

Reply to the Attention of: Chris Scheitterlein
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VIA EMAIL

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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 1 – Request for Normal Value Review –
Çolakoğlu**

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 Çolakoğlu Metalurji A.S.’ (“**Çolakoğlu**”) letter, dated December 8, 2020, requesting the initiation of a normal value review in the context of CBSA’s investigation into dumped rebar from Turkey.

MANA agrees with the submissions made by Gerdau Ameristeel Corporation (“**Gerdau**”) and by ArcelorMittal Long Products Canada G.P. (“**AMLPC**”) opposing the initiation of a normal value review at this time. 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 an economic downturn 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.

Çolakoğlu 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 Çolakoğlu as part of this request. However, it appears that Çolakoğlu deems this moment as opportune to establish normal values based on low costs and pricing data during Q2 and Q3 2020, the peak of the economic crisis, at a time when prices and costs are rising again as the global economy recovers from the COVID-19 pandemic.

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In its representations to CBSA, Çolakoğlu claims that its domestic selling prices and raw material costs have been declining steadily since June 2018 and that its current prospective normal values are based on its sales and cost data for April and May 2018, which no longer reflect market conditions. The graph below for Turkish domestic rebar prices, ex-stock (incl. 18% VAT, US\$/MT) published by S&P Global Platts illustrates that this is not the case. Turkish domestic rebar prices have seen a strong recovery in Q4 2020, such that current prices are actually higher than in May 2018.

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The same can be observed for scrap prices, which is the most significant input in the production of rebar. Scrap prices in Turkey (S&P Platts TSI HMS, CFR, Turkey, US\$/t) show an even stronger recovery in Q4 2020 with prices surpassing the [] per MT mark. As can be seen in the graph below, current price levels are actually higher than in May and June 2018.

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As demonstrated by these graphs, Çolakoğlu's raw material costs and domestic selling prices are not outdated. At these current price levels and amid the strong upward trend of Turkish scrap and rebar prices, there is no need for a normal value review.

If CBSA grants Çolakoğlu'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. A normal value review under these circumstances would be an inefficient use of CBSA's resources, especially in light of the high workload that CBSA is currently facing with other proceedings, such as RB3 2020 IN and RB4 2020 IN.

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

Yours truly,

A handwritten signature in black ink, appearing to read 'CScheitterlein', written in a cursive style.

Chris Scheitterlein