



Canada Border
Services Agency

Agence des services
frontaliers du Canada

OTTAWA, January 4, 2011

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CVD/126

STATEMENT OF REASONS

Concerning the preliminary determinations with respect to the dumping and subsidizing of

**CERTAIN METAL BAR GRATING OF CARBON, ALLOY OR STAINLESS STEEL
ORIGINATING IN OR EXPORTED FROM THE PEOPLE'S REPUBLIC OF CHINA**

DECISION

Pursuant to subsection 38(1) of the *Special Import Measures Act*, the President of the Canada Border Services Agency made preliminary determinations of dumping and subsidizing on December 20, 2010, respecting the alleged injurious dumping and subsidizing of certain metal bar grating of carbon, alloy or stainless steel, consisting of load-bearing pieces and cross pieces, produced as standard grating or heavy-duty grating, in panel form, whether galvanized, painted, coated, clad or plated, originating in or exported from the People's Republic of China.

Cet énoncé des motifs est également disponible en français. Veuillez vous reporter à la section "Renseignements".

This Statement of Reasons is also available in French. Please refer to the "Information" section.

TABLE OF CONTENTS

SUMMARY OF EVENTS	1
PERIOD OF INVESTIGATION	2
INTERESTED PARTIES	2
COMPLAINANT	2
EXPORTERS	2
IMPORTERS	3
GOVERNMENT OF CHINA	3
PRODUCT DEFINITION	3
ADDITIONAL PRODUCT INFORMATION	4
PRODUCTION PROCESS	5
CLASSIFICATION OF IMPORTS	6
CANADIAN INDUSTRY	6
IMPORTS INTO CANADA	7
INVESTIGATION PROCESS	7
DUMPING INVESTIGATION	8
NORMAL VALUE	8
EXPORT PRICE	8
SUMMARY OF PRELIMINARY RESULTS OF DUMPING INVESTIGATION	8
PRELIMINARY DUMPING RESULTS BY EXPORTER	9
SUMMARY OF RESULTS – DUMPING	10
SUBSIDY INVESTIGATION	10
PRELIMINARY PHASE OF THE SUBSIDY INVESTIGATION	12
SUMMARY OF PRELIMINARY RESULTS OF SUBSIDY INVESTIGATION	13
SUMMARY OF RESULTS – SUBSIDY	15
DECISION	15
REPRESENTATIONS	15
PROVISIONAL DUTY	17
FUTURE ACTION	18
THE CANADA BORDER SERVICES AGENCY	18
THE CANADIAN INTERNATIONAL TRADE TRIBUNAL	18
RETROACTIVE DUTY ON MASSIVE IMPORTATIONS	19
UNDERTAKINGS	19
PUBLICATION	20
INFORMATION	20
APPENDIX 1 – SUMMARY OF ESTIMATED AMOUNT OF DUMPING, ESTIMATED AMOUNT OF SUBSIDY, AND PROVISIONAL DUTIES PAYABLE	22
APPENDIX 2 - SUMMARY OF PRELIMINARY FINDINGS FOR NAMED SUBSIDY PROGRAMS	23

SUMMARY OF EVENTS

[1] On August 3, 2010, the Canada Border Services Agency (CBSA) received a written complaint from Fisher & Ludlow Ltd. of Burlington, Ontario (the Complainant) alleging that imports into Canada of metal bar grating of carbon, alloy or stainless steel, consisting of load-bearing pieces and cross pieces, produced as standard grating or heavy-duty grating, in panel form, whether galvanized, painted, coated, clad or plated, (certain steel grating), originating in or exported from the People's Republic of China (China) are being dumped and subsidized and thus causing injury or threatening to cause injury to the Canadian industry.

[2] On August 20, 2010, pursuant to subsection 32(1) of the *Special Import Measures Act* (SIMA), the CBSA informed the Complainant that the complaint was properly documented. On the same date, the CBSA notified the Government of China (GOC) that a properly documented complaint had been filed with the CBSA and the GOC was also provided with the non-confidential version of the subsidy portion of the complaint, which excluded sections dealing with normal value, export price and margin of dumping.

[3] On September 16, 2010, consultations were held with the GOC in Ottawa, pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*. During these consultations, China made representations with respect to its views on the evidence presented in the non-confidential version of the subsidy portion of the complaint.

[4] On September 20, 2010, pursuant to subsection 31(1) of SIMA, the President of the CBSA (President) initiated the investigations respecting the dumping and subsidizing of certain steel grating from China.

[5] Upon receiving notice of the initiation of the investigations, the Canadian International Trade Tribunal (Tribunal) commenced a preliminary injury inquiry, pursuant to subsection 34(2) of SIMA, into whether the evidence discloses a reasonable indication that the alleged dumping and subsidizing of certain steel grating from China have caused injury or retardation or are threatening to cause injury to the Canadian industry producing the goods. On November 19, 2010, pursuant to subsection 37.1(1) of SIMA, the Tribunal made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping and subsidizing of certain steel grating from China have caused injury.

[6] On December 20, 2010, as a result of the CBSA's preliminary investigations and pursuant to subsection 38(1) of SIMA, the President made preliminary determinations of dumping and subsidizing with respect to certain steel grating originating in or exported from China.

PERIOD OF INVESTIGATION

[7] The period of investigation with respect to dumping (Dumping POI), covered all subject goods released into Canada from July 1, 2009 to June 30, 2010.

[8] The period of investigation with respect to subsidizing (Subsidy POI), covered all subject goods released into Canada from January 1, 2009 to June 30, 2010.

INTERESTED PARTIES

Complainant

[9] The Complainant is a major producer of certain steel grating in Canada. The Complainant manufactures certain steel grating in Canada at its facility in Burlington, Ontario and at its facility in Wetaskiwin, Alberta.

The name and address of the Complainant is:

Fisher & Ludlow Ltd.
750 Appleby Line
Burlington, Ontario
L7L 2Y7

[10] There is one other known Canadian producer of certain steel grating, Borden Metal Products (Canada) Ltd. (Borden) in Beeton, Ontario. Borden is not a Complainant but fully supports the complaint filed by Fisher & Ludlow Ltd. of Burlington, Ontario (as expressed in Borden's letter to the CBSA dated September 7, 2010).

Exporters

[11] At the initiation of the investigations, the CBSA identified 65 potential exporters of the goods under investigation. The CBSA sent a dumping Request for Information (RFI) to 61 identified potential exporters in China and to 4 exporters in other countries and a subsidy RFI to each identified potential exporter in China.

[12] The CBSA received responses from two exporters, for both the exporter dumping RFI and the subsidy RFI. Exporters experienced a collective issue with air couriers. As such, submissions were received after the deadline. However, due to the circumstances, both responses were used for the purposes of preliminary determinations. Both of these exporters have been requested to provide additional information to supplement or clarify their responses.

Importers

[13] At the initiation of the investigations, the CBSA identified 59 potential importers of subject goods based on a review of CBSA import documentation.

[14] The CBSA sent an importer RFI to all potential importers of the goods. One importer provided a complete response to the CBSA's importer RFI.

Government of China

[15] For the purposes of this investigation "Government of China" refers to all levels of government, i.e. federal, central, provincial/state, regional, municipal, city, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

[16] At the initiation of the investigations, the CBSA sent a subsidy RFI to the GOC. The GOC provided its response to the subsidy RFI on time. The CBSA reviewed the response and has considered it incomplete. As a result, on November 23, 2010¹, the GOC was notified of the incomplete status of its submission.

[17] On December 5, 2010, the GOC submitted additional information to the CBSA in response to its letter dated November 23, 2010. The CBSA reviewed the information and still considers the GOC's subsidy RFI response incomplete for the same reasons listed in its response on November 23, 2010, with the exception that the GOC provided some information regarding the previously unidentified program. In the event that the GOC elects to submit a complete response to the RFI, the CBSA will endeavour to use such information in the final phase of the investigations, provided that the information is submitted in sufficient time for the CBSA to analyze and verify it before the closing of the record on February 7, 2011.

PRODUCT DEFINITION

[18] For the purpose of these investigations, the subject goods are defined as:

Metal bar grating of carbon, alloy, or stainless steel, consisting of load-bearing pieces and cross pieces, produced as standard grating or heavy-duty grating, in panel form, whether galvanized, painted, coated, clad or plated, originating in or exported from the People's Republic of China.

¹ Subsidy Exhibit S049 (NC).

Additional Product Information²

[19] The subject goods can be referred to as “metal bar grating”, “steel grating” or simply “bar grating”. The goods are sold in “panel” or “mat” form, produced as either standard bar grating or heavy-duty bar grating. Standard bar grating is manufactured in Canada according to American National Standards Institute (“ANSI”) and National Association of Architectural Metal Manufacturers (“NAAMM”) MBG 531 specifications with maximum bearing bar thickness of 3/16 inches ((4.76 millimeters (mm))). Heavy duty bar grating is made according to ANSI/NAAMM MGB 532 specifications with maximum bearing bar thickness of 3/8 inches (9.53mm).

[20] The “mats” or “panels” are typically made in standardized sizes and the most common panel size is 3 feet (.91 meters) wide by 24 feet (7.32 meters) long. In accordance with the ANSI/NAAMM specifications referred to, the size of the bearing bars usually ranges from 1/8” (3.18mm) thickness and 3/4” (19.05 mm) in depth (width) to 3/8” (9.53mm) thickness and 5” (127 mm) in depth (width), depending on the load requirements.

[21] In addition to ANSI/NAAMM specifications, the subject goods may be produced to other recognized standards, such as Chinese, U.K. and Australian specifications³.

[22] The subject goods may be imported and sold even if not made or certified to the ANSI/NAAMM or other recognized standards. Non-certified product includes secondary material or other kinds of “non-spec” grating. These goods lack the requisite mill tests or other proof of compliance with international standards.

[23] The subject goods do not include: (1) expanded metal grating comprised of a single piece or coil of sheet or thin plate steel that has been slit and expanded and not consisting of welding or joining of multiple pieces of steel; and (2) plank-type safety grating comprised of a single piece or coil of sheet or thin plate steel, typically in thickness of 10 to 18 gauge, pierced and cold formed and without welding or joining of multiple pieces of steel.

[24] Subject goods produced by different manufacturing processes (welding, hydraulic pressing or riveting) are fully interchangeable. Hydraulically-produced or riveting-produced gratings are substitutable in every respect for grating produced by welding processes and vice-versa. They have the same or comparable physical and mechanical properties in accordance with the international standards and specifications described earlier.

[25] Subject goods have a multitude of load-bearing end uses, including industrial flooring, walkways, mezzanines, stairways, trenches, highway signs platforms and fire escapes. Primary markets are large-scale oil production structures and systems, electric

² Complaint Narrative, Section 2.2, 2.3 and 2.4, pages 3-5.

³ The goods are produced in China in accordance with the foregoing ANSI/NAAMM specifications as well as other standards, including: YB/T 4001.1-2007 (China), BWS4592 (U.K.) and AS-1657 (Australia).

power generating plants, steel mills, cement plants, saw mills, pulp and paper mills, mining, automotive plants and other industrial facilities. Although primarily used in large industrial projects, commercial and residential applications for these goods are also commonplace.

Production Process⁴

[26] The goods are manufactured on specialized machinery which involves the joining of two components to form a section of grating into a “panel” or “mat”. The main components of the panel are: (1) bearing bars which extend across the length of the grating section; and (2) cross-bars which extend across the bearing bars perpendicular to the bearing bars. The joining of the bearing bars and cross-bars is commonly done through welding, although riveting and hydraulic joining processes may also be used, as described below.

[27] Manufacturing generally includes three phases: slitting, forming/welding or other methods of joining and finishing.

[28] Slitting: The first phase involves the sizing of the “panel” or “mat”. Hot-rolled steel coils used for the main bearing bars are unrolled and slit lengthwise into the appropriate width and then cut into the appropriate length. Flat steel bars may also be used, pre-cut to the prerequisite lengths and widths. Steel bars or rods used as the cross-bars are also cut to size. For grating that utilizes twisted cross-bars, the rod or bar may be placed into a twisting machine and physically twisted before being cut to length. As with the length-wise bearing bars, pre-cut and pre-twisted steel cross rods may be employed.

[29] Forming/Welding: The bearing bars are placed into a setter which ensures the bars are properly spaced. The bars are then run through a high-voltage electrical welder which heats the same spot across each of the bearing bars to high heat. Immediately after heating, the cross-bars are machine-pressed into the heated bearing bars. The pressing of the cross-bars into the bearing bars completes the welding process, forming the semi-finished steel grating in the form of a “panel” or a “mat”. Following this step, the mat undergoes testing and inspection to ensure the integrity of the weldments, that the product possess proper tensile strength, that the bearing bars are aligned correctly and that the panel as a whole can withstand load tolerances.

[30] Other joining methods: (1) In “pressure-locked” grating, a form of hydraulic pressing, the bearing bars and cross-bars are hydraulically pressed together to create a secure bond between the bearing bars and the cross bars. (2) In “swage-locked” grating, a form of hydraulic pressing, the cross-bars are hydraulically driven through the bearing bars (usually through the center). (3) In the riveting process, reticulated cross-bars are riveted to the bearing bars. The bearing bars are pre-punched with a round hole prior to being placed in the jig. The cross bar is pressed into a "W" shape and placed between the bearing bars. The height of the "W" becomes the bar spacing. A rivet is used at the apex

⁴ Complaint Narrative, Section 2.5, pages 6-9.

of the "W" through the hole that was punched in the bearing bar to lock the cross bar to the bearing bar.

[31] The production processes for hydraulic pressed grating and riveted grating are similar to welded grating. In each case, the longitudinal bearing bars are placed in a jig that holds the bars in place. The cross-bars are then joined to the bearing bars through each of the various processes: welding, pressing and/or riveting. Hydraulic pressing and riveting are older forms of production, are more labour intensive, and entail larger material costs than welding.

[32] Finishing: The final phase may involve painting, galvanizing or end finishing. Painted panels are dipped into a bath of lacquer and then air dried. Galvanized panels are dipped into an electrolytically charged bath of zinc to protect against corrosion. End finishing operations may include the addition of end bands, small weldments or basic cut-outs.

Classification of Imports

[33] The subject goods are normally classified under the following 13 Harmonized System (HS) classification codes:

7308.90.90.10	7308.90.90.60	7308.90.90.95
7308.90.90.20	7308.90.90.91	7308.90.90.96
7308.90.90.30	7308.90.90.92	7308.90.90.99
7308.90.90.40	7308.90.90.93	
7308.90.90.50	7308.90.90.94	

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

CANADIAN INDUSTRY

[35] The Complainant, Fisher & Ludlow Ltd, is estimated to account for more than half of the entire domestic production of certain steel grating. Fisher & Ludlow Ltd manufactures certain steel grating in Canada at its facility in Burlington, Ontario and at its facility in Wetaskiwin, Alberta.

[36] Fisher & Ludlow Ltd. was incorporated in Canada in 1954 as a specialty steel manufacturer, specializing in steel grating. In 1974, Fisher & Ludlow Ltd. was acquired by the Canadian corporation Harris Steel Group ULC. In 2007, Nucor Corporation acquired a majority interest in Harris Steel Group ULC. Today, Fisher & Ludlow Ltd. is widely recognized as a quality specialty steel manufacturer, specializing in steel gratings sold under its Tru-weld trademark and supplied to large and small industrial projects in Canada and in global markets.

[37] The only other identified Canadian producer, Borden, officially stated their position of fully supporting the complaint in their letter dated September 7, 2010.

IMPORTS INTO CANADA

[38] During the preliminary phase of the investigations, the CBSA refined the estimated volume of imports based on information from its internal Customs Commercial System (CCS), CBSA import entry documentation and other information received from exporters, importers and other parties.

[39] The following table presents the CBSA's analysis of imports of certain steel grating for purposes of the preliminary determinations:

Imports of Certain Steel Grating (July 1, 2009 – June 30, 2010)

Imports into Canada	% of Total Imports
China	23.46%
U.S.A.	75.42%
All Other Countries	1.12%
Total Imports	100%

INVESTIGATION PROCESS

[40] Regarding the dumping investigation, information was requested from known and potential exporters, vendors and importers, concerning shipments of subject steel grating released into Canada during the dumping POI of July 1, 2009 to June 30, 2010.

[41] Regarding the subsidy investigation, information related to potential actionable subsidies was requested from known and potential exporters and the GOC concerning financial contributions made to exporters or producers of subject steel grating released into Canada during the subsidy POI of January 1, 2009 to June 30, 2010.

[42] After reviewing the exporters' responses to the RFIs, supplemental RFIs were sent to each of the responding exporters to clarify information submitted by the respective companies.

[43] Preliminary decisions are based on the information available to the President at the time of the preliminary determination(s). During the final phase of the investigations of dumping and subsidizing, the two responding exporters in China will be verified onsite, the results of which will be taken into consideration for the President's final decisions.

DUMPING INVESTIGATION

Normal Value

[44] For purposes of a preliminary determination, normal values of goods sold to importers in Canada are generally estimated based on the domestic selling prices of like goods in the country of export or based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.

Export Price

[45] The export price of goods sold to importers in Canada is generally estimated based on the lesser of the adjusted exporter's sale price for the goods or the adjusted importer's purchase price. These prices are adjusted, where necessary, by deducting the costs, charges, expenses, duties and taxes resulting from the exportation of the goods.

Summary of Preliminary Results of Dumping Investigation

[46] The CBSA estimated margins of dumping by comparing the estimated total normal values with the estimated total export prices. When the total export price is less than the total normal value, the difference is the margin of dumping.

[47] The determination of the volume of dumped goods was calculated by taking into consideration each exporter's net aggregate dumping results. Where a given exporter has been determined to be dumping on an overall or net basis, the total quantity of exports attributable to that exporter (i.e. 100%) is considered dumped. Similarly, where a given exporter's net aggregate dumping results are zero, then the total quantity of exports deemed to be dumped by that exporter is zero.

[48] In calculating the weighted average estimated margin of dumping for the country, the overall estimated margins of dumping found in respect of each exporter were weighted according to each exporter's volume of subject steel grating exported to Canada during the dumping POI.

[49] Based on the preceding, 100% of certain steel grating from China was dumped by an estimated weighted average margin of dumping of 87%, expressed as a percentage of the export price.

[50] Under subsection 35(1) of SIMA, the President is required to terminate an investigation prior to the preliminary determination if he is satisfied that the margin of dumping of the goods of a country is insignificant or that the volume of dumped goods of a country is negligible. Pursuant to subsection 2(1) of SIMA, a margin of dumping of less than 2% is defined as insignificant, whereas a volume of dumped goods from a country forming less than 3% of total imports is considered negligible.

[51] The estimated weighted average margins of dumping of certain steel grating from China is above 2% and is, therefore, not insignificant. As well, the volume of dumped goods from China is above 3%, and is, therefore, not negligible.

Preliminary Dumping Results by Exporter

[52] Specific margin of dumping details relating to each of the exporters that provided a response to the CBSA's dumping RFI are as follows:

SinoSteel Yantai Steel Grating Co., Ltd. (SinoSteel)

[53] SinoSteel is a producer and exporter of certain steel grating to Canada. SinoSteel also sells similar goods domestically.

[54] A review of the information submitted by this exporter indicates that estimated normal values and export prices can be calculated.

[55] Export prices were estimated in accordance with section 24 of SIMA based on export sales of the subject goods to Canada during the dumping POI.

[56] Normal values were estimated for all goods in accordance with the principles of paragraph 19(b) of SIMA, as an aggregate of full cost of production, selling and administrative expenses and an amount for profit. The full cost of production was estimated in accordance with paragraph 11(1)(a) of the *Special Import Measures Regulations*, based on the unverified cost data relating to the exported goods as provided by SinoSteel. The amount for profit was estimated based on the profit earned on all profitable domestic sales during the dumping POI.

Margin of Dumping

[57] The total normal value was compared with the total export price and the resulting estimated weighted average margin of dumping for Sinosteel was 20% expressed as a percentage of export price.

Shanghai DAHE Grating Co. Ltd. (DAHE)

[58] DAHE is the largest producer of certain steel grating exported to Canada.

[59] A review of the information submitted by this exporter has indicated that there are a number of inconsistencies in the information related to costs, sales, and financial reporting. Due to these inconsistencies, it is impossible to estimate normal values, export prices or margins of dumping for this exporter using the information contained within its response to the RFI.

Margin of Dumping

[60] The normal values and related margins of dumping were estimated using the highest amount by which the normal value exceeded the export price on an individual transaction (91%), expressed as a percentage of export price, as determined for an exporter with a complete submission.

All Other Exporters - Margin of Dumping

[61] For the exporters which did not provide information in response to the CBSA's RFI, the normal values and related margins of dumping were estimated using the highest amount by which the normal value exceeded the export price on an individual transaction (91%), expressed as a percentage of export price, as determined for an exporter with a complete submission.

SUMMARY OF RESULTS – DUMPING

Period of Investigation - July 1, 2009 to June 30, 2010

Country	Estimated Volume of Dumped Goods as Percentage of Country Imports	Estimated Weighted Average Margin of Dumping as Percentage of Total Imports	Volume of Country Imports as Percentage of Total Imports	Estimated Volume of Dumped Goods as Percentage of Total Imports
China	100%	87%	23.46%	23.46%

SUBSIDY INVESTIGATION

[62] In accordance with section 2 of SIMA, a subsidy exists if there is a financial contribution by a government of a country other than Canada that confers a benefit on persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods. A subsidy also exists in respect of any form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade, 1994, being part of Annex 1A to the WTO Agreement, that confers a benefit.

[63] Pursuant to subsection 2(1.6) of SIMA, there is a financial contribution by a government of a country other than Canada where:

- (a) practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities;

- (b) amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected;
- (c) the government provides goods or services, other than general governmental infrastructure, or purchases goods; or
- (d) the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ in a meaningful way from the manner in which the government would do it.

[64] Where subsidies exist they may be subject to countervailing measures if they are specific in nature. According to subsection 2(7.2) of SIMA a subsidy is considered to be specific when it is limited, in a legislative, regulatory or administrative instrument, or other public document, to a particular enterprise within the jurisdiction of the authority that is granting the subsidy; or is a prohibited subsidy.

[65] The following terms are defined in section 2 of SIMA. A “prohibited subsidy” is either an export subsidy or a subsidy or portion of subsidy that is contingent, in whole or in part, on the use of goods that are produced or that originate in the country of export. An “enterprise” is defined under SIMA as also including a group of enterprises, an industry and a group of industries. An export subsidy is a subsidy or portion of a subsidy contingent, in whole or in part, on export performance. An “enterprise” is defined as also including a group of enterprises, an industry and a group of industries.

[66] Notwithstanding that a subsidy is not specific in law, under subsection 2(7.3) of SIMA a subsidy may also be considered specific having regard as to whether:

- (a) there is exclusive use of the subsidy by a limited number of enterprises;
- (b) there is predominant use of the subsidy by a particular enterprise;
- (c) disproportionately large amounts of the subsidy are granted to a limited number of enterprises; and
- (d) the manner in which discretion is exercised by the granting authority indicates that the subsidy is not generally available.

[67] For purposes of a subsidy investigation, the CBSA refers to a subsidy that has been found to be specific as an “actionable subsidy,” meaning that it is subject to countervailing measures if the persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods under investigation have benefited from the subsidy.

[68] Financial contributions provided by State-Owned Enterprises (SOEs) operating under the direct or indirect control or influence of the GOC may also be considered to be provided by the GOC for purposes of this investigation.

[69] At initiation, the CBSA identified 61 potential subsidy programs in the following eight categories:

1. Special Economic Zones (SEZ) and other Designated Areas Incentives;
2. Grants;
3. Equity Programs;
4. Preferential Loan Programs;
5. Preferential Income Tax Programs;
6. Relief from Duties and Taxes on Materials and Machinery;
7. Reduction in Land Use Fees; and
8. Goods/Services Provided by the Government at Less than Fair Market Value.

[70] Details regarding these potential subsidies were provided in the *Statement of Reasons* issued for the initiation of this investigation. This document is available through the CBSA website at the following address: www.cbsa-asfc.gc.ca/sima-lmsi.

Preliminary Phase of the Subsidy Investigation

[71] In conducting its investigation, the CBSA sent a subsidy RFI to the GOC, as well as to the 61 potential exporters located in China that had been identified through internal CBSA documentation. Information was requested in order to establish whether there had been financial contributions made by any level of government and, if so, to establish if a benefit has been conferred on persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of certain steel grating; and whether any resulting subsidy was specific in nature. The GOC was also requested to forward the RFIs to all subordinate levels of government that had jurisdiction over the exporters.

[72] The CBSA received, after the due date, substantially complete subsidy RFI responses from two exporters located in China. Both exporters were granted two additional days as they encountered delivery problems with their courier companies. Both responding companies have been requested to provide additional information to supplement or clarify their responses.

[73] The CBSA received a response to the subsidy RFI from the GOC on October 27, 2010.

[74] The CBSA's review of the GOC's submission indicated that a major proportion of the information requested had not been provided. As a result, the CBSA has considered the GOC's response incomplete. The following list summarizes the information not provided:

- the GOC only provided limited information in respect of the two responding companies;
- statistical information requested on the steel grating sector and the steel grating enterprises was not provided;

- requested information on the ownership status of the exporters and their suppliers was not provided;
- requested documents on relevant government laws and regulations were missing;
- the requested amount of benefits received by each industry or by company was not reported; and
- one of the two programs reported by the responding exporters was not identified by the GOC.

[75] As a result, in a letter dated November 23, 2010, the CBSA advised the GOC that the information provided had been reviewed and was found to be incomplete. A general outline of the submission's many shortcomings was also included. At the same time, the GOC was informed that if it subsequently submitted a complete response to the RFI in sufficient time to allow full analysis and verification of the information provided, the CBSA would endeavor to use this information.

[76] For the preliminary determination, the CBSA has estimated an amount of subsidy for the two responding exporters in China based on the information they provided.

[77] A summary of the preliminary results is included below, whereas an outline of the findings for the named subsidy programs can be found in **Appendix 2**. It should be noted that while 61 programs were identified at initiation, the CBSA's analysis of the responding exporters' submissions resulted in the identification of one additional program. Therefore, there is a total of 62 programs currently under investigation.

[78] Any other potential subsidy programs that are subsequently identified and/or further reviewed may also be analyzed during the final stage of the investigation.

Summary of Preliminary Results of Subsidy Investigation

[79] The CBSA estimated an amount of subsidy for each of the two responding exporters. For the purposes of the preliminary determination, the CBSA estimated the amount of subsidy for each exporter on the basis of the program(s) that the exporter reported it had utilized during the subsidy POI. In addition, the CBSA calculated an estimated amount of subsidy for the program *Input Materials Provided by the Government at Less than Fair Market Value* which also conferred benefits to the responding exporters.

[80] The information received from the responding exporters indicates that they received benefits under one or more of the following 3 programs:

- 1) Export Assistance Grant
- 2) Award of Taxpayers in Yanghang Industrial Park
- 3) Input Materials Provided by Government at Less than Fair Market Value

[81] Details regarding the estimated amounts of subsidy for each of the responding exporters are provided in **Appendix 1**. The CBSA's estimated amounts of subsidy for these exporters range from 6% to 14%, expressed as a percentage of export price.

For all other exporters, the amount of subsidy has been estimated based on:

- (i) the highest amount of subsidy (RMB per MT) estimated for each of the 3 actionable subsidy programs for the two responding exporters located in China; plus
- (ii) the simple average of the highest subsidy amounts for the 3 actionable subsidy programs, applied to each of the remaining 59 potentially actionable subsidy programs for which information is not available or has not been provided.

[82] As a result, the estimated amount of subsidy for all other exporters is 129%, expressed as a percentage of export price.

[83] The preliminary results indicate that 100% of the subject goods imported into Canada during the subsidy POI were subsidized. The estimated overall weighted average amount of subsidy is equal to 47% of the export price.

[84] For each responding exporter, the respective estimated amount of subsidy will be applied to imports of subject goods during the provisional period for goods exported by each responding exporter that provided a complete response to the CBSA's RFI. The amount of subsidy calculated for all other exporters, estimated to be 129% of the export price, is applicable to imports of subject goods from those exporters that did not respond to the RFI, or provided a late or an incomplete submission.

[85] Under subsection 35(1) of SIMA, if, at any time before the President makes a preliminary determination, the President is satisfied that the amount of subsidy on the goods of a country is insignificant or the actual and potential volume of subsidized goods of a country is negligible, the President must terminate the investigation with respect to that country. Under subsection 2(1) of SIMA, an amount of subsidy of less than 1% of the value of the goods is considered insignificant and a volume of subsidized goods of less than 3% of total imports is considered negligible, the same threshold for the volume of dumped goods.

[86] However, according to section 41.2 of SIMA, the President is required to take into account Article 27.10 of the WTO *Agreement on Subsidies and Countervailing Measures* when conducting a subsidy investigation. This provision stipulates that a countervailing duty investigation involving a product from a developing country should be terminated as soon as the authorities determine that the overall level of subsidies granted upon the product in question does not exceed 2% of its value calculated on a per unit basis or the volume of subsidized imports represents less than 4% of the total imports of the like product in the importing Member.

[87] SIMA does not define or provide any guidance regarding the determination of a “developing country” for purposes of Article 27.10 of the WTO *Agreement on Subsidies and Countervailing Measures*. As an administrative alternative, the CBSA refers to the *Development Assistance Committee List of Official Development Assistance Recipients* (DAC List of ODA Recipients) for guidance⁵. As China is included in the listing, the CBSA will extend developing country status to China for purposes of this investigation. Therefore, the investigation will be terminated if the amount of subsidy does not exceed 2% of its value calculated on a per unit basis or if the volume of subsidized goods represents less than 4% of total imports of like goods.

[88] The following table illustrates that the estimated amount of subsidy respecting China is not insignificant, nor is the volume of subsidized goods negligible.

SUMMARY OF RESULTS – SUBSIDY

Period of Investigation - January 1, 2009 to June 30, 2010

Country	Estimated Volume of Subsidized Goods as Percentage of Country Imports	Estimated Weighted Average Amount of Subsidy*	Volume of Country Imports as Percentage of Total Imports	Estimated Volume of Subsidized Goods as Percentage of Total Imports
China	100%	47%	19.75%	19.75%

*As percentage of the export price

DECISION

[89] Based on the information available to the President, on December 20, 2010, the President made preliminary determinations of dumping and subsidizing respecting certain steel grating originating in or exported from the People’s Republic of China, pursuant to subsection 38(1) of SIMA.

REPRESENTATIONS

Issue Regarding Import Volume

[90] Representations were received from Fisher & Ludlow’s counsel concerning the submission by the importer Accurate. Counsel presented four issues, three of which were in regards to highlighting the accuracy of Fisher & Ludlow’s estimates in their complaint. The fourth issue relates to Accurate’s imports of certain steel grating from the USA.

⁵ The Organization for Economic Co-operation and Development, DAC List of ODA Recipients as at January 1, 2006, the document is available at: www.oecd.org/dataoecd/23/34/37954893.pdf

[91] Counsel for Fisher & Ludlow stated in their representation that Accurate's response to the RFI does not include imports of subject goods from the USA. As evidence, counsel for Fisher & Ludlow provided additional import data and made reference to confidential information in both the Complaint and the Complaint Analysis.

[92] Counsel for Fisher & Ludlow stated that since Accurate's response does not include imports of certain steel grating from the USA dumping margins and subsidy amounts should be determined pursuant to Section 29 of SIMA.

CBSA Response:

[93] In this context, it should be noted that the CBSA does not rely solely on importer submissions when it analyzes import volumes. Instead, the information contained within importer submissions is compared with that included within the exporter submissions, and verified using the CBSA's own statistical data.

Requests For Deadline Extensions

GOC

[94] On September 29, 2010, counsel for the GOC requested a three week extension to the deadline to respond to the subsidy RFI. Counsel stated the massive volume of information requested by the CBSA as an unusual burden and interruptions to the Chinese work-week due to the mid-Autumn and National holidays, as extenuating circumstances affecting the GOC's ability to submit its response to the RFI within 37 days.

[95] On October 11, 2010, counsel for the GOC requested for reconsideration for a one-week extension to the deadline. In its second request, counsel made reference to the *Anti-dumping Practices Committee* which counsel states recognize that there are unforeseen circumstances which should be considered by the CBSA to justify granting an extension of time.

Exporters

[96] On October 8, 2010, counsel for exporter DAHE requested a 12 day extension to the deadline to respond to the CBSA's dumping and subsidy RFIs. To justify its request, counsel cited the mid-Autumn and National holidays, lack of personnel and the need to respond to the RFIs for two associated companies. On October 13, 2010, counsel requested an extension of three days to submit the hard copies and CDs.

[97] On October 18, 2010, counsel for exporter SinoSteel requested a three day extension to respond to the CBSA's dumping and subsidy RFIs. Counsel stated additional time was required due to the volume of information required to respond to the questionnaires. On October 21, 2010, counsel requested an extension of two days to submit the hard copies and CDs.

[98] On October 27, 2010, counsels for exporters DAHE and SinoSteel requested a one day extension as both exporters encountered delivery problems with air couriers.

CBSA Response:

GOC

[99] On October 1, 2010, the CBSA denied counsel for the GOC's request for an extension on the basis that:

- (i) an electronic copy of the RFI was hand delivered to the Chinese Embassy on the date of initiation, allowing the respondent a full 37 days to respond.
- (ii) in the current investigations the GOC was only requested to complete a subsidy RFI, in comparison to other recent proceedings where a Section 20 inquiry was also undertaken at the same time, thereby, reducing the workload of the GOC compared to prior proceedings.
- (iii) the majority of the subsidy programs under investigation have been examined by the CBSA in previous subsidy investigations in respect of China and, consequently, the GOC would have much of the information and translation of the documents already on hand.

[100] On October 15, 2010, the CBSA denied counsel for the GOC's second request for an extension on the basis that the arguments listed by counsel remained normal business activities and, therefore, did not constitute unforeseen circumstances.

Exporters

[101] On October 12, 2010 and October 13, 2010, the CBSA responded to and did not approve DAHE's requests for an extension of time, citing the legislated timeframes the CBSA must operate within and the fact that the activities mentioned did not constitute exceptional circumstances to grant an extension of time.

[102] Similarly, on October 18, 2010 and October 21, 2010, the CBSA responded to and did not approve SinoSteel's requests for an extension of time, citing the legislated timeframes the CBSA must operate within and the fact that the activities mentioned did not constitute exceptional circumstances to grant an extension of time.

[103] On October 27, 2010, the CBSA granted an extension of 2 days to DAHE and SinoSteel as they had to deal with unforeseen circumstances with air couriers.

PROVISIONAL DUTY

[104] Pursuant to subsection 8(1) of SIMA, provisional duties, payable by the importer in Canada, will be applied to dumped and subsidized subject steel grating that are

released during the provisional period commencing on the day the preliminary determinations are made, and ending on the earlier of the day on which the President causes the investigations to be terminated pursuant to subsection 41(1) or the day on which the Tribunal makes an order or finding. The imposition of provisional duties is needed to prevent the injury which, as per the Tribunal's preliminary determination, was caused by the dumping and subsidizing of subject steel grating.

[105] Provisional countervailing duty is based on the estimated amount of subsidy and is expressed as a percentage of export price of the goods. Provisional anti-dumping duty is based on the estimated margin of dumping, also expressed as a percentage of the export price of the goods. **Appendix 1** contains the estimated margins of dumping, estimated amounts of subsidy, and the rates of provisional duties, payable on subject goods released from the CBSA on and after December 20, 2010.

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

FUTURE ACTION

The Canada Border Services Agency

[107] The CBSA will continue its investigations of the dumping and subsidizing and the President will make final decisions by March 21, 2011.

[108] If the President is satisfied that the goods were dumped and/or subsidized, and that the margin of dumping or amount of subsidy is not insignificant, final determinations will be made. Otherwise, the President will terminate the investigations and any provisional duties paid, or security posted, will be returned to importers.

The Canadian International Trade Tribunal

[109] The Tribunal has begun its full inquiry into the question of injury to the Canadian industry. The Tribunal is expected to issue its finding by April 19, 2011.

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

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

[112] If the Tribunal finds that the subsidizing has not caused injury, retardation or is not threatening to cause injury, the proceedings will be terminated and all provisional countervailing duties collected, or security posted, will be returned.

[113] If the Tribunal makes a finding that the subsidizing has caused injury, retardation or is threatening to cause injury, countervailing duties in the amount equal to the amount of subsidy on the imported goods will be levied, collected and paid on imports of subject steel grating.

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

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

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

[116] In respect of importations of subsidized goods that have caused injury, this provision is only applicable where the CBSA has determined that the whole or any part of the subsidy on the goods is a prohibited subsidy. In such a case, the amount of countervailing duty applied on a retroactive basis will equal the amount of subsidy on the goods that is a prohibited subsidy. An export subsidy is a prohibited subsidy according to subsection 2(1) of SIMA.

UNDERTAKINGS

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

subsidizing, the government of a country may give a written undertaking to eliminate the subsidy on the goods or to eliminate the injurious effect of the subsidy by limiting the amount of the subsidy or the quantity of goods exported to Canada. Exporters, with the consent of their government, may also undertake to revise their selling prices so that the injurious effect of the subsidy is eliminated.

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

[119] In view of the time needed for consideration of undertakings, written undertaking proposals should be made as early as possible, and no later than 60 days after the preliminary determinations of dumping and subsidizing. Further details regarding undertakings can be found in the CBSA's Memorandum D14-1-9, available online at: www.cbsa-asfc.gc.ca/E/pub/cm/d14-1-9/d14-1-9-e.html.

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

PUBLICATION

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

INFORMATION

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

Mail	SIMA Registry and Disclosure Unit Anti-dumping and Countervailing Directorate Canada Border Services Agency 100 Metcalfe Street, 11th Floor Ottawa, Ontario, Canada K1A 0L8	
Telephone	Ian Gallant Gilles Bourdon	(613) 954-7186 (613) 954-7262
Fax	(613) 948-4844	
Email	SIMAREgistry@cbsa-asfc.gc.ca	
Website	www.cbsa-asfc.gc.ca/sima-lmsi	



Daniel Giasson
Director General
Anti-dumping and Countervailing Directorate

Attachments

**APPENDIX 1 – SUMMARY OF ESTIMATED AMOUNT OF DUMPING,
ESTIMATED AMOUNT OF SUBSIDY, AND PROVISIONAL DUTIES
PAYABLE**

Exporter	Estimated Margin of Dumping*	Estimated Amount of Subsidy*	Total Provisional Duties Payable*
SinoSteel Yantai Steel Grating Co., Ltd.	20%	6%	26%
Shanghai DAHE Grating Co., Ltd.	91%	14%	105%
All Other Exporters	91%	129%	220%

*As a percentage of export price.

APPENDIX 2 - SUMMARY OF PRELIMINARY FINDINGS FOR NAMED SUBSIDY PROGRAMS

As noted in the body of this document, the CBSA's review of the GOC's response to the subsidy RFI indicated that sufficient information had not been provided to determine whether the programs that were used by the responding exporters constituted actionable subsidies, or to estimate the amount of subsidy on a program basis. This would normally prevent the CBSA from estimating specific amounts of subsidy for the responding exporters and result in the use of other available information. However, in recognition of the amount of cooperation and the volume of information provided by the responding exporters, the CBSA has estimated an amount of subsidy for responding exporters based on the information provided in their responses to the subsidy RFI.

This appendix consists of descriptions of the three potentially actionable subsidy programs used by responding exporters in the current investigation, followed by a listing of the other potentially actionable subsidy programs identified by the CBSA.

POTENTIALLY ACTIONABLE SUBSIDY PROGRAMS USED BY RESPONDING EXPORTERS IN THE CURRENT INVESTIGATION

Without a complete response to the subsidy RFI from the GOC, the CBSA has used the best information available to describe the potentially actionable subsidy programs used by the responding exporters in the current investigation. This includes using information obtained from CBSA research on potential subsidy programs in China, information provided by the responding exporters and descriptions of programs that the CBSA has previously publicly published in recent Statements of Reasons relating to subsidy investigations involving China.

Program 1: Export Assistance Grant

This program was established in the *Circular of the Trial Measures of the Administration of International Market Development Funds for Small and Medium-sized Enterprises Cai Qi No. 467, 2000*, which was promulgated and came into force on October 24, 2000. This program was established to support the development of Small and Medium-sized Enterprises (SMEs), to encourage SMEs to join in the competition of international markets, to reduce the business risks of the enterprises, and to promote the development of the national economy. The granting authority responsible for this program is the foreign trade and economic department and the program is administered at local levels.

The funds provided under this program are for the purpose of: (i) holding or participating in overseas exhibitions, (ii) accreditation fees for quality management system, environment management system or for the product, (iii) promotion in the international market, (iv) exploring a new market, (v) holding training seminars and symposiums, and (vi) overseas bidding.

Based on the above, the CBSA found that one responding exporter has received benefits under this program during the subsidy POI.

Program 2: Award of Taxpayers in Yanghang Industrial Park

This program appears to be established by governments at the local level and was established to provide grants to taxpayers located in Yanghang Industrial Park. The administrative authority responsible for this program is identified as Yanghang Enterprise Development Co. The CBSA is continuing to review this program in order to determine the administration and availability of this program.

Based on the above, the CBSA found that one responding exporter has received benefits under this program during the subsidy POI.

Program 3: Input Materials Provided by Government at Less than Fair Market Value

This program relates to the acquisition cost of the major raw material from SOEs subsequently used to produce the finished subject goods. The CBSA determined that the raw material inputs sourced from SOEs were acquired at preferential prices and this constituted actionable subsidies. With respect to the current subsidy investigation, the raw material is comprised of a combination of hot-rolled steel coils, wire and bearing bars (slit hot-rolled steel coils).

Where a subsidy relates to the provision of goods by government, the CBSA determines whether there is a difference between the fair market value of the goods in the territory of the government providing the subsidy, and the price at which the goods were provided by that government.

In respect of hot-rolled steel sheet, the CBSA has determined, in the re-investigation of *Certain Steel Plate* (concluded on July 16, 2010), that section 20 conditions exist in the Chinese flat-rolled steel sector, including hot-rolled steel sheet. As a result, the domestic selling prices for hot-rolled steel sheet in China are not appropriate for the purposes of determining the fair market value of these goods. The CBSA further reviewed information regarding hot-rolled steel sheet purchases by the responding exporters and found that none of the responding exporters had imported hot-rolled steel sheet from suppliers located outside of China during the subsidy POI.

In the absence of appropriate domestic benchmark prices of hot-rolled steel sheet in China and of import prices reported by the responding exporters, the CBSA determined that the average of the monthly prices of hot-rolled steel sheet in the three regions (excluding China) reported by *SteelBenchmarker* are appropriate for purposes of establishing the fair market value of hot-rolled steel sheet in China. As per information available to the CBSA from prior investigations, the monthly prices of hot rolled steel sheet in the three regions reported by the *SteelBenchmarker* represent fairly the fair market value of hot rolled steel in China.

For purposes of the preliminary determination, the CBSA estimated the amount of subsidy for raw materials as if it was all being sourced from SOEs regardless of whether the responding exporters identified some suppliers as being non-SOEs. The CBSA is not in a position, for purposes of the preliminary determination, to determine what amount of raw materials is being sourced from SOEs, primarily due to the lack of information provided by the GOC and due to the fact that sample mill certificates from the exporters were either not provided or were missing information.

Based on the above, the CBSA found that the two responding exporters have received benefits under this program during the subsidy POI.

OTHER POTENTIALLY ACTIONABLE SUBSIDY PROGRAMS

The following programs are also included in the current investigation. Questions concerning these programs were included in the RFIs sent to the GOC and to all known exporters of the subject goods in China. None of the responding exporters reported using these programs during the subsidy POI. Without a complete response to the subsidy RFI from the GOC, the CBSA does not have detailed descriptions of these programs; nor does it have sufficient information to determine that any of these programs do not constitute actionable subsidy programs. In other words, the CBSA does not have sufficient information to determine that any of these programs should be removed from the investigation. The CBSA will continue to investigate these programs in the final phase of the investigation.

I. Special Economic Zone (SEZ) Incentives and Other Designated Areas

- Program 4: Preferential Tax Policies for Enterprises with Foreign Investment (FIEs)
Established in Special Economic Zones (excluding Shanghai Pudong Area)
- Program 5: Preferential Tax Policies for FIEs Established in the Coastal Economic Open Areas and in the Economic and Technological Development Zones
- Program 6: Preferential Tax Policies for FIEs Established in the Pudong Area of Shanghai
- Program 7: Corporate Income Tax Exemption and/or Reduction in SEZs and Other Designated Areas
- Program 8: Local Income Tax Exemption and/or Reduction in SEZs and Other Designated Areas
- Program 9: Exemption/Reduction of Special Land Tax and Land Use Fees in SEZs and Other Designated Areas
- Program 10: Tariff and Value-added Tax (VAT) Exemptions on Imported Materials and Equipment in SEZs and Other Designated Areas
- Program 11: Income Tax Refund where Profits Re-invested in SEZs and Other Designated Areas

Program 12: Preferential Costs of Services and/or Goods Provided by Government or SOEs in SEZs and Other Designated Areas

II. Grants

Program 13: The State Key Technology Renovation Projects

Program 14: Reimbursement of Anti-dumping and/or Countervailing Legal Expenses by the Local Governments

Program 15: Accelerated Depreciation on Fixed Assets in Binhai New Area of Tianjin

Program 16: Supportive Fund Provided by the Government of Xuyi County, Jiangsu Province

Program 17: Repaying Foreign Currency Loan by Returned VAT

Program 18: Government Export Subsidy and Product Innovation Subsidy

Program 19: Research & Development (R&D) Assistance Grant

Program 20: Innovative Experimental Enterprise Grant

Program 21: Superstar Enterprise Grant

Program 22: Awards to Enterprises Whose Products Qualify for “Well-Known Trademarks of China” or “Famous Brands of China”

Program 23: Export Brand Development Fund

Program 24: Provincial Scientific Development Plan Fund

Program 25: Technical Renovation Loan Interest Discount Fund

Program 26: Venture Investment Fund of Hi-Tech Industry

Program 27: National Innovation Fund for Technology Based Firms

Program 28: Guangdong - Hong Kong Technology Cooperation Funding Scheme

Program 29: Grants for Encouraging the Establishment of Headquarters and Regional Headquarters with Foreign Investment

Program 30: Five Points, One Line Strategy in Liaoning Province

Program 31: Innovative Small and Medium-Sized Enterprise Grants

Program 32: Product Quality Grant

Program 33: Changzhou Qishuyan District Environmental Protection Fund

Program 34: 2007 Technology Innovation Award

Program 35: 2007 & 2008 Energy-Saving Fund

Program 36: Enterprise Innovation Award of Qishuyan District

Program 37: Energy-Saving Technique Special Fund

Program 38: 2008 Water-Saving Technique Assistance
Program 39: Grants to Privately-Owned Export Enterprises
Program 40: Grants for Export Activities
Program 41: Grants for International Certification
Program 42: Liaoning High-Tech Products & Equipment Exports Interest Assistance
Program 43: Income Tax Refund for Enterprises Located in Tianjin Jinnan Economic Development Area
Program 44: Enterprise Technology Centers of Tianjin City and Jinnan District
Program 45: Jiulong Lake Town Grant 2008
Program 46: Energy Saving Grant 2008

III. Equity Programs

Program 47: Debt-to-Equity Swaps
Program 48: Exemptions for SOEs from Distributing Dividends to the State

IV. Preferential Loans

Program 49: Loans and Interest Subsidies Provided Under the Northeast Revitalization Program

V. Preferential Income Tax Programs

Program 50: Reduced Tax Rate for Productive FIEs Scheduled to Operate for a Period not Less Than 10 Years
Program 51: Preferential Tax Policies for Foreign Invested Export Enterprises
Program 52: Preferential Tax Policies for FIEs which are Technology Intensive and Knowledge Intensive
Program 53: Preferential Tax Policies for the Research and Development of FIEs
Program 54: Preferential Tax Policies for FIEs and Foreign Enterprises Which Have Establishments or Places in China and are Engaged in Production or Business Operations Purchasing Domestically Produced Equipments
Program 55: Preferential Tax Policies for Domestic Enterprises Purchasing Domestically Produced Equipments for Technology Upgrading Purpose
Program 56: Income Tax Refund for Re-investment of FIE Profits by Foreign Investors
Program 57: VAT and Income Tax Exemption/Reduction for Enterprises Adopting Debt-to-Equity Swaps

Program 58: Corporate Income Tax Reduction for High-New Technology Enterprises

VI. Relief from Duties and Taxes on Materials and Machinery

Program 59: Exemption of Tariff and Import VAT for the Imported Technologies and Equipment

Program 60: Relief from Duties and Taxes on Imported Material and Other Manufacturing Inputs

VII. Reduction in Land Use Fees

Program 61: Reduction in Land Use Fees

VIII. Goods/Services Provided by Government at Less than Fair Market Value

Program 62: Electricity Provided by Government at Less than Fair Market Value