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Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th Floor
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Submission received electronically

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November 30, 2021

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PUBLIC

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

Dear Sir/Madam:

RE: Carbon Steel Welded Pipe 3
Request for Normal Value Reviews (Addendum) – Turkey and Pakistan

This letter is filed on behalf of Novamerican Steel Inc., Nova Tube Inc. and Nova Steel Inc. (collectively, “**Nova**”) in respect of the normal value review request that Nova filed on November 15, 2021, for *Carbon Steel Welded Pipe 3*. Please find enclosed two recent articles regarding the depreciation of the Turkish lira.

Also enclosed is a letter from Nova providing additional information on certain CSWP exporters and importers.

Yours truly,



Anne-Marie Oatway
Encl.

Article 1

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Canada markets close in 5 hours 5 minutes

S&P/TSX 21,171.97 -441.21 (-2.04%)	S&P 500 4,608.65 -92.81 (-1.97%)	DOW 34,876.29 -928.09 (-2.59%)	CAD/USD 0.7810 -0.0088 (-1.1142%)	CRUDE OIL 70.34 -8.05 (-10.27%)	BTC-CAD 69,740.50 -6,096.34 (-8.04%)
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MARKETS LIVE BLOG:

STOCKS SLIDE AS NEW COVID VARIANT FANS LOCKDOWN FEARS

Stock market will close at 1 p.m. ET on Friday due to the holiday weekend

>

THE CANADIAN PRESS  | The Canadian Press

Turkish lira plunges after Erdogan defends rate cuts



Tue., November 23, 2021, 1:02 p.m. · 2 min read



ANKARA, Turkey (AP) — The Turkish currency weakened by some 10% against the U.S. dollar Tuesday, a day after President Recep Tayyip Erdogan insisted there would be no turning back from his unconventional policy of cutting interest rates despite [high inflation](#).

The lira plunged to a record low of 13.44 against the dollar before recovering some of its losses. It was trading at 12.51 against the dollar in the late afternoon — down 9.9% from Monday's close — and at

14.08 against the euro. The lira has lost some 40% of its value since the start of the year.

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made clear that his government would not step back from its policy of lowering borrowing rates to boost growth.

Contrary to traditional economic theory, Erdogan argues that high interest rates cause inflation. Typically, central banks raise those rates to tame rising consumer prices.

“Either we were going to give up on investments, production, growth and employment by keeping to the understanding that has prevailed in our country for years, or we were going to engage in a historic struggle in line with our priorities,” Erdogan said. “As always, we preferred the struggle.”

“We are determined to do the right thing for our nation,” he continued. “We encourage investment, production and exports. ... We protect employment. ... We care about growth.”

Turkey's Central Bank has cut interest rates by 4 percentage points since September, raising concerns about its independence from Erdogan's government. The president has sacked three bank governors since 2019.

Inflation is running at around 20%, eroding the public's purchasing power.

Dozens of people marched down a busy street in the capital Ankara Tuesday, accusing Erdogan of mismanaging the economy and calling for his government's resignation, Cumhuriyet newspaper reported.

Ahmet Davutoglu, a former prime minister who broke away from Erdogan's ruling party and formed his own political movement, called on the Turkish leader to change course.

“Do not continue on this wrongful path, you are harming the country and the economy,” he said, after holding an emergency meeting to discuss the lira's slump with Kemal Kilicdargolu, the leader of Turkey's main opposition party.

Kilicdaroglu criticized Erdogan's apparent sway over the Central Bank.

“The institution which is responsible for price stability cannot bring about price stability. It has become a spectator. Its powers have been taken away,” he said.

The Associated Press

Article 2

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<https://www.wsj.com/articles/turks-switch-savings-to-u-s-dollars-as-local-currency-collapses-11637859160>

FOREIGN EXCHANGE

Turks Abandon the Lira for Dollars as Currency Crisis Deepens

Riot police line streets in parts of Istanbul as country braces for third night of scattered protests over President Erdogan's inability to stop precipitous currency decline



A board outside a currency-exchange agency in Istanbul on Wednesday. The Turkish currency was trading around 12 lira to a dollar on Thursday.

PHOTO: OZAN KOSE/AGENCE FRANCE-PRESSE/GETTY IMAGES

By [Jared Malsin](#) and [Anna Hirtenstein](#)

Updated Nov. 25, 2021 2:32 pm ET

ISTANBUL—A currency crisis here is battering Turks' confidence in their government's ability to manage the economy, causing droves of people to buy U.S. dollars and sending crowds of people into the streets to oppose President Recep Tayyip Erdogan's policies.

Riot police lined the streets in parts of Istanbul as the country braced for a third night of scattered protests over Mr. Erdogan's inability to stop a precipitous drop in the Turkish lira. The lira's depreciation has undermined nearly two decades of economic gains that had lent Turks a sense that they were ascending into the world's club of top economies.

Such protests have been rare since Mr. Erdogan concentrated power following a 2016 coup attempt, and local police said they had launched a legal inquiry into social media

accounts that it accused of sharing “manipulative content” about the lira’s historic crash.

Police in Istanbul detained at least 55 people while clamping down on protests on Wednesday night, according to a local lawyers’ association.

Crowds of demonstrators near Istanbul’s Taksim Square chanted “Government resign!” as ranks of riot police looked on, during a protest planned for the International Day for the Elimination of Violence Against Women.

Turkish lira to \$1



Note: Scale inverted to show changes in the strength of the lira

Source: Tullett Prebon

The Turkish lira’s rapid slide—13% in one day this month and about 38% since the beginning of the year—resulted in a wave of Turks exchanging their liras for dollars, euros and other currency. Foreign currencies held by households in Turkish banks last week through Nov. 19 rose by nearly \$1 billion, according to data released by the Turkish central bank on Thursday. About 59% of retail bank deposits are now in foreign currencies, up from nearly 57% the week before.

Foreign investors and ordinary Turks have been fleeing the lira since Mr. Erdogan fired the previous governor of the Turkish central bank, Naci Agbal, for raising interest rates in March. Mr. Erdogan has removed a series of top officials who have prevented him from cutting interest rates in the past.

Mr. Erdogan has pursued an unconventional policy of interest rate cuts in the face of soaring inflation, which has reached 20%. Central banks generally raise interest rates to fight inflation, hoping to cool down demand for loans, but Mr. Erdogan and his political party have an ideological bias against high interest rates based in Islam.

“The banking sector is one of the strongest in Turkey. There are no problems, there is no distress,” said central bank governor Şahap Kavcıoğlu, speaking after a meeting of a banking regulatory body on Thursday. Mr. Kavcıoğlu is a former official from Mr. Erdogan’s party whom the president appointed in March.

Mr. Erdogan defended his policies in a speech earlier this week, saying that Turkey is waging an “economic war of independence.” The comments sent the lira down further. Turkish officials say they want a competitive exchange rate in order to encourage exports.



The Turkish lira has declined over 38% in value since the beginning of the year.

PHOTO: CAGLA GURDOGAN/REUTERS

But even Turkish exporters have complained that the chaotic slide in the lira has made pricing difficult and driven up the cost of raw materials and energy.

The lira’s problems have weighed more broadly on the country’s corporate sector. Turkish companies reduced their foreign-currency deposits by nearly \$1 billion last week, according to the central bank data, in a likely sign of weakening access to external capital.

“Even if you’re a strong Turkish corporate, this week has hardly been ideal,” said Edward Glossop, an emerging-markets economist at Abrdn. Companies are likely using their cash reserves rather than getting new funding from capital markets.

The Turkish currency collapsed after the central bank bowed to pressure from Mr. Erdogan to cut interest rates to boost growth despite surging inflation. The most recent rate cut on Nov. 18 pushed Turkey closer to a full-blown economic crisis.

Turks have long kept some of their money in foreign currency deposits at Turkish banks. This tends to rise during times of economic stress. The high levels of foreign currency savings underscore the lack of confidence that locals have in their government's ability to manage the economy.

The currency crisis has also sparked protests throughout Turkey as ordinary people saw much of their savings evaporate. Turkish opposition leaders renewed calls this week for an early election, accusing Mr. Erdogan of treason over his management of the economy.

"There is a huge credibility gap. This credibility gap is widening," said Omer Gencal, a former top executive at HSBC's Turkish branch and Turkish banks. "People are not comfortable."

Discontent with the state of the economy is threatening Mr. Erdogan's grip on power as even his core supporters are struggling with declining living standards. Recent opinion polls show Mr. Erdogan's ruling coalition losing to an opposition alliance of political parties.

The currency crisis has spurred investors to flee assets issued by the Turkish state and companies. Demand hasn't come back yet, according to debt-capital markets bankers. No Turkish sovereign or corporate bonds have been issued since September, according to data from Dealogic.

Turkish corporate bonds have sold off sharply in recent weeks, continuing even as the currency began to stabilize on Wednesday. The yield on a dollar-denominated 4-year bond issued by Isbank, one of Turkey's largest privately-owned banks, rose for an eighth straight trading session on Thursday. It traded above 8%, the highest level in over six months. A similar bond issued by Turkish conglomerate Koç Holdings saw its yield climb to the highest point since March.

Even established companies will be avoiding international bond markets, said Uday Patnaik, head of emerging market debt at Legal & General Investment Management. "Your pricing will be much more expensive. It's not the right time, you would have to wait

until things calm down.” He said companies are likely getting local bank loans or using cash reserves instead.

TURKEY’S FALTERING ECONOMY

More WSJ coverage of the nation’s sliding currency, selected by the editors.

•[Turkey’s Erdogan Looks to Regional Rival for Investment Amid Currency Crisis](#) (Nov. 24)

•[Turkish Lira Tumbles After Erdogan Defends Rate Cuts](#) (Nov. 23)

•[Turkey’s Currency Crisis Raises Cost of Living, Threatens Financial System](#) (Nov. 20)

•[Turkey Currency Crisis Threatens Economy, Posing Challenge to Erdogan Rule](#) (Nov. 18)

•[Turkish Lira Tumbles After Erdogan Renews Call for Unorthodox Rate Cuts](#) (Nov. 17)

Write to Jared Malsin at jared.malsin@wsj.com and Anna Hirtenstein at anna.hirtenstein@wsj.com

Appeared in the November 26, 2021, print edition as ‘Turks Flee Lira as Crisis Widens.’

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November 30, 2021

PUBLIC

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

Dear Sir/Madam:

**RE: Carbon Steel Welded Pipe 3
Request for Normal Value Reviews (Addendum) – Turkey and Pakistan**

Novamerican Steel Inc., Nova Tube Inc. and Nova Steel Inc. (collectively, “Nova”) is the largest producer of carbon steel welded pipe (“CSWP”) in Canada. On November 15, 2021, Nova filed a request that the Canada Border Services Agency initiate normal value reviews for CSWP 3 in respect of three exporters, namely Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (“Borusan”) and Cayirova Boru ve Sanayi Ticaret A.S. (“Cayirova”) of Turkey as well as International Industries Limited (“IIL”) of Pakistan. This letter provides additional information.

IIL [] shortly after the original CSWP 3 dumping investigation. This [] IIL exports CSWP to Canada [].

Lastly, I would like to clarify that [].

Sincerely,

Scott Jones

A handwritten signature in blue ink, consisting of several overlapping loops and strokes, positioned above the printed name "Scott Jones".