped prices, provides an opportunity for other sources of dumped steel plate to emerge.

Capital-Intensive Nature of Steel Production

[137] As previously noted by the CITT, "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 demand in the domestic market decreases, producers will search out foreign markets to maintain capacity utilization to ensure that these fixed costs are recovered."[109] This is often referred to as the "economics of steel production." Conditions of overcapacity exacerbate this characteristic 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 variable costs are covered.

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[105] *Statement of Reasons* – Steel Plate 5 Expiry Review, RR-2008-002, 2008, para. 12. http://www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/rr2008-002/rr2008-002-e08-de-eng.html

[106] *Statement of Reasons* – Steel Plate 5 Expiry Review, RR-2008-002, 2008, para. 13. http://www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/rr2008-002/rr2008-002-e08-de-eng.html

[107] CITT Finding on Hot-Rolled Carbon Steel Plate and High-Strength Low-Alloy Steel Plate Inquiry, NQ-2009-003, 2010. https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353468/index.do

[108] CITT Finding on Hot-Rolled Carbon Steel Plate Inquiry, NQ-2013-005, 2014. https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353996/index.do

[109] CITT Expiry Review *Statement of Reasons* on Hot-Rolled Carbon Steel Plate and High-Strength Low-Alloy Plate, RR-98-004, 1999. p. 14. https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/353821/1/document.do

Steel Market Developments and Trends

[138] According to the OECD, the world GDP growth rate in 2017 was 3.7% and decreased to 3.5% in 2018. The OECD projects GDP growth in 2019 to fall further to 3.2% before increasing slightly to 3.4% in 2020. While the OECD notes that growth in many countries has been supported by easing financial conditions, it notes that its forecast reflects the continued and significant deceleration in worldwide manufacturing activity and the marked slowdown in global industrial production growth. In addition, the OECD also notes that potential increases in trade frictions and financial vulnerabilities could pose downside risks to future GDP growth.[110]

[139] Based on data from the World Steel Association, the OECD reports that global steel demand moderately increased in the second year of the POR. According to the data, the apparent use of finished steel products worldwide reached 1,712 million MT in 2018, representing an increase of 4.9% over global consumption in 2017 of 1,632 million MT. However, demand growth in 2019 and 2020 is projected to be weak. The World Steel Association expects finished steel demand to amount to 1,735 million MT in 2019, an increase of 1.3% over 2018, and is only forecasting finished steel demand to increase by 1% in 2020.[111]

[140] Global crude steel production reached just over 1,789 million MT in 2018, representing a 5% increase over the previous year. According to the OECD, world crude steel production increased 5.1% in the first half of 2019 when compared to the same January-June period of 2018. When annualized, global crude steel production in 2019 is equal to 1,850 million MT based on the production figures for the first half of 2019, which would represent an annual increase of 3.4% over 2018.[112]

[141] Global crude steelmaking capacity declined from 2016 to 2018 but is expected to increase in 2019 based on data available from the first half of the year. Taking into accounts new capacity additions and closures, the data from the first half of 2019 suggests that global steelmaking capacity will reach 2,290 million MT in 2019. This represents an increase of 3.1% over the 2018 global crude steelmaking capacity of 2,221 million MT.[113]

[142] The OECD states that the gap between global production and capacity narrowed between 2015 and 2018 as capacity decreased 4.3% over that period while production increased 11.6%. However, based on data from the first half of 2019, the OECD expects the gap to widen as global excess capacity is projected to reach 440 million MT in 2019, an increase of 27 million MT over 2018.[114]

[110] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 6-7.
[111] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 12 and 40.
[112] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 16 and 38.
[113] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 38.
[114] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 38.

[143] Following the lows experienced in 2015, global steel prices began improving in 2016 as a result of increased demand. In general, steel prices continued to improve well into 2018 until prices for a number of steel products, particularly hot-rolled coil and rebar, started to decline in May 2018. Following the decline in the latter part of 2018, global steel prices remained flat though the first half of 2019. Global prices for flat products followed a similar trend, although the OECD noted that prices for flat products in the US increased at a more rapid rate in the first half of 2018 as compared to other regions. However, in the second half of 2018, prices for flat products in the US fell significantly, wiping out all of the gains achieved in the first half of the year. Global prices for flat products in the first half of 2019 have remained stable and the OECD has noted that the gap in pricing between regions, particularly for flat products, has narrowed. The OECD indicates that the decrease in price dispersion suggests that global prices will remain stable moving forward and notes that Markit also forecasted steel prices to remain flat in its May 2019 outlook.[115]

[144] Between 2017 and 2019, prices for steelmaking raw materials such as coking coal and iron ore have fluctuated around the same level. However, following a disaster at a Vale iron ore mine in Brazil at the end of January, iron ore prices have risen almost 43% between January and June 2019. In comparing the 3-month average cost to produce crude steel ending January 2019 with the 3-month average cost ending May 2019, the OECD found that the cost of steelmaking rose in the latter period in China, the EU, and Japan while falling in the US. According to the OECD, the US relies more heavily on domestically sourced iron ore and uses less iron ore in general to produce steel as compared to the three other regions that rely on imported iron ore and use more iron ore in their steel production processes.[116]

[145] The average operating profit of the global steelmaking industry remained flat at around 12% between 2016 and 2017 before declining to about 10% in 2018. In terms of net profit, the global steel industry saw its profit margin decline from about 5% in 2017 to about 3% in 2018, which is significantly below the record level of 10% in 2004. According to the OECD, many steel companies are unprofitable and highly indebted. The OECD also noted that recent data shows companies are increasingly relying on short-term debt. While there are no projections regarding profitability beyond 2018, the OECD warns that companies taking on additional debt to maintain or extend operations could undermine the viability of the entire steel sector when considering weak global demand and excess global capacity.[117]

Substantial Excess Hot-Rolled Steel Plate Capacity in Ukraine

[146] Hot-rolled steel plate is produced by three companies in Ukraine; the Metinvest Group at its Azovstal and Ilyich facilities; the Industrial Union of Donbass (ISD) at its Alchevsk facility; and the Donetsksteel Group at its Donetsk facility.

[115] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 6 and 20-21.
[116] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 6, 23-24, 26, and 29-30.
[117] Exhibit 36 (NC) – CBSA Research – OECD Q4 2019 Steel Market Developments, p. 6 and 31-32.

[147] According to CRU, each of the three company's capacity to produce hot-rolled steel plate remained unchanged during the POR and no capacity expansions are forecasted between 2020 and 2022. All three companies have the ability to produce hot-rolled steel plate on both reversing plate mills and hot-strip mills.[118]

[148] It should be noted that reversing mills are dedicated to producing discrete steel plate while hot-strip mills can produce both coil plate as well as hot-rolled sheet.[119] While theoretically a hot-strip mill could be used to solely produce coil plate, CRU data shows that the majority of hot-strip mill production in Ukraine appears to be allocated to the production of hot-rolled sheet. Further, information provided by Metinvest suggests that certain hot-rolled steel plate is only being produced on its two reversing mills, Azovstal Plate Mill 3600 and Ilyich Plate Mill 3000, and not on the Ilyich Sheet Mill 1700.[120]

[149] It should also be noted that Alchevsk Iron & Steel Works and Donetsk Iron & Steel Works were both seized in early 2017 by pro-Russia rebels located in the provinces of Luhansk and Donetsk in Eastern Ukraine. According to MetalBulletin, following their seizure, a Russia-registered company began managing the operations of the two rebel-held facilities. While the operations had been idled in February 2017 due to rail blockades preventing raw materials such as iron ore reaching rebel-held areas of Ukraine, production was restarted in May 2017. These two facilities continue to operate using iron ore sourced from Russia. In 2018, the facilities produced semi-finished steel products that were used to restart previously idled mills in Russia and also semi-finished steel to Turkey and the Middle East. As well, MetalBulletin reported that the Alchevsk facility had been supplying the Russian market with steel plate until January 2019 when it was rumoured to have redirected those shipments for export.[121]

[150] Production of reversing mill plate in Ukraine remained flat in 2018 while 2019 saw production rise. According to CRU, production will continue to increase through to 2022. While the projected increase in production between 2019 and 2022 appears relatively small when compared to Ukraine's overall reversing mill plate capacity, the volume of the projected increase can be considered significant when compared to the size of the total Canadian apparent market for certain hot-rolled steel plate.[122]

[151] Despite the actual and projected increases in production of hot-rolled steel plate at Ukraine's reversing mills, Ukrainian producers' total capacity utilization rate will continue to remain well below 50%. As a result, excess capacity for hot-rolled steel plate produced on reversing mills in Ukraine will continue to hover around 4 million MT, an amount substantially more than the 338,040 MT of certain hot-rolled steel plate imported into Canada in 2019.[123]

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[118] Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachment 31.
[119] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 56, footnote 36.
[120] Exhibit 38 (NC) – Response to Exporter ERQ – Metinvest International S.A., Q10 and Q42; and Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachment 31.
[121] Exhibit 11 (PRO) - CBSA Research - MetalBulletin News Articles #1, p. 44-45 and 71-73.
[122] Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachments 31 and 35; and Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.
[123] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 100, Table 4; and Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.

[152] As previously noted, hot-rolled steel plate can also be produced by hot-strip mills. In terms of capacity, hot-strip mills in Ukraine are like reversing mills in that total capacity remained unchanged during the POR and is not expected to expand between 2020 and 2022. While capacity remained flat during the POR, total hot-strip mill production rose in 2018 and remained unchanged in 2019. CRU projects that hot-strip mill production in Ukraine will decrease in 2020 and remain flat in 2021 before rising significantly in 2022.[124]

[153] CRU data shows that production of coil plate remained flat in 2018 and 2019 and is expected to remain at that same level until 2022, at which point it is expected to substantially increase. The increase in coil plate production in 2022 appears significant given that it exceeds the entire size of the Canadian apparent market for certain hot-rolled steel plate. While plate in coil form at the time of importation into Canada is excluded from the product definition, an individual plate cut-to-length from coil plate is considered a subject good.[125]

[154] When combining the excess hot-strip mill capacity with the excess reversing mill capacity, total excess capacity to produce hot-rolled steel plate was around 7 million MT on average during the POR and is expected to remain around 6 million MT on average during the 2020-2022 period. This means that over the next three years, Ukraine is expected to have total excess hot-rolled steel plate capacity equal to more than 8 times the entire size of the Canadian market in 2019. Moreover, the excess capacity of nearly 4 million MT on reversing mills alone, which are dedicated to producing plate, is more than 5 times the size of the 2019 Canadian market for certain hot-rolled steel plate.[126]

[155] In comparing the information submitted by the Metinvest Group regarding the capacity and production of the Azovstal and Ilyich plate mills to the reversing mill plate figures published by CRU, the Metinvest data shows similar trends. Metinvest's data shows that its plate mills operated at a higher capacity utilization rate during the POR than the rate for all of the Ukrainian reversing mills as reported by CRU. Metinvest also reported a higher maximum production capacity than the Metinvest reversing mill capacity published by CRU. Despite these differences, the Metinvest data still shows that the Metinvest plate mills operated well below their maximum capacity and support CRU's data demonstrating that significant excess reversing mill plate capacity existed in Ukraine during the POR.[127]

[124] Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachments 31 and 35.
[125] Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachments 31 and 35; and Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.
[126] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 100, Table 4; and Exhibit 41 (NC) – Final CBSA Import Statistics and Market Table.
[127] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Appendix 1-Azovstal and Appendix 1-Ilyich; and Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachments 31 and 35.

[156] Based on the information available on the administrative record and summarized above, Ukrainian producers of hot-rolled steel plate were and are expected to continue operating at very low-capacity utilization rates. As a result, the volume of excess hot-rolled steel plate capacity available in Ukraine is substantial and equal to many times the entire size of the Canadian market for certain hot-rolled steel plate. Given the capital-intensive nature of steel production and Ukraine's substantial excess capacity, there would be incentive for Ukrainian plate producers to export subject goods to Canada.

Ukrainian Steel Producers' Dependency on Exports

[157] Ukrainian steel producers' dependency on exports is a long established trend. According to the US Department of Commerce (US DOC), Ukraine was the 11th largest steel exporter in the world in 2017 and rose to become the 9th largest steel exporter in 2018. In both 2017 and 2018, exports accounted for 71.3% of Ukraine's total steel production. Moreover, Ukrainian steel producers have consistently exported more than 70% of their entire production since 2009. It should be noted that Metinvest, Ukraine's largest hot-rolled steel plate producer, is also identified as one of the three largest steel producers in Ukraine.[128]

[158] Following the same trend as steel products in general, the CRU data shows that the majority of hot-rolled steel plate produced in Ukraine was exported to other markets rather than being consumed domestically during the POR. CRU also projects that Ukraine will continue to export the majority of the hot-rolled steel plate it produces through to 2022. A further analysis of CRU's data also indicates that when production increased during the POR, the volume of the increase was almost entirely absorbed by export markets. Moving forward, that vast majority of increased hot-rolled steel plate production through to 2022 in Ukraine is also expected to be exported.[129]

[159] Like the CRU data, the information submitted by Metinvest also demonstrates that the majority of hot-rolled steel plate produced in Ukraine is exported rather than being sold domestically. While the Metinvest data shows a greater proportion of hot-rolled steel plate production destined for outside markets than the CRU data, it confirms the trend and is consistent with the long established trend reported by the US DOC with respect to Ukrainian steel in general. As a result, CRU's forecast that Ukrainian hot-rolled steel plate producers will continue to rely heavily on export markets through to 2022 appears reasonable.[130]

[128] Exhibit 36 (NC) – CBSA Research – ITA Global Steel Report (Nov 2019), p. 13; and ITA Global Steel Trade Monitor – Ukraine Exports Report (Mar 2019), p. 1 and 6.
[129] Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachment 35.
[130] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35 and Appendix 3.

Impact of Recent Safeguard Measures on Ukrainian Exports

[160] As exports of hot-rolled steel plate from Ukraine are forecast to increase over the 2020-2022 period, Ukrainian exporters may not be able to rely on their traditional top export markets to absorb additional volumes given safeguard measures imposed in those markets. As a result, Ukrainian exporters will be looking to other markets in order to absorb additional production volumes of hot-rolled steel plate and help sustain or even improve the low-levels of capacity utilization experienced during the POR.

[161] According to information on the administrative record, the EU imposed safeguard measures on a number of steel products in February 2019 which included an individual tariff rate quota applicable to Ukrainian steel plate due to its high level of exports to the EU. In December 2019, the Eurasian Economic Union (EEC) also implemented safeguard measures on hot-rolled flat steel imports which includes steel plate. An article in MetalBulletin published near the EEC's initiation of the safeguard investigation quoted a large trader as stating that the "main aim of the investigation is to protect the Russian market from Ukrainian imports". In addition, the Gulf Cooperation Council also initiated a safeguard investigation in 2019 which included hot-rolled steel plate.[131]

[162] In reviewing the information submitted by Metinvest, only three of its top ten export markets were not impacted by the safeguards noted above. When considering Metinvest's exports of Ukrainian hot-rolled steel plate to all of the countries impacted by the EU, EEC, and Gulf Cooperation Council safeguards, the total percentage of exports impacted represents the majority of Metinvest's total exports in 2019.[132]

[163] Based on information on the administrative record, it seems unlikely that exports to the EU from Ukraine would substantially increase in 2020 and that there would be little room in the EU's safeguard quota to accommodate significant future increases in Ukrainian production of hot-rolled steel plate.[133]

[164] With respect to the safeguard implemented by the EEC at the end of 2019, it covers hot-rolled carbon and alloyed steel in both plate and coil form, meaning it includes both hot-rolled plate and sheet. The quota applicable to the total imports by all five members totals 1.33 million MT and relates to all hot-rolled flat steel (i.e. hot-rolled plate and sheet). According to MetalBulletin, the quota is less than the total amount of hot-rolled flat steel imported by Russia in 2018. Based on this information, while it may be possible for Ukrainian producers to maintain export levels of hot-rolled steel plate to the EEC in 2020, it seems unlikely that export volumes from Ukraine will increase meaningfully moving forward.[134]

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[131] Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., paras. 180-181; Exhibit 11 (PRO) - CBSA Research - MetalBulletin News Articles #1, p. 53; and Exhibit 44 (NC) – Case Brief Filed on Behalf of Evraz Inc. NA Canada, para. 4.

[132] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35.

[133] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35; Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 180.; and Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachment 31 and 35.

[134] Exhibit 38 (NC) – Response to Exporter ERQ – Metinvest International S.A., Q50; and Exhibit 11 (PRO) - CBSA Research - MetalBulletin News Articles #1, p. 19.

[165] As noted above, the Gulf Cooperation Council initiated a safeguard investigation which included hot-rolled steel plate in 2019. While no further information regarding the investigation is available on the administrative record, it would be unlikely that large exporters of steel would increase exports to council members while the investigation is on-going. Further, in the event that a safeguard is implemented, quotas established under safeguards are typically based on historical import volumes making it unlikely that exporters would reasonably expect to substantially increase their exports to members of the council.

[166] As noted earlier, Ukrainian hot-rolled steel plate production is expected to increase in 2020. CRU also projects that domestic consumption of hot-rolled steel plate in Ukraine will rise in 2020. However, Metinvest expects Ukrainian domestic consumption of hot-rolled steel plate, including certain hot-rolled steel plate, to decline. Based on the expected decline in domestic consumption, increased production, and the likelihood that safeguards could limit any increase in exports to the markets identified above, Ukrainian producers could be looking to export a significant volume of hot-rolled steel plate to new markets in 2020. This also assumes that actual production will not increase more than CRUs predictions and that there will be no decline in demand in any of Ukraine's other target export markets for hot-rolled steel plate.[135]

[167] Based on confidential information on the administrative record, it appears that the future export markets specifically identified and targeted by Ukrainian hot-rolled steel plate producers in the near-term are likely unable to absorb additional volumes resulting from projected increases in production.[136] Taking into consideration the safeguard restrictions and potential declines in markets already importing the majority of Ukrainian hot-rolled steel plate, Ukrainian exporters will likely be looking for other markets not previously targeted. While the CBSA's import statistics during the POR suggest that Canada is not presently a target market for Ukrainian hot-rolled steel plate exporters, this may be due to the existing anti-dumping measures in place. However, Ukrainian exporters have recently showed interest in the Canadian market by exporting to Canada in 2019 and participating in the CBSA's current Normal Value Review[137]. If the order were to expire, export volumes of certain hot-rolled steel plate impacted by safeguards in Ukraine's largest hot-rolled steel plate markets could be diverted to Canada as other target markets seem unlikely to be able to absorb significant additional volumes.

Exports from Ukraine to Other Markets at Potentially Dumped Prices

[168] The pricing information available on the administrative record shows that quarterly published prices for hot-rolled steel plate during the POR were higher in the US and the EU domestic markets as compared to CIS export pricing. Quarterly hot-rolled steel plate pricing forecasts for 2020 suggest that the gap between US and EU domestic prices and CIS export prices will narrow.[138]

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[135] Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachment 35; and Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q34.

[136] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35,Q36, Q49, Q51 and Attachment 51 p. 26-28; and Exhibit 42 (PRO) - Close of Record - Additional Information from Algoma Steel Inc., Attachment 33.

[137] Notice of Initiation of Normal Value Review: https://www.cbsa-asfc.gc.ca/sima-lmsi/up/pla62019/pla6201901-ni-eng.html

[138] Exhibit 39 (PRO) - CBSA Research - Fastmarkets MB Research Steel Prices and Statistics.

[169] While specific Ukrainian domestic and export pricing for hot-rolled steel plate is not available from MetalBulletin and no such pricing information from CRU was available on the administrative record, the CBSA relied upon pricing information provided by Metinvest. As the annual average sales data provided by Metinvest was based on invoice values and Metinvest sells goods at delivered prices, this meant that the total sales values for each year included delivery costs. As such, the CBSA adjusted the total sales values provided for each market by the average delivery cost percentage as provided by Metinvest in Appendix 3 to arrive at an estimated ex-works (EXW) price for each market to allow a proper comparison. The country specific percentage provided by Metinvest in Appendix 3 was used to adjust average sales values for delivery costs for the individual countries identified. Sales values for all other markets were adjusted for delivery based on the all other exports markets percentage provided by Metinvest.[139]

[170] While the sales values for export markets were provided in USD/MT, the annual sales values for domestic sales were provided in local currency, UAH/MT. In order to conduct a proper comparison using the same currency, the CBSA used the official annual average exchange rate as published by the National Bank of Ukraine[140] to convert UAH to USD as the Bank of Canada does not publish exchange rates with respect to Ukrainian currency.

[171] The confidential information submitted by Metinvest shows that Metinvest's weighted-average domestic and export prices during the POR were comparable to the CIS annual average export prices calculated using MetalBulletin data over the same period.[141]

[172] In analysing the pricing data submitted by Metinvest, the CBSA found that Metinvest's weighted-average export price for hot-rolled steel plate was below its weighted-average domestic selling price for certain hot-rolled steel plate in 2017. In both 2018 and 2019, Metinvest's weighted-average export price was higher than its weighted-average domestic selling price.[142]

[173] During the POR, the annual average pricing and sales volume data provided by Metinvest shows that it exported hot-rolled steel plate below the weighted-average domestic pricing. An analysis of the information revealed that a large portion of the volume exported by Metinvest in 2017 was potentially dumped. Metinvest continued to export hot-rolled steel plate at potentially dumped prices throughout the POR, although the volume sold at potentially dumped prices steadily declined. Despite the fall in the volume of potentially dumped exports over the period, the volume of hot-rolled steel plate exported in 2019 at potentially dumped prices would be considered significant when compared to the 2019 Canadian apparent market. Further, the CBSA's analysis found there were a number of specific export markets in which Metinvest had exported hot-rolled steel plate at potentially dumped prices in all three years of the POR.[143]

[139] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35 and Appendix 3.
[140] The exchange rates published by the National Bank of Ukraine are available at the following official website: https://bank.gov.ua/markets/exchangerate-chart.
[141] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35 and Appendix 3; and Exhibit 39 (PRO) - CBSA Research - Fastmarkets MB Research Steel Prices and Statistics.
[142] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35 and Appendix 3.
[143] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35 and Appendix 3.

[174] An analysis of Metinvest's export pricing also revealed that the average pricing to markets with anti-dumping measures in place against hot-rolled steel plate from Ukraine was consistently higher than the pricing to markets where anti-dumping measures were not in place.[144]

[175] Based on the analysis discussed above, the pricing information provided by Ukraine's largest hot-rolled steel plate producer and exporter shows that it consistently exported goods to other markets at low and potentially dumped prices throughout the POR. The analysis also found that Metinvest's export pricing to markets without anti-dumping measures in place was significantly lower than the prices on the goods it exported to markets where such measures were in place. As a result, future exports of certain hot-rolled steel plate from Ukraine to Canada would likely occur at significantly lower and potentially dumped prices if the order were to expire.

Ukrainian Exporters Dumped Subject Goods into Canada during the POR

[176] While Ukraine did not export a large volume of certain hot-rolled steel plate to Canada during the POR, the subject goods it did export in the last year of the POR were dumped and were assessed anti-dumping duty. In addition, the CBSA import statistics show that the weighted-average price of the subject goods exported from Ukraine in 2019 was well below the weighted-average price for all certain hot-rolled steel plate exported to Canada from all sources in 2019.[145]

[177] The CBSA's import and enforcement statistics also demonstrate that Ukrainian exporters were unable to sell commercially significant quantities of subject goods to Canada during the POR due to the dumping order currently in place. This, combined with the Ukrainian exporters reliance on export markets discussed earlier, demonstrates that Ukrainian exporters of subject goods have an inability to compete in the Canadian market by selling at undumped prices.

[178] The timing of the shipment of subject goods from Ukraine in the last year of the POR also demonstrates that Ukrainian exporters have recently maintained interest in the Canadian market. As noted earlier, Metinvest is also currently participating in the CBSA's normal value review[146] respecting goods subject to this expiry review. As part of that normal value review, the exporter is seeking updated normal values. This demonstrates that Ukrainian exporters of subject goods have not only maintained interest in the Canadian market, but remain interested in exporting subject goods in the future.

[144] Exhibit 37 (PRO) – Response to Exporter ERQ – Metinvest International S.A., Q35 and Appendix 3.
[145] Exhibit 40 (PRO) - Final CBSA Import Statistics and Market Table.
[146] Notice of Initiation of Normal Value Review: https://www.cbsa-asfc.gc.ca/sima-lmsi/up/pla62019/pla6201901-ni-eng.html

Propensity of Ukrainian Exporters to Dump Hot-Rolled Steel Plate

[179] Since 1992, Canada has implemented anti-dumping measures on hot-rolled steel plate originating in or exported from Ukraine on three separate occasions. The first finding was put in place by the CITT in May 1994 and rescinded in May 2004. The second finding against Ukrainian hot-rolled steel plate implemented while the first finding remained in place in order to cover additional types and dimension of steel plate not included in the previous finding. The second finding was put into place in June 2000 and rescinded by the CITT in June 2005. The present order under review represents the third time producers and exporters from Ukraine were found to be dumping hot-rolled steel plate into Canada.[147]

[180] In addition to Canada's current anti-dumping measures, the EU and six other nations also currently have anti-dumping measures in place against hot-rolled steel plate from Ukraine. The other six nations are Brazil, Indonesia, Mexico, Chinese Taipei, Thailand and the US. Of the seven other anti-dumping measures in place against Ukrainian hot-rolled steel plate around the globe, the US was the first to implement its measure in November 1997 while the EU most recently applied its measure in October 2017.[148]

[181] The number of current anti-dumping measures in place against Ukraine around the world combined with the history of Ukrainian hot-rolled steel plate being dumped into Canada demonstrates a propensity of Ukrainian exporters to dump hot-rolled steel plate.

Determination Regarding Likelihood of Continued or Resumed Dumping

[182] Based on the information on the administrative record in respect of: the commodity nature of hot-rolled steel plate; the capital-intensive nature of steel production; steel market developments and trends; the substantial excess hot-rolled steel plate capacity in Ukraine; Ukrainian steel producers' dependency on exports; the impact of safeguard measures on the destination of Ukrainian exports; Ukraine's exports of hot-rolled steel plate to other markets at potentially dumped prices during the POR; Ukrainian exporters having dumped subject goods into Canada during the POR; Ukrainian exporters' inability to compete in the Canadian market at undumped prices; Ukrainian exporters' significant interest in the Canadian market; and the propensity of Ukrainian exporters to dump hot-rolled steel plate as evidenced by the numerous anti-dumping measures imposed by Canada and countries around the globe, the CBSA determined that the expiry of the order is likely to result in the continuation or resumption of dumping into Canada of certain hot-rolled steel plate originating in or exported from Ukraine.

[147] CITT *Order and Reasons*, Expiry Review RR-2004-004, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353753/index.do; and CITT Order and Reasons, Expiry Review RR-2003-001, https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353719/index.do.

[148] Exhibit 38 (NC) – Response to Exporter ERQ – Metinvest International S.A., Q48 and Q49; and Exhibit 47 (NC) – Case brief filed on behalf of Algoma Steel Inc., para. 163.

CONCLUSION

[183] For the purpose of making a determination in this expiry review investigation, the CBSA conducted its analysis within the scope of the factors found under subsection 37.2(1) of the SIMR. Based on the foregoing consideration of pertinent factors and analysis of the information on the administrative record, on June 4, 2020, the CBSA made a determination pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the CITT's order made on January 30, 2015, in Expiry Review No. RR-2014-002, in respect of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from Ukraine is likely to result in the continuation or resumption of dumping of the goods.

FUTURE ACTION

[184] On June 5, 2020, the CITT commenced its inquiry to determine whether the expiry of the order with respect to the dumping of certain hot-rolled carbon steel plate and high-strength low-alloy steel plate originating in or exported from Ukraine is likely to result in injury. The CITT's Expiry Review schedule indicates that it will make its decision by November 10, 2020.

[185] If the CITT determines that the expiry of the order with respect to the goods is likely to result in injury, the CITT will make an order continuing the order in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping duties on dumped importations of the subject goods.

[186] If the CITT determines that the expiry of the order with respect to the goods is not likely to result in injury, the CITT will make an order rescinding the order in respect of those goods. Anti-dumping duties would then no longer be levied on importations of the subject goods, and any anti-dumping duties paid in respect of goods that were released after the date that the order was scheduled to expire will be returned to the importer.

INFORMATION

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

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