



OTTAWA, June 17, 2021

STATEMENT OF REASONS

Concerning the final determination with respect to the dumping of

**CERTAIN CONCRETE REINFORCING BAR ORIGINATING IN OR
EXPORTED FROM OMAN AND RUSSIA**

DECISION

Pursuant to paragraph 41(1)(b) of the *Special Import Measures Act*, the Canada Border Services Agency made a final determination on June 2, 2021 respecting the dumping of certain concrete reinforcing bar originating in or exported from Oman and Russia.

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

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SUMMARY OF EVENTS

[1] On September 22, 2020, the Canada Border Services Agency (CBSA) initiated a dumping investigation, referred to as Rebar III, with respect to certain concrete reinforcing bar (commonly known as rebar) originating in or exported from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam. Following the initiation of this investigation, there was a surge of imports from other countries and the CBSA received allegations that imports of rebar originating in or exported from Oman and Russia (hereinafter “referred to as “subject goods” and “named countries”) have been dumped, have caused injury and are threatening to cause injury to Canadian producers of rebar.

[2] The CBSA conducted its own independent research and analysis. The information available substantiated the allegations that the subject goods originating in and exported from the named countries have been dumped and that this dumping has caused injury and was threatening to cause injury to the domestic industry.

[3] Therefore, on December 4, 2020, pursuant to subsection 31(1) of *Special Import Measures Act* (SIMA), the CBSA, on its own initiative, initiated an investigation respecting the dumping of certain concrete reinforcing bar from the named countries.

[4] Upon receiving notice of the initiation of the investigation, the Canadian International Trade Tribunal (CITT) commenced a preliminary injury inquiry, pursuant to subsection 34(2) of SIMA, into whether the evidence discloses a reasonable indication that the alleged dumping of the above-mentioned goods has caused injury or retardation or is threatening to cause injury to the Canadian industry producing the like goods.

[5] On January 25, 2021, pursuant to subsection 37.1(1) of SIMA, the CITT made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping of rebar from the named countries has caused injury or retardation or is threatening to cause injury to the domestic industry.¹

[6] On March 4, 2021, as a result of the CBSA’s preliminary investigation and pursuant to subsection 38(1) of SIMA, the CBSA made a preliminary determination of dumping of rebar from the named countries.

¹ Canadian International Trade Tribunal; Concrete Reinforcing Bar Determination and Reasons (January 25, 2021), PI-2020-005.

[7] On March 4, 2021, pursuant to subsection 8(1) of SIMA, provisional duty was imposed on imports of dumped goods that are of the same description as any goods to which the preliminary determination applies, and that are released during the period commencing on the day the preliminary determination was made and ending on the earlier of the day on which the CBSA causes the investigation in respect of any goods to be terminated pursuant to subsection 41(1) of SIMA or the day the CITT makes an order or finding pursuant to subsection 43(1) of SIMA.

[8] On March 5, 2021, the CITT initiated an inquiry pursuant to section 42 of SIMA to determine whether the dumping of the above-mentioned goods has caused injury or retardation or is threatening to cause injury to the Canadian industry.

[9] Based on the available evidence, the CBSA is satisfied that rebar originating in or exported from the named countries has been dumped. Therefore, on June 2, 2021 the CBSA made a final determination of dumping pursuant to paragraph 41(1)(b) of SIMA in respect of those goods.

[10] The CITT's inquiry into the question of injury to the Canadian industry is continuing, and the CITT will issue its decision by July 2, 2021. Provisional duty will continue to be imposed on the subject goods from the named countries until the CITT renders its decision.

PERIOD OF INVESTIGATION

[11] The Period of Investigation (POI) is June 1, 2020 to November 30, 2020.

PROFITABILITY ANALYSIS PERIOD

[12] The Profitability Analysis Period (PAP) is March 1, 2020 to November 30, 2020.

INTERESTED PARTIES

Domestic Industry

[13] The domestic industry is comprised of five producers, AltaSteel Inc. (AltaSteel), ArcelorMittal Long Products Canada, G.P. (AMLPC), Gerdau Ameristeel Corporation (Gerdau), Max Aicher North America Ltd. and Ivaco Rolling Mills 2004 LP.

Trade Union

[14] The United Steel Workers (with its various locals) represents persons employed in the production of rebar in Canada.

Importers

[15] The CBSA identified five potential importers of the subject goods from CBSA import documentation. The CBSA sent an Importer Request for Information (RFI) to all potential importers of the goods.² Ferrostaal Metals GmbH provided a response to the Importer RFI.³

Exporters

[16] At the initiation of the investigation, the CBSA identified five potential exporters, vendors and producers of the subject goods from information provided by the complainant and CBSA import entry documentation. All of the potential exporters were asked to respond to the CBSA's Dumping RFI.⁴

[17] Five companies provided responses to the CBSA's Dumping RFI: Abinsk Electric and Steel Works Ltd. (AESW)⁵, located in Russia and identifying itself as a producer of subject goods exported to Canada; Balakovo Steel Works JSC (BSW)⁶, located in Russia and identifying itself as a producer of rebar in Russia; One Solution Trading Company DMCC (ONEST)⁷, a trading company located in the United Arab Emirates; America Steel Trade Corporation (AST)⁸, a trading company for subject goods located in the United States of America; Jindal Shadeed Iron & Steel LLC (JSIS)⁹, a producer/exporter of subject goods located in Oman.

[18] Of the responses received, no responses were considered complete submissions for purposes of a final determination. These submissions and results have been summarized in the *Results of the Dumping Investigation* section, found below.

[19] Respondents who have not provided complete submissions have been informed that their information could not be used for the purposes of the final determination as it was not found to be complete and/or reliable.

² EXH 20 (NC) – RFI sent to importers.

³ EXH 22 (PRO) & EXH 23 (NC) – Response to importer RFI - Ferrostaal Metals GmbH.

⁴ EXH 19 (NC) – Dumping RFI sent to exporters.

⁵ EXH 33 (PRO) & EXH 34 (NC) – Response to Dumping RFI - Abinsk Electric and Steel Works Ltd.

⁶ EXH 35 (PRO) & EXH 36 (NC) – Response to Dumping RFI - Balakovo Steel Works.

⁷ EXH 31 (PRO) & EXH 32 (NC) – Response to Dumping RFI - One Solution Trading Company DMCC.

⁸ EXH 29 (PRO) & EXH 30 (NC) – Response to Dumping RFI - America Steel Trade Corporation.

⁹ EXH 38 (PRO) & EXH 39 (NC) – Response to Dumping RFI - Jindal Shadeed Iron & Steel LLC.

PRODUCT INFORMATION

Product Definition

[20] For the purpose of this investigation, subject goods are defined as:

Hot rolled deformed steel concrete reinforcing bar in straight lengths or coils, commonly identified as rebar, in various diameters up to and including 56.4 millimeters, in various finishes, excluding plain round bar and fabricated rebar products, originating in or exported the Sultanate of Oman and the Russian Federation.

Also excluded is 10 mm diameter (10M) rebar produced to meet the requirements of CSA G30 18.09 (or equivalent standards) that is coated to meet the requirements of epoxy standard ASTM A775/A 775M 04a (or equivalent standards) in lengths from 1 foot (30.48 cm) up to and including 8 feet (243.84 cm).

Additional Product Information¹⁰

[21] For greater clarity, the rebar considered to be subject goods includes all hot-rolled deformed bar, rolled from billet steel, rail steel, axle steel, low alloy-steel and other alloy steel that does not comply with the definition of stainless steel.

[22] Uncoated rebar, sometimes referred to as black rebar, is generally used for projects in non-corrosive environments where anti-corrosion coatings are not required. On the other hand, anti-corrosion coated rebar is used in concrete projects that are subjected to corrosive environments, such as road salt. Examples of anti-corrosion coated rebar are epoxy or hot-dip galvanized rebar. The subject goods include uncoated rebar and rebar that has a coating or finish applied.

[23] Fabricated rebar products are generally engineered using Computer Automated Design programs and are made to the customer's unique project requirements. The fabricated rebar products are normally finished with either a protective or corrosion resistant coating. Rebar that is simply cut-to-length is not considered to be a fabricated rebar product excluded from the definition of subject goods.

[24] Rebar is produced in Canada in accordance with the National Standard of Canada CAN/CSA-G30.18-09(R2019) - Carbon Steel Bars for Concrete Reinforcement, (the "National Standard") published by the CSA Group and approved by the Standards Council of Canada.

¹⁰ EXH 3 (NC) - Rebar 3 Complaint, page 9.

[25] The following are the most common bar designation numbers for the subject goods in Canada, with the corresponding diameter in millimeters in brackets: 10 (11.3), 15 (16.0), 20 (19.5), 25 (25.2), 30 (29.9), 35 (35.7). Rebar sizes are commonly referred to as the bar designation number combined with the letter “M”. For example, 10M rebar is rebar with a bar designation number of 10 and a diameter of 11.3 millimeters. Other diameters may also be demanded, and other measurement systems employed. For example, Imperial measure #7 bar (approximately 22 millimeters) is a common designation used in the mine roofing industry.

[26] The National Standard identifies two grades of rebar, namely regular or “R” and weldable or “W”. R grades are intended for general applications while W grades are used where welding, bending or ductility is of special concern. Weldable rebar is substitutable for regular rebar in all applications, though the reverse does not hold.

[27] The National Standard also identifies yield strength levels of 300, 400, 500 and 600. This number refers to the minimum yield strength and is measured in megapascal (“MPa”). The grade and yield strength of rebar is identified by combining yield strength number with grade. Regular rebar with a yield strength of 400 MPa is 400R and 400W is weldable rebar with a yield strength of 400 MPa. Yield strength is measured with an extensometer in accordance with the requirements of section 9 of the National Standard.

[28] The standard lengths for rebar are 6 metres (20 feet), 12 metres (40 feet) and 18 metres (60 feet); although rebar can be cut and sold in other lengths as specified by customers or sold in coils.

Production Process¹¹

[29] Deformed steel concrete reinforcing bar can be produced in an integrated steel production facility or using ferrous scrap metal as the principal raw material. Scrap metal is melted in an electric arc furnace and is further processed in a ladle arc-refining unit. The molten steel is then continuously cast into rectangular billets of steel that are cut-to-length. An integrated facility would also produce billets from molten steel. The billets are then rolled into various sizes of rebar which are cut to various lengths depending on the customers’ requirements.

[30] Deformed rebar is rolled with deformations on the bar which provides gripping power so that concrete adheres to the bar and provides reinforcing value. The deformations must conform to requirements set out in national standards.

¹¹ EXH 3 (NC) – Rebar 3 Complaint, page 11

Product Use¹²

[31] Rebar is used in a number of applications, the most common of which is construction. Rebar is most commonly used to reinforce concrete and masonry structures. It enhances the compressional and tensional strength of concrete and helps prevent the concrete from cracking during curing or following changes in temperature. Rebar is also known as “reinforcing steel bar”.

Classification of Imports

[32] During the POI, subject goods were normally classified under the following tariff classification numbers:

7213.10.00.00 7214.20.00.00

[33] In some instances, imports of subject goods may also have been classified under the following tariff classification numbers:

7215.90.00.90 7227.90.00.90

[34] As of February 4, 2021, the subject goods are usually imported under the following tariff classification numbers:

7213.10.00.11 7213.10.00.13 7214.20.00.00 7215.90.00.30
7213.10.00.12 7213.10.00.90 7215.90.00.20 7227.90.00.50

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

LIKE GOODS AND SINGLE CLASS OF GOODS

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

[37] In considering the issue of like goods, the CITT typically looks at a number of factors, including the physical characteristics of the goods (such as composition and appearance), their market characteristics (such as substitutability, pricing, distribution channels and end uses) and whether the domestic goods fulfill the same customer needs as the subject goods.

¹² EXH 3 (NC) – Rebar 3 Complaint, page 12

[38] In making both the Rebar 1 and Rebar 2 findings, the CITT determined that domestically produced rebar were like goods to the goods at issue in those inquiries. The complainants maintained that there had been no change of circumstances with respect to the criteria identified by the CITT in the previous proceedings. After considering questions of use, physical characteristics and all other relevant factors, the CBSA initiated its investigation under the premise that domestically produced rebar are like goods to the subject goods and constitute only one class of goods.

[39] In its preliminary injury inquiry for this investigation, the CITT further reviewed the matter of like goods and classes of goods. On February 15, 2021, the CITT issued its preliminary inquiry *Statement of Reasons*¹³ for this investigation, indicating that it considered that domestically produced rebar are like goods to the subject goods and that there is one class of goods.

IMPORTS INTO CANADA

[40] During the final phase of the investigation, the CBSA refined the estimated volume and value of imports based on information received from exporters and importers.

[41] The following table presents the CBSA's analysis of imports of rebar for the purposes of the final determination:

Imports of Certain Concrete Reinforcing Bar
(Dumping POI: June 1, 2020 to November 30, 2020)

Country of origin or export	% Of total import volume*
Oman	8.0%
Russia	5.9%
All Other Countries	86.0%
Total Imports	100.0%

*The sum of these percent totals may not equal 100% due to rounding

INVESTIGATION PROCESS

[42] Regarding the dumping investigation, information was requested from all known and potential exporters, producers, vendors and importers, concerning shipments of rebar released into Canada during the POI.

¹³ Canadian International Trade Tribunal; Concrete Reinforcing Bar Determination and Reasons (January 25, 2021), PI-2020-005

[43] The exporters/producers were notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the Dumping RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits may result in the margins of dumping and the assessment of anti-dumping duties on subject goods being based on facts available to the CBSA. Further, they were notified that a determination on the basis of facts available could be less favorable to them than if complete, verifiable information was made available.

[44] Several parties requested an extension to respond to their respective RFIs. The CBSA reviewed all requests and determined that the basis for these requests represented unforeseen circumstances and unusual burdens and therefore granted an extension of time that still allowed the CBSA adequate time to review the responses for purposes of the preliminary determination of the investigation.

[45] The CBSA received responses to the Dumping RFI from two exporters: JSIS located in Oman and AESW located in Russia. Neither of the exporter responses provided complete information and deficiency letters or a correspondence were sent to them directly in order to notify the parties that information was missing and that without the missing information being furnished, preliminary and/or final determinations would be made on the basis of facts available.

[46] The CBSA also received Dumping RFI responses from two trading companies located in the United Arab Emirates and the United States of America, who were not the exporter of the subject goods. The CBSA also received a Dumping RFI response from BSW, a producer of rebar in Russia. However, since this company did not produce or sell subject goods to Canada during the POI, their information was not used in determining a margin of dumping for the final determination.

[47] Details pertaining to the information submitted by the exporters in response to the Dumping RFI as well as the results of the CBSA's dumping investigation, are provided in the *Results of the Dumping Investigation* section of this document.

[48] As part of the final phase of the investigation, case arguments were received in the form case briefs/reply submissions from counsel representing the Canadian producers, AltaSteel and AMLPC, and Gerdau; and exporters/producers AESW and BSW, and JSIS. Details of the representations are provided in **Appendix 2**.

[49] The CBSA also received comments from the Canadian producers AltaSteel and AMLPC, and Gerdau and the Government of Russia after the due date for reply submissions. As the comments were received after close of record and after the due dates for case arguments and reply submissions, the CBSA did not post the comments to the exhibits listing and the comments were not taken into consideration for the purpose of the final determination.

RESULTS OF THE DUMPING INVESTIGATION

Normal Value

[50] Normal values are generally determined based on the domestic selling prices of like goods in the country of export, in accordance with the methodology of section 15 of SIMA which relies on domestic prices, or one of the methodologies of section 19. Where the methodology of paragraph 19(b) is used, it is based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits.

Export Price

[51] The export price of goods sold to importers in Canada is generally determined in accordance with the methodology of section 24 of SIMA 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 as provided for in subparagraphs 24(a)(i) to 24(a)(iii) of SIMA.

Margin of Dumping

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

[53] Although the CBSA received Dumping RFI responses from exporters in each of the named countries, the responses were not complete and/or reliable and therefore could not be used for the purposes of determining normal values and export prices.

Oman

[54] The CBSA received one response to the Dumping RFI from one respondent in Oman, JSIS.

Jindal Shadeed Iron & Steel LLC

[55] JSIS is a producer and exporter of subject goods that was established as a limited liability company. All of the subject goods shipped to Canada by JSIS were produced at its production facility in Sohar, Oman, where the company is also headquartered.

[56] JSIS provided a response to the Dumping RFI on February 1, 2021.¹⁴ However, a complete non-confidential version was not provided until February 18, 2020, seventeen days after the due date. JSIS's initial response to the Dumping RFI was considered incomplete as some domestic sales and costing information was not included in the response. Furthermore, the response did not provide allocation methodologies or supporting documentation for export price and normal value adjustments. JSIS was notified of these deficiencies through a deficiency letter on March 1, 2021.¹⁵ The letter noted these deficiencies and advised JSIS to provide a revised Dumping RFI response as soon as possible to ensure that the CBSA has sufficient time to review, analyze and verify the information provided.

[57] On March 10, 2021, JSIS provided a response to the deficiency letter.¹⁶ However a review of the response found that not all deficiencies were sufficiently addressed; namely the deficiencies with respect to domestic sales. On March 24, 2021, JSIS was informed that deficiencies remained unaddressed in a second deficiency letter.¹⁷ On April 1, 2021, JSIS provided additional information in response to the second deficiency letter, with only seven business days until the close of record.¹⁸ Moreover, a complete non-confidential version was not provided until April 6, 2021. The CBSA's review of the information on the record found that gaps and inconsistencies remained.

[58] JSIS's delays and failure to properly address the identified deficiencies prevented the CBSA from being able to further question and verify JSIS's information. Without sufficient time to further question JSIS, request additional supporting documentation and verify the submitted information, the CBSA was precluded from being able to assess whether or not JSIS's submitted information was complete, accurate and reliable for the purposes of determining a margin of dumping. The CBSA has therefore determined that JSIS's information is insufficient and unreliable for the purposes of determining a margin of dumping for the final determination.

[59] Accordingly, for purposes of the final determination the CBSA has determined the margin of dumping for JSIS pursuant to a Ministerial Specification based on the methodology as described below under All Other Exporters Rate – Oman.

All Other Exporters – Oman

[60] As previously stated, the CBSA did not receive complete and reliable responses to the Dumping RFI from any exporters in Oman. As a result, the normal values and export prices for all exporters in Oman were determined pursuant to a ministerial specification under subsection 29(1) of SIMA on the basis of facts available.

¹⁴ EXH 38 (PRO) & 39 (NC) – Response to request for information (RFI) from Jindal Shadeed Iron & Steel LLC.

¹⁵ EXH 50 (PRO) – Deficiency Letter sent to Jindal Shadeed Iron & Steel LLC.

¹⁶ EXH 72 (PRO) & 73 (NC) – Response to deficiency letter - dumping from Jindal Shadeed Iron & Steel LLC (“JSIS”).

¹⁷ EXH 76 (PRO) – Deficiency letter #2 sent to Jindal Shadeed Iron & Steel LLC's ("Jindal Shadeed").

¹⁸ EXH 85 (PRO) & 86 (NC) - Response to deficiency letter #2 - dumping from Jindal Shadeed Iron & Steel LLC ("Jindal Shadeed").

[61] In establishing the methodology for estimating normal values and export prices, the CBSA analyzed all the information on the administrative record, including the CBSA's estimates at the initiation of the investigation, information submitted by exporters of rebar from the named countries and customs documentation.

[62] The CBSA would normally first consider whether information from an exporter of rebar from the applicable country, who provided complete and reliable information, would be appropriate to use as the basis for determining normal values for all other exporters in each respective country

[63] However, as no exporters in Oman or Russia provided a complete and reliable response to the CBSA's Dumping RFI, the CBSA instead relied on information from the CBSA's initiation analysis, based on the methodology of paragraph 19(b) of SIMA, by estimating the costs of production of the goods, an amount for general selling and administrative expenses, plus an amount for profit.¹⁹ Adjustments were made to the cost of raw materials and the cost of labour to more reasonably represent costs which may be incurred in the named countries.

[64] The CBSA considered the highest amount by which the normal value estimated by the CBSA at the initiation of the investigation exceeded the export price as an appropriate basis for determining normal values. This methodology limits the advantage that an exporter may gain from not providing necessary information requested in a dumping investigation.

[65] Export prices were based on the declared selling prices on customs entry documentation. The CBSA considers this the best available information on which to base the export prices for all other exporters as it reflects actual import data.

[66] Using the above methodology, the margin of dumping for all exporters in Oman is determined to be 8.0%, expressed as a percentage of the export price.

Russia

[67] The CBSA received responses to the Dumping RFI from one exporter in Russia, AESW, and one other producer of rebar in Russia, BSW.

Abinsk Electric Steel Works Ltd.

[68] AESW is a producer and exporter of subject goods. AESW is located in Abinsk, Krasnodar, Russia. Exports of subject goods by AESW represent nearly 100% of the volume of subject goods exported from Russia during the POI.

¹⁹ <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/rb42020/rb42020-in-eng.html>

[69] AESW provided an incomplete response to the Dumping RFI on February 1, 2021.²⁰ AESW's response lacked any supporting documentation concerning the sales of subject goods to Canada or its domestic sales of like goods, and provided incomplete explanations and accounting records to substantiate its cost of production. The CBSA sent AESW a deficiency letter on February 16, 2021.²¹ The letter noted these deficiencies and listed each question from the Dumping RFI response that was missing information. The CBSA advised AESW to provide the missing information as soon as possible to ensure that the CBSA has sufficient time to review, analyze and verify the information provided.

[70] AESW provided some of the missing information on February 24, 2021.²² On March 4, 2021, in the notice of preliminary determination to AESW, the CBSA informed AESW that their additional information would be reviewed and considered by the CBSA in the final phase of the investigation.²³ The CBSA further stated that if all of the deficiencies and missing information identified by the CBSA were not adequately addressed with the submission of this additional information, then AESW's Dumping RFI response would still be considered incomplete.

[71] AESW's additional information was reviewed by the CBSA and still found to be incomplete. AESW's response to the CBSA's deficiency letter did not provide any information with respect to some of the listed deficiencies. AESW still did not provide any supporting documentation concerning the sales of subject goods to Canada or accounting reconciliations for their cost of production. AESW's additional information also failed to sufficiently address other deficiencies, including providing insufficient documentation to support its domestic sales of like goods.

²⁰ EXH 33 (PRO) & EXH 34 (NC) - Response to request for information (RFI) - dumping from Abinsk Electric and Steel Works Ltd.

²¹ EXH 37 (PRO) - Deficiency Letter sent to Abinsk Electric Steel Works Ltd.

²² EXH 42 (PRO) & EXH 43 (NC) - Response to deficiency letter - dumping from Abinsk Electric Steel Works Ltd.

²³ EXH 64 (PRO) - Notice of preliminary determination sent to exporters.

[72] AESW contacted the CBSA on March 24, 2021, to confirm the status of their Dumping RFI response.²⁴ On March 25, 2021, the CBSA confirmed with AESW that many of their deficiencies remained insufficiently addressed and that their Dumping RFI response was still considered incomplete by the CBSA as it was still missing information requested in the Dumping RFI.²⁵ The CBSA explained that AESW's additional information had not provided any supporting documentation concerning the sales of subject goods to Canada, provided insufficient documentation to support its domestic sales of like goods, and did not provide accounting reconciliations for their cost of production. On March 31, 2021, AESW submitted comments to the CBSA arguing that they had provided all of the missing information and requested that the CBSA specify any additional requirements.²⁶ On April 7, 2021, the CBSA again provided AESW with a list of deficiencies, reiterating question-by-question, the information that was still missing from their Dumping RFI response that had not been addressed when AESW provided additional information.²⁷ On April 13, 2021, almost two months after being notified of the deficiencies and at the close of record for the investigation, AESW filed additional information concerning the remaining deficiencies in their Dumping RFI response.²⁸

[73] The CBSA had insufficient time prior to the close of record to review and verify this new information by way of further SRFIs or requesting additional supporting documentation. AESW's delay in filing some of the information missing from its initial RFI response until the close of record prevented the CBSA from being able to further question and verify this information. Without sufficient time to further question AESW, request additional supporting documentation and verify the submitted information, the CBSA was precluded from being able to assess whether or not AESW's submitted information was complete, accurate and reliable for the purposes of determining a margin of dumping. The CBSA therefore determined that AESW's information is insufficient and unreliable for the purposes of determining a margin of dumping for the final determination.

[74] Accordingly, for purposes of the final determination the CBSA has determined the margin of dumping for AESW pursuant to a Ministerial Specification based on the methodology as described below under All Other Exporters Rate –Russia.

²⁴ EXH 80 (PRO) & EXH 81 (NC) - Comments submitted by counsel for Abinsk Electric Steel Works and Balakovo Steel Works for clarification regarding preliminary determination.

²⁵ EXH 82 (PRO) - Response to comments submitted by counsel for Abinsk Steel Works Ltd. and Balakovo Steel Works.

²⁶ EXH 87 (PRO) & EXH 88 (NC) - Additional comments submitted by counsel for Abinsk Electric Steel Works and Balakovo Steel Works.

²⁷ EXH 89 (PRO) - Response to additional comments submitted by counsel for Abinsk Steel Works Ltd. and Balakovo Steel Works.

²⁸ EXH 93 (PRO) & EXH 94 (NC) - Clarification to response to deficiency letter - dumping from Abinsk Electric Steel Works Ltd.

Balakovo Steel Works JSC

[75] BSW is a producer of rebar in Russia that did not sell or export any subject goods to Canada during the POI. BSW provided a response to the Dumping RFI on February 1, 2021.²⁹ On February 25, 2021, the CBSA notified BSW that since they had not sold or exported subject goods to Canada during the period of investigation, the CBSA would not be using its Dumping RFI response to determine normal values or a margin of dumping in the investigation.³⁰ The CBSA further noted that a review of the Dumping RFI response submitted by BSW indicated that the response would be considered incomplete, as the responses to many of the questions concerning the cost of production of the goods were incomplete. On April 13, 2021, at the close of record for the investigation, BSW filed additional information for its Dumping RFI response.³¹

[76] For the final determination, the CBSA confirmed that BSW did not ship subject goods that were released into Canada during the POI. As this investigation focused solely on subject goods released into Canada during the POI, BSW's information was not relevant to this investigation and was not used.

All Other Exporters – Russia

[77] As previously stated, the CBSA did not receive complete and reliable responses to the Dumping RFI from any exporters in Russia. As a result, the normal values and export prices for all exporters in Russia were determined pursuant to a ministerial specification under subsection 29(1) of SIMA on the basis of facts available.

[78] In establishing the methodology for estimating normal values and export prices, the CBSA analyzed all the information on the administrative record, including the CBSA's estimates at the initiation of the investigation, information submitted by exporters of rebar from the named countries and customs documentation.

[79] The CBSA would normally first consider whether information from an exporter of rebar from the applicable country, who provided complete and reliable information, would be appropriate to use as the basis for determining normal values for all other exporters in each respective country.

²⁹ EXH 35 (PRO) & EXH 36 (NC) - Response to request for information (RFI) - dumping from Balakovo Steel Works.

³⁰ EXH 77 (PRO) - Notice that response will not be considered sent to Steel Works Balakovo, JSC.

³¹ EXH 91 (PRO) & EXH 92 (NC) - Response to deficiency letter - dumping from Balakovo Steel Works Ltd.

[80] However, as no exporters in Oman or Russia provided a complete and reliable response to the CBSA's Dumping RFI, the CBSA instead relied on information from the CBSA's initiation analysis, based on the methodology of paragraph 19(b) of SIMA, by estimating the costs of production of the goods, an amount for general selling and administrative expenses, plus an amount for profit.³² Adjustments were made to the cost of raw materials and the cost of labour to more reasonably represent costs which may be incurred in the named countries.

[81] The CBSA considered the highest amount by which the normal value estimated by the CBSA at the initiation of the investigation exceeded the export price as an appropriate basis for determining normal values. This methodology limits the advantage that an exporter may gain from not providing necessary information requested in a dumping investigation.

[82] Export prices were based on the declared selling prices on customs entry documentation. The CBSA considers this the best available information on which to base the export prices for all other exporters as it reflects actual import data.

[83] Using the above methodology, the margin of dumping for all exporters in Russia is determined to be 45.0%, expressed as a percentage of the export price.

Summary of Results

[84] A summary of the results of the dumping investigation respecting all subject goods released into Canada during the POI are as follows:

Summary of Results
(Dumping POI: June 1, 2020– November 30, 2020)

Country of origin or export	Volume of Subject Goods as a Percentage of Total Imports*	Margin of Dumping (as % of Export Price)
Oman – All Exporters	8.0%	8.0%
Russia – All Exporters	5.9%	45.0%
All Other Countries	86.0%	N/A
All Countries	100.0%	N/A

*The sum of these percent totals may not equal 100% due to rounding

[85] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of the goods of an exporter if the CBSA is satisfied that the goods have not been dumped or the margin of dumping of the goods of that exporter is insignificant, meaning a margin of dumping that is less than 2% of the export price of the goods.

³² <https://www.cbsa-asfc.gc.ca/sima-lmsi/i-e/rb42020/rb42020-in-eng.html>

[86] The goods under investigation have been dumped and the margins of dumping on the goods are greater than the threshold of 2% and are therefore not considered insignificant. As a result, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made a final determination of dumping respecting rebar originating in or exported Oman and Russia.

DECISION

[87] On June 2, 2021, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made a final determination of dumping respecting rebar originating in or exported from Oman and Russia.

FUTURE ACTION

[88] The provisional period began on March 4, 2021, and will end on the date the CITT issues its finding. The CITT is expected to issue its decision by July 2, 2021. Provisional anti-dumping duty will continue to apply until this date on imports of subject goods from the named countries. For further details on the application of provisional duty, refer to the *Statement of Reasons* issued for the preliminary determination, which is available through the CBSA's website at: www.cbsa-asfc.gc.ca/sima-lmsi/menu-eng.html.

[89] If the CITT finds that the dumped goods have not caused injury and do not threaten to cause injury, all proceedings will be terminated. In this situation, all provisional duty paid or security posted by importers will be returned.

[90] If the CITT finds that the dumped goods have caused injury, the anti-dumping duty payable on subject goods released by the CBSA during the provisional period will be finalized pursuant to section 55 of SIMA. Imports released by the CBSA after the date of the CITT's finding will be subject to anti-dumping duty equal to the margin of dumping.

[91] The importer in Canada shall pay all applicable duties. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the customs documents, an administrative monetary penalty could be imposed. The provisions of the *Customs Act* apply with respect to the payment, collection or refund of any duty collected under SIMA. As a result, failure to pay duty within the prescribed time will result in the application of interest.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

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

PUBLICATION

[93] A notice of this final determination of dumping will be published in the *Canada Gazette* pursuant to paragraph 41(3)(a) of SIMA.

INFORMATION

[94] This *Statement of Reasons* is posted on the CBSA's website at the address below. For further information, please contact the officers identified as follows:

Mail:	SIMA Registry and Disclosure Unit Trade and Anti-dumping Programs Directorate Canada Border Services Agency 100 Metcalfe Street, 11 th floor Ottawa, Ontario K1A 0L8 Canada	
Telephone:	Robert Wright	343-553-1729
	Valerie Ngai	343-553-1635
E-mail:	simaregistry@cbsa-asfc.gc.ca	
Web site:	www.cbsa-asfc.gc.ca/sima-lmsi	

Doug Band
Director General
Trade and Anti-dumping Programs Directorate

ATTACHMENTS

Appendix 1: Summary of Margins of Dumping
Appendix 2: Dumping Representations

APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING

Country of origin or export	Margin of Dumping (% of Export Price)
Oman – All Exporters	8.0%
Russia – All Exporters	45.0%

NOTE: The margins of dumping reported in this table were determined by the Canada Border Services Agency (CBSA) for the purposes of the final determination of dumping. These margins may not reflect the amount of anti-dumping duty to be levied on future importations of dumped goods. In the event of an injury finding by Canadian International Trade Tribunal, normal values for future shipments to Canada have been provided to the exporters who provided sufficient information to the CBSA, as appropriate. These normal values would come into effect the day after an injury finding. Information regarding normal values of the subject goods should be obtained from the exporters. Normal values for all other exporters will be determined in accordance with a Ministerial specification pursuant to subsection 29(1) of SIMA. The application of the Ministerial specification will result in anti-dumping duty rates equivalent to the margins of dumping found for “all other exporters” at the final determination. Please consult the [SIMA Self-Assessment Guide](#) for more detailed information explaining how to determine the amount of *Special Import Measures Act* (SIMA) duties owing.

Normally, normal values will not be applied retroactively. However, normal values may be applied retroactively in cases where the parties have not advised the CBSA in a timely manner of substantial changes that affect values for SIMA purposes. Therefore, where substantial changes occur in prices, market conditions, costs associated with production and sales of the goods, the onus is on the concerned parties to advise the CBSA.

APPENDIX 2 – REPRESENTATIONS

Following the closing of the record on April 13, 2021, case arguments were received on behalf of AltaSteel Inc. (AltaSteel) and ArcelorMittal Long Products Canada G.P (AMLPC),³³ Gerdau Ameristeel Corporation (Gerdau),³⁴ Abinsk Electric Steel Works (AESW) and Balakovo Steel Works (BSW),³⁵ and Jindal Shadeed Iron & Steel (JSIS).³⁶

The CBSA received a reply submission on behalf of the AltaSteel and AMLPC,³⁷ Gerdau,³⁸ AESW and BSW,³⁹ and JSIS.⁴⁰

Certain details provided in case briefs and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions.

Representations made by counsel for JSIS included some new information that was not included in the submissions placed on the Exhibits Listing before the Close of Record. The CBSA did not consider the new information in making the final determination.

The CBSA also received comments from: AltaSteel and AMLPC, Gerdau and the Government of Russia after the due date for reply submissions. As the comments were received after close of record and after the due dates for case arguments and reply submissions, the CBSA did not post the comments to the exhibits listing and the comments were not taken into consideration for the purpose of the final determination.

The CBSA has provided responses below to representations that relate to the final determination of dumping. The CBSA will not address representations pertaining to future enforcement in this *Statement of Reasons*.

The material issues raised by the parties are summarized as follows:

³³ EXH 100 (PRO) & 101 (NC) – Case brief filed on behalf of ArcelorMittal Long Products Canada G.P. (AMLPC) and AltaSteel Inc. (AltaSteel)

³⁴ EXH 95 (PRO) & 96 (NC) – Case brief filed on behalf of Gerdau Ameristeel Corporation (Gerdau)

³⁵ EXH 97 (NC) – Case brief filed on behalf of Abinsk Electric Steel Works and Balakovo Steel Works

³⁶ EXH 98 (PRO) & 99 (NC) – Case brief filed on behalf of Jindal Shadeed Iron & Steel LLC

³⁷ EXH 105 (PRO) & 106 (NC) – Reply submission filed on behalf of AMLPC and AltaSteel

³⁸ EXH 102 (PRO) & 103 (NC) – Reply submission filed on behalf of Gerdau

³⁹ EXH 104 (NC) – Reply submission filed on behalf of Abinsk Electric Steel Works and Balakovo Steel Works

⁴⁰ EXH 107 (PRO) & 108 (NC) – Reply submission filed on behalf of the Jindal Shadeed Iron & Steel LLC

Timeliness, Accuracy and Completeness of Submissions

Case Arguments

Counsels for AltaSteel, AMLPC and Gerdau (collectively, domestic industry) made representations regarding the timeliness, accuracy and completeness of information submitted by exporters, AESW and JSIS. Counsels submitted that AESW and JSIS did not submit information with sufficient time for the CBSA to issue Supplemental Requests for Information (SRFIs) to verify the completeness, reliability and accuracy of the response. Counsels further noted that deficiencies and/or issues remained in the responses of AESW and JSIS.⁴¹

Counsel for AltaSteel and AMLPC also made representations regarding the completeness of information submitted by importer Ferrostaal Metals GmbH, producer BSW, and trading companies, One Solution Trading Company (ONEST) and America Steel Corporation.⁴² Counsel also submitted that BSW was not an exporter of subject goods to Canada and submitted its information too late for the CBSA to analyze, verify and use its information.⁴³

Counsel for AESW and BSW submitted that both companies provided the CBSA with timely responses to all requests for information. Counsel for AESW and BSW argued that the sales and cost of production information provided by the companies is substantially complete and accurate, and alleged that this information was successfully verified by the CBSA. Counsel further noted that this information should be used by the CBSA to determine normal values in its final determination, and that the CBSA should issue normal values to both AESW and BSW.⁴⁴

Counsel for JSIS submitted that JSIS provided the requested information as early as possible and the information was sufficient for determining export prices, normal values and a margin of dumping.⁴⁵ Counsel for JSIS also submitted methodologies for the determination of export prices, normal values and a margin of dumping.⁴⁶

⁴¹ EXH 100 (PRO) & EXH 101 (NC) - Case brief filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at paras. 14-58 and paras 75-102; and EXH 95 (PRO) & 96 (NC) - Case brief filed on behalf of Gerdau Ameristeel Corporation at paras. 8-23.

⁴² EXH 100 (PRO) & EXH 101 (NC) - Case brief filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at paras. 2-4, para. 13, and paras. 64-74.

⁴³ *Ibid*, at paras. 10-12.

⁴⁴ EXH 97 (NC) - Case brief filed on behalf of Abinsk Electric Steel Works and Balakovo Steel Works.

⁴⁵ EXH 98 (PRO) & 99 (NC) - Case brief filed on behalf of Jindal Shadeed Iron & Steel at paras. 4-24, 39.

⁴⁶ *Ibid*, at paras. 25-38 and exhibits C1-C7.

Reply Submissions

In response to AESW's and BSW's case arguments, counsels for domestic industry reiterated their arguments that the information provided by AESW was not timely, remained incomplete and was unverified by the CBSA.⁴⁷ Counsels for domestic industry repeated that BSW was not an exporter of subject goods to Canada and that CBSA was not required to use its information.⁴⁸

Counsels for domestic industry also disputed JSIS' arguments that the information submitted was sufficient for determining export prices, normal values and a margin of dumping. Counsels submitted that as noted in their case arguments, deficiencies remained in JSIS' submissions and the submissions were not provided with sufficient time for the CBSA to verify JSIS' information.⁴⁹

Counsel for AESW and BSW responded to representations made by counsels for domestic industry, by reasserting that AESW and BSW had submitted complete responses in a timely manner, to the best of their abilities and that CBSA should use their information for the purposes of the final determination and determining normal values.⁵⁰

Counsel for JSIS responded to representations made by counsels for domestic industry, by reasserting that JSIS submitted complete responses in a timely manner, to the best of their ability. JSIS also disputed counsels for domestic industry's arguments by referencing information in their submissions.⁵¹

The CBSA did not receive reply submissions from Ferrostaal Metals GmbH, ONEST and America Steel Corporation with respect to the case arguments submitted by counsels for Domestic Industry, on the accuracy and completeness of the submissions.

⁴⁷ EXH 102 (PRO) & 103 (NC) - Reply submission filed on behalf of Gerdau Ameristeel Corporation at paras 5-10; and EXH 105 (PRO) & 106 (NC) - Reply submission filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at paras. 5-11.

⁴⁸ EXH 102 (PRO) & 103 (NC) - Reply submission filed on behalf of Gerdau Ameristeel Corporation at paras. 11-15; and EXH 105 (PRO) & 106 (NC) - Reply submission filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at paras. 2-4.

⁴⁹ EXH 102 (PRO) & 103 (NC) - Reply submission filed on behalf of Gerdau Ameristeel Corporation at paras. 16-26; and EXH 105 (PRO) & 106 (NC) - Reply submission filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at paras. 12-16.

⁵⁰ EXH 104 (NC) - Reply submission filed on behalf of Abinsk Electric Steel Works and Balakovo Steel Works

⁵¹ EXH 107 (PRO) & 108 (NC) - Reply submission filed on behalf of the Jindal Shaded Iron & Steel LLC at pgs. 2-8.

CBSA's Response

The CBSA considered all of the information provided by AESW and JSIS. However, the CBSA was not afforded the time to review and verify AESW's and JSIS' information by way of further SRFIs or requesting additional supporting documentation, prior to the close of record. Thus the CBSA was precluded from being able to assess whether or not the companies' submitted information was complete, accurate and reliable, and the CBSA finds that their submissions cannot be used to determine normal values and export prices. The CBSA has determined normal values and export prices for the above exporter's based on the respective "All Other Exporters – Russia" and "All Other Exporters – Oman" normal value and export price methodologies.

As BSW did not produce or sell subject goods to Canada during the Period of Investigation, the CBSA did not their information in estimating a margin of dumping for the final determination.

The Ministerial Specification Rate

Case Arguments

Counsels for domestic industry argued that as the information submitted by exporters, AESW and JSIS, could not be relied upon to calculate export prices and normal values under sections 15, 19 and 24 of the *Special Import Measures Act* (SIMA), the CBSA should apply a Ministerial Specification under section 29 of SIMA.⁵² Counsels submitted that such the CBSA should utilize the methodology to be applied under the Ministerial Specification should follow the methodology used at the preliminary determination with one adjustment. Counsels submitted that the CBSA should use information for Al Jazeera Steel's 2020 Annual report for purposes of determining costs of direct labour, overhead, general, selling and administrative expenses, financial expenses and amount for profit.⁵³

Reply Submissions

Counsel for JSIS urged the CBSA to disregard representations made by counsels for domestic industry to use Al Jazeera Steel's 2020 Annual report in the methodology to be applied under the Ministerial specification, and to use JSIS's submitted information in determining normal values and export prices.⁵⁴

⁵² EXH 100 (PRO) & EXH 101 (NC) - Case brief filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at para. 97; and EXH 95 (PRO) & 96 (NC) - Case brief filed on behalf of Gerdau Ameristeel Corporation at para. 23.

⁵³ EXH 100 (PRO) & EXH 101 (NC) - Case brief filed on behalf of ArcelorMittal Long Products Canada G.P. and AltaSteel Inc. at paras. 24-27; and EXH 95 (PRO) & 96 (NC) - Case brief filed on behalf of Gerdau Ameristeel Corporation at paras. 98-99.

⁵⁴ EXH 107 (PRO) & 108 (NC) – Reply submission filed on behalf of the Jindal Shaded Iron & Steel LLC at pgs. 4, 7, 8.

CBSA's Position

As discussed in the relevant “all other exporters” sections of this document, no exporters in Oman or Russia provided a complete and reliable response to the CBSA’s Dumping RFI. The CBSA instead relied on information from the CBSA’s initiation analysis, based on the methodology of paragraph 19(b) of SIMA, by estimating the costs of production of the goods, an amount for general selling and administrative expenses, plus an amount for profit. Adjustments were made to the cost of raw materials and the cost of labour to more reasonably represent costs which may be incurred in the named countries. This methodology was also used to estimate normal values for the purposes of the preliminary determination.

The CBSA finds that this methodology limits the advantage that an exporter may gain from not providing necessary information requested in a dumping investigation as compared to an exporter that did provide the necessary information.