



**KARADENİZ İHRACATÇI BİRLİKLERİ  
GENEL SEKRETERLİĞİ**

**Sayı** : 35649853-TİM.KİB.GSK.UYG.2024/381-1759

Giresun, 29/05/2024

**Konu** : Kanada-Dikişli Karbon Çelik Boru Anti-Damping Gözden Geçirme Soruşturması

**E-POSTA**

**KARADENİZ İHRACATÇI BİRLİKLERİ ÜYELERİNE SİRKÜLER  
2024/333**

**İlgi:** 14/12/2023 tarih 706 sayılı sirkülerimiz.

Sayın üyemiz,

Kanada tarafından ülkemiz menşeli “Dikişli karbon Çelik Boru” ithalatına karşı açılan Anti-Damping Gözden Geçirme Soruşturması ile Soruşturma takvimine ilişkin gerekli bilgilendirmenin ilgede kayıtlı sirkülerimiz ile duyurulmuştur.

Bu defa T.C. Ticaret Bakanlığı İthalat Genel Müdürlüğünden alınan 27/05/2024 tarih 97241154 sayılı yazıda;

Kanada Sınır Hizmetleri Ajansı (CBSA) tarafından mevcut önlemlerin sona ermesi halinde dumpingin devam etme veya yeniden başlama olasılığının değerlendirildiği ve bu kapsamda yürütülen Soruşturmanın tamamlandığı, CBSA bu konudaki Kararını 9 Mayıs 2024, gerekçeli Kararını ise 24 Mayıs 2024 tarihi itibarıyla yayımladığı, ilişkide bir örneği sunulan Karar kapsamında CBSA tarafından "Special Import Measures Act (SIMA) 76.03(7)(a)" hükümlerine göre mevcut önlemlerin sona ermesi halinde soruşturma kapsamı ürünlerde dumpingli satışın devam etme veya yeniden başlama olasılığının bulunduğu karar verildiği, diğer taraftan, "SIMA 96.1" hükümleri uyarınca, söz konusu karardan doğrudan etkilenen kişilerin “Kanada Federal Temyiz Mahkemesine (Federal Court of Appeal)” başvuru yapma yolunun açık olduğu, "karardan doğrudan etkilenen kişiler" tanımına soruşturma konusu ürünlerin Kanadalı üreticileri, ihracatçıları ve ithalatçıları girdiği, CBSA'nın Kararı akabinde, Kanada Uluslararası Ticaret Mahkemesi (CITT) tarafından daha önce ilgede kayıtlı yazımızda belirtilen takvim çerçevesinde, mevcut önlemlerin süresinin sona ermesinin yerli üreticiler üzerinde bir "zarar" veya "zarar tehdidi" ile sonuçlanma olasılığına ilişkin bir soruşturma yürütüldüğü belirtilmekte olup, CITT'nin bu kapsamdaki kararı açıklanmaya kadar mevcut anti-damping önlemleri uygulanmaya devam edeceği ifade edilmektedir.

Bilgilerinize sunarız.

*e-imzalıdır*  
**Şahin KURUL**  
**Genel Sekreter a.**  
**Şube Müdürü**

**Ek:** Statement of Reasons (51 sayfa )

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Şahin KURUL tarafından 5070  
sayılı kanun gereğince güvenli  
elektronik imza ile  
imzalanmıştır.

Ayrıntılı bilgi için: Şahin KURUL – Şube Müdürü



OTTAWA, May 24, 2024

## STATEMENT OF REASONS

Concerning an expiry review determination  
under paragraph 76.03(7)(a) of the *Special Import Measures Act* respecting

**CARBON STEEL WELDED PIPE ORIGINATING IN OR EXPORTED FROM  
THE ISLAMIC REPUBLIC OF PAKISTAN, THE REPUBLIC OF THE PHILIPPINES,  
THE REPUBLIC OF TÜRKIYE AND THE SOCIALIST REPUBLIC OF VIETNAM**

## DECISION

On May 9, 2024 pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the Canada Border Services Agency determined that the expiry of the Canadian International Trade Tribunal's finding made on February 15, 2019, in Inquiry No. NQ-2018-003, is likely to result in the continuation or resumption of dumping of such goods originating in or exported from Pakistan, the Philippines, Türkiye and Vietnam.

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## EXECUTIVE SUMMARY

[1] On December 11, 2023, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(1) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its finding made on February 15, 2019, in Inquiry No. NQ-2018-003, concerning the dumping of carbon steel welded pipe (CSWP) originating in or exported from the Islamic Republic of Pakistan (Pakistan), the Republic of the Philippines (Philippines), the Republic of Türkiye (Türkiye) and the Socialist Republic of Vietnam (Vietnam) (collectively “Subject Countries”).

[2] As a result of the CITT’s notice of expiry review, the Canada Border Services Agency (CBSA), on December 12, 2023, initiated an investigation to determine, pursuant to paragraph 76.03(7)(a) of SIMA, whether the expiry of the finding is likely to result in the continuation or resumption of dumping of the subject goods.

[3] The CBSA received responses to the Canadian producer Expiry Review Questionnaire (ERQ) from Welded Tube of Canada Corporation (Welded Tube)<sup>1</sup>, EVRAZ INC. NA Canada (Evraz)<sup>2</sup>, Nova (collective response from Nova Tube Inc. (Nova Tube) and Nova Steel Inc. (Nova Steel))<sup>3</sup>, and Atlas Tube Canada ULC (Atlas)<sup>4</sup>. The submissions made by Nova & Atlas expressed an opinion that the continued or resumed dumping of CSWP from the subject countries is likely if the CITT’s finding expires. The other Canadian producers did not express an opinion on the likelihood of continued or resumed dumping of subject goods.

[4] The CBSA received responses to the Canadian importer ERQ from CCTF Corporation (CCTF)<sup>5</sup> and IRIS Metalurji ve Muhendislik Pazarlama Sanayi ve Ticaret Limited Sirketi (IRIS)<sup>6</sup>. The submissions made by CCTF and IRIS did not express an opinion on the likelihood of continued or resumed dumping of subject goods.

[5] The CBSA received responses to the exporter ERQ from Borusan Birleşik Boru Fabrikaları San. Ve Tic. A.Ş. (Borusan Boru)<sup>7</sup> and four separate responses from Hoa Phat Steel Pipe Co., Ltd: Hung Yen Branch (HPHY)<sup>8</sup>, Long An (HPLA)<sup>9</sup>, Da Nang (HPDN)<sup>10</sup>, and Binh Duong (HPBD)<sup>11</sup> (collectively “the Hoa Phat Group”). The submissions made by the Hoa Phat Group expressed an opinion that the continued or resumed dumping of CSWP from Vietnam is unlikely if the CITT’s finding expires.

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<sup>1</sup> Exhibit 14 (PRO) and 15 (NC) – Response to Canadian Producer ERQ from Welded Tube.

<sup>2</sup> Exhibit 16 (PRO) and 17 (NC) – Response to Canadian Producer ERQ from Evraz.

<sup>3</sup> Exhibit 18 (PRO) and 19 (NC) – Response to Canadian Producer ERQ from Nova.

<sup>4</sup> Exhibit 22 (PRO) and 23 (NC) – Response to Canadian Producers ERQ from Atlas. & Exhibit 35 (PRO) and 36 (NC) – Additional information relating to the response to ERQ from Atlas. & Exhibit 39 (NC) – Additional information relating to the response to ERQ from Atlas.

<sup>5</sup> Exhibit 24 (PRO) and 25 (NC) – Response to Importer ERQ from CCTF Corporation.

<sup>6</sup> Exhibit 37 (PRO) and 38 (NC) – Response to Importer ERQ from Iris Metalurji

<sup>7</sup> Exhibit 20 (PRO) and 21 (NC) – Response to Exporter ERQ from Borusan Boru.

<sup>8</sup> Exhibit 26 (PRO) and 27 (NC) – Response to Exporter ERQ from Hoa Phat Steel Pipe Co., Ltd Hung Yen Branch.

<sup>9</sup> Exhibit 28 (PRO) and 29 (NC) – Response to Exporter ERQ from Hoa Phat Long An Steel Pipe Co., Ltd

<sup>10</sup> Exhibit 30 (PRO) and 31 (NC) – Response to Exporter ERQ from Hoa Phat Da Nang Steel Pipe Co., Ltd

<sup>11</sup> Exhibit 32 (PRO) and 33 (NC) – Response to Exporter ERQ from Binh Duong Hoa Phat Steel Pipe Co., Ltd

[6] The submission made by Borusan Boru did not express an opinion on the likelihood of continued or resumed dumping of subject goods.

[7] Nova provided a case brief to the CBSA in support of their position that continued or resumed dumping of CSWP from the subject countries is likely if the CITT's finding expires.<sup>12</sup>

[8] Atlas provided a letter of concurrence in support of Nova's position that continued or resumed dumping of CSWP from the subject countries is likely if the CITT's finding expires.<sup>13</sup>

[9] The Hoa Phat Group provided a case brief to the CBSA in support of their position that continued or resumed dumping of CSWP from Vietnam is unlikely if the CITT's finding expires.<sup>14</sup>

[10] Nova and Hoa Phat Group filed reply submissions in response to the other party's case brief.<sup>15</sup>

[11] Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of CSWP from Pakistan should the CITT's finding expire. This analysis relied upon the following factors:

- Commodity Nature of CSWP
- Global Excess Steel and CSWP Capacity
- Weakened Global Market Conditions and Demand for Steel Products
- Weakened Market Conditions and Demand for CSWP in Pakistan
- Pakistan's Steel and CSWP Production and Overcapacity
- Imposition of Trade Measures by Canada and the United States
- Pakistan's Export Orientation

[12] Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of CSWP from the Philippines should the CITT's finding expire. This analysis relied upon the following factors:

- Commodity Nature of CSWP
- Global Excess Steel and CSWP Capacity
- Weakened Global Market Conditions and Demand for Steel Products
- Weakened Market Conditions and Demand for CSWP in the Philippines
- Philippines' Steel and CSWP Production and Overcapacity
- Imposition of Trade Measures by Canada and Other Jurisdictions
- Philippines' Increasing Exports of CSWP

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<sup>12</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova.

<sup>13</sup> Exhibit 47 (NC) – Letter of concurrence from Atlas supporting the continuation of CITT's finding NQ-2018-003.

<sup>14</sup> Exhibit 48 (PRO) and 49 (NC) – Case brief filed on behalf of the Hoa Phat Group.

<sup>15</sup> Exhibit 52 (PRO) and 53 (NC) – Reply submission filed on behalf of Nova. & Exhibit 54 (PRO) and 55 (NC) – Reply submission filed on behalf of the Hoa Phat Group.

[13] Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of CSWP from Türkiye should the CITT's finding expire. This analysis relied upon the following factors:

- Commodity Nature of CSWP
- Global Excess Steel and CSWP Capacity
- Weakened Global Market Conditions and Demand for Steel Products
- Weakened Market Conditions and Demand for CSWP in Türkiye
- Türkiye's Steel and CSWP Production and Overcapacity
- Imposition of Trade Measures by Canada and Other Jurisdictions
- Türkiye's Export Orientation

[14] Analysis of information on the administrative record indicates a likelihood of continued or resumed dumping into Canada of CSWP from Vietnam should the CITT's finding expire. This analysis relied upon the following factors:

- Commodity Nature of CSWP
- Global Excess Steel and CSWP Capacity
- Weakened Global Market Conditions and Demand for Steel Products
- Weakened Market Conditions and Demand for CSWP in Vietnam
- Vietnam's Steel and CSWP Production and Overcapacity
- Imposition of Trade Measures by Canada and Other Jurisdictions
- Vietnam's Export Orientation

[15] For the forgoing reasons, the CBSA, having considered the relevant information on the record, determined on May 9, 2024, pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the finding in respect of CSWP is likely to result in the continuation or resumption of dumping of the goods from Pakistan, the Philippines, Türkiye and Vietnam.

## **BACKGROUND**

[16] On July 20, 2018, following a complaint filed by Novamerican Steel Inc., the CBSA initiated an investigation pursuant to subsection 31(1) of SIMA, into the dumping of certain CSWP originating in or exported from Pakistan, the Philippines, Türkiye and Vietnam.

[17] On January 16, 2019, pursuant to subsection 41(1) of SIMA, the CBSA made a final determination respecting the dumping of certain CSWP originating in or exported from Pakistan, the Philippines, Türkiye and Vietnam.<sup>16</sup> On the same date, the CBSA terminated the dumping investigation in respect of certain carbon steel welded pipe exported to Canada from Türkiye by Erbosan Erciyas Boru Sanayii ve Ticaret A.S.

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<sup>16</sup> Exhibit 13 (NC) – CBSA research #001 – CBSA-2018 IN FD – Dumping, Statement of Reasons.

[18] On February 15, 2019, pursuant to subsection 43(1) of SIMA, the CITT found that the dumping of certain CSWP originating in or exported from Pakistan, the Philippines, Türkiye and Vietnam, has caused injury to the domestic industry in Canada.<sup>17</sup>

[19] On November 12, 2021, the CBSA concluded a normal value review to update the normal values and export prices of CSWP exported from Vietnam by SeAH Steel Vina Corporation (SEAH).<sup>18</sup>

[20] On May 10, 2023, the CBSA concluded a series of normal value reviews to determine normal values and export prices of CSWP exported from Türkiye by Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (Borusan)<sup>19</sup>; and by Cayirova Boru ve Sanayi Ticaret A.S. (Cayirova)<sup>20</sup>; and from Pakistan by International Industries Limited (IIL)<sup>21</sup>.

[21] On December 12, 2023, the CBSA initiated an expiry review investigation to determine whether the expiry of the finding is likely to result in the continuation or resumption of dumping of CSWP from the subject countries.

## **PRODUCT DEFINITION**

[22] For purposes of this expiry review investigation “carbon steel welded pipe” are defined as:

Carbon steel welded pipe, commonly identified as standard pipe, in the nominal size range from ½ inch up to and including 6 inches (12.7 mm to 168.3 mm in outside diameter) inclusive, in various forms and finishes, usually supplied to meet ASTM A53, ASTM A135, ASTM A252, ASTM A589, ASTM A795, ASTM F1083 or Commercial Quality, or AWWA C200-97 or equivalent specifications, including water well casing, piling pipe, sprinkler pipe and fencing pipe, but excluding oil and gas line pipe made to API specifications exclusively, originating in or exported from the Islamic Republic of Pakistan, the Republic of the Philippines, the Republic of Türkiye (excluding those goods exported by Erbosan Erciyas Boru Sanayii ve Ticaret A.S.) and the Socialist Republic of Vietnam.

[23] For purposes of this expiry review investigation “carbon steel welded pipe” also refers to goods produced in Canada that meet the above product definition.

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<sup>17</sup> Exhibit 13 (NC) – CBSA research #002 – CITT-2012 IN FI – Dumping, Finding and Reasons.

<sup>18</sup> Exhibit 13 (NC) – CBSA research #003 – CBSA-2021 NVR CON, Conclusion of NVR, SeAH .

<sup>19</sup> Exhibit 13 (NC) – CBSA research #004 – CBSA-2022 NVR CON, Conclusion of NVR, Borusan.

<sup>20</sup> Exhibit 13 (NC) – CBSA research #005 – CBSA-2022 NVR CON, Conclusion of NVR, Cayirova.

<sup>21</sup> Exhibit 13 (NC) – CBSA research #006 – CBSA-2022 NVR CON, Conclusion of NVR, ILL.

## Additional Product Information

[24] Carbon steel welded pipe (CSWP), also commonly referred to as standard pipe, covers a wide range of pipe products generally used in plumbing and heating applications for the low-pressure conveyance of water, steam, natural gas, air, and other liquids and gases. CSWP, or standard pipe, may also be used in air conditioning systems, in sprinkler systems for fire protection, as structural support for fencing, as piling, as well as for a variety of other mechanical and light load-bearing applications.

[25] The size of CSWP is generally specified by two values: a nominal pipe size (NPS) and a schedule. The NPS relates roughly to the inside diameter of the pipe while the schedule relates to the wall thickness. For a given NPS, the wall thickness will increase as the schedule number increases. For example, CSWP with an NPS of 1 inch (NPS 1) and made to ASTM A53, Schedule 40 requirements will have an outside diameter of 1.315 inches and a wall thickness of 0.133 inch while the same pipe meeting the requirements of ASTM A53, Schedule 80 will have an outside diameter of 1.315 inches and a wall thickness of 0.179 inch.

[26] Although CSWP is generally produced to industry standards such as ASTM A53, ASTM A135, ASTM A252, ASTM A589, ASTM A795, ASTM F1083, Commercial Quality and AWWA C200-97, it may also be produced to foreign standards such as BS1387 or to proprietary specifications as is often the case with fencing pipe. While standard pipe may be manufactured to any of the standards mentioned above, the ASTM A53 specification is the most common as it is considered to be the highest quality and is suitable for welding, coiling, bending and flanging.

[27] Standard pipe may be sold with a lacquer finish, or a black finish as it is sometimes referred to in the industry. It may also be sold in a galvanized finish which means it has been treated with zinc. Both types of finish are intended to inhibit rust although the galvanizing process will deliver a superior result. Galvanized pipe will sell at a premium to black standard pipe because of this, and the fact that zinc costs much more than lacquer.

## CLASSIFICATION OF IMPORTS

[28] The subject goods are normally imported into Canada under the following tariff classification numbers:

7306.30.00.42	7306.30.00.49	7306.30.00.57	7306.30.00.66
7306.30.00.43	7306.30.00.52	7306.30.00.59	7306.30.00.67
7306.30.00.44	7306.30.00.53	7306.30.00.62	7306.30.00.69
7306.30.00.45	7306.30.00.54	7306.30.00.63	
7306.30.00.46	7306.30.00.55	7306.30.00.64	
7306.30.00.47	7306.30.00.56	7306.30.00.65	



[29] Prior to January 1, 2022, the subject goods would have been normally imported into Canada under the following tariff classification numbers:

7306.30.00.10

7306.30.00.20

7306.30.00.30

[30] These tariff classification numbers may also include non-subject goods, and subject goods may also fall under additional tariff classification numbers.

## **PERIOD OF REVIEW**

[31] The period of review (POR) for the CBSA's expiry review investigation is January 1, 2020 to September 30, 2023.

## **CANADIAN INDUSTRY**

[32] The single largest producer of CSWP in Canada is Nova of Montréal, Québec. Other companies, such as Atlas, Bolton, Evraz, and Welded Tube, may produce small quantities of CSWP on an irregular basis.

### **Nova Tube Inc. and Nova Steel Inc.**

[33] Nova Tube and Nova Steel are subsidiaries of Novamerican. Nova Tube focuses on pipe and tubular product while Nova Steel specializes in steel products. Nova has production facilities in both Montréal (Saint-Patrick) and Baie-D'Urfé, Québec. These facilities can produce CSWP in sizes ranging from ½ inch to 7 inches. Nova provides hydrostatic testing, end finishing, cutting, galvanizing, painting, varnishing and distribution services for CSWP.

## CANADIAN MARKET

[34] The apparent Canadian market for CSWP during the POR is indicated by volume and value in **Table 1** and by percentage in **Table 2** below.

**Table 1**  
**Apparent Canadian Market for CSWP**  
Volume in metric tons (MT) and value in \$

	2020		2021		2022		2023 (Jan – Sept)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
<b>Canadian Production<sup>22</sup></b>	<b>38,285</b>	<b>44,933,076</b>	<b>37,129</b>	<b>67,426,206</b>	<b>42,468</b>	<b>87,590,151</b>	<b>27,572</b>	<b>52,789,201</b>
Pakistan	0	0	1,466	2,365,837	35,573	11,172,482	0	0
Philippines	30	38,126	568	661,159	3,341	3,948,366	419	481,617
Türkiye*	20,051	20,216,818	24,807	30,596,434	22,548	40,683,101	6,204	10,337,592
Vietnam	1,973	2,420,578	1,031	1,559,352	6,506	11,946,314	4,583	6,193,128
<b>Total Subject Countries<sup>23</sup></b>	<b>22,054</b>	<b>22,675,522</b>	<b>27,872</b>	<b>35,182,782</b>	<b>67,968</b>	<b>67,750,263</b>	<b>11,207</b>	<b>17,012,337</b>
Other Countries <sup>24</sup>	57,843	97,095,769	111,353	248,772,272	102,966	240,757,281	46,295	126,974,395
<b>Total Imports</b>	<b>79,897</b>	<b>119,771,291</b>	<b>139,225</b>	<b>283,955,054</b>	<b>170,934</b>	<b>308,507,544</b>	<b>57,502</b>	<b>143,986,732</b>
<b>Apparent Canadian Market</b>	<b>118,182</b>	<b>164,704,367</b>	<b>176,354</b>	<b>351,381,260</b>	<b>213,402</b>	<b>396,097,695</b>	<b>85,074</b>	<b>196,775,933</b>

\* The volume and value for Türkiye are adjusted to *include* the non-subject exporter and to avoid disclosure of confidential information.

<sup>22</sup> Exhibit 14 (PRO) – Response to Canadian Producer ERQ from Welded Tube, Appendix 1; Exhibit 16 (PRO) – Response to Canadian Producer ERQ from Evraz, Appendix 1; Exhibit 18 (PRO) – Response to Canadian Producer ERQ from Nova, Appendix 1; and Exhibit 22 (PRO) – Response to Canadian Producer ERQ from Atlas, Appendix 1.

<sup>23</sup> Exhibit 40 (PRO) – CBSA Compliance Statistics - Final.

<sup>24</sup> Exhibit 41 (PRO) – CBSA Import Statistics - Final.

**Table 2: Apparent Canadian Market**  
(As a percentage)

	2020		2021		2022		2023 (Jan – Sept)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
<b>Canadian Production</b>	32.4%	27.3%	21.1%	19.2%	19.9%	22.1%	32.4%	26.8%
Pakistan	0.0%	0.0%	0.8%	0.7%	16.7%	2.8%	0.0%	0.0%
Philippines	0.0%	0.0%	0.3%	0.2%	1.6%	1.0%	0.5%	0.2%
Türkiye*	17.0%	12.3%	14.1%	8.7%	10.6%	10.3%	7.3%	5.3%
Vietnam	1.7%	1.5%	0.6%	0.4%	3.0%	3.0%	5.4%	3.1%
<b>Total Subject Countries</b>	<b>18.7%</b>	<b>13.8%</b>	<b>15.8%</b>	<b>10.0%</b>	<b>31.8%</b>	<b>17.1%</b>	<b>13.2%</b>	<b>8.6%</b>
Other Countries	48.9%	59.0%	63.1%	70.8%	48.2%	60.8%	54.4%	64.5%
<b>Total Imports</b>	<b>67.6%</b>	<b>72.7%</b>	<b>78.9%</b>	<b>80.8%</b>	<b>80.1%</b>	<b>77.9%</b>	<b>67.6%</b>	<b>73.2%</b>

\* The volume and value for Türkiye are adjusted to *include* the non-subject exporter and to avoid disclosure of confidential information.

[35] The share of imports of CSWP from subject countries in relation to non-subject countries during the POR is presented in **Table 3** below.

**Table 3: Imports of Subject and Non-Subject Goods**  
(As a percentage)

	2020		2021		2022		2023 (Jan – Sept)	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Total Subject Goods	13.8%	10.2%	15.4%	9.8%	31.8%	17.1%	13.2%	8.6%
Other Non-Subject Goods	53.8%	62.5%	63.6%	71.2%	48.2%	60.8%	54.4%	64.5%
<b>Total Imports</b>	<b>67.6%</b>	<b>72.7%</b>	<b>78.9%</b>	<b>80.8%</b>	<b>80.1%</b>	<b>77.9%</b>	<b>67.6%</b>	<b>73.2%</b>

[36] Based on information on the administrative record, the total apparent Canadian market increased in volume and value between 2020 and 2022.

[37] Overall, Canadian production in terms of volume and value increased between 2020 and 2022, Canadian producers' share of the apparent Canadian market, by percentage, decreased between 2020 and 2022.

[38] In general, the market share of imports, in terms of volume and value, from the subject countries, not including imports from exporters excluded from the CITT's finding, increased between 2020 and 2022.

[39] In general, the market share of imports, in terms of value and volume, from non-subject countries and from exporters excluded from the CITT’s finding, increased between 2020 and 2021, but decreased in 2022.

## ENFORCEMENT DATA

[40] In the enforcement of the CITT’s finding during the POR, as detailed in **Table 4** below, the CBSA assessed a total amount of anti-dumping duty of \$825,650 on subject imports from subject countries. The total value for duty of subject imports during the POR from these countries was approximately \$135.9 million. As a percentage of the total value for duty, the anti-dumping duty assessed during the POR was equal to 0.61%. The quantity of subject goods, on which anti-dumping duty was assessed, was 122,548 MT.

**Table 4**  
**SIMA duties assessed during the POR<sup>25</sup>**  
Value in \$

Country Name	2020	2021	2022	2023 (Jan-Sep)
Pakistan	-	63,881	993	-
Philippines	35	11,137	-	-
Türkiye	11,432	283,798	233,524	73,207
Vietnam	88,469	32,496	10,635	16,044
<b>Total</b>	<b>99,935</b>	<b>391,312</b>	<b>245,151</b>	<b>89,252</b>

## PARTIES TO THE PROCEEDINGS

[41] On December 12, 2023, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to known Canadian producers, importers and exporters.

[42] The ERQs requested information relevant to the CBSA’s consideration of the expiry review factors, as listed in subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR).

[43] Four Canadian producers, Atlas, Evraz, Nova and Welded Tube participated in the expiry review investigation and responded to the ERQs. One exporter located in Türkiye, Borusan Boru, responded to the CBSA’s ERQ and four producers of CSWP, the Hoa Phat Group, located in Vietnam, responded to the CBSA’s ERQ. Two importers, CCTF and IRIS, responded to the CBSA’s ERQ.

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<sup>25</sup> Exhibit 35 (PRO) – CBSA Compliance Statistics - Final.

[44] The Canadian producer Nova provided a case brief to the CBSA in support of its position that continued or resumed dumping of CSWP from the subject countries is likely if the CITT's finding expires.<sup>26</sup>

[45] The Canadian producer Atlas provided a letter of representation to the CBSA in support of its position that continued or resumed dumping of CSWP from the subject countries is likely if the CITT's finding expires.<sup>27</sup>

[46] The Hoa Phat Group provided a case brief to the CBSA in support of their position that continued or resumed dumping of CSWP from Vietnam is unlikely if the CITT's finding expires.<sup>28</sup>

[47] Nova and Hoa Phat Group filed reply submissions in response to the other party's case brief.<sup>29</sup>

### **INFORMATION CONSIDERED BY THE CBSA**

[48] The information considered by the CBSA for purposes of this expiry review investigation is contained in the administrative record. The administrative record includes the information on the CBSA's exhibit listing, which is comprised of the CBSA exhibits and information submitted by interested parties, including information which the interested parties feel is relevant to the decision as to whether dumping is likely to continue or resume absent the CITT order. This information may consist of expert analysts' reports, excerpts from trade magazines and newspapers, orders and findings issued by authorities of Canada or of a country other than Canada, documents from international trade organizations such as the WTO and responses to the ERQs submitted by Canadian producers, exporters, importers and governments.

[49] For purposes of an expiry review investigation, the CBSA sets a date after which no new information submitted by interested parties will be placed on the administrative record or considered as part of the CBSA's investigation. This is referred to as the "closing of the record date" and is set to allow participants time to prepare their case briefs and reply submissions based on the information that is on the administrative record as of the closing of the record date. For this investigation, the administrative record closed on February 7, 2024.

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<sup>26</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova.

<sup>27</sup> Exhibit 47 (NC) – Letter of support filed on behalf of Atlas.

<sup>28</sup> Exhibit 48 (PRO) and 49 (NC) – Case brief filed on behalf of the Hoa Phat Group.

<sup>29</sup> Exhibit 52 (PRO) and 53 (NC) – Reply submission filed on behalf of Nova. & Exhibit 54 (PRO) and 55 (NC) – Reply submission filed on behalf of the Hoa Phat Group.

## POSITION OF THE PARTIES – DUMPING

[50] 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 specific details raised in these submissions.

### *Parties Contending that Continued or Resumed Dumping is Likely*

#### **Atlas**

[51] Atlas made a representation through its ERQ response in support of its position that dumping from Pakistan, the Philippines, Türkiye and Vietnam is likely to continue or resume in the event the CITT's finding expires. Accordingly, Atlas argues that the measures should remain in place.

[52] The main factors identified by Atlas can be summarized as follows:

#### Price Competition in the Canadian Market

[53] Atlas submits that imports from the subject countries have historically and consistently been priced well under the domestic market. Atlas believes that this selling behaviour from exporters will continue going forward.<sup>30</sup> The CBSA notes that Atlas did not provide additional information to support its claim.

#### Shift Towards Renewable Energy

[54] Atlas submits that as a result of the shift towards renewable energy, demand for CSWP in the solar energy sector will make Canada an attractive market for exporters of CSWP. Atlas argues that given the commodity nature of CSWP and the degree of price sensitivity in the industry, end users will switch to import sources which would likely lead to continued or resumed dumping.<sup>31</sup> The CBSA notes that Atlas did not provide additional information to support its claim.

#### **Nova**

[55] Nova made a representation through its ERQ response and its submission in its case brief in support of its position that dumping from Pakistan, the Philippines, Türkiye and Vietnam is likely to continue or resume in the event the CITT's finding expires. Accordingly, Nova argues that the measures should remain in place.

[56] The main factors identified by Nova can be summarized as follows:

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<sup>30</sup> Exhibit 35 (PRO) and 36 (NC) – Additional information relating to the response to ERQ from Atlas – Q.32.

<sup>31</sup> Exhibit 47 (NC) – Letter of support filed on behalf of Atlas.

## Canadian Market Conditions

### Accessibility of Imported CSWP

[57] Nova submits that certain changes and conditions have increased the accessibility of imported CSWP to the Canadian market. Nova observes that minimum volume requirements for purchasing imported CSWP have been reduced to 23 MT allowing Canadian purchasers to source CSWP from foreign suppliers. Nova also notes that the practise of importers maintaining inventory in Canada has facilitated distribution of CSWP as purchasers no longer need to place orders in advance.<sup>32</sup>

### Canada's CSWP Prices

[58] Nova submits that exporters located in subject countries were among low-price leaders during the POR. Nova argues that if the finding expires, CSWP producers from subject countries would have to compete with prevailing low-priced imports to secure sales in Canada and this would lead to the likelihood of continued or resumed dumping.<sup>33</sup>

[59] Nova submits that subject goods are not able to compete in Canada at non-dumped prices. Nova notes that anti-dumping duties were assessed on subject goods from all four subject countries during the POR.<sup>34</sup>

## International Market Conditions

### Global Economic Conditions

[60] Nova submits that the International Monetary Fund (IMF) anticipates slow economic growth in 2023 and 2024, projecting global GDP to grow by 3.1% in each year. The effect of high global inflation, the ongoing Russian-Ukrainian war, persistent trade disruptions and contraction in China's real estate sector are negatively impacting the growth in the global economy.<sup>35</sup>

[61] Nova notes that the World Bank forecasted a similar outlook reporting persistent high inflation, high interest rates, reduced investments and disruptions due to the Russia-Ukrainian war that could lead to a substantial slow down in the global economy. The World Bank predicted negative growth from 2023 through 2024 for countries in the Association of Southeast Asian Nations (ASEAN) and the Middle East and North Africa (MENA) regions. The World Bank also forecasted growth of 3% in global GDP in 2025, but warns that any new adverse situation increases the risk of recession.<sup>36</sup>

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<sup>32</sup> Exhibit 18 (PRO) and 19 (NC) – Response to Canadian Producer ERQ from Nova, Q25.

<sup>33</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 46-47.

<sup>34</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 48.

<sup>35</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 26.

<sup>36</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 27.

## Global Steel Market Outlook

[62] Nova submits that global inflation and the 2022 Russia-Ukraine war have negatively impacted the global steel and CSWP market. The ongoing effects of the war, including supply chain disruptions, lower export prices, reduced steel consumption in the Russian real estate sector, and the economic sanctions on Russia add to overall instability and uncertainty in the global steel market.<sup>37</sup>

[63] Nova adds that high inflation and interest rates in 2022 have resulted in limited steel demand in 2023. Furthermore, according to the World Steel Association (WSA), steel demand growth is predicted to be 0% in China as recovery in real estate sector remains moderate in 2024. The expectation is that future demand for steel is expected to decelerate and rely less on ASEAN and MENA countries.<sup>38</sup>

## China's Impact on the Global Steel Market

[64] Nova submits that in its 94<sup>th</sup> session, the Organization for Economic Co-operation and Development's (OECD) Steel Committee expressed concerns about the growing overcapacity, weakened demand for steel, and the distorting effects of government interventions in the global steel markets. Global steel capacity reached 2.5 billion MT in 2023 and is projected to increase significantly as result of investments in China, the ASEAN countries and surrounding regions.<sup>39</sup>

[65] Nova submits that according to the OECD Steel Committee, the Government of China promotes and supports steel expansion investments through large subsidies, potentially worsening the issues related to the global steel excess capacity and trade distortions.<sup>40</sup>

[66] Nova submits that China's steel industry is experiencing decline. Citing a report by S&P Global Platts, Nova notes that weak steel demand in China, due to declining property construction, directly impacts the consumption of CSWP in China. Nova further notes that despite the instability in its real estate, the Government of China removed the annual production cap in an effort to stabilize the economy. This has led to decreases in steel prices and increases in exports of steel.<sup>41</sup>

## Global Excess Capacity

[67] Nova submits that according to an OECD Steel Committee report, an additional steel production capacity of 59.9 million MT is scheduled for 2023-2025, with another 106.2 million MT in the planning stages for the same period. Nova argues that excess capacity encourages overproduction and low-priced exports which distort the global market. It incentivizes steel and CSWP producers to explore new export markets in order to sell their production.<sup>42</sup>

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<sup>37</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 28.

<sup>38</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 29.

<sup>39</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 30.

<sup>40</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 31.

<sup>41</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 32.

<sup>42</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 33.



[68] Nova points out that while global demand for steel is declining, global capacity keeps increasing. The gap between global steel capacity and consumption was about 522 million MT in 2021, and increased to 627 million MT in 2022, corresponding with reduction in capacity utilization rates and weakened global steel demand.<sup>43</sup>

[69] The OECD reports that steel capacity in the ASEAN region is increasing rapidly and exceeding demand. The MENA region is also seeing significant capacity growth. Nova states that the trends observed in those regions demonstrate the importance of stabilizing the steel markets.<sup>44</sup>

[70] In Europe, steel-making suffered significantly and contracted in 2022 as the Russia-Ukraine war continues to create uncertainties for the steel industry. Nova argues that, as these markets continue to remain sluggish, producers in subject countries will attempt to divert exports to other markets, such as the Canadian market, if the finding expires.<sup>45</sup>

[71] Nova submits that the structural imbalance in the steel market will continue to destabilize the global CSWP market over the next two years. Excess capacity is a problem that has not been addressed properly and current trends in production capacity investments are likely to cancel past efforts. Nova argues that in an attempt to spread fixed costs, producers in the subject countries will likely turn to export to sell their excess capacity. Nova further argues that as markets in other countries become less profitable or restrictive due to trade measures in place, Canada's market becomes more attractive for CSWP producers located in the subject countries.<sup>46</sup>

#### Weak Global Demand for CSWP

[72] Nova submits that while there is excess global steel capacity, the current global economic climate is negatively impacting global consumption of steel. Nova makes reference to an OECD report issued in 2023 which states that the global steel capacity utilization rate declined in 2022 to 74.5%. At the same time, the countries with the highest capacity growth have seen their domestic steel demand decline significantly between 2016 and 2021.<sup>47</sup>

[73] According to the WSA, weak demand from manufacturing and construction sectors and steel producers aggressively competing resulted in steel production levels decreasing by almost 4% from July to August 2023, following a trend which started in the previous eight months of 2023. This trend contradicted the WSA's projection, forecasting that production would increase by 2.3%. The lower than expected steel production level can be attributed to weak demand in the Chinese market, which represents about 57% of global steel output.<sup>48</sup>

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<sup>43</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 34.

<sup>44</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 35.

<sup>45</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 36.

<sup>46</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 37.

<sup>47</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 38.

<sup>48</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 39.

[74] Nova submits that domestic steel demand in China remained almost the same in the first eight months of 2023 as it was in the same period of 2022, at 651.88 million MT. However, during this period net exports of semi-finished and finished steel increased by 3.1% and crude steel production increased by 2.6%. Nova refers to a report issued by S&P Global Platts which states that as the new property sector, the largest driver in steel demand, in China "fell sharply" in 2023, the Government of China invested in infrastructure and the energy sector in order to offset the overall demand.<sup>49</sup>

[75] Nova reports that the global construction industry is expected to grow by 2.4% from 2022 to 2037. However, the global economy is still facing many challenges including long-term inflation and higher material costs which could negatively impact this projection down to 1.5%. Additionally, the global construction industry remains susceptible to various risks arising from supply chain disruptions, geopolitical conflicts, trade disputes, etc.<sup>50</sup>

[76] Nova argues that faced with diminished global demands and lack of demand in their domestic or traditional markets, steel producers located in the subject countries are incentivized to explore new international markets where no trade measures are in place. Nova argues that if the CITT's finding expires, it is likely that CSWP and other steel products from the subject countries will be sold into the Canadian market at dumped prices.<sup>51</sup>

#### Global CSWP Price Volatility

[77] Nova submits that hot-rolled coil (HRC) prices are a reasonable proxy for CSWP price trends as HRC represents the vast majority of raw material costs for CSWP. Nova reported that the average price of HRC in the US Midwest, Germany, Italy, UK, India, and China increased by 104% in 2021, dropped by 18% in 2022 and decreased by a further 16% in the first nine months of 2023. This volatility in CSWP prices creates uncertainty on the global market and suggests that CSWP prices have followed a similar trend in the subject countries.<sup>52</sup>

[78] Nova argues that in response to declining prices and global instability, CSWP producers in the subject countries will likely export CSWP at dumped prices to Canada if the CITT's finding expires because of the relatively higher prices in the North American market.<sup>53</sup>

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<sup>49</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 40.

<sup>50</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 41.

<sup>51</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 42.

<sup>52</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 43-44.

<sup>53</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 45.

## **Pakistan's Economic Conditions and the CSWP Market**

### Pakistan's Economic Conditions

[79] Nova submits that the Government of Pakistan has been struggling to control public debt in the face of all-time high inflation in the country. The International Monetary Fund (IMF) expects Pakistan's real GDP growth to decrease from 6.2% in 2022 to 0.2% in 2023. Further, the IMF has also downgraded its economic expectations of Pakistan's GDP to remain at 2.0% in 2024 and 3.5% in 2025.<sup>54</sup>

[80] Nova reports that high interest rates of 22% in the third quarter of 2023 in Pakistan are expected to slow down steel demand from construction and downstream industries.<sup>55</sup>

[81] Nova notes that the IMF approved a \$3 billion loan program to Pakistan in order to address its public debt crisis. However, the program is conditioned on numerous fiscal policies including requirements to ease import restrictions and elimination of subsidies which will likely intensify inflation and place further financial pressure on industries.<sup>56</sup>

[82] Nova maintains that current and projected economic conditions in Pakistan and its CSWP industry increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

### Pakistan's Steel and CSWP Production and Overcapacity

[83] Nova reports that Pakistan's production of finished steel increased by 27% from 2.6 million MT in 2020 to 3.3 million MT in 2021, declining to 3.0 million MT in 2022. The decline in 2022 can largely be attributable to a rise in cost of production, raw material shortage, unfavourable exchange rates, interest rates and monetary policy. CSWP producers in Pakistan also face competition with illegal steel products smuggled into the country from Iran and Afghanistan. The Pakistan Association of Large Steel Producers estimates that 0.5 million MT of steel products enter the country illegally on an annual basis.<sup>57</sup>

[84] Nova submits that finished steel production has low capacity utilization rates. In the most recent data available, the utilization rates in 2022 were 53% for long products, 52% for flat products and only 30% for pipe and tube products.<sup>58</sup>

[85] Nova provided detailed information on the capacity and production of pipes and tubes in Pakistan from 2020 to 2022. The utilization rates reported were 26% in 2020; 39% in 2021; and 30% in 2022. Nova notes that utilization rates remained below 40% in the past three years.<sup>59</sup>

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<sup>54</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 52.

<sup>55</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 53.

<sup>56</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 53.

<sup>57</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 56.

<sup>58</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 57.

<sup>59</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 58-59.

[86] Based on the available information, Nova has estimated the total capacity of CSWP production in Pakistan at 634,000 MT in 2023.<sup>60</sup>

[87] Nova maintains that Pakistan's significant steel and CSWP production capacity, increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

#### Pakistan's Steel and CSWP Demand

[88] Nova submits that the steel sector in Pakistan has experienced a significant drop in domestic demand. Based on the most recent data available, overall consumption of all steel products totaled 13.6 million MT in 2022 and decreased by 17.6% to 11.2 million MT in 2023.<sup>61</sup>

[89] Nova submits that the pipe industry in Pakistan is experiencing weak financial performance. The steel tube and pipe industry reported a 28% decline in revenues in the first nine months of 2023 in comparison to the same period in 2022.<sup>62</sup> Nova notes that the industry experienced a 23% increase in revenue between 2021 and 2022. Similarly, the net profit before tax reported by pipe and tube producers in Pakistan decreased by 56% in the first nine months of 2023 compared to the same period in 2022.<sup>63</sup>

[90] Nova submits that weak demand is expected to continue in Pakistan. Nova cited a study of the steel sector by the Pakistan Credit Rating Agency stating that, with respect to the pipe and tube sector, "in the near term ... subdued demand for new construction projects may keep sector in check."<sup>64</sup> Nova notes the decline in demand is attributed to a slow down in state-sponsored engineering projects and activities in construction industry resulting from various developments including rising inflation, interest rates, costs and taxes as well as a reduction in government spending.<sup>65</sup>

[91] Nova submits that given the harsh financial and monetary conditions as well as a struggling construction sector, the demand for CSWP in Pakistan is likely to remain low. Nova points out that there are no indications that demand will rebound in the near future.<sup>66</sup>

[92] Nova maintains that weak domestic demand for CSWP increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

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<sup>60</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 60-61.

<sup>61</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 62.

<sup>62</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 63.

<sup>63</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 63-64.

<sup>64</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 65.

<sup>65</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 66-68.

<sup>66</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 69.

## Pakistan's CSWP Prices

[93] Nova refers to the CBSA's compliance and import statistics which according to Nova demonstrate that subject goods from Pakistan were exported to Canada at dumped prices during 2021 and 2022 since SIMA duties were assessed against them. Nova notes that there were no shipments in 2020 or the first nine months of 2023. In this regard, Nova argues that CSWP producers located in Pakistan are unable to ship to Canada at non-dumped prices and that there is a likelihood of continued or resumed dumping if the CITT's finding expires.

[94] Nova submits that the United States Department of Commerce (USDOC) completed a sunset review in regards to circular welded carbon-quality pipe from Pakistan. The USDOC found that the revocation of the finding on CSWP from Pakistan would likely result in the continuation or recurrence of dumping. The USDOC determined that the margin of dumping of goods from Pakistan would be 11.8%. Nova argues that the USDOC finding indicates the likelihood of continued or resumed dumping of CSWP in Canada if the CITT's finding expires.<sup>67</sup>

[95] Nova provided information of average year prices of HRC in India between 2020 and 2023. Nova argues that the geographic proximity of India to Pakistan may be indicative of the overall trends in the prices of HRC and CSWP. Accordingly, Nova suggests that the downward trend in HRC prices, the main raw input material in the production of CSWP indicates that CSWP prices in Pakistan have also declined.<sup>68</sup>

[96] Nova maintains that softening domestic prices increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

## Pakistan's Propensity for Dumping

[97] Nova provided a list of jurisdictions that have imposed trade restrictions on CSWP and other steel products from Pakistan. The US currently has three trade measures in place against Pakistan, namely, anti-dumping measure on circular welded carbon-quality steel pipe and Section 232 measures on standard pipe and tubes or pipes for piling.<sup>69</sup>

[98] Nova argues that the US trade measures in place against pipe products from Pakistan demonstrates the propensity of CSWP exporters in Pakistan to dump steel products. Nova also argues that these US trade measures limit the access of CSWP exporters to the US market. Nova contends that CSWP exporters would likely continue or resume dumping of subject goods into Canada if the CITT's finding expires.<sup>70</sup>

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<sup>67</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 72.

<sup>68</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 73-74.

<sup>69</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 75.

<sup>70</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 76-77.

## Pakistan's Export Orientation

[99] Nova highlights that the deteriorating domestic demand in Pakistan and the effect of the illegal smuggling of low priced steel products from Iran and Afghanistan increases the likelihood of continued or resumed dumping of CSWP to Canada if the CITT's finding expires.<sup>71</sup>

[100] Nova provided export data of CSWP from Pakistan to all countries under HS 7306.30 as reported by the UN Comtrade. Based on volume, the data shows that exports of CSWP from Pakistan increased by 184% between 2020 and 2022. Nova submits that the increase is in line with the Pakistan's steel industry's goal of growth within the steel sector through exploration of new markets.<sup>72</sup>

[101] Nova maintains that Pakistan's export orientation increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

## **The Philippines' Economic Conditions and the CSWP Market**

### Philippines' Economic Conditions

[102] Nova submits that the economy of the Philippines is growing slower than expected. According to Bloomberg, the GDP rose by 4.3% in the second quarter of 2023, below estimates, marking the slowest expansion of GDP since the economy exited the COVID-19 pandemic downturn. Nova cited forecasts by the IMF predicting GDP growth of 5.3% in 2023; 6.0% in 2024; and 6.1% in 2025. However, the IMF notes that these estimates are down from 7.6% in 2022, as the economy is encountering global shocks including elevated core inflation and long-term interest rate hikes. Further, economic growth is expected to decelerate as pent-up demand wanes and household consumption decreases.<sup>73</sup>

[103] Nova submits that the Philippines has recently experienced the highest inflation rate within the past 14 years prompting its central bank to set aggressive monetary policy. While inflation remains relatively high at 5.3% as of October 2023, it is expected to decrease to 3.5% from a previous estimate of 3.3%. Nova notes that the central bank may consider tightening monetary policy despite having the highest interest rates in the region.<sup>74</sup>

[104] Nova maintains that current and projected economic conditions in the Philippines and its CSWP industry increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

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<sup>71</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 78.

<sup>72</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 79-81.

<sup>73</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 85.

<sup>74</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 86.

## Philippines's Steel and CSWP Production and Overcapacity

[105] Nova states that the Philippines recorded crude steel production of 1.6 million MT in 2021 and 2022, which is lower than 2019 and 2020 levels of 1.9 million MT.<sup>75</sup>

[106] Nova submits that the Philippines is expected to significantly increase its crude steel production capacity from 3.0 million MT in 2020 to 15.2 million MT in the foreseeable future. Similarly, production capacity of hot-rolled finished goods is expected to increase from 10.1 million MT in 2020 to 20.6 million MT in the foreseeable future.<sup>76</sup>

[107] Nova highlights that based on 2020 crude steel production capacity, the utilization rate was 53% in 2021 and 2022.<sup>77</sup> Additionally, the utilization rate for finished long products was 44% in 2020. According to the South East Asia Iron & Steel Institute (SEAISI), low utilization rates prevail in the ASEAN-6 countries, which suggests that the Philippines' utilization rate for CSWP is also low.<sup>78</sup>

[108] Nova gathered information from Simdex and various sources in order to estimate the Philippines' total CSWP capacity.<sup>79</sup> Due to confidentiality, the total CSWP production capacity for the Philippines cannot be disclosed.

[109] Nova maintains that the Philippines' significant steel production levels and significant CSWP production capacity increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

## Philippines' Steel and CSWP Domestic Demand

[110] Nova states that the ASEAN market has experienced contractions in steel demand. According to the WSA, steel demand in the ASEAN would grow by 3.8% in 2023 and 5.2% in 2024.<sup>80</sup> Nova notes that the Philippines' domestic steel demand is expected to be lower than the ASEAN average and consumption is still below pre-pandemic levels.<sup>81</sup>

[111] Nova submits that the construction industry in the Philippines contracted by 44.4% during the COVID-19 pandemic. Citing a market research report, recovery is slow but growth in the industry is expected to be 21.2% from 2020 to 2023 and then 9.6% from 2023 to 2025, returning to pre-pandemic levels.<sup>82</sup> According to an industry report, the construction industry grew by 12.1% in 2022, slowed down to 7.0% in 2023 and forecasted to grow by 6% annually from 2024 to 2027. The growth is supported by the government's focus on development of transport and energy infrastructure and affordable housing.<sup>83</sup>

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<sup>75</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 88.

<sup>76</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 89.

<sup>77</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 90.

<sup>78</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 91.

<sup>79</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 92.

<sup>80</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 93.

<sup>81</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 94.

<sup>82</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 95.

<sup>83</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 96.

[112] Similarly, Nova further submits that the real estate sector in the Philippines has been slow to recover from the COVID-19 pandemic and is not expected to return to pre-pandemic levels until 2025. The industry's growth is supported by the Philippines' infrastructure program.<sup>84</sup>

[113] Nova maintains that the Philippines' weak domestic demand for steel and CSWP increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

#### Philippines' CSWP Prices

[114] Nova refers to the CBSA's compliance and import statistics, which, according to Nova, demonstrate that subject goods from the Philippines were exported to Canada at dumped prices during 2020 and 2021 since SIMA duties were assessed against them. Nova maintains that small volumes of imports from the Philippines indicate the likelihood of continued or resumed dumping if the CITT's finding expires.<sup>85</sup>

#### Philippines' Propensity to Dump

[115] Nova provided a list of jurisdictions that have imposed trade restrictions on CSWP and other steel products from the Philippines. The European Union (EU) currently has anti-dumping measures in place on tube or pipe fittings, of iron or steel from the Philippines. The US has Section 232 measures on standard pipe and tubes or pipes for piling from the Philippines.<sup>86</sup>

[116] Nova argues that the EU anti-dumping measures in place against other steel products from the Philippines demonstrate the propensity of exporters in the Philippines to dump steel products. Nova also argues that these US Section 232 trade measures limit the access of CSWP exporters to the US market. Nova maintains that CSWP exporters would likely continue or resume dumping of subject goods into Canada if the CITT's finding expires.<sup>87</sup>

#### Philippines' Increasing Exports of CSWP

[117] Nova provided export data of CSWP from the Philippines to all countries under HS 7306.30 as reported by UN Comtrade. Based on volume, the data shows that exports of CSWP from the Philippines increased from 8 MT in 2020 to 2,120 MT in 2022 and remaining high at 1,283 MT in the first ten months of 2023. Nova submits that the increase is in line with the Philippines' steel industry's goal of growth within the steel sector through exploration of new markets.<sup>88</sup>

[118] Nova maintains that the deteriorating domestic demand and excess production of steel in the Philippines increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

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<sup>84</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 97-98.

<sup>85</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 99.

<sup>86</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 100.

<sup>87</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 101.

<sup>88</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 79-81.



## **Türkiye's Economic Conditions and the CSWP Market**

### Türkiye's Economic Conditions

[119] Nova submits that attempts to lower inflation through monetary tightening indicate the likelihood of a recessionary downturn, which is expected to hit the Turkish economy in the near future.<sup>89</sup> Additionally, since 2017, the Turkish lira has declined significantly, with a 31% drop in 2023 alone. Nova also highlights the volatility of Türkiye's exchange rate. A weakened lira, coupled with an unstable exchange rate, will significantly impact Türkiye's domestic and foreign competitiveness.<sup>90</sup>

[120] Nova cited statistics from the IMF outlining Türkiye's forecasted GDP growth, which is expected to slow to 3.1% in 2024 and 3.2% in 2025, down from 4.0% in 2023, and 5.5% in 2022.<sup>91</sup> Nova notes that the anticipated interest rate hikes to be announced by Türkiye's central bank is an additional factor contributing to the country's difficult economic conditions and it is expected to result in lower steel and CSWP demand from the Turkish construction industries.<sup>92</sup>

[121] Nova maintains that the current and forecasted economic conditions for Türkiye increase the likelihood of resumed or continued dumping of subject goods into Canada if the CITT's finding expires.

### Türkiye's Steel and CSWP Production and Overcapacity

[122] Nova submits that Türkiye's steelmaking capacity continues to exceed its production. Nova highlights one example, in 2022, Türkiye's total steel capacity of 55 million MT exceeded its steel production of 35 million MT.<sup>93</sup>

[123] Nova notes that in 2022, Türkiye was the largest steel pipe producer in Europe and the fourth largest in the world,<sup>94</sup> with welded pipe production increasingly rising between 2020 to 2022. Nova contends that despite a rise in the capacity utilization rate during this period, rates remain relatively low. This is further supported by Türkiye reporting over 3.2 million MT of excess welded pipe capacity in 2022.<sup>95</sup>

[124] Based on the available information, Nova has estimated the total capacity of CSWP production in Türkiye at more than 4 million MT in 2023. The figure includes the capacity of subject and non-subject exporters.<sup>96</sup>

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<sup>89</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 106.

<sup>90</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 107.

<sup>91</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 108.

<sup>92</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 109.

<sup>93</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 111.

<sup>94</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 112.

<sup>95</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 114.

<sup>96</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 117.

[125] Nova maintains that Türkiye's significant steel production levels and significant CSWP production capacity increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

#### Türkiye's Steel and CSWP Demand

[126] Nova cites the WSA report, highlighting fluctuations in Turkish steel demand: 2.6% in 2022; 19.0% in 2023; and 5.0% in 2024. Nova explains that the dramatic swings in domestic steel demand, particularly for 2023, are a result of "earthquake-related construction activity and a dropping of the country's unconventional monetary policies that were a main contributor to foreign investment departure". Despite the increased domestic demand as a result of the January 2023 earthquake infrastructure reconstruction efforts, the Turkish Steel Producers' Association notes that demand was largely satisfied by imports instead of domestic production.<sup>97</sup>

[127] Nova submits that the Turkish construction industry has been in steady decline since 2018. The sector contracted by 7.1% in 2022, and rose by 5.4% at the beginning of 2023, largely due to the high demand for products in the earthquake zone. Nova expects this demand to reduce as a result of the weakened outlook of the construction industry in Türkiye.<sup>98</sup>

[128] Nova argues that record-breaking inflation, currency depreciation and increased tax on steel products will have a significant impact on the domestic demand in Türkiye's construction and steel sectors, likely reducing demand on CSWP.<sup>99</sup>

[129] Nova states that weakened domestic demand have also impacted struggling Turkish steel mills that are finding it difficult to compete with steel products from East Asia and the MENA region. At the beginning of 2023, steel imports into Türkiye experienced a 23% increase compared to the same time period in 2022. Nova notes that this underscores a trend in rising imports, that hit a 6-year high in 2022.<sup>100</sup>

[130] Nova maintains that Türkiye's weak domestic demand for steel and CSWP and competition from CSWP imports into Türkiye increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

#### Türkiye's CSWP Prices

[131] Nova submits that in May 2023, the US completed a sunset review related to carbon steel pipes and tubes from Türkiye. The review concluded that the revocation of the finding on pipe and tube from Türkiye would likely result in the continuation or recurrence of dumping.<sup>101</sup>

<sup>97</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 119.

<sup>98</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 120.

<sup>99</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 121.

<sup>100</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 125.

<sup>101</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 128.

[132] Nova maintains that based on the results of the US review, there is a strong indication that CSWP producers in Türkiye would likely continue or resume dumping of subject goods into Canada if the CITT's finding expires.<sup>102</sup>

#### Türkiye's Propensity for Dumping

[133] Nova provided a list of jurisdictions that have imposed trade restrictions on CSWP and steel products from Türkiye.<sup>103</sup>

[134] Nova argues that the numerous anti-dumping and countervailing measures in place on pipe and tube products, flat and long products, and various steel products from Türkiye demonstrate the propensity of exporters in Türkiye to dump steel products.<sup>104</sup>

[135] Nova also argues that the numerous anti-dumping and countervailing measures, safeguards and Section 232 measures in place by numerous jurisdictions limit the access of CSWP exporters to these foreign markets. As such, Nova maintains that this will, in turn, contribute to the increased likelihood of the continued or resumed dumping of subject goods into Canada if the CITT's finding expires.<sup>105</sup>

#### Türkiye's Export Orientation

[136] Nova submits that Turkish producers are likely to export CSWP due to weakening domestic demand and increased competition from ASEAN and MENA region steel products.<sup>106</sup> Nova further submits that export trends of a leading Turkish steel pipe manufacturer (i.e. Borusan Boru), demonstrate interest from Turkish exporters in the Canadian market.<sup>107</sup>

[137] Nova notes that Turkish steel pipe producers are a significant contributor to Türkiye's economy, worth an export value of US\$2.3 billion. The Turkish Steel Exporters' Association also points out that 95% of Turkish steel tube and pipe products are welded.<sup>108</sup>

[138] Nova argues that steel pipe producers in Türkiye are experiencing difficulties with their usual export destinations, leading to profitability issues. Some markets are replacing Turkish suppliers with Russian ones, while ongoing conflicts are contributing to logistical difficulties and increased freight rates.<sup>109</sup> Additionally, Turkish exports to the EU slowed. Nova contends that energy costs, inflation, and interest rates have negatively impacted EU steel consumption.<sup>110</sup>

[139] Nova maintains that Türkiye's export orientation increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

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<sup>102</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 129.

<sup>103</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 133.

<sup>104</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 134.

<sup>105</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 135.

<sup>106</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 136.

<sup>107</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 137.

<sup>108</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 140.

<sup>109</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 141.

<sup>110</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 142.

## **Vietnam's Economic Conditions and the CSWP Market**

### Vietnam's Economic Conditions

[140] Nova submits that Vietnam's forecasts reflect a slowdown in economic activity. While the GDP grew by 5.3% in the period of July-September 2023, this growth rate is lower than expectations and below pre-pandemic levels. Nova reports that according to the IMF, Vietnam experienced a robust economic recovery in 2022 following the pandemic but the recovery was cut short as result of financial stress among real estate developers, tighter funding conditions, slowdown in sales and weakness in external demand and further deterioration in domestic financial conditions.<sup>111</sup>

[141] Nova also reports that according to confidential sources, Vietnam's GDP growth was considered to be weakening and experiencing several challenges in 2023 including weak external demand, high inflation and interest rates and tightening global financial markets.<sup>112</sup>

[142] Nova further reports that Vietnam's central bank faces pressure to curb inflation which significantly impacted the real estate and construction industries in the country. Vietnam's State Bank is now cutting interest rates following ten previous consecutive increases to curb inflation.<sup>113</sup>

[143] Nova maintains that current and projected economic conditions in Vietnam increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.<sup>114</sup>

### Vietnam's Steel and CSWP Production and Overcapacity

[144] Nova reports that Vietnam's crude steel production increased from 17.5 million MT in 2019 to 19.5 million MT in 2020 and peaked at 23 million MT in 2021 before decreasing to 20 million MT in 2022.<sup>115</sup> In terms of total steel, Nova reports Vietnam's production was 31 million MT in 2021; 34 million MT in 2022; and 13 million MT in the first half of 2023.<sup>116</sup>

[145] Nova provided detailed information on the capacity and production of crude steel in Vietnam from 2010 to 2022. The utilization rates reported ranged between 66% to 88%.<sup>117</sup> Vietnam's utilization rate for flat and long products reported were 68% and 66%, respectively, in 2020. Based on this, Nova suggests that Vietnam's utilization rate for pipe and tube products, including CSWP, is also low. Low utilization rates encourage producers to export excess production to markets without trade restrictions.<sup>118</sup>

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<sup>111</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 146.

<sup>112</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 147.

<sup>113</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 148.

<sup>114</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 145.

<sup>115</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 150.

<sup>116</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 151.

<sup>117</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 153-154.

<sup>118</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 155.

[146] Nova submits that Vietnam is expected to double its crude steel and finished steel capacity to 42.8 million MT and 44.3 million MT, respectively.<sup>119</sup>

[147] Based on the available information, Nova has estimated the total capacity of CSWP production in Vietnam to be at least 2.8 million MT. Nova submits that considering Vietnam's capacity and utilization rates, CSWP producers located in Vietnam are fully capable of flooding the Canadian CSWP market.<sup>120</sup>

#### Vietnam's Steel and CSWP Demand

[148] As noted previously, Nova submits that the steel demand in the ASEAN market contracted in 2022, grew by 3.8% in 2023 and forecasted to grow by 5.2% in 2024. Nova highlights that Vietnam is particularly affected by the deteriorating global market.<sup>121</sup> Vietnam's domestic steel outlook is sluggish and expected to decrease in 2023 due to weakened property market, tightened monetary policy, economic downturn in key export markets and increased supply. Vietnam producers have had to shutdown production in the face of weak demand.<sup>122</sup> Vietnam's steel demand is expected to decelerate in 2023 with growth of 2.4%.<sup>123</sup>

[149] Nova points out that Vietnam's finished steel demand decreased by 17% in the first six months of 2023 in comparison to the same period in 2022. At the same time, Vietnamese finished steel producers increased export sales in the first six months of 2023. ASEAN countries and the EU accounted for 57% of total finished steel exports.<sup>124</sup>

[150] Nova argues that Vietnam will not be able to absorb any increase in CSWP production capacity in downstream industries due to a stagnant real estate market and construction industry, which represents 60% of Vietnam's steel demand.<sup>125</sup>

[151] Nova contends that given the current situation in Vietnam, CSWP producers will have to look for new markets to compensate low domestic demand and sell excess capacity. Therefore, they are likely to sell CSWP at dumped prices into Canada if the CITT's finding expires.<sup>126</sup>

[152] Nova maintains that weak domestic demand for CSWP increases the likelihood of continued or resume dumping of subject goods into Canada if the CITT's finding expires.

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<sup>119</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 156.

<sup>120</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 157-160.

<sup>121</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 161.

<sup>122</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 162.

<sup>123</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 163.

<sup>124</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 164.

<sup>125</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 168-169.

<sup>126</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 170.

## Vietnam's CSWP Prices

[153] Nova states that HRC or CSWP prices in Vietnam are not available. Nova referred to Hoa Phat's ERQ response which demonstrated that average import prices of HRC from Asia, Europe and China are trending downwards.<sup>127</sup>

[154] Nova submits that CSWP from Vietnam have been shipped to Canada at dumped prices as SIMA duties were assessed against subject goods from Vietnam throughout the POR. Nova argues that CSWP producers in Vietnam are unable to sell to Canada at non-dumped prices. This indicates that CSWP will likely be shipped at dumped prices if the finding expires.<sup>128</sup>

[155] Nova notes that since March 2023, steel prices in Vietnam have been adjusted downwards nineteen times and is currently at its lowest levels in the last three years. This trend is also reported for CSWP prices.<sup>129</sup>

[156] Nova argues that higher energy costs in 2023 will create challenges for Vietnamese steel industry in an environment of weak demand. Nova further argues that CSWP producers will want to maximize production in order to spread costs over a larger volume which will lead to the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.<sup>130</sup>

[157] Nova maintains that softening domestic prices increase the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

## Vietnam's Propensity for Dumping

[158] Nova references a list of jurisdictions that have imposed trade restrictions, including anti-dumping and countervailing measures and Section 232 measures on CSWP and other steel products from Vietnam.<sup>131</sup>

[159] Nova argues that the numerous anti-dumping and countervailing measures in place against CSWP and other steel products from Vietnam demonstrates the propensity of exporters in Vietnam to dump steel products.

[160] Nova also argues that the anti-dumping and countervailing measures and Section 232 trade measures limit the access of CSWP exporters to these foreign markets. As such, Nova maintains that this will, in turn, contribute to the increased likelihood of the continued or resumed dumping of subject goods into Canada if the finding expires.<sup>132</sup>

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<sup>127</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 171-172.

<sup>128</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 173.

<sup>129</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 174.

<sup>130</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 175.

<sup>131</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 176.

<sup>132</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 177-178.

## Vietnam's Export Orientation

[161] Nova states that Vietnam's traditional export markets, namely, Malaysia, Indonesia and the Philippines are experiencing increased capacity levels. Further, in 2022, China's steel production has achieved the highest levels in the last seven years. As such, Nova argues that CSWP producers in Vietnam are incentivized to seek new markets in order to sell their production.<sup>133</sup>

[162] Nova provided data of steel exports for the POR as published by the Vietnam Steel Association (VSA). The VSA reports that exports increased by 24% in the first eight months of 2023 compared to the same period in 2022 and that steel exports generally increased from 2020 to August 2023.<sup>134</sup>

[163] Nova also provided data of CSWP exports from Vietnam to all countries. Nova notes that data for 2023 year-to-date is not yet available for certain export markets so the volume data for 2023 year-to-date may be understated. The data shows that exports of CSWP from Vietnam increased by 52% between 2020 and 2023 (annualized).<sup>135</sup>

[164] Nova adds that other CSWP producers such as SeAH Steel Vina Corporation has also indicated that Canada is one of its most important export markets.<sup>136</sup> Another CSWP producer, Maruichi Sun Steel Joint Stock Company, indicated that it is pursuing foreign markets to address weak domestic demand.<sup>137</sup>

[165] Nova maintains that Vietnam's export orientation increases the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

### ***Parties Contending that Continued or Resumed Dumping is Unlikely***

#### **The Hoa Phat Group**

[166] The Hoa Phat Group made a representation through its ERQ response and its submission in its case brief and reply submissions in support of their position that dumping from Vietnam is unlikely to continue or resume in the event the CITT's finding expires. Accordingly, the Hoa Phat Group argues that the measures should no longer remain in place.

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<sup>133</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 179.

<sup>134</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 180.

<sup>135</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 181-182

<sup>136</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 184.

<sup>137</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 185.

[167] The main factors identified by the Hoa Phat Group can be summarized as follows:

#### Vietnam's Economic Conditions

[168] The Hoa Phat Group submits that the end of 2023 shows positive signals of supply and demand for steel pipe products as Vietnam's economy recovers from the negative impact of the COVID-19 pandemic and a stagnant real estate market. Citing the VSA, steel production is expected to increase by 2.8% in November 2023 as compared to October 2023 and increase by 34.3% compared to November 2022. Similarly, sales volume is expected to increase by 13.1% in November 2023, compared to October 2023 and increase by 30.1%, compared to November 2022.<sup>138</sup>

[169] The Hoa Phat Group states that Vietnam's economy in general is forecasted to continue to grow. Citing the World Bank's projections on April 2023, economic growth of Vietnam will gradually accelerate from 4.7% in 2023; to 5.5% in 2024; and 6.0% in 2025. According to the World Bank, Vietnam aims to become a high-income country by 2045. The Hoa Phat Group contends that in order to achieve this goal, Vietnam will need to promote the development of the entire economy, especially basic industries such as the steel and construction industry. The Hoa Phat Group maintains that there is room for the development of the steel industry and CSWP products in the near future.<sup>139</sup>

#### Vietnam's Real Estate Sector

[170] The Hoa Phat Group submits that according to the VSA, public investment and a strengthening real estate market would actively promote steel demand. Citing a report by Coldwell Banker Richard Ellis (CBRE), a leading commercial real estate services and investment company, the supply of apartment units in Vietnam is likely to improve beginning in 2024. The supply of apartment units in Hanoi is expected to increase by 33% or 20,000 units in 2024 and the supply of apartments in Ho Chi Minh City is expected to increase by 31% or approximately 12,000 units in 2024. The Hoa Phat Group indicates that since the beginning of 2023, the Government of Vietnam has announced a number of measures to promote the real estate sector and improve supply.<sup>140</sup>

[171] Given the above, the Hoa Phat Group maintains that the rebound in the real estate sector will boost domestic demand leading to improved local steel prices, including construction steel prices. As a result, the Hoa Phat Group anticipates demand for steel products and CSWP will expand during the 2024 to 2029 period.<sup>141</sup>

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<sup>138</sup> Exhibit 26 (PRO) and 27 (NC) – Response to Exporter ERQ from Hoa Phat Steel Pipe Co., Ltd - Hung Yen Branch, Q.34

<sup>139</sup> Exhibit 26 (PRO) and 27 (NC) – Response to Exporter ERQ from Hoa Phat Steel Pipe Co., Ltd - Hung Yen Branch, Q.34

<sup>140</sup> Exhibit 26 (PRO) and 27 (NC) – Response to Exporter ERQ from Hoa Phat Steel Pipe Co., Ltd - Hung Yen Branch, Q.34

<sup>141</sup> Exhibit 26 (PRO) and 27 (NC) – Response to Exporter ERQ from Hoa Phat Steel Pipe Co., Ltd - Hung Yen Branch, Q.34



## Hoa Phat's Proportion of Export Sales

[172] The Hoa Phat Group provided a spreadsheet of its sales of CSWP to different markets during the POR. According to the Hoa Phat Group, the proportion of export sales of CSWP accounts for less than 8% by volume or 11% by value of the total sales to all markets.

[173] The Hoa Phat Group also notes that the proportion of CSWP exported to Canada shows an increasing trend over the POR. The Hoa Phat Group argues that the increasing trend is an indicator of the insensitivity of its CSWP exports to Canada despite the anti-dumping measures currently in place against subject goods from Vietnam.<sup>142</sup>

## **CONSIDERATION AND ANALYSIS – DUMPING**

[174] In making a determination under paragraph 76.03(7)(a) of SIMA as to whether the expiry of the finding is likely to result in the continuation or resumption of dumping of the goods, the CBSA may consider the factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant under the circumstances.

[175] Guided by these aforementioned factors, the CBSA conducted its review based on the documentation submitted by the various participants and its own research, all of which can be found on the administrative record.

[176] Before presenting a country-by-country analysis, there are several factors that relate to multiple countries, as discussed below.

### **The CBSA's analysis**

#### Commodity Nature of CSWP

[177] It is the CBSA's understanding that, in general, CSWP manufactured either by a Canadian producer or by a foreign producer is physically interchangeable. CSWP manufactured by foreign producers for sale to Canada is generally manufactured to meet Canadian requirements. Given that CSWP is a commodity product, price is an important factor when purchasing CSWP.

[178] CSWP producers must compete in a market that is price sensitive, where price is one of the primary factors affecting customer purchasing decision. Importers of CSWP in Canada have demonstrated that they will switch to sources where lower prices are available. This source switching has led to three CSWP anti-dumping investigations and injury findings since 2008.

[179] As such, should the CITT's finding expire, the commodity nature of CSWP and the market's strong price competition may lead to the continued or resumed dumping of subject goods into Canada.

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<sup>142</sup> Exhibit 26 (PRO) and 27 (NC) – Response to Exporter ERQ from Hoa Phat Steel Pipe Co., Ltd - Hung Yen Branch, Q.35 & Exhibit Q35

## Global Excess Steel and CSWP Capacity

[180] Information on the record indicates that global steel capacity is high at 2.5 billion MT as of 2023. The capacity is projected to increase as a result of significant investments in China, the ASEAN countries and surrounding countries. OECD Steel Committee report that an additional steel production capacity of 59.9 million MT is scheduled for 2023-2025, with another 106.2 million MT in the planning stages for the same period. The OECD Steel Committee expressed concern about the growing overcapacity, weakened demand for steel, and the distorting effects of government interventions, including subsidies, in the global steel markets.<sup>143</sup>

[181] Information on the record indicates that the gap between global steel capacity and consumption was about 522 million MT in 2021, and increased to 627 million MT in 2022, corresponding with reduction in capacity utilization rates and weakened global steel demand.<sup>144</sup>

[182] CSWP is produced from hot-rolled sheet and strip and the excess capacity affecting the steel industry, including flat-rolled producers, has implications on global markets for CSWP. The CBSA is of the view that, in general, the excess capacity creates readily available feedstock and the wide-ranging trade remedies against hot-rolled sheet in countries around the world restrict market access for exporters of hot-rolled steel.

[183] The CBSA finds that exporters impacted by these restrictive trade measures are incentivized to maintain capacity utilization by converting hot-rolled steel to CSWP or selling hot-rolled steel to CSWP producers at low prices, thereby stimulating low-priced exports of CSWP to markets like Canada that have findings against hot-rolled sheet. The CBSA also finds the diversion of flat-rolled steel produced to CSWP production may increase the likelihood of continued or resumed dumping of subject goods into Canada, should the CITT's finding expire.

## Weakened Global Market Conditions and Demand for Steel Products

[184] Information on the record indicates that global economic growth is expected to remain low to moderate. In its April 2023 World Economic Outlook Update, the IMF forecasted GDP growth rates of 3.1% in 2024 and 2025, impacted by various factors including high global inflation, conflicts, persistent trade disruptions and contraction in China's real estate sector.<sup>145</sup> In its January 2024 Update, the IMF revised these growth rates to 3.1% in 2024 and 3.2% in 2025. However, the IMF noted that the 2024-2025 forecasts were below the historical average of 3.8%, between 2000 and 2019.<sup>146</sup> The World Bank also anticipates a growth rate of 3% in 2025 due to persistent high inflation, high interest rates, reduced investments and disruptions due to the Russian-Ukrainian war.<sup>147</sup>

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<sup>143</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 30. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 8.

<sup>144</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 34. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 11.

<sup>145</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 26. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 1.

<sup>146</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 51.

<sup>147</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 27. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 5.

[185] Further, evidence available on record indicates that the ongoing effects of the Russia-Ukraine war, including supply chain disruptions, lower export prices, reduced steel consumption in the Russian real estate sector, and the economic sanctions on Russia have contributed to the instability and uncertainty in the global steel market.<sup>148</sup>

[186] Information on the record indicates that high inflation and interest rates have resulted in limited steel demand in 2023. According to the WSA, steel demand growth is predicted to be 0% in China as recovery in real estate sector remains moderate in 2024.<sup>149</sup> S&P Global Platts also reports weak steel demand in China due to declining property construction.<sup>150</sup> There are also indications that consumption of steel in advanced economies are beginning to recover moderately. On average, after falling by 6.2% in 2022, consumption was expected to increase by 1.3% in 2023 and 3.2% in 2024.<sup>151</sup>

[187] As pointed out by Nova and the Hoa Phat Group, the global construction industry is projected to grow by 2.4% annually from 2022 to 2037.<sup>152</sup> However, the CBSA acknowledges that these projections are susceptible to the impact of long term inflation, higher borrowing costs, higher material costs as well as supply chain risks, geopolitical risks, labour and material shortages and delays, which could reduce the growth rate down to 1.5%.<sup>153</sup>

[188] Based on the available evidence, the CBSA finds that various industrial sectors, including CSWP, will continue to be impacted by volatile conditions affecting the global economy. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in the subject countries to eliminate excess production capacity which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

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<sup>148</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 28. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 6.

<sup>149</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 29. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 7.

<sup>150</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 32. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 9.

<sup>151</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 6.

<sup>152</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 21. & Exhibit 54 (PRO) and 55 (NC) – Reply submissions filed on behalf of the Hoa Phat Group, para. 64. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 14.

<sup>153</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 14. & 15.

## Pakistan

[189] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Pakistan. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to Pakistan.

### Weakened market conditions and demand for CSWP in Pakistan

[190] Information on the record indicates that economic growth in Pakistan has slowed down. While the IMF expects GDP growth rates of 2.0% in 2024 and 3.5% in 2025, these growth rates are below the 6.2% growth rate experienced in the country in 2022.<sup>154</sup> At the same time, large public debt, high inflation rates and high interest rates are expected to dampen the general growth of the Pakistan economy as well as the construction industry.<sup>155</sup>

[191] Information on the record also indicates that the steel tube and pipe industry in Pakistan is experiencing weak financial performance and declining revenues.<sup>156</sup> Further, recent data available suggests that the steel industry in general has experienced a reduction in overall consumption.<sup>157</sup>

[192] Given the economic outlook, harsh financial and monetary conditions as well as a struggling construction sector, the demand for CSWP in Pakistan is likely to remain low. As domestic demand of CSWP is not expected to rebound soon, it is likely that CSWP producers in Pakistan will rely heavily on export markets which may increase the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

### Pakistan's Steel and CSWP Production and Overcapacity

[193] Information on the record shows that there are at least eight producers in Pakistan capable of producing CSWP. The production capacity of these companies is estimated to be in excess of 634,000 MT in 2023.<sup>158</sup> The CBSA notes that this estimate is conservative considering information regarding several companies is reported as unknown and this figure does not take into account any planned additions to capacity.

[194] Based on the most recent publicly available information on the capacity utilization of producers of pipe and tube in Pakistan, CSWP producers in Pakistan maintained an average capacity utilization of 31.7% between 2020 and 2022.<sup>159</sup> Based on the average utilization rate, the excess capacity represents over 201,000 MT per year available and is almost the size of the apparent Canadian market, 213,402 MT, as of 2022, as reported in **Table 1**.

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<sup>154</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 52.

<sup>155</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 66-68.

<sup>156</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 63-64.

<sup>157</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 62.

<sup>158</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 60 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 24.

<sup>159</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 58 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 20.

[195] Based on the available evidence, the CBSA finds that production capacity of CSWP producers is large and that excess production capacity exists in Pakistan. The capital-intensive nature of CSWP production and high fixed costs provides an incentive for mills to pursue sales even at low prices in order to increase capacity utilization. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in Pakistan to eliminate excess production capacity which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

#### Imposition of Trade Measures by Canada and the United States

[196] Besides Canada, information on the record indicates that there have been measures in the US on circular welded carbon-quality steel pipe from Pakistan since December 2016.<sup>160</sup> Recently, in 2022, the USDOC determined a margin of dumping of 11.8% for subject goods from Pakistan in a sunset review.<sup>161</sup>

[197] The CBSA finds that the imposition of anti-dumping measures on circular welded carbon-quality steel pipes from Pakistan by the US demonstrates that CSWP producers in Pakistan have a propensity to dump. Should the CITT's finding expire, as a result of their propensity to dump, CSWP producers in Pakistan would divert subject goods from the US market to the Canadian market which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

[198] Information on the record also indicates that Section 232 measures are in place in the US on standard pipe as well as tubes or pipes for piling from Pakistan.<sup>162</sup> The CBSA finds that these restrictive trade measures limit the access of CSWP exporters located in Pakistan to the US market. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in Pakistan to divert CSWP from the US market to Canada which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

#### Pakistan's Export Orientation

[199] According to export data reported by the UN Comtrade, in terms of volume, the data shows that exports of CSWP from Pakistan to all countries under HS 7306.30 increased by 184% between 2020 and 2022.<sup>163</sup> Further, based on the CBSA's Enforcement Data reported in **Table 4**, CSWP producers in Pakistan exported subject goods to Canada in 2021 and 2022. In both years, CSWP from Pakistan were imported into Canada at dumped prices and anti-dumping duties were assessed against them.

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<sup>160</sup> <https://trade-remedies.wto.org/en>

<sup>161</sup> <https://www.federalregister.gov/documents/2022/02/18/2022-03532/circular-welded-carbon-quality-steel-pipe-from-oman-pakistan-and-the-united-arab-emirates-final>

<sup>162</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 75.

<sup>163</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 79-81. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 90.

[200] Information on the record indicates that CSWP producers in Pakistan face competition with 0.5 million MT of illegal steel products smuggled into the country from Iran and Afghanistan.<sup>164</sup> Further, due to geographic proximity of Pakistan to India and downward trend in HRC prices in India, the main raw input material in the production of CSWP, indicates that CSWP prices in Pakistan have also declined.<sup>165</sup> This implies that CSWP producers are faced with unfavourable conditions in their domestic market and are incentivized to seek growth in export markets.

[201] In light of unfavourable conditions in their domestic market, the CBSA finds that, the rate of increase in exports of CSWP producers in Pakistan and the volume of exports to Canada of CSWP during the period the CITT's finding was in effect, indicates a continued interest in the Canadian market on behalf of the Pakistani exporters. Should the CITT's finding expire, export-oriented producers in Pakistan may increase the likelihood of continued or resumed dumping of subject goods into Canada.

### **Determination regarding likelihood of continued or resumed dumping: Pakistan**

[202] Based on information on the record in respect of the: commodity nature of CSWP; global excess steel and CSWP capacity; weakened global market conditions and demand for steel products; weakened market conditions and demand for CSWP in Pakistan; Pakistan's steel and CSWP production and overcapacity; imposition of trade measures by Canada and the US; and Pakistan's export orientation, the CBSA has determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain CSWP originating in or exported from Pakistan.

### **The Philippines**

[203] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in the Philippines. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to the Philippines.

### **Weakened Market Conditions and Demand for CSWP in the Philippines**

[204] Information on the record indicates that economic growth in the Philippines has slowed down. The IMF expects GDP growth rates of 5.3% in 2023; 6.0% in 2024; and 6.1% in 2025. While the economy has emerged strongly from the impact of the COVID-19 pandemic, the Philippines has not yet reach growth rates experienced before 2020. As a matter of fact, these growth rates are down from 7.6% achieved in 2022 as result of diminishing pent-up demand and persistently high global and domestic inflation.<sup>166</sup>

<sup>164</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 56. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 23.

<sup>165</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 73-74. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 17.

<sup>166</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 85 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 51.

[205] Information on the record indicates that the construction industry is still recovering in the Philippines following the impact of the COVID-19 pandemic, which led to the industry contracting by 44.4%. According to the Market Research for the Philippines Construction Industry report, the construction industry is slow to recover and not expected to return to pre-pandemic levels until 2025.<sup>167</sup> Information on the record also indicates that the real estate sector in the Philippines has been slow to recover from the COVID-19 pandemic and is not expected to return to pre-pandemic levels until 2025.<sup>168</sup>

[206] Given the moderate economic outlook and a recovering construction and real estate sector, demand for CSWP in the Philippines is likely to remain moderate. As domestic demand of CSWP is continuing to recover, it is likely that producers in the Philippines may continue to rely on export markets which may increase the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

### Philippines' Steel and CSWP Production and Overcapacity

[207] The Philippines had crude steel production of 1.6 million MT in 2022.<sup>169</sup> The Philippines plan to increase its crude steel production capacity of 3.0 million MT in 2020 to 15.2 million MT in the foreseeable future. Similarly, production capacity of hot-rolled finished goods is expected to increase from 10.1 million MT in 2020 to 20.6 million MT in the foreseeable future.<sup>170</sup>

[208] Information on the record shows that there are at least four producers in the Philippines capable of producing CSWP. The total production capacity of these companies is significant.<sup>171</sup> The CBSA notes that the estimated total production capacity is conservative considering information regarding several companies is reported as unknown and this figure does not take into account any planned additions to capacity.

[209] Based on information from the South East Asia Iron & Steel Institute, low utilization rates prevail in the ASEAN countries. If the CBSA were to extrapolate the utilization rate of 44% in 2020 of finished long products to the total production capacity of CSWP, the estimated excess capacity represents over half the size of the apparent Canadian market, 213,402 MT, as of 2022, as reported in **Table 1**. Considering that the Philippines' plans to expands its crude steel production and hot rolled finished goods capacity in the foreseeable future, the excess capacity for CSWP is likely to increase as well.

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<sup>167</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 96 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 123.

<sup>168</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 97-98. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 126.

<sup>169</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 88. Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 41.

<sup>170</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 89.

<sup>171</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 89 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 44.

[210] Based on the available evidence, the CBSA finds that current and potential production capacity of CSWP producers is large and that excess production capacity exists in the Philippines. The capital-intensive nature of CSWP production and high fixed costs provides an incentive for mills to pursue sales even at low prices in order to increase capacity utilization. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in the Philippines to eliminate excess production capacity which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

#### Imposition of Trade Measures by Canada and Other Jurisdictions

[211] Information on the record indicates that Canada has had anti-dumping measures in place on CSWP from the Philippines since February 2, 2019, and certain oil country tubular goods (OCTG) from the Philippines since April 2, 2015. The measures in force for certain oil country tubular goods recently expired on December 30, 2020 as a result of the CBSA's determination that the expiry of the finding was unlikely to result in the continuation or resumption of dumping of OCTG from the Philippines.<sup>172</sup> Although the CBSA has recently found the continuation or resumption of dumping unlikely for a steel pipe product from the Philippines, the determination was based on a different POR and analysis of the factors specific to the case. Nevertheless, besides Canada, there have been anti-dumping measures in the EU on tube or pipe fittings, of iron or steel from the Philippines,<sup>173</sup> and anti-dumping measures in the US on stainless steel butt-weld pipe fittings from the Philippines.<sup>174</sup>

[212] The CBSA finds that the imposition of anti-dumping measures on various steel products demonstrates that producers in the Philippines have a propensity to dump. Should the CITT's finding expire, CSWP producers in the Philippines would be attracted to the Canadian market which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

[213] Information on the record also indicates that Section 232 measures are in place in the US on standard pipe as well as tubes or pipes for piling from the Philippines.<sup>175</sup> The CBSA finds that these restrictive trade measures limit the access of CSWP exporters located in the Philippines to the US market. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in the Philippines to divert CSWP from the US market to Canada which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

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<sup>172</sup> <https://trade-remedies.wto.org/en>

<sup>173</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 100.

<sup>174</sup> <https://trade-remedies.wto.org/en>

<sup>175</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 100.



## Philippines' Increasing Exports of CSWP

[214] According to export data reported by the UN Comtrade, exports of CSWP from the Philippines to all countries under HS 7306.30 increased from 8 MT in 2020; to 121 MT in 2021; and to 2,120 MT in 2022. The first ten months of 2023 also show exports remaining high at 1,283 MT.<sup>176</sup>

[215] Further, the CBSA's enforcement data reported in **Table 4** illustrate a similar increasing trend of exports from CSWP producers in the Philippines to Canada. In terms of volume, the data shows that exports of CSWP from the Philippines increased from 30 MT in 2020; to 568 MT in 2021; and 3,341 MT in 2022. The data in **Table 4** also show 49 MT of CSWP imported into Canada in the first nine months of 2023. Producers of CSWP from the Philippines have continued to show an interest in the Canadian market despite the goods being subject to anti-dumping duty. Anti-dumping duties, equal to \$11,172, were assessed against imports of subject goods originating in or exported from the Philippines during the POR.

[216] The CBSA finds that the increasing volume of exports of CSWP from the Philippines to Canada during the period the CITT's finding was in effect indicates a continued interest in the Canadian market by exporters in the Philippines. As the capacity of the steel industry, including the production of crude and finished goods, in the Philippines continues to expand, producers in the Philippines will seek to export their goods to Canada and this may increase the likelihood of continued or resumed dumping of subject goods into Canada, should the CITT's finding expire.

### **Determination regarding likelihood of continued or resumed dumping: the Philippines**

[217] Based on information on the record in respect of the: commodity nature of CSWP; global excess steel and CSWP capacity; weakened global market conditions and demand for steel products; weakened market conditions and demand for CSWP in the Philippines; the Philippines' steel and CSWP production and overcapacity; imposition of trade measures by Canada and other jurisdictions; and the Philippines' increasing exports of CSWP, the CBSA has determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain CSWP originating in or exported from the Philippines.

## **Türkiye**

[218] The CBSA received an ERQ response from one exporter located in Türkiye (i.e. Borusan Birleşik Boru Fabrikaları San. Ve Tic. A.Ş.).<sup>177</sup> The exporter did not express an opinion on the likelihood of continued or resumed dumping of CSWP if the CITT's finding were to expire. Additionally, no case briefs or reply submissions were received from Turkish exporters. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to Türkiye.

<sup>176</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 79-81. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 33.

<sup>177</sup> Exhibit 20 (PRO) and 21 (NC) – Response to request for information (RFI) from Borusan Boru.

## Weakened Market Conditions and Demand for CSWP in Türkiye

[219] Information on the record indicates that economic growth in Türkiye has slowed down. The IMF expects GDP growth rates of 3.1% in 2024 and 3.2% in 2025; however, the CBSA notes that these figures are below the 5.5% and 4.0% growth rates experienced in the country in 2022 and 2023, respectively.<sup>178</sup> According to a 2023 Reuters article, the tightening of Turkish monetary policies is one of the contributing factors for the apparent slowdown.<sup>179</sup> Further, as indicated by SteelOrbis, a Turkish steel market intelligence provider, the weakening currency, unstable exchange rates and anticipated interest rate increases are expected to reduce Türkiye's domestic and foreign competitiveness.<sup>180</sup>

[220] Information on the record indicates a steady decline of the Turkish construction industry since 2018. According to the Turkish Steel Exporters' Association, in 2022, the sector contracted by 7.1%, then increased by 5.4% at the start of 2023. This unexpected increase is attributed to the high demand for products in the areas of Türkiye most affected by the earthquake in January 2023.<sup>181</sup> However, this demand is expected to return to rates previously exhibited.

[221] According to reports by Reuters and the Associated Press, Türkiye's construction and steel sectors are impacted by persistently high inflation, currency depreciation and rising taxes on steel products. These factors have contributed to a weakened demand for CSWP.<sup>182</sup>

[222] The CBSA notes that Turkish steel mills are experiencing fierce competition in their domestic market with products from East Asian and the MENA region. At the beginning of 2023, steel imports into Türkiye experienced a 23% increase compared to the same period in 2022, underscoring a trend in rising imports.<sup>183</sup>

[223] Given the economic outlook, harsh financial and monetary conditions and a struggling construction sector, the demand for CSWP in Türkiye is likely to remain low. As domestic demand of CSWP is not expected to rebound in the near future, it is likely that producers in Türkiye will rely heavily on export markets which may increase the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

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<sup>178</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 108. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 51.

<sup>179</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 106. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 55.

<sup>180</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 107. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 55.

<sup>181</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 120. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 72 and 73.

<sup>182</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 121. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 57; 74; and 76.

<sup>183</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 125. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 65; 71; and 77.

## Türkiye's Steel and CSWP Production and Overcapacity

[224] Information on the record shows Türkiye's steelmaking capacity exceeds its production. The production capacity of the country was estimated to be in excess of 20 million MT in 2022.<sup>184</sup> In the same year, Türkiye was the largest steel pipe producer in Europe and the fourth largest in the world.<sup>185</sup>

[225] Information on the record shows that there are at least 19 producers in Türkiye capable of producing CSWP. The CBSA estimated the production capacity of these companies to be in excess of 4.3 million MT in 2023.<sup>186</sup> The CBSA notes that this estimated capacity includes subject and non-subject exporters and that the estimate is conservative considering information regarding several companies is reported as unknown and this figure does not take into account any planned additions to capacity.

[226] According to the Turkish Steel Pipe Manufacturers Association, Türkiye's welded pipe production increased by 19% (from 3.6 million MT to 4.2 million MT) during the 2020 to 2022 period.<sup>187</sup> While the publicly available data shows that Türkiye's capacity utilization rate increased from 48% to 57% between 2020 to 2022.<sup>188</sup> Based on a utilization rate of 57%, this excess capacity represents over 1.8 million MT and is over eight times the size of the apparent Canadian market, 213,402 MT, as of 2022, as reported in **Table 1**.

[227] The CBSA reviewed the ERQ response submitted by Borusan Boru, a CSWP producer located in Türkiye. The information provided indicates the existence of CSWP production capacity and excess capacity.<sup>189</sup>

[228] Based on the available evidence, the CBSA finds that the production capacity of Turkish steel and CSWP producers to be significant and that excess production capacity exists in Türkiye. Should the CITT's finding expires, Canada represents an attractive market for CSWP producers in Türkiye to eliminate excess production capacity which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

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<sup>184</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 111. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 64 & 65.

<sup>185</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 112. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 66.

<sup>186</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 117. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 67.

<sup>187</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 113-114. & Exhibit 45 (PRO) and 46 (NC) – Close of record – attachments from Nova, Public Attachment 66.

<sup>188</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 114. & Exhibit 45 (PRO) and 46 (NC) – Close of record – attachments from Nova, Public Attachment 66.

<sup>189</sup> Exhibit 20 (PRO): Borusan Boru Questionnaire Response at Appendix 1.

## Imposition of Trade Measures by Canada and Other Jurisdictions

[229] Information on the record indicates that there have been at least seventeen anti-dumping measures in numerous jurisdictions other than Canada, including the Dominican Republic, Egypt, EU, Malaysia, Morocco, Thailand and the US, on steel pipe products from Türkiye.<sup>190</sup>

[230] In addition to these measures, as of April 1, 2024, the CBSA has anti-dumping measures in force for the following steel products originating in or exported from Türkiye:<sup>191</sup>

- Carbon Steel Welded Pipe 3
- Concrete Reinforcing Bar
- Corrosion-Resistant Steel Sheet 2
- Hollow Structural Sections
- Oil Country Tubular Goods 2

[231] Information on the record revealed a May 2023 sunset review completed by the US on Turkish carbon steel pipes and tubes. The review concluded that revoking the finding would likely result in the continuation or recurrence of dumping.<sup>192</sup>

[232] The CBSA finds, that the imposition of numerous anti-dumping measures on various steel products from Türkiye by Canada and other jurisdictions, demonstrates that producers in Türkiye have a propensity to dump. Should the CITT's finding expire, CSWP producers in Türkiye would be attracted to the Canadian market which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

[233] Information on the record also indicates that Section 232 measures are in place in the US on standard pipe as well as tubes or pipes for piling from Türkiye.<sup>193</sup> Further, safeguard protections are in place in the EU and Morocco on large welded tubes and other tubes from Türkiye. The CBSA finds that these restrictive trade measures limit the access of CSWP exporters located in Türkiye to these markets. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in Türkiye to divert CSWP from these markets to Canada which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

## Türkiye's Export Orientation

[234] A review of the CBSA's enforcement data reported in **Table 4** reveals an increasing trend in the exports from Turkish CSWP producers to Canada. In 2020, the anti-dumping duties assessed on subject goods from Türkiye amounted to \$11,432. This was followed by a significant increase to \$283,798 in 2021 and then a slight dip to \$233,524, in 2022. Finally, anti-dumping duties against subject goods from Türkiye totaled \$73,207 in the first nine months of 2023.

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<sup>190</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 133.

<sup>191</sup> [Measures in Force](#)

<sup>192</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 128 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 80.

<sup>193</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 133.

[235] In fact, according to the CBSA's enforcement data, CSWP imports from Türkiye were assessed a total of \$601,960 in anti-dumping duty between 2020 to 2023. This represents 73% of the total anti-dumping duty applied to imports from all four subject countries during that period.

[236] In terms of the volume of exports, the UN Comtrade reports that exports of CSWP from Türkiye to all countries under HS 7306.30 increased by 27% between the 2020 to 2022 period. Despite a lower volume reported for most of 2023, Turkish CSWP export volumes remained relatively high for that year.<sup>194</sup>

[237] Accordingly, the CBSA finds that exporters of CSWP from Türkiye are generally interested in growth through export sales and have continued to show an interest in the Canadian market despite the goods being subject to anti-dumping duty.

[238] Information on the record also indicates that steel producers in Türkiye are experiencing difficulties with their usual export destinations, leading to profitability issues. Additionally, some markets are replacing Turkish suppliers with Russian ones, while ongoing conflicts are contributing to logistical difficulties and increased freight rates.<sup>195</sup> Further, Turkish exports to the EU have slowed. This is likely due to energy costs, inflation, and interest rates negatively impacting EU steel consumption.<sup>196</sup> This suggests that not only are Turkish CSWP producers faced with unfavourable conditions related to domestic demand, they are experiencing disruptions in their traditional export markets and are incentivized to direct growth strategies to other export markets.

[239] In light of weakened domestic demand and increased competition in Türkiye's main export markets, the CBSA finds that the rate of increase in exports of Turkish CSWP producers and the volume of exports to Canada of CSWP during the period the CITT's finding was in effect indicates a continued interest in the Canadian market by exporters from Türkiye. Should the CITT's finding expire, export-oriented producers in Türkiye may increase the likelihood of continued or resumed dumping of subject goods into Canada.

### **Determination regarding likelihood of continued or resumed dumping: Türkiye**

[240] Based on information on the record in respect of: commodity nature of CSWP; global excess steel and CSWP capacity; weakened global market conditions and demand for steel products; weakened market conditions and demand in Türkiye; Türkiye's steel and CSWP production and overcapacity; the imposition of trade measures by other jurisdictions on Türkiye; and Türkiye's export orientation, the CBSA has determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain CSWP originating in or exported from Türkiye (excluding those goods exported by Erbosan Erciyas Boru Sanayii ve Ticaret A.S.).

<sup>194</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, paras. 138-139. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 54 and 85.

<sup>195</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 141. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 87.

<sup>196</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 142. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 54; 88; 89; and 91.

## Vietnam

[241] The CBSA received ERQ responses, case briefs and reply submissions from Hoa Phat Steel Pipe Co., Ltd: Hung Yen Branch, Long An, Da Nang, and Binh Duong (collectively the Hoa Phat Group). The Hoa Phat Group expressed an opinion that continued or resumed dumping of CSWP from Vietnam is unlikely if the CITT's finding expires. The CBSA, therefore, relied on information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to Vietnam.

### Weakened Market Conditions and Demand for CSWP in Vietnam

[242] Information on the record indicates that economic growth in Vietnam is recovering. The IMF expects GDP growth rates of 4.7% in 2023 and 5.8% in 2024, but down from 8.0% in 2022. According to the *IMF Country Report*, Vietnam experienced a strong economic recovery in 2022 following the COVID-19 pandemic; however, the IMF noted that recovery was halted due to financial stress among real estate developers, tighter monetary conditions and reduction in internal and external demand.<sup>197</sup>

[243] Similarly, the World Bank report shows that Vietnam's economic growth slowed from 8% in 2022 to 3.7% in the first half of 2023. It forecasts a moderate growth of 4.7% in 2023; 5.5% in 2024; and 6.0% in 2025.<sup>198</sup> The CBSA notes that according to the World Bank report, the Government of Vietnam wants to position Vietnam as a high-income country by 2045 and that in order to achieve this target the entire economy including the steel and construction industry will require further development.

[244] Information on the record also indicates that steel demand in the ASEAN region is recovering. According to its October 2023 outlook, the WSA reported steel demand falling by 0.2% in 2022; increasing by 3.8% in 2023 and then by 5.2% in 2024. It also emphasized that "the ASEAN steel demand will be driven by domestic demand and infrastructure investment despite inflation and deteriorating external conditions. However, the region's export has slowed considerably, and it is denting its manufacturing performances. Vietnam is particularly affected by the deteriorating global trade environment."<sup>199</sup>

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<sup>197</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 146. & Exhibit 13 (NC) – CBSA Market Research, Document 16.

<sup>198</sup> Exhibit 13 (NC) – Articles, reports and CBSA research – Document Number 18.

<sup>199</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 47.

[245] In its reply brief, the Hoa Phat Group referenced a news article indicating that “recent official economic data shows that the manufacturing sector is recovering. The monthly industrial production index turned positive in May [2023] and marked the fifth consecutive month of expansion in September [2023].”<sup>200</sup> While the CBSA agrees with the Hoa Phat Group that Vietnam is experiencing positive and healthy growth, the CBSA acknowledges that the same article indicates that while the economy grew by 5.33% in the July-September period from a year earlier, the growth rate is still below the 6% to 7% expansion achieved before the COVID-19 pandemic and is below the government’s target of 6.5%.<sup>201</sup> Further, according to the Hoa Phat Group’s own evidence, Vietnam is experiencing “weakening growth.”<sup>202</sup>

[246] In its ERQ response, the Hoa Phat Group provided evidence to support its claim that the real estate market is showing positive signs of recovery. Citing a report by CBRE, the supply of apartment units in Hanoi and Ho Chi Minh cities are expected to increase by 33% and 31%, respectively, in 2024, and that the Government of Vietnam has introduced measures to promote the real estate sector. The Hoa Phat Group also cited a global forecast for the construction industry published on March 16, 2023, “ASEAN Tigers—The Philippines, Vietnam, Malaysia, and Indonesia will be the four fastest growing construction markets over the next 15 years. While the Philippines, Vietnam, and Indonesia are supported by strong fundamentals, Malaysia’s construction growth will be driven by rebound from the coronavirus pandemic.”<sup>203</sup> However, as mentioned previously, the CBSA acknowledges that these projections are susceptible to the impact of long term inflation, higher borrowing costs, higher material costs as well as supply chain risks, geopolitical risks, labour and material shortages and delay.<sup>204</sup>

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<sup>200</sup> Exhibit 54 (PRO) and 55 (NC) – Reply submissions filed on behalf of the Hoa Phat Group, para. 74. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 92.

<sup>201</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 92.

<sup>202</sup> Exhibit 54 (PRO) and 55 (NC) – Reply submissions filed on behalf of the Hoa Phat Group, para. 76.

<sup>203</sup> Exhibit 54 (PRO) and 55 (NC) – Reply submissions filed on behalf of the Hoa Phat Group, para 96. & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 14.

<sup>204</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 14. & 15.

[247] Despite these positive signals, information on the record supports the conclusion that the construction and real estate industry would be slow to recover. According to the Ministry of Construction (Ministry), the number of apartment projects licensed for construction plummeted by 41% in the first three quarters of 2022, compared to the same period in the previous year. The Ministry also stated that delayed projects are likely to be delayed further with developers experiencing issues with liquidity.<sup>205</sup> Further, according to the Ministry, the Vietnamese real estate market still harbors instabilities, stemming from the risk of a crash, lack of supply and inappropriate goods structure.<sup>206</sup> Other supporting evidence, of a stagnant real estate market and a struggling construction industry, include the suspension of 1,200 real estate projects worth USD \$34 billion;<sup>207</sup> the decline of 76% of the number of transactions in the housing market's townhouse and villa segments in Hanoi in 2023;<sup>208</sup> the bankruptcy of 1,300 real estate companies in 2023;<sup>209</sup> and the insolvency of 340 building and construction companies in the first quarter of 2023.<sup>210</sup>

[248] Given the moderate economic outlook, a recovering construction and real estate sector, demand for CSWP in Vietnam is likely to remain below potential. As domestic demand of CSWP is continuing to recover, it is likely that producers in Vietnam may continue to rely on export markets which may increase the likelihood of continued or resumed dumping of subject goods into Canada if the CITT's finding expires.

#### Vietnam's Steel and CSWP Production and Overcapacity

[249] Vietnam is currently the largest steel producer in the ASEAN-6 market with crude steel production and total steel production of 20 million MT and 34 million MT, respectively, in 2022.<sup>211</sup>

[250] Information on the record shows that there are at least eleven producers in Vietnam capable of producing CSWP. The CBSA estimated the production capacity of these companies to be in excess of 2.8 million MT in 2023.<sup>212</sup> The CBSA notes that this estimate is conservative as this figure does not take into account any planned additions to capacity.

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<sup>205</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 110.

<sup>206</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 131.

<sup>207</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 112.

<sup>208</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 112.

<sup>209</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 131.

<sup>210</sup> Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 112.

<sup>211</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 151.

<sup>212</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 157.



[251] Based on the most recent information from the South East Asia Iron & Steel Institute, in 2020, Vietnam’s utilization rate for flat and long products reported were 68.4% and 65.6%, respectively, in 2020.<sup>213</sup> Taking the responses of the Hoa Phat Group into consideration and applying a conservative utilization rate of 80% to the total production capacity of CSWP in Vietnam, the estimated excess capacity represents over 550,000 MT per year available or over 2.5 times the size of the apparent Canadian market, 213,402 MT, as of 2022, as reported in **Table 1**.

[252] Based on the available evidence, the CBSA finds that the current production capacity of CSWP producers is large and that excess production capacity exists in Vietnam. The capital-intensive nature of CSWP production and high fixed costs provides an incentive for mills to pursue sales even at low prices in order to increase capacity utilization. As such, should the CITT’s finding expire, Canada represents an attractive market for CSWP producers in Vietnam to eliminate excess production capacity which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

### Imposition of Trade Measures by Canada and Other Jurisdictions

[253] Information on the record indicates that there have been at least twenty other measures in other jurisdictions including Australia, India, Indonesia, Malaysia, Thailand and the US, on steel flat products, steel long products, steel pipe and tube products and other steel products from Vietnam.<sup>214</sup>

[254] In addition to these measures, as of April 1, 2024, the CBSA has anti-dumping measures in force for the following steel products originating in or exported from Vietnam:<sup>215</sup>

- Carbon Steel Welded Pipe 3
- Cold-Rolled Steel
- Concrete Reinforcing Bar 3
- Corrosion-Resistant Steel Sheet 2
- Oil Country Tubular Goods 2

[255] The CBSA finds that the imposition of the numerous anti-dumping measures on various steel products demonstrates that producers in Vietnam have a propensity to dump. Should the CITT’s finding expire, CSWP producers in Vietnam would be attracted to the Canadian market which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

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<sup>213</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 155 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Confidential Attachment 43.

<sup>214</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 176.

<sup>215</sup> [Measures in Force](#).

[256] Information on the record also indicate that Section 232 measures are in place in the US on standard pipe as well as tubes or pipes for piling from Vietnam.<sup>216</sup> The CBSA finds that these restrictive trade measures limit the access of CSWP exporters located in Vietnam to the US market. As such, should the CITT's finding expire, Canada represents an attractive market for CSWP producers in Vietnam to divert CSWP from the US market to Canada which may increase the likelihood of continued or resumed dumping of subject goods into Canada.

#### Vietnam's Export Orientation

[257] With respect to steel products, information on the record indicates that Vietnam's exports of steel products increased from 5.3 million MT in 2020; to 11.8 million MT in 2021; and decreased to 8.0 million MT in 2022. While data for 2023 is not yet available, the available information indicate that the volume of export should remain high and above 2022 levels.<sup>217</sup> The Hoa Phat Group also provided information published by the VSA showing the main markets of all steel exports from Vietnam.<sup>218</sup> Accordingly, the CBSA finds that steel producers in Vietnam are generally interested in growth through export sales.

[258] Information on the record also indicate that CSWP producers in Vietnam are also interested in growth through export sales. With respect to CSWP, export data reported by the UN Comtrade as submitted by Nova, shows that the volume of exports of CSWP from Vietnam to all countries under HS 7306.30 increased from 70,982 MT in 2020; to 104,640 MT in 2021; and to 107,783 MT in 2022. The first ten months of 2023 also show exports remaining high at 99,006 MT.<sup>219</sup>

[259] Similarly, the Hoa Phat Group also submitted export data reported by the UN Comtrade. In terms of volume, the data shows that exports of CSWP from Vietnam to Canada under HS 7306.30 increased from 2,314 in 2020; to 5,104 MT in 2021; and to 7,498 MT in 2022. Data for 2023 was not available.

[260] Information submitted by Nova and the Hoa Phat Group demonstrate that CSWP producers in Vietnam are export-oriented. Information reported by the UN Comtrade is corroborated by the CBSA's import statistics of subject CSWP from Vietnam. Based on the CBSA's Enforcement Data reported in **Table 4**, CSWP producers in Vietnam exported subject goods to Canada throughout the POR. In terms of volume, the data shows that exports of CSWP from Vietnam increased from 1,973 MT in 2020 to 6,506 MT in 2022, with a slight decrease to 1,031 MT in 2021. The data in **Table 4** also show significant levels of subject goods, 4,583 MT, imported into Canada in the first nine months of 2023. Anti-dumping duty, equal to \$147,644, were assessed against imports of subject goods originating in or exported from Vietnam during the POR.

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<sup>216</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 176.

<sup>217</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 180 & Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, public attachment 37 & 90.

<sup>218</sup> Exhibit 54 (PRO) and 55 (NC) – Reply submissions filed on behalf of the Hoa Phat Group, para. 85.

<sup>219</sup> Exhibit 50 (PRO) and 51 (NC) – Case brief filed on behalf of Nova, para. 181. Exhibit 45 (PRO) and 46 (NC) – Close of record - attachments from Nova, Public Attachment 54 & 120.

[261] Accordingly, the CBSA finds that exporters of CSWP from Vietnam are generally interested in growth through export sales and have continued to show an interest in the Canadian market despite the goods being subject to anti-dumping duty.

[262] Based on the available evidence, the CBSA finds that the rate of increase in exports of CSWP producers in Vietnam and the volume of exports to Canada of CSWP during the period the CITT's finding was in effect indicates a continued interest in the Canadian market on behalf of the Vietnamese exporters. Should the CITT's finding expire, export-oriented CSWP producers in Vietnam may increase the likelihood of continued or resumed dumping of subject goods into Canada.

### **Determination regarding likelihood of continued or resumed dumping: Vietnam**

[263] Based on information on the record in respect of the: commodity nature of CSWP; global excess steel and CSWP capacity; weakened global market conditions and demand for steel products; weakened market conditions and demand for CSWP in Vietnam; Vietnam's steel and CSWP production and overcapacity; imposition of trade measures by Canada and other jurisdictions; and Vietnam's export orientation, the CBSA has determined that the expiry of the finding is likely to result in the continuation or resumption of dumping into Canada of certain CSWP originating in or exported from Vietnam.

### **CONCLUSION**

[264] For the purpose of making a determination in this expiry review investigation, the CBSA conducted its analysis within the scope of the factors found under subsection 37.2(1) of the SIMR and considered any other factors relevant in the circumstances. Based on the foregoing analysis of pertinent factors and consideration of information on the record, on May 9, 2024, the CBSA made a determination pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the finding made by the CITT on February 15, 2019, in Inquiry No. NQ-2018-003 in respect of CSWP originating in or exported from Pakistan, the Philippines, Türkiye and Vietnam is likely to result in the continuation or resumption of dumping of such goods from Pakistan, the Philippines, Türkiye and Vietnam.

### **FUTURE ACTION**

[265] The CITT has now initiated its expiry review to determine whether the continued or resumed dumping is likely to result in injury. The CITT's expiry review schedule indicates that it will make its decision by October 16, 2024.

[266] If the CITT determines that the expiry of the finding with respect to the goods is likely to result in injury, the finding will be continued in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping on dumped importations of the subject goods.

[267] If the CITT determines that the expiry of the finding with respect to the goods is not likely to result in injury, the finding will expire in respect of those goods. Anti-dumping duty would then no longer be levied on importations of the subject goods, and any anti-dumping duty paid in respect of goods that were released after the date that the finding was scheduled to expire will be returned to the importer.

## CONTACT US

[268] For further information, please contact the officer listed below:

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