



UWM 2024 ER

OTTAWA, October 25, 2024

STATEMENT OF REASONS

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

UNITIZED WALL MODULES ORIGINATING IN OR EXPORTED FROM CHINA

DECISION

On October 10, 2024 pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the Canada Border Services Agency determined that the expiry of the Canadian International Trade Tribunal's order made on July 3, 2019, in Expiry Review No. RR-2018-002:

- is likely to result in the continuation or resumption of dumping of such goods originating in or exported from China; and
- is likely to result in the continuation or resumption of subsidizing of such goods originating in or exported from China.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND	2
PRODUCT DEFINITION	3
ADDITIONAL PRODUCT INFORMATION	3
PRODUCTION PROCESS	5
CLASSIFICATION OF IMPORTS	6
PERIOD OF REVIEW	6
CANADIAN INDUSTRY	2
CANADIAN MARKET	5
ENFORCEMENT DATA	5
PARTIES TO THE PROCEEDINGS	6
INFORMATION CONSIDERED BY THE CBSA	7
POSITION OF THE PARTIES – DUMPING	8
<i>PARTIES CONTENDING THAT CONTINUED OR RESUMED DUMPING IS LIKELY</i>	8
<i>PARTIES CONTENDING THAT CONTINUED OR RESUMED DUMPING IS UNLIKELY</i>	11
CONSIDERATION AND ANALYSIS – DUMPING	12
POSITION OF THE PARTIES - SUBSIDIZING	16
<i>PARTIES CONTENDING THAT CONTINUED OR RESUMED SUBSIDIZING IS LIKELY</i>	16
<i>PARTIES CONTENDING THAT CONTINUED OR RESUMED SUBSIDIZING IS UNLIKELY</i>	20
CONSIDERATION AND ANALYSIS – SUBSIDIZING	20
CONCLUSION	24
FUTURE ACTION	24
CONTACT US	25

EXECUTIVE SUMMARY

[1] On May 13, 2024, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(1) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its order made on July 3, 2019, in Expiry Review No. RR-2018-002, concerning the dumping and subsidizing of unitized wall modules (UWM), originating in or exported from the People's Republic of China (China).

[2] As a result of the CITT's notice of expiry review, the Canada Border Services Agency (CBSA), on May 14, 2024, initiated an investigation 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 and/or subsidizing of the goods.

[3] The CBSA received responses to the Canadian producer Expiry Review Questionnaire (ERQ) from Inland Glass & Aluminum Ltd. and Aluminum Curtainwall Systems Inc.;¹ BVGlazing Systems Ltd.;² Flynn Canada Ltd.;³ Harmon Facades ULC;⁴ Quest Window Systems Inc.;⁵ Starline Windows Ltd.;⁶ State Window Corporation;⁷ and Toro Aluminum and Toro Glasswall Inc.⁸ (hereinafter the 'Canadian producers'). The submissions made by the Canadian producers included information supporting their position that continued or resumed dumping and subsidizing of UWM from China is likely if the CITT's order expires.

[4] The CBSA did not receive any responses to the importer ERQ, exporter ERQ or the foreign government ERQ.

[5] In addition to responding to the ERQ, the Canadian producers submitted supplementary information prior to the closing of the record and a joint case brief.⁹ The case brief submitted by the Canadian producers included arguments supporting their position that continued or resumed dumping and subsidizing of UWM from China is likely if the CITT's order expires. No other parties provided a case brief to the CBSA and no party provided a reply submission in response to the Canadian producers' case brief.

¹ Exhibit 13 (PRO) and 14 (NC) – Response to expiry review questionnaire (ERQ) from Inland Glass & Aluminum Ltd. and Aluminum Curtainwall Systems Inc. (hereafter "IGA")

² Exhibit 15 (PRO) and 16 (NC) – Response to ERQ from BVGlazing Systems Ltd.

³ Exhibit 17 (PRO) and 18 (NC) – Response to ERQ from Flynn Canada Ltd.

⁴ Exhibit 19 (PRO) and 20 (NC) – Response to ERQ from Harmon Facades ULC ("Harmon Canada")

⁵ Exhibit 21 (PRO) and 22 (NC) – Response to ERQ from Quest Window Systems Inc.

⁶ Exhibit 23 (PRO) and 24 (NC) – Response to ERQ from Starline Windows Ltd.

⁷ Exhibit 25 (PRO) and 26 (NC) – Response to ERQ from State Window Corporation

⁸ Exhibit 27 (PRO) and 28 (NC) – Response to ERQ from Toro Aluminum and Toro Glasswall Inc.

⁹ Exhibit 29 (NC) - Close of record - Attachments from BVGlazing Systems Ltd., Inland Glass & Aluminum Ltd., Aluminum Curtainwall Systems Inc., Flynn Canada Ltd., Harmon Facades ULC, Quest Window Systems Inc., Starline Windows Ltd., State Window Corporation, Toro Aluminum and Toro Glasswall Inc. ("Canadian Producers") and Exhibit 033 (NC) – Case Briefs of Canadian Producers

[6] The analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of UWM from China should the CITT's order expire. This analysis relied upon the following factors:

- Weakening Market Conditions in China
- Oversupply in China
- Chinese Producers are Increasingly Export-focused
- Attractiveness of the Canadian Market to Chinese Producers
- Propensity of Chinese Exporters to Undercut Canadian Prices

[7] The analysis of information on the administrative record indicates a likelihood of continued or resumed subsidizing into Canada of UWM from China should the CITT's order expire. This analysis relied upon the following factors:

- Continued Availability of Subsidy Programs for UWM Exporters in China
- Subsidizing of Primary Aluminum in China and Other Government Intervention
- Countervailing Measures Against Chinese Aluminum Products in Canada and in Other Jurisdictions

[8] For the foregoing factors, the CBSA, having considered the relevant information on the record, determined on October 10, 2024, pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the order in respect of UWM is likely to result in the continuation or resumption of dumping and subsidizing of the goods from China.

BACKGROUND

[9] On March 4, 2013, following a complaint filed by Allan Window Technologies (now BVGlazing Systems); Ferguson Neudorf Glass Inc.; Flynn Canada Ltd.; Inland Glass & Aluminum Ltd./Aluminum Curtainwall Systems Inc.; Oldcastle Building Envelope; Sota Glazing Inc.; Starline Architectural Windows Ltd.; State Windows Corporation; Toro Aluminum/Toro Glasswall Inc.; and Windsor Glass Company (1992) Ltd. (now Contract Glaziers Inc.), (hereinafter the 'complainants'), the CBSA initiated investigations pursuant to subsection 31(1) of SIMA, into the alleged dumping and subsidizing of UWM originating in or exported from China.

[10] On October 10, 2013, pursuant to subsection 41(1) of SIMA, the CBSA made final determinations respecting the dumping and subsidizing of UWM from China.

[11] On November 12, 2013, pursuant to subsection 43(1) of SIMA, the CITT found that the dumping and subsidizing of UWM originating in or exported from China had not caused injury but was threatening to cause injury to the domestic industry in Canada.

[12] On May 26, 2014, the CBSA concluded a re-investigation to update the normal values and export prices of UWM from China.

[13] On July 3, 2019, the CITT determined that the expiry of its finding would cause material injury to the domestic industry. Therefore, the CITT continued its finding made in Inquiry No. NQ-2013-002.

[14] On May 13, 2024, the CITT initiated an expiry review of its order pursuant to subsection 76.03(1) of SIMA.

[15] On May 14, 2024, the CBSA initiated an expiry review investigation to determine whether the expiry of the order is likely to result in continued or resumed dumping and/or subsidizing of the subject goods.

PRODUCT DEFINITION

[16] For purposes of this expiry review investigation “UWM” is defined as:

Unitized wall modules, with or without infill, including fully assembled frames, with or without fasteners, trims, cover caps, window operators, gaskets, load transfer bars, sunshades and anchor assemblies; excluding non-unitized building envelope systems such as stick systems and point-fixing systems originating in/or exported from the People's Republic of China.

Additional Product Information

[17] Subject and like UWM are an aluminum-framed engineered fenestration product which forms the building envelope or facade for multi-story buildings. The two main styles of UWM building envelope systems are referred to as “curtain wall” and “window wall”.

[18] UWM are prefabricated segments of the building envelope that interlock with each other when installed. They are manufactured and shipped to customers’ building sites where they are installed by the customer or building contractor.

[19] Installed UWM separate the outdoors from a building's indoor environment. The UWM are designed to resist extreme wind pressures, limit air infiltration and exfiltration, prevent water infiltration and meet heat loss and energy usage criteria.

[20] The UWM are generally designed to meet any of the following or equivalent specifications:

- air infiltration/exfiltration to a minimum 0.10 L/s/m^2 (litres/second/square meter) when tested in accordance with American Society of Testing and Materials ("ASTM") Standard E283 at 0.3kPa (kilopascals) negative and positive pressure differential or equivalent proprietary or other internationally accepted standard;
- no water infiltration when tested under static wind load in accordance with ASTM Standard E331 using 205 liters of water per square meter for 15 minutes at a minimum 0.3kPa negative pressure differential or equivalent proprietary or other internationally accepted standard; no water infiltration when tested under dynamic wind load in accordance to American Architectural Manufacturers Association ("AAMA") Standard 501.1 using 205 liters of water per square meter for 15 minutes at a minimum 0.3kPa negative pressure differential or equivalent proprietary or other internationally accepted standard;
- structural performance when tested to ASTM Standard E330 by uniform static air pressure at a minimum 0.5kPa for 60 seconds without permanent deformation or equivalent proprietary or other internationally accepted standard; or
- thermal performance calculated in accordance with Canadian Standards Association ("CSA") Standard A440.2 to deliver a maximum of $3.0 \text{ W/m}^2\text{C}$ (watt/ square meter /Celsius) for vision glass areas and $1.5 \text{ W/m}^2\text{C}$ for opaque areas (including framing) or equivalent proprietary or other internationally accepted standard.

[21] UWM usually consist of three principal components: extruded pre-finished (mill, alodine, painted or anodized) aluminum frame, hardware and infill materials.

[22] The frame is the structural component that provides support for the infill materials. Hardware consists of fasteners, gaskets and sealants used to attach or sit between the frame and the infill materials. Infill materials include, but are not limited to, insulated glass units, monolithic glass, panels of various materials such as stone, granite or limestone, aluminum or galvanized steel back pans, insulation, terracotta tiles, ceramic tiles, thin veneer unitized bricks, louvers, grilles and photovoltaic panels. Patio or terrace doors and operable windows also are used as infill materials.

[23] The subject goods do not include non-unitized systems such as "stick systems" or "point-fixing systems". Stick system building envelopes or facades are not subject goods as they are not unitized. Unlike UWM, stick systems are not interlocking and require installation of individual framing components on-site to form the supporting grid for those systems. Stick systems are shipped to the project site as vertical and horizontal member components which are then installed and connected piece by piece to form the structural grid for a stick system envelope or facade for buildings. Once the grid of support members is secured to the building structure, infill materials are installed from the exterior and/or interior side of the building.

[24] Once a stick system building envelope or facade is completed, the appearance of the building exterior will be similar to a UWM building envelope or facade. However, a stick system envelope or facade is differentiated from a UWM building envelope or facade when viewed from the building interior, where the vertical frame members in the stick envelope or facade will be one-piece, while in the UWM envelope or facade the vertical frame members will be two interlocked pieces.

[25] Products referred to as “point-fixing glass wall/curtain wall” and “full-glass glass wall/curtain wall” use glass fins, patch fittings, cable supports and other means for structural support and do not rely on the extruded aluminum members used in the subject goods covered by this complaint. These products cannot be “unitized” and are not subject goods.

Production Process

[26] The process begins with the fabrication of individual module components. Aluminum extrusions in the required sizes, shapes and finishes are purchased as required for each project. They are verified for colour and surface quality meeting the applicable standards and to ensure they meet the specifications of the individual project for which they are destined.

[27] Thermal breaks made from non-metal materials such as polyvinyl chloride or polyamide extrusions are sized and inserted into the aluminum extrusions to separate interior from exposed exterior sections of the frame. These composite frame sections are cut to length, shaped and machined to the final size of the UWM.

[28] The frame sections are then assembled. Typically the vertical mullions and horizontal frame sections are assembled using screws to connect the vertical to the horizontal frame sections. At this point the frames are fully assembled. Frames are typically rectangular in shape, but may also be manufactured to different shapes by using various angles and curves.

[29] The frames are prepared for the installation of infill materials. Frame connections are sealed using various sealant such as silicone, butyl, acrylic and elastomeric sealants. Frame sections are prepared by installing various types of air seal and glazing gaskets and/or glazing tapes to achieve air and water tight seals between the frame and infill materials.

[30] Once the frames have been prepared the infill materials are added. This can be done in a stationary manner on a fixed assembly table or on a conveyor assembly line. The process of installation into the assembled frames varies depending on the type of infill and complexity of the final UWM.

[31] For a typical UWM the following assembly/infill procedures apply:

- install aluminum or galvanized steel back pans at spandrel conditions/opaque areas;
- seal back pans at the perimeter to the horizontal and vertical frame sections;
- install insulation boards of various thickness and materials into the back pan area. The insulation boards typically used are mineral board and fiberglass board;
- install glass panels of various thickness and assemblies into the vision and spandrel areas;
- glass panels or other infill materials are secured to frame sections mechanically using extruded glass stops, pressure plates and caps, or are glued using structural silicone or special structural adhesive tapes;
- infill materials can vary in type, thickness, and colour. Materials include, but are not limited to, insulated glass units, monolithic glass, aluminum or galvanized steel back pans, insulation, panels of metal, granite, limestone, photovoltaic, fibre reinforced or thin precast concrete, terra cotta and ceramic tiles, thin veneer unitized bricks, louvers, grilles and fixed or operable sun shading devices. Patio or terrace doors and operable windows are also used as infill materials; and
- once the frame assembly and installation of infill materials is completed, the assembled UWM is protected for shipment using cardboard, wood crating or steel racks. The product is then ready for shipment to the customer.

CLASSIFICATION OF IMPORTS

[32] The subject goods are normally imported into Canada under the following tariff classification numbers:

7610.10.00.20	7610.90.90.90	7308.30.00.21
7610.10.00.10	7008.00.00.00	7610.90.90.30

[33] Prior to January 1, 2022, the subject goods would have been normally imported into Canada under the following tariff classification numbers:

7610.10.00.20	7008.00.00.00	7604.29.20.30
7610.90.90.90	7308.30.00.21	7610.10.00.10

[34] These tariff classification numbers may also include non-subject goods, and subject goods may also fall under additional tariff classification numbers.

PERIOD OF REVIEW

[35] The period of review (POR) for the CBSA's expiry review investigation is from January 1, 2021 to March 31, 2024.

CANADIAN INDUSTRY

[36] The Canadian industry for UWM is comprised of 25 known producers, as listed below.

Table 1 : Canadian Producers

Name	Location
Aluminum Window Design Ltd.	Woodbridge, ON
Applewood Glass & Mirror Inc.**	Mississauga, ON
Basic Industries Glazing	St. Catharines, ON
BVGlazing Systems*	Concord, ON
Columbia Glazing Systems Inc.	Burnaby, B.C.
Contract Glaziers Corp.*	Windsor, ON
Epsilon Concept Inc.**	Québec, QC
Erie Architectural Products Inc.	Lakeshore, ON
Ferguson Neudorf Glass Inc.*	Beamsville, ON
Flynn Canada Ltd.*	Mississauga, ON
Gamma Windows and Walls International Inc.	Concord, ON
Groupe Lessard Inc.**	Dorval, QC
Inland Glass & Aluminum Ltd. / Aluminum Curtainwall Systems Inc.*	Kamloops, B.C.
Noram Enterprises Inc.**	Mississauga, ON
Oldcastle Building Envelope Canada Inc.*	Concord, ON
Phoenix Glass Inc.**	Delta, B.C.
Primeline Window and Doors Inc.**	Toronto, ON
Quest Window Systems Inc.**	Mississauga, ON
Sky Window Technologies Inc.	Toronto, ON
Sotawall Limited (now Harmon Facades ULC)*	Brampton, ON
Starline Windows Ltd.*	Surrey, B.C.
State Window Corporation*	Vaughan, ON
Toro Aluminum / Toro Glasswall Inc*	Concord, ON
Transit Glass and Aluminum Ltd.**	Kanata, ON
Verval Ltd.**	Hull, QC

* Complainant

**Supporting Producer

[37] At the time of the original investigation, the CBSA was satisfied that the complainants accounted for a major proportion of domestic production of like goods and that the complainants and the supporting producers collectively represented a large majority of the total domestic production of like goods. This CBSA is satisfied that this situation remains the same.

[38] As mentioned, responses to the Canadian producers ERQ were received from the eight following producers:

Inland Glass & Aluminum Ltd. / Aluminum Curtainwall Systems Inc.

[39] Inland Glass & Aluminum Ltd. (IGA), of Kamloops, British Columbia, has been producing custom architectural aluminum unitized curtain wall products since its incorporation on January 21, 1974. The firm operates within both Canada and the United States. IGA's products generally comprise of custom unitized curtain wall modules but the company offers a larger range of other products, including: aluminum stick system (site glazed), skylights, sunshades, storefronts/entrances and windows.¹⁰

BVGlazing Systems Ltd.

[40] BVGlazing Systems Ltd. (BVG) was founded in 1958. Their window wall and curtain wall production facilities are located in Concord and Niagara Falls, Ontario, with regional offices in British Columbia and Cornwall, New York. The company sells UWM to customers across Canada and the United States.¹¹

Flynn Canada Ltd.

[41] Flynn Canada Ltd. (Flynn), of Mississauga, Ontario, is a privately-owned company that originated as a Winnipeg based roofing company, incorporated in 1978. Growth and expansion through various acquisitions has led the company to become a total building envelope contractor. UWM production, marketing and installation was added to the company's offering in 2006. Flynn produces UWM at its production facility in Surrey, British Columbia.¹²

Harmon Facades ULC

[42] Harmon Facades ULC (Harmon Canada) operates Sotawall Inc.'s former facilities in Brampton, Ontario. Harmon Canada manufactures unitized curtain walls for multi-story buildings in Canadian and the United States. Harmon Canada also provides preconstruction, engineering, design and installation services, whether directly or through affiliated companies.¹³

¹⁰ Exhibit 14 (NC) – Response to ERQ from IGA, Q9

¹¹ Exhibit 16 (NC) – Response to ERQ from BVGlazing Systems Ltd., Q9

¹² Exhibit 18 (NC) – Response to ERQ from Flynn Canada Ltd., Q9

¹³ Exhibit 20 (NC) – Response to ERQ from Harmon Canada, Q9

Quest Window Systems Inc.

[43] Quest Window Systems Inc. (Quest), a producer based in Mississauga, Ontario, has manufactured window walls since 2000. The company was founded as a window and glass products manufacturer catering to hi-rise condominium developers and constructors in Canada. In 2017, Quest was purchased by Exchange Income Corporation, of Winnipeg, Manitoba.¹⁴

Starline Windows Ltd.

[44] Starline Windows Ltd. (Starline) was incorporated in 2001 in British Columbia. From its inception, Starline has manufactured UWM's for the hi-rise market in Western Canada and the Western United States.¹⁵

State Window Corporation

[45] State Window Corporation (State Window), of Vaughan, Ontario, was incorporated on July 15, 2002. The company began producing unitized window walls in 2006. The company mainly supplies to and installs for domestic clients, but has also supplied goods to the United States. The company also shares facilities with a related entity from which it receives sealed glass units in relation to the manufacturing of its window wall.¹⁶

Toro Aluminum / Toro Glasswall Inc.

[46] Toro Aluminum / Toro Glasswall Inc. (Toro) produces UWM from its facilities in Concord and Vaughan, Ontario. Established in 1979, Toro Aluminum has become the window wall and door supplier for high-rise condominiums, office buildings and hotels across Canada and the United States. Established in 2008, Toro Glasswall has become the curtain wall supplier for high-rise condominiums, office buildings and hotels across Canada and the United States.¹⁷

¹⁴ Exhibit 22 (NC) – Response to ERQ from Quest Window Systems Inc., Q. 8, 9

¹⁵ Exhibit 24 (NC) – Response to ERQ from Starline Windows Ltd., Q9

¹⁶ Exhibit 26 (NC) – Response to ERQ from State Window Corporation, Q9

¹⁷ Exhibit 28 (NC) – Response to ERQ from Toro Aluminum and Toro Glasswall Inc., Q9

CANADIAN MARKET

[47] The apparent Canadian market for UWM over the POR, which includes Canadian production, is indicated in **Table 2** below.

Table 2 : Apparent Canadian Market for UWM*
(Value as a percentage)

	2021	2022	2023	2024 (Jan 1 – Mar 31)
Canadian Production**	71.7%	68.3%	73.4%	71.4%
China	0.0%	0.0%	0.0%***	0.0%
Other Countries	28.3%	31.7%	26.6%	28.6%
Total Imports	28.3%	31.7%	26.6%	28.6%

*The CBSA is unable to provide the total apparent Canadian market figures in terms of volume as the information is not available in a consistent unit of measurement (i.e. data is reported in area, weight, number of units, etc.).

** The consensus among the respondents is that the “Coalition of Canadian UWM producers” (i.e. Contract Glaziers, IGA, BVG, Flynn, Harmon Canada, Quest, Starline, State Window, and Toro) collectively held the majority of the Canadian market for UWM between January 1, 2021 and March 31, 2024. The CBSA therefore used the respondent’s data to estimate the other producers’ sales.

*** This amount appears as 0.0% due to rounding.

[48] As shown in **Table 2**, the Canadian producers’ share of the apparent market decreased from 2021 to 2022. However, from 2022 to 2023, their market share exceeded 2021 levels. Additionally, their apparent market share remained approximately the same in the first quarter of 2024 as their apparent market share in 2021.

[49] During the POR, no subject goods were present in the Canadian market until 2023. During 2023, imports of subject goods from China represented less than 1% of total imports. Further, no subject goods were imported in the first quarter of 2024.

ENFORCEMENT DATA

[50] In the enforcement of the CITT’s order during the POR, as detailed in **Table 3** below, the CBSA assessed a total amount of anti-dumping and countervailing duties of \$68,937 on subject imports from China. The total value for duty of subject imports during the POR from China was approximately \$766. As a percentage of the total value for duty, the combined anti-dumping and countervailing duties assessed during the POR were equal to 8999.6%.

**Table 3: SIMA Duties Assessed During the POR
(Value in \$)¹⁸**

Country	2021	2022	2023	2024 (Jan 1 – Mar 31)
China	0	0	68,937 ¹⁹	0

PARTIES TO THE PROCEEDINGS

[51] On May 14, 2024, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to known Canadian producers, importers and exporters of UWM, as well as to the Government of China (GOC).

[52] The ERQs requested information relevant to the CBSA’s consideration of the expiry review factors, as listed in subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR).

[53] Eight Canadian producers: IGA, BVG, Flynn, Harmon Canada, Quest, Starline, State Window and Toro, participated in the expiry review investigation and responded to the ERQ. Additional documents were also filed on behalf of the Canadian producers prior to the closing of the record.

[54] A case brief was received from counsel on behalf of the Canadian producers in support of its position that continued or resumed dumping and subsidizing of UWM from China is likely if the CITT’s order expires.

[55] No case briefs or reply submissions were received from importers, exporters or the GOC.

¹⁸ Exhibit 001 (PRO) – CBSA import and compliance statistics – day 1

¹⁹ Exhibit 030 (PRO) – CBSA import and compliance statistics – day 50 listed SIMA duties of \$0. Refer to Exhibit 001 (PRO) – CBSA import and compliance statistics – day 1 for SIMA duties assessed.

INFORMATION CONSIDERED BY THE CBSA

Administrative Record

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

[57] For purposes of an expiry review investigation, the CBSA sets a date after which no new information submitted by interested parties will 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" and is set to allow participants time to prepare their case briefs and reply submissions based on the information that is on the administrative record as of the closing of the record date. For this investigation, the administrative record closed on July 3, 2024.

Procedural Issues

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

- a. the nature, relevance, materiality and volume of the information;
- b. the difficulties encountered by the participant in obtaining or submitting the information by the date specified (for example, the availability of the information or emergence of new or unforeseen issues);
- c. whether the information can reasonably be taken into consideration by the CBSA for purposes of the proceedings including whether there is sufficient time to verify the information;
- d. whether other parties are likely to be prejudiced if the information is used (for example, the opportunity for other participants to respond to the information);
- e. whether acceptance of the information would compromise the ability of the CBSA to conduct the proceedings expeditiously; and
- f. any other factors that are relevant in the circumstances.

[59] On July 12, 2024, the Canadian producers submitted a revision of their close of record documents as an incorrect file had been inadvertently attached to the document “United States Department of Commerce, Issues and Decision Memorandum for the Final Results of the 2022 Expedited Second Sunset Review of the Antidumping Duty Order on Aluminum Extrusions from the People’s Republic of China”. The revised version contained the correct attachment. The information was considered relevant and could easily be taken into consideration without compromising the timelines of the process. As such, the CBSA accepted the information.²⁰

[60] Furthermore, on August 6, 2024, the CBSA reopened the record to revise the import and compliance statistics - day 50 (exhibit 030 and 031) and provided the opportunity for interested parties to file case briefs by August 13, 2024 and reply submissions by August 20, 2024, with respect to the revised data only. The CBSA received a case brief from the Canadian producers in regards to the new exhibit.

POSITION OF THE PARTIES – DUMPING

Parties Contending that Continued or Resumed Dumping is Likely

[61] The participating Canadian producers made representations in their ERQ responses and in their case briefs supporting their position that dumping of UWM from China is likely to continue or resume should the CITT’s order expire. Therefore, they argued that the anti-dumping measures should remain in place.

[62] The main arguments made by the Canadian producers can be summarized as follows:

- Weakening Market Conditions in China
- Large Production Capacity in China
- Attractiveness of the Canadian Market
- Unwillingness and Inability for Chinese Exporters to Compete at Fairly Traded Prices
- Measures in Other Jurisdictions Likely to Lead to Diversion

²⁰ Exhibit 029 (NC) – Close of record - attachments the Canadian producers

Weakening Market Conditions in China

[63] The Canadian producers alleged that there are indications that the Chinese market for UWM is being impacted by the contraction occurring in China's residential and commercial construction sectors.²¹ The Canadian producers pointed to the weakening of the Chinese construction market due to numerous factors including, decreased economic growth²² and high office vacancy rates.²³ The Canadian producers also provided evidence of a slowdown in construction of commercial and residential buildings in China.²⁴

[64] The Canadian producers argued that since production and installation of UWM follows after a structure is created, meaning orders are placed far in advance of delivery, the current state of the construction industry in China will impact UWM production in 2025 and 2026.²⁵

[65] The Canadian producers referred to the annual reports of a number of Chinese UWM producers which discussed the challenging environment in the domestic market, fierce and intense competition as well as insufficient demand.²⁶

[66] The Canadian producers stated that one of the results of this downturn is that Chinese UWM producers are increasingly looking to export markets to absorb Chinese UWM production, which increases the likelihood that Chinese UWM exporters will resume exporting dumped UWMs to Canada if the CITT's order expires.²⁷

Large Production Capacity in China

[67] The Canadian producers argued that China has tremendous production capacity that is significantly larger than the Canadian market.²⁸ The Canadian producers submitted that there are 13 producers with a combined 23.5 million m² of publicly reported capacity. This amount is greater than the Canadian producers' production capacity and the domestic sales of the Canadian producers in 2023.²⁹

[68] The Canadian producers further argued that the evidence suggests that one Chinese producer, Shenyang Yuanda Aluminum Industry Engineering Co., Ltd. (Yuanda Holdings), who has a production capacity of 13 million m², could take the entire Canadian producers' market share with just a small portion of its capacity.³⁰ Additionally, the Canadian producers alleged that evidence suggests that there are at least 200 other UWM producers in China.³¹

²¹ Exhibit 033 (NC) – Case Briefs of Canadian Producers, para. 59

²² *Ibid.*, para. 61

²³ *Ibid.*, para. 66

²⁴ *Ibid.*, paras. 62-65

²⁵ *Ibid.*, para. 76

²⁶ *Ibid.*, paras. 68-72

²⁷ *Ibid.*, para. 59

²⁸ *Ibid.*, para. 86

²⁹ *Ibid.*

³⁰ *Ibid.*, para. 87

³¹ *Ibid.*, para. 86

[69] The Canadian producers maintained that the existing substantial production capacity in the Chinese market, combined with weakening domestic demand for UWM in China, will push Chinese producers to increase sales to their export markets, including to Canada, in order to maintain production.³² Consequently, this increases the likelihood that UWM exports to Canada will continue or resumed to be dumped if the CITT's order expires.

Attractiveness of the Canadian Market

[70] The Canadian producers contended that the Canadian market is very attractive to Chinese producers.³³ The Canadian producers argued that the Canadian market is stable and has a construction industry that is resilient to large fluctuations and supported by an impartial judicial system that enforces contracts.³⁴

[71] The Canadian producers stated that Chinese producers already have knowledge of the Canadian market as prior to the finding, the Chinese producers had obtained a significant volume of contracts from Canadian importers.³⁵ Further, they argued that the existing aluminum extrusions order in the United States, whose scope includes the aluminum extrusions that form part of UWM, could result in diversions to Canada.³⁶ Furthermore, the order demonstrates the Chinese UWM producers' interest in the North American market since there would be no need for trade remedies if there were no exports to the United States.

[72] As such, the Canadian producers maintained, should the CITT's order expire, the attractiveness of the Canadian market will result in the resumed dumping of UWM.

Unwillingness and Inability for Chinese Exporters to Compete at Fairly Traded Prices

[73] The Canadian producers alleged that since subject goods have mostly been absent from the Canadian market over the POR but imports from other unnamed countries were significant during the same period, two conclusions can be drawn.

[74] First, there is demand for imported UWM in Canada. Although the Canadian producers have excess production capacity, imports have remained present in the market since they tend to undercut domestic prices.³⁷

[75] Second, UWM producers from China refuse to compete in Canada at fairly traded prices. The Canadian producers referred to the recent expiry review concerning cold-rolled steel, in which the CBSA concluded that a lack of cold-rolled steel imports from countries subject to that finding supported a likelihood of resumed dumping. The reasoning was that if producers were interested in competing at non-dumped prices, they would have sought normal values.³⁸ The Canadian producers argued that the same logic should apply in this case.

³² *Ibid.*, para. 96

³³ *Ibid.*, para. 106

³⁴ *Ibid.*, para. 110

³⁵ *Ibid.*, para. 109

³⁶ *Ibid.*, para. 136

³⁷ *Ibid.*, para. 119

³⁸ *Ibid.*, para. 120

[76] The Canadian producers concluded that the Chinese subject good producers' refusal to compete in Canada at or above normal values is indicative of their strategy to sell UWM at dumped prices that undercut those of imports from other countries and the domestic UWM industry in Canada.³⁹ As such, the Canadian producers asserted that Chinese producers will resume exporting UWM to Canada at dumped prices if the CITT's order expires.

Measures in Other Jurisdictions Likely to Lead to Diversion

[77] The Canadian producers maintained that trade measures in other jurisdictions against aluminum extrusions from China will result in the diversion of dumped UWM to Canada.

[78] The Canadian producers noted that the United States' dumping and subsidy orders against aluminum extrusions from China applies to aluminum extrusions used in UWM, and that this order was continued following a sunset review in 2022.⁴⁰ The producers also stated that the United States' tariff on aluminum under Section 232 of the *Trade Expansion Act of 1962*, which also applies to aluminum extrusions, will push Chinese producers to export finished goods made from aluminum extrusions, such as UWM, rather than extrusions themselves, affecting UWM prices in Canada.⁴¹

[79] Further, they noted that in May 2024, the United States announced increases to its Section 301 tariffs on imports of Chinese aluminum products, including aluminum extrusions. The tariffs increased from between 0% and 7.5% to 25% as of August 1, 2024.⁴²

[80] The Canadian producers also listed several other UWM related trade remedies against China from Australia, Colombia, the European Union and Trinidad and Tobago.⁴³ The Canadian producers stated that many of the trade remedies are against aluminum extrusions, which will pressure the Chinese industry to offload them indirectly by incorporating them into downstream products, such as UWM.⁴⁴

Parties Contending that Continued or Resumed Dumping is Unlikely

[81] None of the parties contended that resumed or continued dumping of subject goods from China is unlikely if the CITT's order expires.

³⁹ *Ibid.*, para. 121

⁴⁰ *Ibid.*, para. 135

⁴¹ *Ibid.*, para. 138

⁴² *Ibid.*, para. 139

⁴³ *Ibid.*, para. 137

⁴⁴ *Ibid.*

CONSIDERATION AND ANALYSIS – DUMPING

[82] 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 factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant in the circumstances.

[83] Guided by these aforementioned factors, the CBSA conducted its review based on the documentation submitted by the various participants and its own research, all of which can be found on the administrative record. The following list represents a summary of the CBSA's analysis conducted in this expiry review investigation with respect to dumping:

- Weakening Market Conditions in China
- Oversupply in China
- Chinese Producers are Increasingly Export-focused
- Attractiveness of the Canadian Market to Chinese Producers
- Propensity of Chinese Exporters to Undercut Canadian Prices

Weakening Market Conditions in China

[84] The UWM industry depends heavily on the performance of the construction industry and the real estate market. During the POR, China experienced a significant downturn in its construction market. According to the National Bureau of Statistics of China, from 2022 to 2024, China's residential and commercial building construction starts experienced significant year-over-year declines.⁴⁵ In 2022, new starts for residential buildings were down 39.8%, while office buildings were down 39.1% and other commercial construction was down 41.9%, compared to 2021. In 2023, new starts for residential buildings were down 20.9%, office buildings were down 18.5%, and other commercial construction was down 20.4%, compared to 2022. From January to May 2024, new starts for residential buildings were down by 25%, office buildings were down 24.9%, and other commercial construction was down 27%, over the same period in 2023.⁴⁶ The IMF reported that by the end of 2023, residential construction starts in China were down by almost 60% compared to 2020.⁴⁷ Other evidence on the record shows China's residential construction starts fell from 1,464 million m² in 2021 to 877 million m² in 2022 and 693 million m² in 2023.⁴⁸

⁴⁵ *Ibid.*, para. 6

⁴⁶ *Ibid.*, para. 65

⁴⁷ *Ibid.*, para. 62

⁴⁸ *Ibid.*, para. 64

[85] The slowdown in the construction and real estate market and its negative impact on the Chinese UWM market resulted in poor financial results for several Chinese UWM producers.⁴⁹ Hainan Development Holdings Nanhai Co., Ltd.'s (Hainan) earnings before income tax were negative in four of the six years over the period of 2018 to 2023.⁵⁰ Hainan also had to file for bankruptcy on behalf of one of its Chinese curtain wall subsidiaries according to its 2022 annual report.⁵¹ Further, Yuanda China Holdings Limited (Yuanda) also experienced significant net income losses in 2020 and 2021 and marginal net income in 2022 and 2023. Over the period of 2020 to 2023, Yuanda incurred a net income loss of 12%.⁵²

[86] The information on the record demonstrates that China's economy is currently slowing down. Given the weak domestic demand for UWM, Chinese producers will need to find opportunities overseas to sell their goods. As a result, this increases the likelihood of resumed or continued dumping of UWM into Canada if the order expires.

Oversupply in China

[87] Specific supply and demand data for the Chinese UWM market is limited. Nevertheless, evidence on the record suggests that the Chinese curtain wall industry expanded significantly in the recent past (pre-2022), both in terms of demand for UWM and in terms of output. However, currently, the Chinese curtain wall industry, which is characterized as being highly fragmented with fierce domestic competition, is currently operating in a weakening construction market, with evidence of an oversupply condition.

[88] Evidence on the record suggests that total production of curtain walls in China has risen from 140 million m² in 2015 to just over 195 million m² in 2021, although, it dropped to approximately 182.5 million m² in 2022⁵³, it then increased 15% to 209.1 million m² in 2023.⁵⁴ This equates to a 49% increase in Chinese production between 2015 and 2023.

[89] Information on the record demonstrates that there are 13 Chinese UWM producers with a combined capacity of nearly 23.5 million m².⁵⁵ Although a portion of that capacity may be used for non-subject goods, such as stick systems, the capacity to produce UWM remains substantial. Out of these producers, four have production capacity in excess of the entire Canadian market. For example, as stated above, if Yuanda exported a small portion of their production capacity, they could take the Canadian producers' entire market share. Additionally, China Fangda Group's production capacity of 5 million m² is larger than all of the Canadian producers' 2023 domestic sales. Further, Anhui New Horizon Doors, Windows and Curtain Wall Engineering Co., Ltd., which reports a production capacity of 2 million m², is also significantly larger than the size of the Canadian producers' 2023 domestic sales. Lastly, Shandong Huada Doors, Windows and Curtain Wall Co., Ltd. has a production capacity of 1.5 million m², which is also larger than the size of the Canadian producers' 2023 domestic sales.

⁴⁹ *Ibid.*, para. 73

⁵⁰ *Ibid.*, para. 74

⁵¹ *Ibid.*

⁵² *Ibid.*, para. 75

⁵³ *Ibid.*, para. 93

⁵⁴ Exhibit 012 (NC) – Articles, reports and CBSA research, Attachment 013, page 7

⁵⁵ Exhibit 033 (NC) – Case Briefs of Canadian Producers, para. 84

[90] The Chinese curtain wall industry is known to be fragmented and highly competitive. According to the CITT, at the time of the finding, there were allegedly as many as 200 producers of UWM in China.⁵⁶ During the POR, several Chinese unitized curtain wall producers described the competition in China's UWM market as fierce⁵⁷, intense⁵⁸ and challenging.⁵⁹

[91] With UWM producers increasing capacity in recent years and facing high domestic competition, causing them to have reduced UWM sales domestically, it is clear that Canada will be on the radar as a potential market. There will be pressure on the Chinese UWM producers to maintain capacity utilization rates. To achieve this, they will need to increase exports. All of these factors together increases the likelihood of continued or resumed dumping of UWM into Canada, should the CITT's order expire.

Chinese Producers are Increasingly Export-focused

[92] Evidence demonstrates that Chinese UWM producers are increasingly turning to the export market to cope with their domestic market difficulties.

[93] For example, Jangho Group Co., Ltd. ("Jangho") identified foreign sales as a key objective in its 2023 annual report. In particular, Jangho listed the export of curtain wall to America as a target.⁶⁰ Furthermore, China Fangda Group indicated that they would increase efforts in exploring overseas markets in order to address domestic market competition risks. In its 2023 annual report, they attributed year-over-year growth in newly secured orders to the company's expansion in overseas sales.⁶¹

[94] Similarly, Yuanda made significant year-on-year gains in its export business in 2023 as overseas contracts increased from approximately 30% of its newly awarded projects in 2022 to 54% in 2023. Since Yuanda generated more revenue from export sales than domestic sales in 2021, 2022 and 2023, this additional growth in overseas markets demonstrates that Yuanda is focusing more and more on export markets.⁶²

[95] Likewise, Hainan stated that they aimed to expand its overseas market in its 2022 annual report.⁶³

[96] Given Chinese UWM producers' export orientation due to high domestic market competition risks, if the CITT's order expires, there is an increased likelihood that UWM from China would continue or resumed to be sold into Canada at dumped prices.

⁵⁶ *Ibid.*, para. 86

⁵⁷ *Ibid.*, paras. 68, 72

⁵⁸ *Ibid.*, paras. 70, 71

⁵⁹ *Ibid.*, paras. 69, 72

⁶⁰ *Ibid.*, para. 78

⁶¹ *Ibid.*, para. 79

⁶² *Ibid.*, para. 80

⁶³ *Ibid.*, para. 81

Attractiveness of the Canadian Market to Chinese Producers

[97] Since significant volumes of contracts were obtained by Chinese UWM exporters offering UWM at dumped prices prior to the finding being put in place, the CBSA believes that several Chinese UWM producers would be able to quickly re-enter the Canadian market if the order expired as they already have market knowledge and had previously established a strong foothold.⁶⁴

[98] Additionally, with Chinese UWM producers increasingly turning to export markets, if the order were to expire, they would be provided with a new market that they have been unable to penetrate by selling UWM at dumped prices.⁶⁵

[99] Despite UWM demand in Canada being soft, the evidence supports that the Canadian market would be attractive to Chinese UWM producers if the order expires, increasing the likelihood of continued or resumed dumping of UWM into Canada.

Propensity of Chinese Exporters to Undercut Canadian Prices

[100] In the original UWM inquiry, the CITT acknowledged that while UWM are not commodities, price is nonetheless of considerable importance. As stated by the CITT, “[l]ate delivery poses a significant risk to general contractors as purchasers of UWM, having regards to the financial penalties that they may incur, should the project fall behind schedule, and the potential damage to the general contractor’s reputation.”⁶⁶ Nevertheless, although the domestic industry has a significant advantage in delivery time,⁶⁷ many purchasers seemed willing to assume this risk (i.e. of importing from abroad) if a price quotation is low enough.⁶⁸ On this matter, the Canadian producers argued that the major determining factor between bids is price, but that contractors and owners will consider the risk associated with delivery or quality.⁶⁹ The CITT estimated that the lower risk associated with sourcing domestically allowed like goods to command a risk mitigation premium over the price of the subject goods.⁷⁰ The CITT also noted the significance of the price undercutting of subject goods, which ranged, at the time, between 38% and 49% for unitized curtain wall modules and between 16% and 28% for unitized window wall modules.⁷¹

⁶⁴ *Ibid.*, para. 109

⁶⁵ *Ibid.*, para. 114

⁶⁶ CITT Order and Reasons – UWM; November 27, 2013 – CITT; <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353569/index.do>; para. 74

⁶⁷ *Ibid.*, para. 73

⁶⁸ *Ibid.*, para. 75

⁶⁹ Exhibit 033 (NC) – Case Briefs of Canadian Producers, para. 31

⁷⁰ CITT Order and Reasons – UWM; November 27, 2013 – CITT; <https://decisions.citt-tcce.gc.ca/citt-tcce/a/en/item/353569/index.do>; para. 76

⁷¹ *Ibid.*, para. 79

[101] The CBSA believes that the risk involved with supplying UWM from China remains the same as it was at the time of the original investigation, and that for this reason, a Chinese supplier is likely to be selected to supply UWM only if the price is sufficiently low to justify the added risk. During the period of investigation for the original investigation, a time when market conditions in China for UWM were much stronger than they are today, the CBSA determined margins of dumping ranging between 15.7% and 49.3% for the two cooperating exporters. Considering the weakening market conditions in China and the increasing oversupply in that market, the CBSA expects that Chinese UWM producers are likely to undercut Canadian producers by significant margins in order to re-enter the market and re-gain market share. The CBSA believes that Chinese UWM producers are likely to export UWM to Canada at prices that are insufficient to recover their full cost plus a reasonable amount for profit, and hence at a dumped price. If they were able to sell at un-dumped prices, they would have sought normal values during the POR.

[102] Evidence on the record also suggests that the magnitude of UWM production capacity in China is such that a significant volume of dumped UWM is likely to be exported to Canada if the order expires.

[103] Given Chinese UWM producers' propensity to undercut Canadian prices, if the CITT's order expires, there is an increased likelihood that UWM from China would continue or resumed to be sold into Canada at dumped prices.

Determination regarding likelihood of continued or resumed dumping

[104] Based on the information on the administrative record in respect of : the weakening UWM market conditions in China; the oversupply in China; the increasing export orientation of Chinese producers; the attractiveness of the Canadian market to Chinese producers; and the propensity of Chinese exporters to undercut Canadian prices, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of dumping of UWM from China.

POSITION OF THE PARTIES - SUBSIDIZING

Parties Contending that Continued or Resumed Subsidizing is Likely

[105] The participating Canadian producers made representations in their ERQ responses and in their case briefs supporting their position that subsidizing of UWM from China is likely to continue or resume should the CITT's order expire. Therefore, they argued that the countervailing measures should remain in place.

[106] The main arguments made by the Canadian producers can be summarized as follows:

- Incompleteness of China's WTO Notifications
- General Subsidies for UWM
- Pass-through Subsidies from Aluminum Extrusions
- Countervailable Subsidies Received by UWM Producers
- New Countervailable Subsidies

Incompleteness of China's WTO Notifications

[107] The Canadian producers submitted that China filed an incomplete subsidy notification with the WTO in July 2023. To support that allegation, the Canadian producers referred to a February 2024 report to US Congress by the US Trade Representative (USTR) which found that China has continued to lack transparency when reporting on its extensive industrial subsidy program, which the USTR alleged consisted of thousands of subsidy programs.⁷²

[108] The Canadian producers stated that while the 2023 subsidy notification by China is presumed to be incomplete, it does report extensive subsidies, including many that may be available to UWM producers. The Canadian producers provided a list of 41 examples in their case brief.⁷³

[109] The Canadian producers alleged that the subsidies listed in the notification, in combination with the well-founded presumption that the notification is incomplete, increase the likelihood that UWM from China continue to benefit from countervailable subsidies and that the expiration of the order will result in the resumed export of subsidized UWM to Canada.

General Subsidies for UWM

[110] The Canadian producers alleged that Chinese UWM producers remain subsidized. The Canadian producers argued that there is no indication that the programs identified by the CBSA in 2013 have ceased, and believe that they are likely receiving even greater subsidies.⁷⁴

⁷² Exhibit 033 (NC) – Case Briefs of Canadian Producers, para. 144

⁷³ *Ibid.*, para. 145

⁷⁴ *Ibid.*, para. 153

[111] The Canadian producers noted that the GOC’s 14th 5-year plan for Economic and Social Development, which was issued in 2021, contains several policies and objectives that are likely to benefit Chinese UWM producers. Under the plan, the GOC has committed to subsidizing infrastructure construction for cities that have received an influx of people relocating from rural areas. They have also committed to direct, manage and control urban development including construction.⁷⁵ The plan also includes a chapter on “strengthening manufacturing” where it states that the GOC will, as part of implementing upgrades in the manufacturing sector, “adjust the structure of ... building material ... industries”, which could include UWM production.⁷⁶ Parts of the plan also identify the promotion of eco-friendly building materials and green development as a policy objective. The Canadian producers claim that this likely means additional grants and programs are being directed toward China’s UWM industry.⁷⁷ The Canadian producers also referred to the GOC’s “Made in China 2025” programs as one example of wide-scale government subsidization of important industries. The Canadian producers indicated that estimates put subsidies under this program in the vicinity of 750 billion dollars.⁷⁸

[112] The Canadian producers pointed out several examples of continued subsidization of manufacturing industries in China and contended that many of the subsidies are available to UWM producers and exporters. They referenced several recent subsidy investigations by the CBSA. They noted that in *Wind Towers*, it was found that three responding exporters received countervailable benefits from a total of 27 subsidy programs, while another 24 programs were found to be potentially actionable. In *Mattresses*, cooperative exporters were determined to have benefitted from 24 countervailable subsidy programs with an additional 11 programs determined to have been potentially countervailable. In *Container Chassis*, 42 countervailable programs were found to have benefitted cooperative exporters with 23 more programs determined to have been potentially countervailable. Lastly, in *Upholstered Domestic Seating*, cooperative exporters received countervailable benefits from 36 programs while another 11 programs were determined to have been potentially countervailable.⁷⁹

[113] Thus, Canadian producers argued that this evidence shows that if the CITT’s order expires, UWM exported to Canada from China will resume or continue to be subsidized.

Pass-through Subsidies from Aluminum Extrusions

[114] The Canadian producers noted that in the CBSA’s original investigation and first expiry review of UWM, it was determined that Chinese manufacturers received pass-through subsidies that benefited primary aluminum and aluminum extrusions. They contended that this continues to be the case.⁸⁰

⁷⁵ *Ibid.*, para. 150

⁷⁶ *Ibid.*, para. 151

⁷⁷ *Ibid.*, para. 152

⁷⁸ *Ibid.*, para. 158

⁷⁹ *Ibid.*, paras. 162-166

⁸⁰ *Ibid.*, para. 168

[115] The Canadian producers noted that in the last expiry review for aluminum extrusions from China, it was purported that China greatly subsidized their primary aluminum industry through energy, financial and tax benefits. The CBSA found that these subsidies for primary aluminum were determined to be passed down to aluminum extrusion producers. Additionally, aluminum extruders were also confirmed to be receiving subsidies. As such, the CBSA determined that the expiry of the aluminum extrusions measures would result in the resumed or continued export of subsidized aluminum extrusions to Canada.⁸¹

[116] The Canadian producers stated that since aluminum extrusions are a significant input cost for UWM, when UWM producers purchase subsidized aluminum extrusions at low prices, they indirectly receive pass-through subsidies for UWM production.⁸²

[117] As such, given the subsidization of aluminum extrusions, the Canadian producers contended if the order expires, there is an increased likelihood that UWM from China will resume or continue to be subsidized through pass-through subsidies.

Countervailable Subsidies Received by UWM Producers

[118] The Canadian producers argued that Yuanda reported receiving grants of approximately 10 million RMB in 2023, according to the company's annual report.⁸³ Likewise, the Canadian producers noted that Jangho received at least 70 million RMB in government grants over the POR.⁸⁴ Although Jangho's business also includes production of non-subject goods, the Canadian producers believe that some of the grants are likely attributable to UWM production since the CBSA found that Jangho received countervailable subsidies in the original investigation.⁸⁵ Further, the Canadian producers highlighted that China Fangda Group reported receiving 38 million RMB in government grants in 2022 and 2023,⁸⁶ while Hainan received close to 17 million RMB in government grants over the POR.⁸⁷

[119] Thus, the Canadian producers argued that the evidence above shows that if the CITT's order expires, UWM from China will resume or continue to be subsidized.

New Countervailable Subsidies

[120] The Canadian producers argued that the GOC has introduced new subsidy programs aimed at providing support to the country's property sector in 2024. They referred to an article in China Daily where four programs in particular were listed:

⁸¹ *Ibid.*, paras. 170-171

⁸² *Ibid.*, para. 179

⁸³ *Ibid.*, para. 181

⁸⁴ *Ibid.*, para. 182

⁸⁵ *Ibid.*

⁸⁶ *Ibid.*, para. 183

⁸⁷ *Ibid.*, para. 184

1. White List Program: The GOC is providing financing assistance in the form of preferential loans for eligible real estate projects in 297 cities across China. As of May 16, 2024, commercial banks in China approved loans to eligible real estate projects at 935 billion RMB (132 billion USD).
2. Lower Housing Mortgage Payments: The GOC is lowering the minimum down payment ratios for commercial housing mortgages and affording buyers reduced interest payments on their mortgages.
3. Reduce Purchase and Sale Restrictions: Removing restrictions regarding the eligibility and quantity of properties an individual or entity is eligible to purchase.
4. Conversion of Commercial Buildings to Affordable Housing: Local governments are utilizing state-owned enterprises to purchase commercial homes to convert to government-subsidized housing. China's central bank plans to establish a 300 billion RMB re-lending facility for this program which is expected to generate banking loans totaling 500 billion RMB.

[121] Further, the Canadian producers noted that the Communist Party of China also announced in May 2024 that it had plans to implement “urban renewal” projects. The project aims to provide countervailable subsidies in the range of 800 million to 1.2 billion RMB to each city for construction upgrades including the “replacement of exterior windows” for existing public buildings and spaces.⁸⁸

[122] The Canadian producers contended that these additional subsidy programs demonstrate the continued propensity of the GOC to provide countervailable subsidies to the UWM sector and support the likelihood that Chinese UWM exported to Canada will be subsidized if the order expires.

Parties Contending that Continued or Resumed Subsidizing is Unlikely

[123] None of the parties contended that resumed or continued subsidizing of subject goods from China is unlikely if the order expires.

CONSIDERATION AND ANALYSIS – SUBSIDIZING

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

[125] Guided by these aforementioned factors, the CBSA conducted its review based on the documentation submitted by the various participants and its own research, all of which can be found on the administrative record. The following list represents a summary of the CBSA's analysis conducted in this expiry review investigation with respect to subsidy:

⁸⁸ *Ibid.*, para. 189

- The Continued Availability of Subsidy Programs for UWM Exporters in China
- Subsidizing of Primary Aluminum in China and Other Government Intervention
- Countervailing Measures Against Chinese Aluminum Products in Canada and in Other Jurisdictions

The Continued Availability of Subsidy Programs for UWM Exporters in China

[126] At the time of the initiation of the original subsidy investigation in 2013, the CBSA had identified 180 subsidy programs to be investigated. During that investigation, the CBSA found that 33 of the identified programs had conferred benefits to at least one of the two cooperative exporters; Guangzhou Jangho Curtain Wall System Engineering Co., Ltd. (Guangzhou Jangho) and associated companies as well as Shenyang Yuanda.⁸⁹

[127] The 33 programs which were found by the CBSA to be conferring benefits to the cooperating exporters included several direct subsidy programs, such as grants, preferential loans, and preferential tax programs and also pass-through subsidies from the purchase of aluminum extrusion.

[128] Despite the limited information with respect to current subsidy programs specifically applicable to UWM producers and exporters, especially due to the non-participation by the GOC in this expiry review investigation, information on the record provides evidence of the continued availability of subsidy programs for UWM exporters in China.

[129] As mentioned previously, public financial documents for four UWM manufacturers revealed that they received millions of RMB as subsidies in the form of grants over the POR. However, the total amount reported in their financial statements likely represents only a portion of the total amount of subsidy received during the POR. For instance, exporters may have received additional benefits from certain tariff and VAT refunds or exemptions and preferential loans. For example, Jangho’s annual report indicated that where the company received “policy-based preferential loan subsidies”, they would be recorded based on the cost of the loans.⁹⁰

[130] Additionally, their financial statements do not include the value of any subsidy passed-through from the purchase of aluminum extrusions and do not provide information as to the nature of the grants received, which could greatly impact the amount allocated. In addition, the amount of grants indicated in the financial statements does not include any subsidies received by other entities within their corporate structures, which could be allocable to subject and like goods.

[131] Thus, due to the continued availability of subsidy programs for UWM exporters in China, there is an increased likelihood that UWM exported from China to Canada will resume or continue to be subsidized, if the CITT’s order expires.

⁸⁹ CBSA – Statement of Reasons – Certain Wall Modules Originating in or Exported from China – Final Determination; <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/ad1399/ad1399-i13-fd-eng.html>; paras. 119, 121, 127 and Appendix 2

⁹⁰ Exhibit 033 (NC) – Case Briefs of Canadian Producers, para. 185

The Subsidizing of Primary Aluminum in China and Other Government Intervention

[132] The record contains evidence that the Chinese government continues to provide financial benefits to primary aluminum producers. For example, a report by the Organisation for Economic Co-operation and Development (OECD) studied subsidies provided to the world's 17 largest aluminum producers. It claimed that the top five recipients of subsidies (all Chinese firms) received 85% of the subsidies provided to the 17 companies.⁹¹ Also, it found that the majority of financial support was provided by state-owned enterprises in China to aluminum state-owned enterprises in China.⁹²

[133] In addition to directly subsidizing its aluminum industry, a report by the European Commission listed a number of instruments used by the GOC to control and influence its domestic aluminum industry.⁹³ Such instruments include restrictive export-related measures on bauxite, a key input in aluminum production, with the effect of increasing domestic supply and lowering its costs. The GOC also implemented intervention measures, with minimal effectiveness, to control aluminum production as the industry faces a serious issue with overcapacity. The report also noted that state-owned enterprises are representing an increased proportion of Chinese aluminum producers, accounting for more than 50% of primary aluminum output in China. There are also indications that China's various taxation policies are resulting in aluminum producers paying reduced tax rates and receiving tax rebates. Finally, the report also identified specific subsidies, in particular, the subsidizing of electricity, preferential financing and government provision of goods and services at less than fair value.⁹⁴

[134] As was the case at the time of the UWM investigation, subsidies provided to aluminum producers are likely passed-through to aluminum extrusion producers and ultimately, in full or in part, to UWM producers. Further, these measures discussed above demonstrate the importance that the GOC has placed on its aluminum industry and the higher-value-added downstream products, including aluminum extrusions and UWM. Thus, due to indirect or pass-through subsidies, if the CITT's order expire, there is an increased likelihood that UWM from China will resume or continue to be subsidized.

The Countervailing Measures Against Chinese Aluminum Products in Canada and in Other Jurisdictions

[135] The existence of countervailing measures in place in Canada, Australia, the European Union (EU) and in the United States concerning aluminum products from China reinforces the argument that Chinese UWM exporters/producers receive countervailable subsidies from the GOC, by way of pass-through subsidies, and that the GOC has continued to place a great deal of importance on its aluminum industry and subsidized it accordingly.

⁹¹ *Ibid.*, para. 175

⁹² *Ibid.*

⁹³ *Ibid.*, para. 176

⁹⁴ *Ibid.*, para. 177

[136] Currently, Canada has two countervailing measures in force against aluminum products from China – aluminum extrusions and photovoltaic modules and laminates (for which aluminum is an input).⁹⁵ The products that are subject to the Australian countervailing measures include aluminum extrusions and aluminum zinc coated steel.⁹⁶ The EU's has countervailing measures against aluminum foil.⁹⁷ Finally, the products that are subject to the United States countervailing measures include: aluminum extrusions (including the aluminum extrusions that form part of UWM); aluminum lithographic printing plates; certain aluminum foil; common alloy aluminum sheet; aluminum wire and cable; crystalline silicone photovoltaic cells; and certain crystalline silicone photovoltaic products.⁹⁸

[137] In November 2022, in a sunset review of its countervailing order on aluminum extrusions from China originally issued on April 4, 2011, the United States Department of Commerce (US DOC) found that the revocation of its countervailing duty order on aluminum extrusions would likely lead to a continuation or recurrence of countervailable subsidies.⁹⁹ It is noted that the aluminum extrusions that form part of UWM are included within the scope of the United States' measures on aluminum extrusions. The US DOC found that 60 subsidy programs benefited Chinese extruders.¹⁰⁰

[138] In late 2023, the United States initiated a new subsidy investigation into aluminum extrusions from several countries, in which certain Chinese aluminum extrusions that fell outside the scope of the existing United States trade remedy were included. On March 11, 2024, the US DOC released its preliminary determination on countervailable subsidies. US DOC found 111 subsidy programs, 77 of which were reported by a Chinese aluminum extrusion producer.¹⁰¹

[139] In a review of its measures applying to aluminum extrusions, which concluded in October 2020, the Australian authorities found that cooperating exporters benefited from subsidies that had been granted under a total of 77 programs.¹⁰² The subsidy margins varied between 0% and 6.4% of the export price for cooperating exporters.¹⁰³

⁹⁵ CBSA – Measures in Force; <https://www.cbsa-asfc.gc.ca/sima-lmsi/mif-mev/menu-eng.html>

⁹⁶ WTO Semi-annual report under article 25.11 of the Agreement – Australia, G/SCM/N/422/AUS;

<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/SCM/N422AUS.pdf&Open=True>

⁹⁷ WTO Semi-annual report under article 25.11 of the Agreement – European Union, G/SCM/N/422/EU;

<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/SCM/N422EU.pdf&Open=True>

⁹⁸ WTO Semi-annual report under article 25.11 of the Agreement – United States of America, G/SCM/N/422/USA;

<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/SCM/N422USA.pdf&Open=True>

⁹⁹ Exhibit 029 (NC) – Close-of-Record Public Attachment 055: US DOC, Aluminum Extrusions From the People's Republic of China: Continuation of Antidumping Duty Order and Countervailing Duty Order, 87 FR 66128 (November 2, 2022)

¹⁰⁰ Exhibit 029 (NC) – Close-of-Record Public Attachment 054: US DOC: Issues and Decision Memorandum for the Final Results of the 2022 Expedited Sunset Review of the Countervailing Duty Order on Aluminum Extrusions from the People's Republic of China, C-570-968 (June 29, 2022) at 11, Attachment 2 (Note: Attachment 2 identifies 62 programs, but 2 were accepted as terminated)

¹⁰¹ Exhibit 033 (NC) – Case Briefs of Canadian Producers, para. 174

¹⁰² Exhibit 029 (NC) – Close-of-Record Public Attachment 077: Australia Anti-Dumping Commission, Anti-Dumping Notice No. 2020/103 (October 12, 2020)

¹⁰³ Exhibit 029 (NC) – Close-of-Record Public Attachment 078: Australia Anti-Dumping Commission, Report 543: Inquiry Into The Continuation Of Anti-Dumping And Countervailing Measures Applying To Aluminium Extrusions Exported To Australia From The People's Republic Of China (September 14, 2020), paras. 71-75

[140] Further, the Canadian, Australian and United States authorities have all determined that the subsidies to the aluminum extrusion producers/exporters included benefits from the provision of primary aluminum at less than adequate remuneration.

[141] As shown above, there are strong indications that the GOC will likely continue to subsidize its domestic UWM producers in the future, both directly and indirectly by subsidizing aluminum extrusion producers and/or the primary aluminum producers. As such, if the CITT's order expire, there is an increased likelihood that UWM from China will resume or continue to be subsidized.

Determination Regarding Likelihood of Continued or Resumed Subsidizing

[142] Based on the information on the record with respect to: the continued availability of subsidy programs for UWM exporters in China; the subsidizing of primary aluminum in China and other government intervention; and the countervailing measures against Chinese aluminum products in Canada and in other jurisdictions, the CBSA has determined that the expiry of the order is likely to result in the continuation or resumption of subsidization of UWM from China.

CONCLUSION

[143] 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 and considered any other factors relevant in the circumstances. Based on the foregoing analysis of pertinent factors and consideration of information on the record, on October 10, 2024, the CBSA made a determination pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the order made by the CITT on July 3, 2019, in Expiry Review No. RR-2018-002 in respect of UWM originating in or exported from China:

- i. is likely to result in the continuation or resumption of dumping of the goods from China; and
- ii. is likely to result in the continuation or resumption of subsidizing of the goods from China.

FUTURE ACTION

[144] The CITT has now initiated its expiry review to determine whether the continued or resumed dumping and subsidizing are likely to result in injury. The CITT's expiry review schedule indicates that it will make its decision by March 19, 2025.

[145] If the CITT determines that the expiry of the order with respect to the goods is likely to result in injury, the order will be continued in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping and/or countervailing duties on dumped and/or subsidized importations of the subject goods.

[146] If the CITT determines that the expiry of the order with respect to the goods is not likely to result in injury, the order will expire in respect of those goods. Anti-dumping and/or countervailing duties would then no longer be levied on importations of the subject goods, and any anti-dumping and/or countervailing 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.

CONTACT US

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

Mail: SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th floor
Ottawa, Ontario K1A 0L8
Canada

Telephone: Manshun Tong 343-553-1727

Email: simaregistry-depotlmsi@cbsa-asfc.gc.ca

Website: www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/menu-eng.htm



Doug Band
Director General
Trade and Anti-dumping Programs Directorate