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Date: November 5, 2020

VIA EMAIL

PUBLIC

SIMA Registry and Disclosure Unit
Anti-Dumping and Countervailing Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
Ottawa, ON K1A 0L8

**Re: Concrete Reinforcing Bar 2 Request for Normal Value Review – RB2
2016 IN Metalurgica Galaica, S.A**

On behalf of Max Aicher North America Ltd. (“**MANA**”), a domestic producer of rebar, we are submitting comments to the Canada Border Services Agency (“**CBSA**”) in respect of Megasa Group’s (“**Megasa**”) request to initiate a normal value review for its Portuguese rebar production facilities in the context of the CBSA’s investigation into dumped rebar from Portugal.

MANA agrees with the submissions made by Gerdau Ameristeel Corporation (“**Gerdau**”) and by ArcelorMittal Long Products Canada G.P. (“**AMLPC**”) made on October 28 and 30, 2020, opposing the initiation of a normal value review at this time. The CBSA should only consider initiating the requested normal value review after the price, cost and demand volatility in the global rebar market caused by the current economic crisis has subsided. Any normal value determined in the midst of this global pandemic would not be representative of any long-term trend in the rebar industry – It would merely provide a snapshot of costs and prices in a fluctuating and highly volatile market.

Megasa wants to take advantage of low prices at the peak of the global pandemic

MANA does not have access to the confidential information submitted by Megasa as part of this request. However, it appears that Megasa deems this moment as opportune to establish normal values based on low costs and pricing data during Q2 2020, the peak of the economic crisis, at a time when prices and costs are expected to increase again as the global economy recovers from the COVID-19 pandemic. As can be seen in Confidential Attachment A, this price recovery in

the global rebar market is already underway in Q3 2020. On September 1, 2020, the average rebar price in Western Europe was [] per MT compared to [] per MT on June 1, 2020. This increase of [] in the Western European rebar price within three months is indicative of the price recovery in the rebar market. The same trend of a price recovery can be observed in the price for Southern European scrap. SBB reports that scrap prices increased from [] per MT on June 1, 2020 to [] per MT on September 1, 2020 (see Confidential Attachment A). A normal value review at this time is not warranted, given that this price recovery is likely to continue for an extended period of time.

The purpose of SIMA is to protect the domestic industry

Lastly, allowing foreign producers to update or establish normal values to take advantage of depressed prices caused by an unprecedented global economic crisis would be contrary to the purpose of the *Special Import Measures Act* (“SIMA”), which was enacted to protect domestic industries from dumped and subsidized exports. If the CBSA grants Megasa’s request to initiate a normal value review, it would allow a foreign producer to benefit from distortions in the global rebar market to start exporting rebar at rapidly outdated and dumped prices.

If this request for a normal value review were to be granted, another normal value review would need to be initiated shortly thereafter to update these outdated normal value – Two normal value reviews in succession within a short period of time would be an inefficient use of the CBSA’s resources, especially in light of the high workload that the CBSA is currently facing with other proceedings, such as RB3 2020 IN.

Based on the foregoing, MANA respectfully submits that the CBSA not initiate a normal value review at the request of Megasa at this point in time.

Yours truly,



Chris Scheitterlein