

Sayı: 17812098-TİM.AKİB.GSK.SAN.2025/439-4627

Mersin, 26/08/2025

Konu: Kanada / Karbon ve Alaşımlı Çelik Teller Anti-Damping Soruşturması

Sayın Üyemiz,

T.C. Ticaret Bakanlığı İthalat Genel Müdürlüğünden alınan bir yazıda, Kanada tarafından, ülkemizin yanı sıra Çin, Çin Tayvanı, Hindistan, İtalya, Malezya, Portekiz, İspanya, Tayland ve Vietnam menşeli **karbon ve alaşımlı çelik teller ("carbon and alloy steel wire")** ithalatına karşı bir anti-damping soruşturması yürütülmekte olduğu hatırlatılmaktadır.

Devamla, konuya ilişkin olarak Ottawa Ticaret Müşavirliğimizden alınan bir yazıya atıfla; Kanada Sınır Hizmetleri Kurumu (CBSA) tarafından soruşturma açılışına ilişkin Gerekçeli Karar'ın (Ek-1) yayımlanmış olduğu iletilmiştir. Bu çerçevede, Gerekçeli Kararda tahmini damping marjının Türkiye için %19,4, Çin için %6.5, Çin Tayvanı için %6.8, Hindistan için %33.6, İtalya için %40.8, Malezya için %18.6, Portekiz için %68.0, İspanya için %50.7, Tayland için %25.4 ve Vietnam için %5.1 olduğu belirtilmektedir.

Öte yandan, Kanada Uluslararası Ticaret Mahkemesi'nden (Canadian International Trade Tribunal - CITT) alınan bildirim ile, anılan Mahkemenin yürüttüğü ön zarar incelemesi neticesinde verilen, dampingli ithalatın yerli sanayide zarar tehdidi oluşturduğuna dair makul göstergelerin mevcut olduğuna dair karara ilişkin Gerekçeli Karar (Ek-2) iletilmiştir.

Dampingin mevcudiyetine yönelik yürütülen ön soruşturma kapsamında CBSA'dan alınan ekli (Ek-3) bildirimde ise, 90 gün içerisinde tamamlanması öngörülen soruşturmaya ilişkin sürenin 135 güne uzatıldığı, bu çerçevede ön kararın 4 Eylül 2025 tarihine kadar verileceği belirtilmektedir.

Bilgilerini rica ederim.

Dr. Osman ERŞAHAN
Genel Sekreter V.

Ekler:

- 1- Gerekçeli Karar CBSA (53 sayfa)
- 2- Gerekçeli Karar CITT (26 sayfa)
- 3- Uzatma Bildirimi (1 sayfa)





Canada Border
Services Agency

Agence des services
frontaliers du Canada

SW 2025 IN

BY EMAIL: ottawa@ticaret.gov.tr; embassy.ottawa@mfa.gov.tr; ottawa@trade.gov.tr;
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Halil İbrahim Karataş
Commercial Counsellor
Embassy of the Republic of Türkiye
197 Wurtemberg Street
Ottawa, ON K1N 8L9

July 7, 2025

Dear Halil İbrahim Karataş:

On April 22, 2025, you were notified that the Canada Border Services Agency (CBSA) initiated an investigation respecting the alleged injurious dumping of certain carbon and alloy steel wire originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye, and the Socialist Republic of Vietnam.

The *Special Import Measures Act* (SIMA) provides that, under normal circumstances, the preliminary phase of the investigation shall be completed within 90 days of the date of initiation. However, due to the complexity and novelty of issues presented in the investigation, number of persons involved, and difficulty in obtaining satisfactory evidence, the period has been extended to 135 days, pursuant to subsection 39(1) of SIMA.

Consequently, the decision to issue a preliminary determination of dumping or to terminate the investigation with respect to some or all of the goods will be made on or before September 4, 2025. The CBSA will inform you of the decision at that time.

Should you have any questions regarding this matter, please contact Walid Ben Tamarzizt, Assistant Director, SIMA Investigations Division at 613-862-0479, or by email at Walid.BenTamarzizt@cbsa-asfc.gc.ca.

Yours truly,

Sean Borg
A/Executive Director,
Trade and Anti-dumping Programs Directorate

Canada



Canadian International
Trade Tribunal

Tribunal canadien du
commerce ext rieur

CANADIAN
INTERNATIONAL
TRADE TRIBUNAL

Dumping and Subsidizing

DETERMINATION AND REASONS

Preliminary injury inquiry
PI-2025-001

Certain Carbon or Alloy Steel Wire

*Determination issued
Thursday, June 19, 2025*

*Reasons issued
Wednesday, July 9, 2025*

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IN THE MATTER OF a preliminary injury inquiry, pursuant to subsection 34(2) of the *Special Import Measures Act*, respecting:

CERTAIN CARBON OR ALLOY STEEL WIRE

PRELIMINARY DETERMINATION OF INJURY

The Canadian International Trade Tribunal, pursuant to the provisions of subsection 34(2) of the *Special Import Measures Act* (SIMA), has conducted a preliminary injury inquiry into whether there is evidence that discloses a reasonable indication that the dumping of carbon or alloy steel wire, of round or other solid cross section, in nominal sizes up to and including 24.13 mm (0.950 inches) in diameter, whether or not coated or plated with zinc, zinc-aluminum alloy, or any other coating, including other base metals or polyvinyl chloride or other plastics, originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye, and the Socialist Republic of Vietnam (the subject goods), excluding the following:

- stainless steel wire (i.e., alloy steel wire containing, by weight, 1.2 percent or less carbon and 10.5 percent or more chromium, with or without other elements);
- wire of high-speed steel; and
- welding wire of any type

has caused injury or retardation or is threatening to cause injury, as these words are defined in SIMA.

This preliminary injury inquiry follows the notification, on April 22, 2025, that the President of the Canada Border Services Agency had initiated an investigation into the alleged injurious dumping of the subject goods.

Pursuant to subsection 37.1(1) of SIMA, the Tribunal determines that there is evidence that discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry.

Bree Jamieson-Holloway

Bree Jamieson-Holloway
Presiding Member

Susan Beaubien

Susan Beaubien
Member

Georges Bujold

Georges Bujold
Member

The statement of reasons will be issued within 15 days.

Tribunal Panel:

Bree Jamieson-Holloway, Presiding Member
Susan Beaubien, Member
Georges Bujold, Member

PARTICIPANTS:

Domestic Producers

Sivaco Wire Group 2004 L.P.

ArcelorMittal Long Products Canada, G.P.

Tree Island Steel Ltd.

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Robin M. Kelly
Jack Walsh
Dheya Al-Saeedi
Rahma Faisal

Matthew Kronby
Jesse Goldman
Danielle Chu
Chelsea Rubin
Zach Rudge
Valeska Rebello

Importers/Exporters/Others

Pioneer International
Suzhou Hongbao Co., Ltd.
Techvance Industries Sdn Bhd
Chin Herr Industries (M) Sdn Bhd
Wei Dat Steel Wire Sdn Bhd
Hoa Phat Steel Wire Company Limited
Moreda Riviere Trefilerías
Dollarama S.E.C./L.P. by its General Partner,
Dollarama G.P. Inc.

Domtar
Fapricela – Indústria de Trefilaria, S.A.
Ibermetais – Indústria de Trefilagem, S.A.

Structa Wire Corp.

Foreign Governments

Delegation of the European Union to Canada

Government of India
Ministry of Investment, Trade and Industry,
Government of Malaysia

Government of Spain, Embassy of Spain to
Canada

Ministry of Trade of the Republic of Türkiye

Unions

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STATEMENT OF REASONS

INTRODUCTION

[1] On February 28, 2025, Sivaco Wire Group 2004 L.P. (Sivaco) and ArcelorMittal Long Products Canada G.P. (AMLPC) (collectively the complainants) filed a complaint with the Canada Border Services Agency (CBSA) alleging that the dumping of certain carbon or alloy steel wire originating in or exported from the People's Republic of China (China), the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India (India), the Italian Republic (Italy), the Federation of Malaysia (Malaysia), the Portuguese Republic (Portugal), the Kingdom of Spain (Spain), the Kingdom of Thailand (Thailand), the Republic of Türkiye (Türkiye), and the Socialist Republic of Vietnam (Vietnam) (the subject goods) has caused injury or is threatening to cause injury to the domestic industry.

[2] The complaint is supported by two additional domestic producers (the supporting producers), including Tree Island Steel Ltd. (Tree Island). The remaining domestic producer's identity and status as a supporting party to the complaint has been designated as confidential.¹

[3] On April 22, 2025, the CBSA initiated an investigation respecting the dumping of the subject goods pursuant to subsection 31(1) of the *Special Import Measures Act* (SIMA).²

[4] As a result of the CBSA's decision to initiate this investigation, the Canadian International Trade Tribunal began its preliminary injury inquiry pursuant to subsection 34(2) of SIMA on April 23, 2025, to determine whether the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury or is threatening to cause injury to the domestic industry.³

[5] The Tribunal received notices of participation from 22 parties, including the complainants and Tree Island, government entities, labour unions, importers and foreign producers, many of which did not file submissions.

[6] The Tribunal received submissions from the following six parties opposed to the complaint: Domtar, importer; Dollarama S.E.C./L.P. (Dollarama), importer;⁴ Moreda Riviere Trefilerías (MRT), foreign producer; Hoa Phat Steel Wire Company Limited (Hoa Phat), foreign producer; Chin Herr Industries (M) Sdn Bhd (Chin Herr), foreign producer; and Wei Dat Steel Wire Sdn Bhd, foreign producer.

[7] Reply submissions were filed by the complainants, Tree Island, and the United Steelworkers, a labour union representing some of the workers employed by the complainants.

¹ Exhibit PI-2025-001-02.01, p. 47; Exhibit PI-2025-001-03.01 (protected), p. 46. The identity of the additional domestic producer supporting the complaint, as identified in the complaint, is part of the CBSA record transferred to the Tribunal for the purposes of this preliminary injury inquiry and has been designated as confidential. However, this producer is not a party to this proceeding.

² Exhibit PI-2025-001-01.

³ As a domestic industry is already established, the Tribunal need not consider the question of retardation.

⁴ The Tribunal notes that the submissions were made on behalf of Dollarama by its general partner, Dollarama G.P. Inc.

[8] On June 19, 2025, pursuant to subsection 37.1(1) of SIMA, the Tribunal determined that there is evidence that discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry. The reasons for that determination are set out below.

PRODUCT DEFINITION

[9] The CBSA defined the subject goods as follows:⁵

Carbon or alloy steel wire, of round or other solid cross section, in nominal sizes up to and including 24.13 mm (0.950 inches) in diameter, whether or not coated or plated with zinc, zinc-aluminum alloy, or any other coating, including other base metals or polyvinyl chloride or other plastics, originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye, and the Socialist Republic of Vietnam, excluding the following:

- stainless steel wire (i.e., alloy steel wire containing, by weight, 1.2 % or less carbon and 10.5 % or more chromium, with or without other elements);
- wire of high-speed steel; and
- welding wire of any type.

[10] The CBSA's statement of reasons also contains detailed additional product information, including information pertaining to applicable standards, chemical composition, terminology used to describe the diameter, heat-treatment processes and coating, packaging, shipment and end-use applications.⁶

THE CBSA'S DECISION TO INVESTIGATE

[11] On April 22, 2025, the CBSA initiated an investigation respecting the dumping of the subject goods pursuant to subsection 31(1) of SIMA. The CBSA caused the investigation to be initiated based on its opinion that there was evidence that the subject goods had been dumped and evidence disclosing a reasonable indication that the dumping had caused, and was threatening to cause, injury to the domestic industry.

[12] Using information from the period of January 1, 2024, to December 31, 2024, the CBSA estimated the margins of dumping and volumes of dumped goods for each of the subject countries as follows:

Country	Margin of Dumping (% of export price)	Volume of Dumped Imports (% of total imports)
China	6.5%	51.07%
Türkiye	19.4%	8.42%
Total	N/A	59.49%

⁵ Exhibit PI-2025-001-05, p. 6.

⁶ *Ibid.*, p. 8-9.

Chinese Taipei	6.8%	0.61%
India	33.6%	1.12%
Italy	40.8%	1.33%
Malaysia	18.6%	0.47%
Portugal	68.0%	1.78%
Spain	50.7%	1.73%
Thailand	25.4%	0.49%
Vietnam	5.1%	0.10%
Total	N/A	7.63%

LEGISLATIVE FRAMEWORK

[13] The Tribunal’s mandate in a preliminary injury inquiry is set out in subsection 34(2) of SIMA, which requires the Tribunal to determine “... whether the evidence discloses a reasonable indication that the dumping or subsidizing of the [subject] goods has caused injury or retardation or is threatening to cause injury”.

Reasonable indication

[14] The term “reasonable indication” is not defined in SIMA but has been interpreted to mean that the evidence need not be “conclusive, or probative on a balance of probabilities”.⁷ The reasonable indication standard is lower than the standard that applies in a final injury inquiry under section 42 of SIMA.⁸

[15] The evidence at the preliminary phase of the proceedings tends to be significantly less detailed and comprehensive than the evidence in a final injury inquiry. Not all the evidence is available at the preliminary phase, and the evidence cannot be tested to the same extent as it would be during a final injury inquiry. At this stage of the process, the Tribunal’s role is to assess whether there is sufficient evidence of injury or threat of injury caused by the subject goods for the CBSA to continue with an investigation. If so, the Tribunal will proceed to a final injury inquiry to determine whether the dumping of the subject goods has caused injury or is threatening to cause injury, which would justify the imposition of a trade remedy. Therefore, the standard of “reasonable indication” of injury or threat of injury does not require the extensive evidence needed to satisfy the higher threshold of reliability and cogency that the Tribunal needs in the context of a final injury inquiry.⁹

⁷ *Ronald A. Chisholm Ltd. v. Deputy M.N.R.C.E.* (1986), 11 CER 309 (FCTD).

⁸ *Certain Fabricated Industrial Steel Components* (10 November 2016), PI-2016-003 (CITT), para. 13.

⁹ *Certain Upholstered Domestic Seating* (19 February 2021), PI-2020-007 (CITT) [UDS PI], para. 15.

[16] Nonetheless, the outcome of preliminary injury inquiries must not be taken for granted.¹⁰ Simple assertions are not sufficient.¹¹ Complaints, as well as the cases of parties opposed, must be supported by positive evidence that is both relevant and sufficient in that it addresses the requirements in SIMA and the relevant factors of the *Special Import Measures Regulations* (Regulations).¹² In previous cases, the Tribunal stated that the “reasonable indication” test is passed where, in light of the evidence presented, the allegations stand up to a somewhat probing examination, even if the theory of the case might not seem convincing or compelling.¹³

[17] Chin Herr, Wei Dat and Hoa Phat submitted that, among other things, the Tribunal created new standards for dealing with complaints which are less than persuasive.¹⁴

[18] The Tribunal recently addressed similar arguments in *Certain Wire Rod* where it held as follows:¹⁵

The principles which underlie the applicable standard in preliminary injury inquiries, as set out above, are well established in Tribunal jurisprudence. ... The evidentiary threshold in a preliminary injury inquiry has been carefully crafted to ensure that it conforms to the requirements of SIMA and [World Trade Organization] agreements, and the Tribunal must therefore examine the evidence on the record using that standard, having regard to the specific circumstances of each case.

[19] Accordingly, the Tribunal is of the view that its well-established interpretation of the evidentiary threshold applied in preliminary injury inquiries is appropriate and need not be revisited.

Injury factors and framework issues

[20] In making its preliminary determination of injury, the Tribunal takes into account the injury and threat of injury factors that are prescribed in section 37.1 of the Regulations. These include the following:

- the import volumes of the dumped goods and the effects of the dumped goods on the price of like goods;
- the resulting economic impact of the dumped goods on the state of the domestic industry; and

¹⁰ *Concrete Reinforcing Bar* (12 August 2014), PI-2014-001 (CITT), paras. 18–19.

¹¹ Article 5 of the World Trade Organization (WTO) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 requires an investigating authority to examine the accuracy and adequacy of the evidence provided in a dumping complaint to determine whether there is sufficient evidence to justify the initiation of an investigation and to reject a complaint or to terminate an investigation as soon as an investigating authority is satisfied that there is not sufficient evidence of dumping or injury. Article 5 also specifies that simple assertions that are not substantiated with relevant evidence cannot be considered sufficient to meet the requirements of the article. Article 11 of the WTO Agreement on Subsidies and Countervailing Measures imposes the same requirements regarding subsidy investigations.

¹² SOR/84-927.

¹³ *UDS PI*, para. 16.

¹⁴ These parties also make arguments pertaining to the evidentiary standard in preliminary injury inquiries relying on Member Downey’s dissent in *Liquid Dielectric Transformers* (22 June 2012), PI-2012-001 (CITT).

¹⁵ *Certain Wire Rod* (7 May 2024), PI-2023-002 (CITT), paras. 20–21.

- if the Tribunal finds that injury or a threat of injury exists, whether a causal relationship exists between the dumping of the goods and the injury or threat of injury.

[21] However, before examining whether there is evidence of injury and threat of injury, the Tribunal must address a number of framework issues. Specifically, it must identify the domestically produced goods that are “like goods” in relation to the subject goods and determine whether there is more than one class of goods.

[22] The Tribunal must also identify the domestic industry that produces those like goods. This is required because subsection 2(1) of SIMA defines “injury” as “material injury to a domestic industry” and “domestic industry” as “... the domestic producers as a whole of the like goods or those domestic producers whose collective production of the like goods constitutes a major proportion of the total domestic production of the like goods...”.

[23] Given that the subject goods in this case originate in or are exported from more than one country, the Tribunal must also determine whether it will cumulatively assess the effect of the dumping of the subject goods from all the subject countries (i.e., whether it will conduct a single injury analysis or a separate analysis for one or more of the 10 subject countries).

LIKE GOODS AND CLASSES OF GOODS

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

[25] In identifying the like goods and determining whether there is more than one class of goods, the Tribunal typically considers a number of factors. These include the physical characteristics of the goods (such as composition and appearance) and their market characteristics (such as substitutability, pricing, distribution channels, end uses and whether the goods fulfill the same customer needs).

[26] In addressing the issue of classes of goods, the Tribunal typically examines whether goods potentially included within separate classes of goods constitute “like goods” in relation to each other. If they do, they will be regarded as comprising one class of goods.¹⁶ In considering this issue, the Tribunal typically looks at the same factors for determining like goods under subsection 2(1) of SIMA, as described above.

[27] The complainants submitted that domestically produced steel wire, defined in the same manner as the subject goods, constitutes like goods in relation to the subject goods. Furthermore, the complainants argued that the subject goods constitute a single class of goods. They contend that subject goods and like goods have similar physical characteristics, method of manufacturing and market characteristics and that, as such, subject goods are directly competitive to like goods.

[28] The opposing parties did not dispute that domestically produced steel wire of the same description as the subject goods constitutes like goods in relation to the subject goods. Accordingly, and in light of the evidence on record, the Tribunal finds that steel wire produced in Canada that is of

¹⁶ *Aluminum Extrusions* (17 March 2009), NQ-2008-003 (CITT), para. 115.

the same description as the subject goods is like goods for the purpose of this preliminary injury inquiry.

[29] With respect to the issue of classes of goods, Dollarama submitted that the Tribunal should conduct its analysis on the basis that there are two classes of goods: steel wire for commercial distribution or industrial manufacturing (Industrial Wire) and steel wire packaged for retail sale to individual consumers for domestic use (Retail Wire).

[30] Dollarama argued that Industrial Wire and Retail Wire are not “like goods” in relation to each other, as they are not identical and do not share market characteristics such as substitutability, pricing, distribution channels, end uses or customer needs.¹⁷ Moreover, in its view, the domestic industry does not appear to produce Retail Wire. In Dollarama’s view, there is no evidence that the domestic industry is injured by the importation of Retail Wire from subject countries.¹⁸

[31] With respect to pricing characteristics, Dollarama argues that Industrial Wire is a commodity, whereas Retail Wire pricing is based on the function and marketability of the retail product. In terms of end uses, it was submitted that Retail Wire is used for domestic purposes, such as household gardening and crafts. In contrast, as indicated in the complaint, Industrial Wire is sold to “[e]nd users, such as OEMs [original equipment manufacturers]” which “will use the wire as an input into their production of downstream wire products” or “[d]istributors, such as steel service centers”. In terms of points of sale, packaging or marketing methods, Industrial Wire is packaged and shipped in steel tubular carriers, spools or reels, or (if sold in straight lengths) shipped in tubes or “in bulk” in quantities likely to be measured in metric tons, whereas Retail Wire is sold at consumer retail outlets in retail-ready packages with quantities typically measured in grams per unit.¹⁹

[32] In their reply submissions, the complainants submitted that the issue raised by Dollarama should be addressed at the final injury inquiry as there is insufficient evidence before the Tribunal to address the complexity of this issue at the preliminary injury inquiry stage. Further, they argued that Dollarama has failed to properly define “Retail Wire”,²⁰ noting, for example, the absence of discussion regarding its physical or chemical characteristics.

[33] The complainants also raised the issue as to whether Retail Wire, in whole or in part, is covered by the product definition. However, they did not elaborate on those arguments.²¹ In Sivaco’s submission, it argued that Dollarama’s request would be better suited for a product exclusion request at the final injury inquiry stage and even suggested that the domestic industry may consider providing consent for any retail wire that was truly in scope.²²

[34] With respect to classes of goods, the Tribunal has previously found that (1) the fact that certain goods may not be fully substitutable for some end uses is not, in and of itself, a sufficient basis for determining that multiple classes of goods exist, and (2) goods can belong to the same class

¹⁷ Exhibit PI-2025-001-08.05, p. 6.

¹⁸ *Ibid.*, p. 4, 26; Exhibit PI-2025-001-09.05 (protected), p. 4, 26.

¹⁹ Exhibit PI-2025-001-08.05, p. 6; Exhibit PI-2025-001-09.05 (protected), p. 6–8.

²⁰ Exhibit PI-2025-001-10.01, p. 41–42; Exhibit PI-2025-001-11.02, p. 7.

²¹ In particular, AMLPC alleges that it is unclear from the little evidence that Dollarama submitted whether “Retail Wire” as defined by Dollarama is covered by the product definition. For its part, Sivaco notes that some, but not all, examples of “Retail Wire” provided by Dollarama are downstream products that appear to be out of scope.

²² Exhibit PI-2025-001-10.01, p. 44–46.

of goods even if they come in numerous varieties.²³ Further, the Tribunal has, in the past, found that goods that fall on a continuum, with no dividing line that would clearly separate two classes of goods, form a single class of goods.²⁴

[35] The Tribunal has reviewed the complaint as well as the submissions and evidence filed by the parties. It is unable to conclude, at this preliminary stage, that there are two classes of goods based on the existing record. Accordingly, for the purposes of determining whether there is a reasonable indication of injury, the Tribunal will conduct its analysis based on a single class of goods.

[36] However, the Tribunal is of the view that the arguments made in support of two separate classes of goods merit further consideration. Should the CBSA make a preliminary determination of dumping, the Tribunal will collect further evidence and ask for additional submissions from parties during a final injury inquiry under section 42 of SIMA in order to come to a definitive conclusion on the issue of separate classes of goods. In the Tribunal's view, this issue will need to be fully addressed during any final injury inquiry under section 42 of SIMA.

[37] With respect to Sivaco's reply submissions that Dollarama's contention that there are two classes would be better framed as a request for the exclusion of Retail Wire in a final injury inquiry, the Tribunal observes that Dollarama, or any other party, would be entitled to file any product exclusion request as they see fit in the course of a final injury inquiry.

DOMESTIC INDUSTRY

[38] As indicated above, subsection 2(1) of SIMA defines "domestic industry" as "the domestic producers as a whole of the like goods or those domestic producers whose collective production of the like goods constitutes a major proportion of the total domestic production of the like goods...".

[39] The Tribunal must therefore determine whether the evidence discloses a reasonable indication of injury, or a threat of injury, to the domestic producers as a whole or to those domestic producers whose collective production represents a major proportion of the total domestic production of like goods. The term "major proportion" is not defined in SIMA. However, it has been interpreted to mean an important, serious or significant proportion of total domestic production of like goods and not necessarily a majority.²⁵

[40] In addition to themselves and Tree Island, the complainants have identified the following six companies which were understood to be domestic producers: Indwisco Ltd., Davis Wire Industries Ltd., Centennial Wire Products Ltd., Premier Wire Inc., Laurel Steel Inc. and Numesh Inc.²⁶

[41] Based on confidential estimates of the percentages of total domestic production of the like goods accounted for by the complainants and the supporting producers, the complainants argued that the threshold for a major proportion of the domestic industry is met.²⁷ According to the complainants,

²³ *Certain Wire Rod* (4 October 2024), NQ-2024-001 (CITT), para. 31; *Carbon Steel Welded Pipe* (20 August 2008), NQ-2008-001 (CITT), para. 45.

²⁴ *Certain Grinding Media* (27 August 2021), NQ-2021-001 (CITT), para. 83; *Decorative and Other Non-structural Plywood* (19 February 2021), NQ-2020-002 (CITT), para. 74.

²⁵ *Japan Electrical Manufacturers Assoc. v. Canada (Anti-Dumping Tribunal)*, [1982] 2 FC 816 (FCA).

²⁶ Exhibit PI-2025-001-02.01, p. 53.

²⁷ *Ibid.*, p. 55.

the Tribunal can therefore conclude that the domestic industry is comprised of the four supporting producers.

[42] While the complaint included actual production data for the four supporting producers, only the complainants and Tree Island provided actual sales, pricing and financial data. These data are typically necessary for the Tribunal to assess any reasonable indication of price effects that may be caused by the subject goods and their impact on financial performance, a key indicator of injury.

[43] The Tribunal has therefore calculated its own estimates of the percentages of total domestic production accounted for by the three producers that provided comprehensive information, using the data and estimates provided in the complaint with certain adjustments to account for confidential information on the CBSA's administrative record.²⁸

[44] In light of those confidential estimates, the Tribunal finds that Sivaco, AMLPC and Tree Island's collective production of the like goods constitutes a major proportion of the total domestic production of the like goods. Accordingly, for the purposes of this preliminary injury inquiry, the Tribunal will define the domestic industry as comprised of Sivaco, AMLPC and Tree Island.

[45] If the CBSA makes a preliminary determination of dumping, the Tribunal will collect data from other domestic producers during the final injury inquiry and, therefore, the composition of the domestic industry may be revisited.

CUMULATION

[46] In the context of a final injury inquiry, subsection 42(3) of SIMA requires the Tribunal to assess the cumulative effect of the dumping of goods that are imported into Canada from more than one subject country if it is satisfied that the following conditions are met:

- (i) the margin of dumping in relation to the goods from each of those countries is not insignificant and the volume of the goods imported from each of those countries is not negligible;²⁹ and
- (ii) such an assessment would be appropriate, taking into account the conditions of competition between the goods from any of those countries and the goods from any other of those countries or the domestically produced like goods.

[47] Relying on subsection 34(2), paragraph 35(1)(b) and paragraph 35(3)(a) of SIMA, MRT, Chin Herr, Wei Dat, and Hoa Phat argue that there is no legal requirement to make a cumulative assessment of the effects of imports from all named sources at the preliminary injury inquiry stage. In this regard, they assert that paragraph 35(1)(b) of SIMA specifically permits the Tribunal to arrive at conclusions in respect of "some or all of the goods".³⁰

²⁸ Exhibit PI-2025-001-03.18 (protected), p. 13.

²⁹ "insignificant" and "negligible" are defined in subsection 2(1) of SIMA.

³⁰ Section 35(1) of SIMA reads as follows:

35 (1) The President shall act under subsection (2) and the Tribunal shall act under subsection (3) if, at any time before the President makes a preliminary determination under subsection 38(1) in respect of goods that are the subject of the investigation,

[48] While subsection 42(3) of SIMA applies to final injury inquiries, the Tribunal's longstanding practice has been to adopt the same framework in preliminary injury inquiries.³¹ In this regard, the Tribunal has previously considered that it would be inconsistent not to cumulate the subject goods in a preliminary investigation where "the available evidence appears to justify cumulation",³² as the issue of cumulation has a bearing on the analysis of whether there is a reasonable evidentiary basis to support a preliminary finding of injury or threat of injury.³³

[49] The Tribunal takes note of subsection 34(2), paragraph 35(1)(b) and paragraph 35(3)(a) of SIMA but finds that these provisions do not preclude it from adopting in a preliminary inquiry the same test for cumulation as in a final injury inquiry and to calibrate that test to account for the lower evidentiary threshold that applies at this early stage. In the final analysis, the Tribunal is not persuaded that the circumstances of this case warrant a departure from its longstanding practice.

Insignificance and negligibility

[50] Pursuant to subsection 2(1) of SIMA, a margin of dumping that is less than 2% of the export price of the goods is defined as insignificant.

[51] "Negligible" is defined at subsection 2(1) of SIMA as follows:

negligible means, in respect of the volume of goods of a country, less than 3% of the total volume of goods that are released into Canada from all countries and that are of the same description as the goods. However, if the total volume of goods of three or more countries — each of whose exports of goods into Canada is less than 3% of the total volume of goods that are released into Canada from all countries and that are of the same description — is more than 7% of the total volume of goods that are released into Canada from all countries and that are of the same description, the volume of goods of any of those countries is not negligible.

[52] The Tribunal routinely assesses insignificance and negligibility based on the CBSA's estimated margins of dumping and import volumes during the CBSA's period of investigation for dumping. As set out in paragraph 12 above, the import volumes for both China and Türkiye individually account for more than 3% of the total volume of goods that are released into Canada from all countries and that are of the same description as the goods. While the percentage of total imports for the remaining eight countries individually accounts for less than 3% of total import volumes, they cumulatively account for 7.63% of total imports, thereby exceeding the 7% threshold set out in the definition of "negligible" under subsection 2(1) of SIMA.

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- (a) the President is satisfied in respect of **some or all of those goods** that the actual and potential volume of goods of a country or countries is negligible; or
- (b) the Tribunal comes to the conclusion in respect of some or all of those goods that the evidence does not disclose a reasonable indication that the dumping or subsidizing of the goods has caused injury or retardation or is threatening to cause injury.

[Bold added for emphasis]

³¹ *Galvanized Steel Wire* (22 March 2013), PI-2012-005 (CITT), para. 40; *Corrosion-resistant Steel Sheet* (2 February 2001), PI-2000-005 (CITT), p. 4, 5.

³² See, for example, *Heavy Plate* (27 July 2020), PI-2020-001 (CITT), para. 51.

³³ *Certain Small Power Transformers* (14 June 2021), PI-2021-001 (CITT), para. 46.

[53] Accordingly, the threshold for negligibility is met in the present case based on the CBSA's estimates. In addition, the estimated margin of dumping for each country is not insignificant (i.e., it is not less than 2% of the export price of the goods).

[54] With respect to negligibly, MRT, Chin Herr, Wei Dat and Hoa Phat argue that the Tribunal is not required to accept the CBSA's estimates of volumes of importation without question. They appear to suggest that, in the context of this preliminary injury inquiry, the Tribunal should have collected its own data to determine negligibility as it routinely does in the context of final injury inquiries. These parties point to multiple assumptions, including adjustments to data made by the CBSA to produce its preliminary estimates. They note that very small adjustments to the data would bring the volumes of imports from Chinese Taipei, Malaysia, Thailand, Vietnam, India, Italy, Portugal and Spain below the negligibility threshold.

[55] For its part, Dollarama argues that the first condition of section 42(3) is not met for subject imports from China because the margin of dumping is insignificant. Dollarama invites the Tribunal to take judicial notice of the Order Amending the China Surtax Order (2024) (Surtax Order)³⁴ imposed under subsection 53(2) of the *Customs Tariff* which introduced a 25% surtax on imports of steel and aluminum products, including subject steel wire, from China, effective October 22, 2024. Dollarama submits that the Surtax Order eliminates the margin of dumping of 6.5% for the subject goods exported from China, as estimated by the CBSA, and, accordingly, the margin of dumping for these goods is, in reality, insignificant.

[56] The Tribunal will first address the arguments made by MRT, Chin Herr, Wei Dat and Hoa Phat. As noted above, in a preliminary injury inquiry, the Tribunal routinely assesses insignificance and negligibility based on the CBSA's estimated margins of dumping and import volumes for its period of investigation.³⁵ These parties opposed have not identified any precedent where the Tribunal had engaged in data collection at the preliminary injury inquiry stage.

[57] In the context of a final injury inquiry, if the Tribunal determines that the volume of dumped goods from a country is negligible, it will be required to terminate its inquiry in respect of those goods.³⁶ By contrast, the Tribunal is not required to make determinations regarding the volumes of importations at the preliminary injury inquiry stage, nor is it statutorily empowered to terminate an inquiry at the preliminary injury stage if the negligibility threshold is not met.³⁷

[58] In any event, considering the tight legislative timelines that govern preliminary injury inquiries, administrative feasibility is a matter that the Tribunal must consider. In the Tribunal's opinion, it would be impractical and thus unreasonable to require that it collect data pertaining to volumes of importation at this stage. In fact, the Tribunal generally does not engage in any data collection during a preliminary injury inquiry for these very reasons.

³⁴ *Order Amending the China Surtax Order* (2024), SOR/2024-202.

³⁵ *Concrete Reinforcing Bar* (2 July 2024), PI-2024-002 (CITT) [*Rebar PI*], para. 28; *Certain Wire Rod* (7 May 2024), PI-2023-002 (CITT), para. 44; *UDS PI*, para. 49; *Concrete Reinforcing Bar* (23 November 2020), PI-2020-004 (CITT), para. 41; *Corrosion-resistant Steel Sheet* (24 September 2018), PI-2018-005 (CITT), para. 23; *Cold-rolled Steel* (24 July 2018), PI-2018-002 (CITT), paras. 53–54.

³⁶ Pursuant to subsection 42(4.1) of SIMA.

³⁷ Sections 31 to 37.1 of SIMA

[59] The Tribunal has also not been presented with persuasive arguments to suggest that the methodology used by the CBSA was flawed or otherwise unreliable. The Tribunal therefore finds it appropriate to rely on the CBSA's estimate for assessing negligibility in the present proceedings.

[60] With respect to the arguments presented by Dollarama, the Tribunal does not agree that the implementation of the surtax eliminates the margin of dumping estimated by the CBSA.³⁸ In this regard, and as argued by Sivaco in its reply submissions, surtaxes do not legally reduce or eliminate the margin of dumping because they are deducted from, or otherwise not included in, the export price of goods as determined pursuant to paragraphs 24(a) and (b) of SIMA, which, in most cases, govern the determination of the export price of goods.³⁹ In any event, the calculation of the margins of dumping falls under the exclusive jurisdiction of the CBSA. The Tribunal therefore does not have authority to calculate or to revise the margins of dumping as calculated by the CBSA.

[61] In light of the foregoing, the Tribunal finds that the first condition of subsection 42(3) of SIMA has been met albeit narrowly. This issue will be revisited in the context of an eventual final injury inquiry.⁴⁰

Conditions of competition

[62] The Tribunal will now turn to the second condition that is prescribed under subsection 42(3) of SIMA and assess whether cumulation is appropriate considering the conditions of competition. Regarding the conditions of competition, the Tribunal has previously made its assessment based on factors such as interchangeability, quality, pricing, distribution channels, modes of transportation, timing of arrivals and geographic dispersion.⁴¹ The Tribunal may also consider other factors in

³⁸ The Tribunal takes judicial notice of the implementation of the surtax, since it is so notorious and indisputable that it does not require proof. See, in that regard, *Canada (Citizenship and Immigration) v. Ishaq*, 2015 FCA 151 (CanLII), para. 20.

³⁹ Section 24 of SIMA reads, in relevant part, as follows:

24 The export price of goods sold to an importer in Canada, notwithstanding any invoice or affidavit to the contrary, is an amount equal to the lesser of

(a) the exporter's sale price for the goods, adjusted by deducting therefrom

...

(ii) any duty or tax imposed on the goods by or pursuant to a law of Canada or of a province, to the extent that the duty or tax is paid by or on behalf or at the request of the exporter, and

...

(b) the price at which the importer has purchased or agreed to purchase the goods, adjusted by deducting therefrom all costs, charges, expenses, duties and taxes described in subparagraphs (a)(i) to (iii).

⁴⁰ At that stage, as discussed above, should the negligibility threshold not be met for all of those eight countries (i.e., should the volumes of imports from those eight countries, collectively, not exceed 7% of the total volume of goods that are released into Canada from all countries and that are of the same description), the Tribunal would be required, under subsection 42(4.1) of SIMA, to terminate the inquiry with respect to those countries.

⁴¹ See, for example, *Certain Small Power Transformers* (24 December 2021), NQ-2021-003 (CITT) [*Certain Small Power Transformers NQ*], para. 78; *Concrete Reinforcing Bar* (12 August 2014), PI-2014-001 (CITT), para. 48; *Rebar PI*, para. 29.

deciding whether the exports of a particular country should be cumulated, and no single factor is determinative.⁴²

[63] According to the complainants, the same conditions of competition between the subject goods and the like goods exist, which call for a cumulated analysis. The complainants argue that like goods and subject goods, regardless of their source, are interchangeable and compete against each other throughout Canada based on price due to their commodity nature, have the same channels of distribution (both end users and distributors), are seen across Canada in all markets and have the same physical characteristics and the same methods of manufacturing. It is further submitted that there is nothing on the record to suggest that the mode of transportation, timing of arrival or geographic dispersion affects the conditions of competition in Canada.

[64] Dollarama argues that the Surtax Order alters the conditions of competition for subject imports from China and, accordingly, it is not appropriate to conduct a cumulated analysis with respect to these imports. Dollarama notably relies on the Tribunal's decision in *Hot-rolled Carbon Steel Plate*, where it stated that "[t]he safeguard regime does de jure set different conditions of competition. The Tribunal must assess the significance of those differences based on the evidence before it."⁴³

[65] In their reply submissions, Sivaco and Tree Island noted that the surtax was followed by the *China Surtax Remission Order*,⁴⁴ rendering a significant portion of the subject imports from China exempt from the surtax. They further submitted that Dollarama provided no supporting evidence for its assertion that the surtax alters the conditions of competition. In fact, as is discussed further below, Sivaco noted that China continued to undercut domestically produced like goods in 2024, and Sivaco argues that evidence shows that undercutting would have occurred even with a 25% surtax in effect throughout the period of analysis. The domestic producers also stress that the surtax was implemented in October 2024 and, accordingly, it was only in place during a small fraction of the period of investigation.

[66] For its part, MRT submits that the second condition for cumulation has not been met for Spanish imports because there is insufficient evidence that the conditions of competition for Spanish imports were not different than those of other sources. MRT asserts that it is the only exporter of subject goods from Spain. Moreover, its imports only represented a subset of the subject goods, and this subset is limited to a particular end use.⁴⁵ MRT also notes that the pattern of import volumes from Spain is different than the volumes from China and Türkiye. While imports from Spain declined steadily since 2022, imports from China and Türkiye, taken together, increased every year.

[67] In its reply submissions, Sivaco argued that evidence on the Tribunal's record contradicts MRT's assertions. Statistics Canada importation data suggest that Spanish imports compete on a broad spectrum of wire products falling within the product definition. In addition, MRT may not be the only Spanish exporter of subject goods. Sivaco also contends, relying on Statistics Canada

⁴² *Certain Wire Rod* (18 October 2024), NQ-2024-001 (CITT), para. 66. In *Certain Small Power Transformers NQ*, the Tribunal interpreted paragraph 42(3)(b) of SIMA and found that its wording implies that other relevant factors in addition to "conditions of competition", at the discretion of the Tribunal, may also be considered, if needed, to arrive at a decision as to whether cumulation is "appropriate" (see para. 65).

⁴³ *Hot-rolled Carbon Steel Plate* (13 March 2020), RR-2019-001 (CITT), note 33.

⁴⁴ *China Surtax Remission Order* (2024), SOR/2025-12.

⁴⁵ This argument and a related argument pertaining to account-specific injury allegations were further developed on the protected record.

importation data, that the subset of products that MRT says it imports into Canada fall within the scope of a major group of wire imports that substantially compete with both the subject imports from subject countries other than Spain and like goods produced domestically.

[68] Sivaco further alleges that there is evidence showing that MRT's loss of sales in Canada is attributable to competing imports of steel wire from other countries.⁴⁶ This reflects direct competition between Spanish subject imports and other subject imports.

[69] The Tribunal will begin its analysis by considering whether and how the Surtax Order alters the conditions of competition for subject imports from China. The Tribunal notes the limited duration of the Surtax Order, considering the overall period of analysis. In any event, the evidence suggests that subject importations from China would have undercut domestically produced like goods even if a 25% surtax had been present throughout the period of analysis. Moreover, the Tribunal takes judicial notice of the *China Surtax Remission Order* and observes that it may well render a significant proportion of the subject goods exempt from the Surtax Order.

[70] In any event, importantly, the Tribunal cannot ignore the evidence filed by the complainants regarding interchangeability, quality, distribution channels, modes of transportation, timing of arrivals and geographic dispersion of the like goods and subject goods from various subject countries, including China. This evidence indicates that subject goods are commodity products, they are interchangeable with domestically produced like goods, and they compete with one another in the Canadian market based on price.⁴⁷

[71] On balance, even if the Surtax Order were to affect the prices of the subject imports from China, the Tribunal is not persuaded that this alone would necessarily have a significant impact on how Chinese importations compete in the marketplace so as to render cumulation inappropriate in light of the totality of the evidence. Accordingly, the Tribunal is of the view that it is appropriate to conduct a cumulated analysis with respect to subject goods from China.

[72] The Tribunal will next consider the arguments and evidence with respect to importations from Spain. In this regard, the Tribunal similarly takes note of the evidence filed by the complainants regarding interchangeability, quality, distribution channels, modes of transportation, timing of arrivals and geographic dispersion of the like goods and subject goods, including the importations from Spain. The domestic industry argues that the pattern of import volumes from Spain indicates that the decreases in volumes of imports from Spain were due to sales lost to other imports. In the Tribunal's view, this corroborates evidence filed by the complainants suggesting that the subject imports from Spain compete with other subject imports. The Tribunal further notes that the evidence, on balance, suggests that MRT's products compete with both the subject imports from other countries and the domestically produced like goods.

[73] In sum, the Tribunal finds that the evidence is sufficient to reasonably indicate that the subject goods compete under similar conditions among themselves and with the like goods. The Tribunal is not persuaded that any other factor alters the conditions of competition so as to render

⁴⁶ In particular, Sivaco refers to the affidavit of Mr. Arbona of MRT who indicated that, in the last few years, MRT's sales to the Canadian market have declined, as it is not competitive with exports from other countries. Exhibit PI-2025-001-08.04, p. 92; Exhibit PI-2025-001-11.01, p. 16 (protected).

⁴⁷ Exhibit PI-2025-001-02.01, p. 3026, 3028, 3031–3032, 3132, 3160.

cumulation inappropriate or dictates that the conduct of a separate injury analysis for any of the subject countries is necessary, in the context of this preliminary injury inquiry.

[74] In light of the foregoing, the Tribunal is satisfied that an assessment of the cumulative effect of the dumping of the subject goods from all 10 subject countries is appropriate in the circumstances.⁴⁸

INJURY ANALYSIS

Period of analysis

[75] The complainants submit that it would be appropriate for the Tribunal to consider data for the past four years (2021–2024) for the purposes of its analysis. The complaint includes importation data from all sources as well as sales, pricing and financial data for the domestic industry as described above for this period.

[76] The CBSA’s analysis similarly covers the period from 2021 to 2024. The four-year import information estimated by the CBSA was shared with the complainants and is used in the version of the complaint that ultimately led to the initiation of the investigation. Therefore, there is no discrepancy between the two data sets, and the Tribunal need not consider whose data is more accurate.

[77] Accordingly, for the purposes of this preliminary injury inquiry, the Tribunal will rely on the best data available to the Tribunal at this stage, which, in this case, are data pertaining to the four-year period set out above.

Import volume of subject goods

[78] The Tribunal must consider whether the evidence reasonably indicates that the volume of the subject imports increased significantly in both absolute terms and relative to domestic production and sales of domestic production.

[79] The complainants argued that the absolute volume of the subject imports increased by 18% between 2021 and 2024, with an even more significant increase of 21% between 2023 and 2024. They also submitted that the volume of subject imports increased relative to domestic production and sales of domestic production over those periods.

[80] Dollarama argued that the increase in the volume of subject goods relative to domestic production between 2021 and 2024 was “marginal”.

[81] Hoa Phat, Chin Herr, Wei Dat and MRT, exporters from Vietnam, Malaysia, and Spain, respectively, all focused their arguments on a single country of export. They argued that exports from these countries all decreased between 2021 and 2024, and that subject goods from China followed a

⁴⁸ The Tribunal therefore considered volumes and prices of subject imports from all subject countries on a cumulative basis. Therefore, submissions made by MRT, Chin Her, Wei Dat, Hoa Phat and Dollarama that pertained to the discrete price effects and impact of imports from individual subject countries (i.e., Spain, Malaysia, Vietnam and China on a decumulated basis) were considered legally irrelevant for the reasons discussed in paragraph 82 below.

different pattern than those from the other subject countries. They further argued that imports from Vietnam and Malaysia occurred in small or “minuscule” amounts.

[82] In light of the Tribunal’s decision to cumulate the subject goods for the purposes of this preliminary injury inquiry, the increase or decrease in volumes of subject imports for individual countries do not have legal relevance in assessing whether there is a reasonable indication of an increase in volume of the subject imports.⁴⁹ The data on the volume of imports for all 10 subject countries must be considered together, that is, on a cumulative basis in a single analysis.

[83] The CBSA prepared the data pertaining to the volume of subject imports.⁵⁰ On a cumulated basis, the volume of subject imports fluctuated between 2021 and 2024, increasing in 2022 and 2024, but declining in 2023 to below 2021 volumes. While the absolute volume of the subject imports increased over the period of 2021 to 2024, production and domestic sales volumes by the domestic industry declined, resulting in an increase in the volume of subject imports relative to domestic production and sales of domestic production.⁵¹

[84] Based on the evidence before it, the Tribunal finds that, on a cumulated basis, there is a reasonable indication of a significant increase in both the absolute and relative volume of the subject imports.

Price effects of the subject goods

[85] The Tribunal must also consider whether the evidence reasonably indicates that the subject goods have had significant adverse price effects on the like goods.

[86] The complainants allege that subject goods have caused injury by undercutting domestic industry prices and thus causing lost sales, price depression and price suppression.

Price undercutting

[87] The complainants argued that the subject goods undercut domestic industry prices on a consistent and significant basis between 2021 and 2024, with significant undercutting occurring from 2022 onwards in particular.

[88] In support of these arguments, the complainants compared the domestic industry’s price to the price of subject goods (using CBSA import data) in each year from 2021 to 2024.⁵² They also

⁴⁹ *Concrete Reinforcing Bar* (4 June 2021), NQ-2020-004 (CITT), note 42.

⁵⁰ The complaint (Exhibit PI-2025-001-02.01, p. 98–99) indicates at para. 127 that the CBSA has generated import data that have been further refined to further exclude any non-subject goods. These data generated by the CBSA have been included in the complaint. Therefore, the import data in the complaint match the import data in the CBSA’s statement of reasons at Exhibit PI-2025-001-05, p. 13.

⁵¹ Imports relative to domestic production and sales of domestic production are calculated using production and domestic sales of the domestic industry as defined above. Exhibit PI-2025-001-05, p. 13; Exhibit PI-2025-001-03.01 (protected), p. 3345–3347.

⁵² Exhibit PI-2025-001-02.01, p. 103–105; Exhibit PI-2025-001-03.01 (protected), p. 102–104, 3346. Discussion of average unit values in the “Price effects of the subject goods” section of this statement of reasons refers to the data in these exhibits.

provided several examples of account-specific price undercutting to corroborate the undercutting calculated using the average unit values of the cumulated subject goods.⁵³

[89] MRT argued that the average unit values could not be used as a reasonable indication of price undercutting or depression due to the broad range of differently priced goods used to calculate average unit values.⁵⁴ Sivaco replied that, in the past, the Tribunal has indicated that product mix is an issue in many SIMA cases⁵⁵ but noted that the Tribunal routinely relies on these data for the purposes of preliminary injury inquiries when they are corroborated by other evidence such as account-specific allegations. AMLPC also reiterated that the complaint contains multiple account-specific injury allegations in addition to average pricing data.

[90] Dollarama argued that the current 25% surtax on Chinese imports of the subject goods imposed under subsection 53(2) of the *Customs Tariff* was not accounted for when assessing the price differentials between subject goods and domestically produced like goods and that doing so would alter the apparent undercutting in account-specific injury allegations concerning China.

[91] AMLPC replied that the domestic industry, in its allegations regarding China, provided several examples showing price undercutting exceeding 25%. It also replied that, even if the 25% surtax has offset the decline in Chinese prices since 2021, those prices still undercut those of the domestic industry. Tree Island indicated that Dollarama's arguments are more appropriate to the threat of injury, as the surtax was only introduced in October 2024. As discussed above, certain parties also made arguments pertaining to the *China Surtax Remission Order*.

[92] Although Domtar did not address the pricing factors to be considered by the Tribunal, it did indicate that it experienced repeated price increases by a reseller of domestically produced wire. As a result, Domtar sought out international sources due to a lack of alternative domestic supply.

[93] The Tribunal finds that the current product definition is very broad. Therefore, there appear to be product mix issues that would need to be further examined during an eventual injury inquiry. As noted by Sivaco, however, in a preliminary injury inquiry, the Tribunal often relies on average unit values submitted by the complainant and provided by the CBSA to assess whether there is a reasonable indication of injury. If there is such an indication, the Tribunal can further explore price effects through the use of benchmark products, sales to common accounts, and an examination of witnesses in a final injury inquiry.

⁵³ Summarized in para. 141 and Table 24 of the complaint, see Exhibit PI-2025-001-03.01 (protected), p. 105, 123–128; Exhibit PI-2025-001-03.01 (protected), p. 3041–3048, 3171–3175, 3314–3326.

⁵⁴ Dollarama took issue with the exclusion of Harmonized System codes likely to contain retail packaged wire in the complainant's calculations of average unit values of imports for its dumping calculations. It argued that this artificially lowered the average unit values and that the volumes of such goods are not insignificant. The Tribunal notes that this argument relates specifically to the products used to calculate normal values in the complaint and that the data on average unit values above are for all imports as provided by the CBSA and in the complaint, not just for the benchmark products used by the complainants for its dumping arguments. Sivaco points this out as well in its reply submission.

⁵⁵ Sivaco referred to *Certain Upholstered Domestic Seating* (19 February 2021), PI-2020-007 (CITT), para. 60.

[94] Moreover, with respect to arguments made by Dollarama, the Tribunal is of the view that the cumulated average selling price of the subject goods would still have undercut the price of the like goods in the presence of a 25% surtax. In any event, the surtax was only introduced in October 2024 and, therefore, any effects of this surtax were limited in duration.

[95] In light of the foregoing, the Tribunal finds that the undercutting analysis presented in the complaint as well as the supporting account-specific injury allegations provide a reasonable indication that, on a cumulated basis, the subject goods significantly undercut the like goods between 2021 and 2024.

Price depression

[96] The domestic industry's average selling price increased in 2022 but then declined in both 2023 and 2024. The complainants submit that this occurred because prices of subject goods declined by 7% between 2021 and 2023 and a further 10% in 2024. Although prices of the non-subject imports did not undercut the like goods, they too experienced declines in 2023 and 2024. The complainants also provided numerous examples of price undercutting across several accounts, where they allege that they had to reduce pricing or lose sales as a result of the pricing of subject goods.

[97] The Tribunal observes that average unit values of the like goods, the cumulated subject goods and the non-subject goods all experienced similar trends between 2021 and 2024, with significant price increases in 2022, then declines in 2023 and 2024.

[98] The Tribunal finds that the data indicate a reasonable indication of price depression caused by the subject goods. The Tribunal notes that there is a lower evidentiary threshold in a preliminary injury inquiry, and it will consider the extent to which the decline in prices of like goods was due to other factors affecting the price of wire from all sources in the Canadian market in an eventual final injury inquiry.

Price suppression

[99] The complainants submitted that the domestic industry experienced price suppression between 2021 and 2024 and that this suppression resulted in reduced profitability.

[100] The Tribunal has decided to exercise judicial economy on the issue of price suppression as it is of the view that the price effects and resulting reduced profitability argued by the domestic industry are more likely attributed to price depression, as prices were declining in 2023 and 2024.

Resultant impact on the domestic industry

[101] As part of its injury analysis, the Tribunal must consider the impact of the subject goods on the state of the domestic industry and, in particular, all relevant economic factors and indices that

have a bearing on the state of the domestic industry.⁵⁶ This includes impacts on workers employed in the domestic industry.⁵⁷

[102] In a preliminary injury inquiry, the Tribunal must determine whether the evidence discloses a reasonable indication of a causal link between the dumping of the subject goods and the injury. The standard is whether there is a reasonable indication that the dumping of the subject goods has, *in and of itself*, caused injury.⁵⁸

[103] While subsection 2(1) of SIMA defines “injury” as “material injury to the domestic industry”, the word “material” itself is not defined. In the past, the Tribunal has considered this to mean something that is more than *de minimis* but not necessarily serious injury.⁵⁹ Ultimately, the Tribunal determines the materiality of any injury on a case-by-case basis, having regard to the extent (i.e., severity), timing and duration of the injury.⁶⁰

[104] The complainants alleged that, as a result of the increased volumes of subject goods in the Canadian market and their price effects, the domestic industry suffered material injury through decreases in market share, sales volumes, production, capacity utilization rate and profitability. They have described resulting adverse impacts on employment, investments and the ability to raise capital.

[105] Overall, domestic production, including for export sales and for further processing, as well as domestic sales showed declining trends over the period of analysis.⁶¹ As a result, the capacity utilization rate similarly declined over the period of analysis. Evidence further indicates that the domestic industry lost domestic sales and market share year over year during the period of analysis and that this loss of market share was met with nearly corresponding increases in the subject goods’ market share.⁶²

[106] In terms of financial performance, the evidence shows that the domestic industry experienced a marked increase in several profitability metrics between 2021 and 2022, corresponding with the significant increase in unit value and market prices noted above.⁶³ In this regard, there is evidence of rising North American market prices in 2022 due to supply disruptions caused by the Russia-Ukraine

⁵⁶ Such factors and indices at paragraph 37.1(1)(c) of the Regulations include the following:
(i) any actual or potential decline in output, sales, market share, profits, productivity, return on investments or the utilization of industrial capacity, (i.1) any actual or potential negative effects on employment levels or the terms and conditions of employment of the persons employed in the domestic industry, including their wages, hours worked, pension plans, benefits or worker training and safety, (ii) any actual or potential negative effects on cash flow, inventories, employment, wages, growth or the ability to raise capital, (ii.1) the magnitude of the margin of dumping or amount of subsidy in respect of the dumped or subsidized goods...

⁵⁷ See subsection 2(11) of SIMA.

⁵⁸ *Gypsum Board* (5 August 2016), PI-2016-001 (CITT), para. 44; *Galvanized Steel Wire* (22 March 2013), PI-2012-005 (CITT), para. 75.

⁵⁹ *ABS Resin* (15 October 1986), CIT-3-86; *Unitized Wall Modules* (12 November 2013), NQ-2013-002 (CITT), para. 58.

⁶⁰ *Concrete Reinforcing Bar* (3 May 2017), NQ-2016-003 (CITT), para. 184. See also *Certain Hot-rolled Carbon Steel Plate* (27 October 1997), NQ-97-001 (CITT), p. 13, where the Tribunal suggested that the concept of materiality could entail both temporal and quantitative dimensions.

⁶¹ Exhibit PI-2025-001-03.01 (protected), p. 3347.

⁶² *Ibid.*, p. 3329–3332; Exhibit PI-2025-001-03-01 (protected), p. 3345–3349.

⁶³ Exhibit PI-2025-001-03.01 (protected), p. 3345.

conflict.⁶⁴ The complainants explained that they increased pricing to keep pace with their increasing costs during that period.⁶⁵

[107] However, the complainants submitted, and the evidence indicates, that these price increases were met with decreases in sales volumes.⁶⁶ As discussed above, evidence on the Tribunal's record shows that, despite rising market prices in 2022, the prices of subject goods continued to undercut the prices of domestically produced like goods that year. In addition, the evidence reasonably suggests that the subject goods' market share increased at the expense of the domestic industry's market share that year.

[108] Notwithstanding, the domestic industry's financial performance began to deteriorate in 2023 and continued to deteriorate, in a steeper manner, through 2024.⁶⁷ This was happening alongside increases in the market share of subject goods at the expense of the domestic industry, as well as continued price effects. As noted above, the complainants also reported several account-specific instances of sales that were purportedly lost against subject goods due to their low prices.⁶⁸

[109] Accordingly, the Tribunal is of the view that the evidence provides a reasonable indication that the presence of the subject goods in the market had a significant negative impact on the financial performance of the domestic industry, which has been material in terms of extent and duration.

[110] The complaint also included submissions with respect to the adverse impact of the subject goods on employment and on investments, which was corroborated by confidential evidence.⁶⁹

[111] The Tribunal has reviewed Domtar's submissions that domestic producers of steel wire do not provide goods with the specifications, quality or in the format necessary to meet Domtar's manufacturing requirements.⁷⁰ However, the Tribunal finds that these issues can best be dealt with as product exclusion requests during an eventual injury inquiry and that there are no exceptional circumstances that would warrant such consideration at this time.⁷¹ Parties were also notified at the outset that the Tribunal does not consider product exclusion requests during a preliminary injury inquiry.

[112] Domtar further argues that the subject goods it imports enhance supply stability and supports the competitiveness of downstream Canadian industries like the pulp and paper industry. Domtar's submissions therefore touch upon public interest considerations. Such considerations can only be addressed in the context of a public interest inquiry conducted pursuant to section 45 of SIMA, which may only take place after the Tribunal has made a finding of injury or threat of injury following a

⁶⁴ Exhibit PI-2025-001-02.01, p. 3031; Exhibit PI-2025-001-03.01 (protected), p. 114–115.

⁶⁵ Exhibit PI-2025-001-03.01 (protected), p. 113.

⁶⁶ *Ibid.*, p. 113, 3345.

⁶⁷ *Ibid.*, p. 3345.

⁶⁸ Although these allegations will warrant more scrutiny in the event of a final injury inquiry should the CBSA make a preliminary determination of dumping, they appear to be credible, bearing in mind the lower evidentiary threshold applicable at the preliminary inquiry stage.

⁶⁹ Exhibit PI-2025-001-02.01, p. 117–121, 3140–3141, 3052–3054, 3139; Exhibit PI-2025-001-03.01 (protected), p. 116–121, 3049–3051, 3178–3180, 3272.

⁷⁰ Exhibit PI-2025-001-08.07, p. 1.

⁷¹ *Certain Upholstered Domestic Seating* (19 February 2021), PI-2020-007 (CITT), para. 25, and see concurring opinion at paras. 85–88, stating that “as a matter of law, the Tribunal does not have the discretionary power to grant product exclusion requests at this stage”.

final injury inquiry conducted pursuant to section 42. The Tribunal has previously found that the broader impact of the application of anti-dumping or countervailing duties on Canadian consumers and downstream producers is not a factor that the Tribunal should consider in inquiries pursuant to section 42 of SIMA, and this would be equally applicable to preliminary injury inquiries.⁷²

[113] Having considered the totality of the evidence on record, the Tribunal finds that the evidence provides a reasonable indication that the domestic industry experienced material injury.

Causation and other factors

[114] Parties opposed to the complaint raised several arguments that pertain to the causal link, or absence thereof, between the dumping of the subject goods and the injury. Those included arguments that various non-dumping factors, such as the domestic industry's declining export sales, were a cause of injury to the domestic industry. In this regard, certain parties opposed submitted that declining export sales would impact the throughput on the mill, raising costs for wire produced or sold for consumption in Canada.

[115] The parties opposed also made arguments concerning the effect of imports from the United States, requirements and differences in terms of product quality, and the inverse relationship between domestic production and imports of subject goods for certain individual countries. These may be characterized as pertaining to the existence (or severance) of the causal link for these countries when considered on a decumulated basis.⁷³

[116] The Tribunal considered these other factors and is of the view that several of them could have contributed to the decline in performance of the domestic industry. However, the Tribunal notes that SIMA does not require that the dumping of the subject goods be the only cause of injury. The Tribunal has consistently held that what matters is that the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury or is threatening to cause injury, that is, the dumping of the subject goods must constitute a cause of material injury or threat of material injury.⁷⁴

[117] For the purposes of this preliminary injury inquiry, for the reasons set out above, the Tribunal finds that the evidence on record, taken as a whole, sufficiently demonstrates a reasonable indication of a causal relationship between the dumping of the subject goods and the injury suffered by the domestic industry. Evidence suggesting that other factors might have had an adverse impact on the domestic industry is insufficient to negate the Tribunal's conclusion of injury, bearing in mind the lower evidentiary threshold that applies at this stage.⁷⁵ During an eventual final injury under

⁷² See *Silicon Metal* (19 November 2013), NQ-2013-003 (CITT), paras. 60–64, where the Tribunal noted that, subsequent to an inquiry under section 42 of SIMA, the Tribunal may initiate a separate inquiry under section 45 if it is of the opinion that the imposition of anti-dumping or countervailing duties, in whole or in part, might not be in the public interest; See also *Silicon Metal* (22 August 2019), RR-2018-003 (CITT), paras. 59–60.

⁷³ The inverse relationship argument was articulated more specifically by MRT (see Exhibit PI-2025-001-8.04, p. 14). As noted above, Chin Herr, Wei Dat and Hoa Phat made arguments pertaining to declining exports for individual countries.

⁷⁴ See, e.g., *Silicon Metal* (21 June 2013), PI-2013-001 (CITT), para. 78.

⁷⁵ The Tribunal has previously held that this lower standard also applies to its evaluation of causation and materiality at the preliminary injury inquiry stage. See, e.g., *Corrosion-resistant Steel Sheet* (3 February 2025), PI-2024-003 (CITT), para. 78.

section 42 of SIMA, the Tribunal will further consider the impact of those other factors in the broader context afforded by that scope of inquiry.

THREAT OF INJURY

[118] In light of the finding that there is a reasonable indication that the dumping of the subject goods has caused injury, the Tribunal will exercise judicial economy and not consider whether there is also a reasonable indication that the dumping of the subject goods is threatening to cause injury.

CONCLUSION

[119] On the basis of the foregoing analysis, the Tribunal determines that the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry.

Bree Jamieson-Holloway

Bree Jamieson-Holloway
Presiding Member

Susan D. Beaubien

Susan D. Beaubien
Member

Georges Bujold

Georges Bujold
Member



OTTAWA, May 7, 2025

SW 2025 IN

STATEMENT OF REASONS

Concerning the initiation of the investigation into the alleged dumping of

**CERTAIN CARBON AND ALLOY STEEL WIRE
ORIGINATING IN OR EXPORTED FROM
CHINA, CHINESE TAIPEI, INDIA, ITALY, MALAYSIA,
PORTUGAL, SPAIN, THAILAND, TÜRKIYE, AND VIETNAM**

DECISION

Pursuant to subsection 31(1) of the *Special Import Measures Act*, the Canada Border Services Agency initiated an investigation on April 22, 2025, respecting the alleged injurious dumping of certain carbon and alloy steel wire originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye and the Socialist Republic of Vietnam.

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

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SUMMARY

[1] On February 28, 2025, the Canada Border Services Agency (CBSA) received a written complaint from Sivaco Wire Group 2004, LP (“Sivaco”) and ArcelorMittal Long Products Canada G.P. (“AMLPC”) (hereinafter, “the complainants”) alleging that imports of certain carbon and alloy steel wire (hereinafter, “steel wire”) originating in or exported from the People’s Republic of China (China), the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India (India), the Italian Republic (Italy), the Federation of Malaysia (Malaysia), the Portuguese Republic (Portugal), the Kingdom of Spain (Spain), the Kingdom of Thailand (Thailand), the Republic of Türkiye (Türkiye), and the Socialist Republic of Vietnam (Vietnam) (collectively, “the subject countries”), are being injuriously dumped.

[2] On March 21, 2025, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainants that the complaint was properly documented. On April 15, 2025, the CBSA informed the Governments of the subject countries that a properly documented complaint had been filed.

[3] The complainants provided evidence to support the allegations that steel wire from the subject countries have been dumped, as well as evidence that discloses a reasonable indication that the dumping has caused injury or is threatening to cause injury to the Canadian industry producing like goods.

[4] On April 22, 2025, pursuant to subsection 31(1) of SIMA, the CBSA initiated an investigation respecting the dumping of steel wire from China, Chinese Taipei, India, Italy, Malaysia, Portugal, Spain, Thailand, Türkiye and Vietnam.

INTERESTED PARTIES

COMPLAINANTS

[5] The names and addresses of the complainants are as follows:

Sivaco Wire Group 2004, L.P.
800, rue Ouellette
Mariville (QC) J3M 1P5

ArcelorMittal Long Products Canada G.P.
4000, Routes des Aciéries
Contrecœur (QC) J0L 1C0

OTHER PRODUCERS

[6] The complainants identified the following additional Canadian producers of steel wire: Tree Island Steel Ltd. (“Tree Island”), of Richmond, British Columbia; Indwisco, Ltd. (“Indwisco”), of Concord, Ontario; Davis Wire Industries, Ltd. (“Davis Wire”), of New Westminster, British Columbia; Centennial Wire Products, Ltd. (“Centennial Wire”), of Winnipeg, Manitoba; Premier Wire, Inc. (“Premier Wire”), of Montreal, Quebec; Laurel Steel Inc. (“Laurel Steel”), of Burlington, Ontario; and Numesh Inc. (“Numesh”), of Laval, Quebec.¹ The CBSA conducted its own supplementary research, but could not identify any other producers in Canada.

[7] Tree Island supports the complaint and provided information for use in the complaint.²

TRADE UNIONS

[8] The complainants identified six trade unions which represent members employed by the supporting domestic producers.³

EXPORTERS

[9] The CBSA identified 196 potential exporters and/or producers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential exporters were asked to respond to the CBSA’s Dumping Request for Information (RFI). Exporters and producers of subject goods in China were also asked to respond to the CBSA’s Section 20 RFI.

IMPORTERS

[10] The CBSA identified 58 potential importers of the subject goods from CBSA import documentation and from information submitted in the complaint. All of the potential importers were asked to respond to the CBSA’s Importer RFI.

GOVERNMENTS

[11] Upon initiation of the investigation, the Government of China (GOC) was sent the CBSA’s Government Section 20 RFI and the Government of Türkiye (GOT) was sent the CBSA’s Government Particular Market Situation (PMS) RFI.

¹ Exhibit 2 - SW Complaint (NC), para. 17

² Exhibit 2 - SW Complaint (NC), para. 2

³ Exhibit 2 - SW Complaint (NC), paras. 21-26

[12] For the purposes of this investigation, the “government” refers to all levels of government, i.e., federal, central, provincial/state, regional, municipal, city, township, village, local, legislative, administrative or judicial, singular, collective, elected or appointed. It also includes any person, agency, enterprise, or institution acting for, on behalf of, or under the authority of, or under the authority of any law passed by, the government of that country or that provincial, state or municipal or other local or regional government.

PRODUCT INFORMATION

PRODUCT DEFINITION⁴

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

Carbon or alloy steel wire, of round or other solid cross section, in nominal sizes up to and including 24.13 mm (0.950 inches) in diameter, whether or not coated or plated with zinc, zinc-aluminum alloy, or any other coating, including other base metals or polyvinyl chloride or other plastics, originating in or exported from the People’s Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye, and the Socialist Republic of Vietnam, excluding the following:

- stainless steel wire (i.e., alloy steel wire containing, by weight, 1.2 % or less carbon and 10.5 % or more chromium, with or without other elements);
- wire of high-speed steel; and
- welding wire of any type.

ADDITIONAL PRODUCT INFORMATION⁵

[14] Subject goods sold into the North American market are produced to conform to a variety of applicable specifications based on end use suitability, including American Society for Testing and Materials (“ASTM”) specifications. For example: ASTM A853-19 is the standard specification for carbon steel wire for general use; ASTM A1064 is the standard specification for steel wire and welded wire reinforcement for use in concrete applications; and ASTM A641 is the standard specification for galvanized carbon steel wire. There are similar standards that may be applicable in other jurisdictions.

⁴ Exhibit 2 - SW Complaint (NC), para. 27

⁵ Exhibit 2 - SW Complaint (NC), paras. 28-38

[15] The subject goods are made of carbon or alloy steel of various chemistries, other than stainless steel, and are of solid cross-section. In terms of solid cross-sectional shape, the subject goods may be round, flat, triangular, square, hexagonal or other specialty shapes. In terms of other physical characteristics, the subject goods may be sold in a wide range of diameters, carbon contents and grades, and tensile strengths, and may be uncoated or have a variety of coating types and coating thicknesses.

[16] There is a wide range of terminology used to describe the diameter or size of wire. Diameter is most accurately expressed in millimeters or in inches. In North America, however, reference may also be made to American Steel & Wire (“AS&W”) “wire gauges.” Although AS&W gauges are the most commonly used wire gauge measurements, there are other gauge measurement systems that may be used and these may differ from AS&W: some gauge measurement systems have different size ranges, and others do not incorporate fractional sizes. In addition, there are differing permitted tolerances for each gauge size or fractional size.

[17] The subject goods may also have undergone different heat treatment processes during production. For example, the subject goods may be “patented” or “annealed” or both. These heat treatment processes may have occurred during the drawing of the wire (commonly referred to as “in process” annealing/patenting) or as an initial step during hot dip galvanizing at the post-drawing finished wire size.

[18] Subject goods that are not coated with zinc, zinc-aluminum alloy, or other base metal coating are commonly known as “bright wire.” In other words, the surface of bright wire is simply the underlying steel. That said, bright wire may have certain surface finishes applied based on the intended end-use application for the wire. For example, bright wire may be finished with zinc phosphate, lime, lube, polymer, and borax. These types of surface-finishes are applied either during the wire drawing process or at the end of production.

[19] In terms of subject goods that are coated with other types of coating, the most common are for corrosion resistance. For example, subject goods that are zinc coated are known as “galvanized steel wire,” and subject goods that are coated with a zinc-aluminum alloy are known as “galfan-coated steel wire.” On the one hand, galvanized subject goods may have various thicknesses of zinc coating: increased coating thicknesses impart greater corrosion resistance. Galfan-coated subject goods, on the other hand, typically have corrosion resistance properties that significantly exceed those of galvanized steel wire and achieves superior corrosion resistance at lower thicknesses. Other common types of coating include PVC as well as coatings of other base metals (e.g., copper or brass).

[20] Certain specifications govern zinc coatings for galvanized steel wire. ASTM A641, for example, provides for minimum mass of zinc per unit of area to qualify under particular classes. The amount of zinc varies with the wire diameter. In addition, zinc coated wire produced as “commercial grade” coating does not have a specified minimum weight of coating; “commercial grade” or “commercial coat” galvanized steel wire tends to range from 50 g/m² (0.17 oz./ft²) and less in terms of zinc coating thickness. “Commercial grade” galvanized steel wire is not covered by ASTM A641.

[21] Finally, in terms of packaging for shipment, the subject goods normally are packaged according to client specifications and product type. Specifically, subject goods typically are delivered as wound onto steel tubular carriers in loose coils or wound more evenly and with consistent tension onto spools or reels, or wound and bound by strapping and wrapped in plastic or paper. Spools and reels typically are made of steel, wood, cardboard, or plastic. Subject goods may also be sold in straight lengths and, in those instances, normally will be shipped in tubes or in bulk boxes.

[22] In terms of typical end use applications of carbon and alloy steel wire, the subject goods may be used in a variety of industrial wire forming and in original equipment manufacturer (“OEM”) production. Examples include automotive manufacturing, construction, bedding and furniture, household and consumer goods as well as point-of-purchase products and fasteners. Low carbon bright wire is used in a wide variety of industrial wire forming applications, including in household/consumer or industrial goods. Low carbon galvanized or galfan wire typically is used in fencing and construction applications (e.g., concrete mesh). High carbon bright wire is used in industrial wire forming applications and in a wide variety of OEM production applications, including spring forming. Subject goods that are high carbon galvanized or galfan wire typically are used in agricultural (vineyard wire, game and field fence), construction (solar fencing, gravel screens, concrete snap ties), pulp baling and waste/recyclables baling applications, and automotive (cold-formed helical springs) applications.

PRODUCTION PROCESS⁶

[23] The production process begins with steel wire rod with the necessary chemical properties as an input that is processed for use in drawing. Specifically, the wire rod is first de-scaled to remove ferrous oxide. This process can be accomplished by performing a chemical de-scaling by “pickling” the wire rod in an acid bath. This process can also be accomplished through mechanical means using methods such as reverse bending, wire brushing, belt polishing or sanding, shaving or shot blasting. Once de-scaled, the wire rod is coated with a lubricant and then drawn successively through a series of dies until it reaches the desired thickness.

[24] Depending upon the end use of the wire, it may require heat treatment. Heat treatment removes residual stresses and/or improves ductility in the wire that has been cold-work hardened in the drawing process.

[25] Wire may be “annealed,” which is a process by which the wire is heated and then staged-cooled to achieve increased ductility in low-carbon wire that has hardened through the cold drawing process. Ways to achieve this include the use of an inline annealing process where the wire is drawn through a bath of molten lead or other fluidized bed (e.g., pulled through sand or other medium heated by gas) or the use of induction heating (passing electric current through wire). Annealing may also be accomplished in batches (in gas-fired furnaces) after the wire is drawn. Cold-heading quality wire, for example, is normally annealed.

⁶ Exhibit 2 - SW Complaint (NC), paras. 39-45

[26] Patenting is an entirely different heat treatment process. Patenting is used normally to achieve uniformity of microstructure in high-carbon steel wires by running the wire through a furnace at a pre-set temperature (above 1,000 degrees Fahrenheit) and then rapidly cooling the wire in air, molten lead, or some other medium (fluidized bed). Patenting generally strengthens the wire without separating the iron from the other elements in the wire.

[27] If the product is to be galvanized or galvanized, the drawn wire is then passed through either a hot-dip process or an electroplating process. Before galvanizing, the drawn wire is degreased, and again passed through an acid bath before a water rinse and immersion in a flux bath to prevent oxidization of the wire before application of the zinc or zinc-aluminum alloy. In the hot-dip process, the wire is then passed through molten zinc or zinc-aluminum alloy. A chemical reaction between the zinc and wire creates layers of zinc iron alloy on the surface of the wire, with the external layer being entirely zinc. After the hot-dip process is complete, the wire is passed through a scrubber to ensure uniformity of the zinc or zinc-aluminum alloy coating. This can be achieved by employing both pad wipe and nitrogen wipe methods. Pad wipes are used for lighter coatings, while nitrogen wipes (use of forced nitrogen air) are employed for products with thicker zinc coatings. Other processes used as a scrubber include pulling the wire through inert gas gravel, or the use of a magnetic wipe. The wire is then sprayed with water to cool. In electroplating, the wire is passed through a chemical solution in which zinc has been dissolved. The wire is electrically charged, and zinc adheres to it to form a zinc coating. The slower the wire is passed through the bath, the thicker the zinc or zinc-aluminum alloy coating.

[28] Other coatings that may be applied to carbon and alloy steel wire include polyvinyl chloride ("PVC"), which is typically used on wire for fencing production, as well as coatings of other base metals (e.g., copper or brass) that may be required for a variety of downstream original equipment manufacturer ("OEM") production applications.

[29] Once the wire production is complete, the finished product is packaged to customer specification, which may include in loose coils on steel tubular carriers, in spools and reels, or boxed or crated in straight lengths.

CLASSIFICATION OF IMPORTS

[30] The allegedly dumped goods are normally imported under the following tariff classification numbers:

7217.10.00.41	7217.10.00.84	7217.20.00.71	7217.30.00.33
7217.10.00.42	7217.10.00.85	7217.20.00.72	7217.30.00.34
7217.10.00.43	7217.10.00.86	7217.20.00.73	7217.30.00.39
7217.10.00.44	7217.10.00.87	7217.20.00.74	7217.30.00.41
7217.10.00.45	7217.10.00.88	7217.20.00.79	7217.30.00.42
7217.10.00.51	7217.10.00.91	7217.20.00.81	7217.30.00.43
7217.10.00.52	7217.10.00.99	7217.20.00.82	7217.30.00.44
7217.10.00.53	7217.20.00.10	7217.20.00.83	7217.30.00.49
7217.10.00.54	7217.20.00.41	7217.20.00.84	7217.90.00.20
7217.10.00.55	7217.20.00.42	7217.20.00.89	7217.90.00.91
7217.10.00.59	7217.20.00.43	7217.20.00.91	7217.90.00.92
7217.10.00.61	7217.20.00.44	7217.20.00.92	7217.90.00.93
7217.10.00.62	7217.20.00.49	7217.20.00.93	7229.20.00.90
7217.10.00.63	7217.20.00.51	7217.20.00.94	7229.90.00.40
7217.10.00.64	7217.20.00.52	7217.20.00.99	7229.90.00.61
7217.10.00.65	7217.20.00.53	7217.30.00.10	7229.90.00.62
7217.10.00.66	7217.20.00.54	7217.30.00.21	7229.90.00.63
7217.10.00.67	7217.20.00.59	7217.30.00.22	7229.90.00.64
7217.10.00.68	7217.20.00.61	7217.30.00.23	7229.90.00.71
7217.10.00.71	7217.20.00.62	7217.30.00.24	7229.90.00.72
7217.10.00.79	7217.20.00.63	7217.30.00.29	7229.90.00.73
7217.10.00.81	7217.20.00.64	7217.30.00.31	7229.90.00.74
7217.10.00.82	7217.20.00.69	7217.30.00.32	7229.90.00.90
7217.10.00.83			

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

LIKE GOODS AND CLASS OF GOODS⁷

[32] Subsection 2(1) of SIMA defines “like goods” in relation to any other goods as “... (a) goods that are identical in all respects to the other goods, or (b) in the absence of any such goods..., goods the uses and other characteristics of which closely resemble those of the other goods.” In considering the issue of like goods, the Canadian International Trade Tribunal (CITT) typically looks at a number of factors, including the physical characteristics of the goods, their market characteristics, and whether the domestic goods fulfill the same customer needs as the subject goods.

⁷ Exhibit 2 - SW Complaint (NC), paras. 53-63

[33] With respect to the definition of like goods, the complainants stated that the like and subject goods in this case are commodity-like products that compete with one another in the Canadian marketplace and are fully or sufficiently interchangeable with respect to key considerations including product quality, technical specifications, characteristics demanded by customers, manufacturing methods, marketing, and channels of distribution. As a result, purchasing decisions are made primarily on the basis of price. The complainants also submit that the domestic industry, as defined in the complaint, produces or has the ability to produce the whole range of steel wire included in the scope of the complaint.

[34] For the purposes of this analysis, like goods consist of domestically produced steel wire described in the product definition.

[35] After considering questions of use, physical characteristics and all other relevant factors, the CBSA is of the opinion that subject goods and like goods constitute only one class of goods.

THE CANADIAN INDUSTRY

DOMESTIC PRODUCERS

[36] Based on the information supplied in the complaint, the complainants identified nine potential domestic producers: Sivaco, AMLPC, Tree Island, Indwisco, Davis Wire, Centennial Wire, Premier Wire, Laurel Steel, and Numesh.

ESTIMATES OF DOMESTIC PRODUCTION

[37] On March 21, 2025, the CBSA sent a Standing RFI to all known potential domestic producers, primarily to identify whether they produce like goods, the amount of like goods produced in Canada, and whether they support, oppose, or are neutral to the complaint.

[38] Using the information supplied in the complaint⁸ and the responses by domestic producers to the CBSA's Standing RFI⁹, the estimated total domestic production of like goods in Canada, in metric tonnes (MT), is as follows:

**Table 1:
Domestic Industry Production (MT)**

	2021	2022	2023	2024
Total Domestic Production	457,800	398,428	350,641	355,783

⁸ Exhibit 1 - SW Complaint (PRO), para. 18

⁹ Response by Indwisco Ltd. to CBSA Standing RFI (PRO); Response by Laurel Steel Inc. to CBSA Standing RFI (PRO); Response by Premier Wire Inc. to CBSA Standing RFI (PRO).

STANDING

[39] Pursuant to subsection 31(2) of SIMA, the following conditions must be met in order for an investigation to be initiated:

- (a) the complaint is supported by domestic producers whose production represents more than 50% of the total production of like goods by those domestic producers who express either support for or opposition to the complaint, and
- (b) the production of the domestic producers who support the complaint represents 25% or more of the total production of like goods by the domestic industry.

[40] Based on an analysis of information provided in the complaint, as well as the information gathered by the CBSA, the CBSA is satisfied that the standing requirements of subsection 31(2) of SIMA have been met.

THE CANADIAN MARKET

[41] The complainants, using Statistics Canada data, estimated the total value of imports of steel wire from all subject countries and all other countries from January 1, 2021 to December 31, 2024.

[42] The CBSA conducted its own independent review of imports of steel wire from the CBSA's Facility Information Retrieval Management (FIRM) database and the CBSA Assessment and Revenue Management (CARM) system using the tariff classification numbers under which the subject goods are imported from the subject countries and all other countries. In addition, the CBSA reviewed its Accelerated Commercial Release Operations Support System (ACROSS) data to correct any errors and remove non-subject imports.

[43] Detailed information regarding the sales from domestic production by each producer cannot be divulged for confidentiality reasons. However, the CBSA has prepared the following tables to show the estimated import share of subject goods in Canada as well as the Canadian market as a whole from January 1, 2024 to December 31, 2024.

Table 2:
CBSA's Estimate of Steel Wire Imports (MT)

	2021		2022		2023		2024	
	MT	%	MT	%	MT	%	MT	%
China	39,453	36.79%	37,508	33.63%	45,399	45.14%	60,089	51.07%
Türkiye	8,848	8.25%	14,146	12.68%	7,151	7.11%	9,901	8.42%
Chinese Taipei	572	0.53%	229	0.21%	1,471	1.46%	716	0.61%
Italy	5,202	4.85%	4,732	4.24%	2,052	2.04%	1,561	1.33%
Malaysia	1,293	1.21%	271	0.24%	856	0.85%	549	0.47%
Portugal	3,226	3.01%	2,704	2.42%	3,292	3.27%	2,094	1.78%
Spain	5,911	5.51%	8,448	7.57%	3,822	3.80%	2,034	1.73%
Thailand	145	0.14%	41	0.04%	140	0.14%	579	0.49%
Vietnam	1,339	1.25%	1,422	1.27%	273	0.27%	118	0.10%
India	1,066	0.99%	3,208	2.88%	916	0.91%	1,323	1.12%
US	15,426	14.39%	17,356	15.56%	21,986	21.86%	22,622	19.23%
Other	24,744	23.08%	21,465	19.25%	13,212	13.14%	16,064	13.65%
Total	107,225	100.00%	111,530	100.00%	100,570	100.00%	117,650	100.00%

Table 3:
CBSA's Estimate of Steel Wire imports (\$CAD)

	2021		2022		2023		2024	
	\$	%	\$	%	\$	%	\$	%
China	59,730,695	28.75%	60,786,838	23.73%	60,172,639	30.64%	74,026,865	35.41%
Türkiye	14,349,329	6.91%	25,714,118	10.04%	10,885,413	5.54%	13,575,605	6.49%
Chinese Taipei	1,054,991	0.51%	552,439	0.22%	3,564,077	1.82%	1,746,252	0.84%
Italy	8,560,669	4.12%	11,286,371	4.41%	4,632,730	2.36%	3,378,422	1.62%
Malaysia	2,114,460	1.02%	550,382	0.21%	1,107,029	0.56%	672,663	0.32%
Portugal	4,324,000	2.08%	4,616,031	1.80%	4,143,578	2.11%	2,465,329	1.18%
Spain	9,845,684	4.74%	18,407,911	7.19%	6,915,657	3.52%	3,092,462	1.48%
Thailand	399,500	0.19%	115,563	0.05%	185,711	0.09%	763,341	0.37%
Vietnam	1,828,751	0.88%	1,220,787	0.48%	469,033	0.24%	273,279	0.13%
India	1,700,081	0.82%	6,397,413	2.50%	1,751,525	0.89%	1,922,316	0.92%
US	45,560,913	21.93%	59,863,907	23.37%	65,893,713	33.56%	65,667,039	31.41%
Other	58,269,597	28.05%	66,678,147	26.03%	36,641,612	18.66%	41,459,804	19.83%
Total	207,738,670	100.00%	256,189,907	100.00%	196,362,717	100.00%	209,043,377	100.00%

[44] The import data generated by the CBSA shows comparable trends to those provided by the complainants in terms of the quantity of imports and relative share of imports of the subject countries in comparison to other countries.

[45] The CBSA will continue to gather and analyze information on the volume of imports during the Period of Investigation (POI) of January 1, 2024 to December 31, 2024 as part of the preliminary phase of the dumping investigation and will refine these estimates.

EVIDENCE OF DUMPING

[46] The complainants alleged that steel wire from the subject countries have been injuriously dumped into Canada. Dumping occurs when the normal value of the goods exceeds the export price to importers in Canada.

[47] Normal values are generally based on the domestic selling price of like goods in the country of export where competitive market conditions exist or as the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits.

[48] The complainants alleged that the steel wire sector in China may not be operating under competitive market conditions and as such, the domestic market for steel wire may not be relied upon for the purpose of determining normal values. Accordingly, the complainants submitted that normal values should be determined under section 20 of SIMA.

[49] The complainants alleged that a PMS exists in the steel wire sector in Türkiye such that the domestic sales of like goods in the country of export do not permit a proper comparison with the sales of the goods to the importer in Canada. The complainants alleged that due to the PMS, normal values for Turkish exporters cannot be determined using domestic selling prices under section 15 of SIMA.

[50] The export price of goods sold to importers in Canada is generally the lesser of the exporter's selling price and the importer's purchase price, less all costs, charges and expenses resulting from the exportation of the goods.

[51] Estimates of normal values and export prices by both the complainants and the CBSA are discussed in the following sections.

SECTION 20 ALLEGATIONS

[52] Section 20 is a provision of SIMA that may be applied to determine the normal value of goods in a dumping investigation where certain conditions prevail in the domestic market of the exporting country. In the case of a prescribed country under paragraph 20(1)(a) of SIMA, it is applied where, in the opinion of the CBSA, the government of that country substantially determines domestic prices and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.¹⁰

[53] The CBSA initiates dumping investigations on the presumption that section 20 is not applicable to the sector under investigation unless there is information that suggests otherwise.

¹⁰ China is a prescribed country under Section 17.1 of the *Special Import Measures Regulations*.

[54] A section 20 inquiry refers to the process whereby the CBSA collects information from various sources in order to form an opinion as to whether the conditions described under subsection 20(1) of SIMA exist with respect to the sector under investigation. Before initiating an inquiry under section 20, the CBSA must first analyze the information submitted in the complaint and the evidence it has gathered independently to determine if it is sufficient to warrant the initiation of an inquiry.

[55] The complainants allege that the conditions described in section 20 of SIMA prevail in the steel wire sector in China. That is, the complainants allege that this industry sector in China does not operate under competitive market conditions and consequently, the domestic prices of steel wire established in China, would not be reliable for determining normal values.

[56] The complainants provided a variety of evidence to support the claim that the GOC substantially determines domestic prices of steel wire and that the prices are substantially different than they would be in a competitive market. Specifically, the complainants cited specific policies implemented by the GOC and provided evidence of state-ownership, subsidization, and government measures that may impact the cost of production in the long products steel sector.

[57] The CBSA has reviewed the information provided in the complaint and conducted its own research. Based on this information, the CBSA believes that there is reasonable evidence to support an inquiry into the allegations that the measures taken by the GOC substantially influence prices in the long products steel sector in China, and that the prices are substantially different than they would be in a competitive market.

[58] Consequently, on April 22, 2025, the CBSA included in its investigation, a section 20 inquiry in order to determine whether the conditions set forth in paragraph 20(1)(a) of SIMA prevail in the long products steel sector in China.

[59] As part of this section 20 inquiry, the CBSA sent section 20 RFIs to all potential producers and exporters of steel wire in China, as well as to the GOC, requesting detailed information related to the long products steel sector in China.

[60] In cases where conditions of section 20 exist, pursuant to paragraph 20(1)(c), the normal value can be determined based on profitable selling prices or full costs of production and an amount for profit on goods sold domestically in a surrogate country, to which the conditions described in section 20 of SIMA are not applicable.

[61] For the purposes of obtaining information necessary to calculate normal values pursuant to subparagraph 20(1)(c) of SIMA, the CBSA requested information from producers in other subject countries as potential surrogate countries.

[62] In the event that the CBSA does not receive sufficient information from producers and exporters of subject goods in the subject countries for the purposes of determining normal values pursuant to section 20, the CBSA may identify other surrogate countries at a later date.

[63] Importers will be requested to provide information on sales of like goods produced in the surrogate countries, in the event that normal values must be determined under paragraph 20(1)(d) of SIMA.

[64] In the event that the CBSA forms an opinion that domestic prices of steel wire in China are substantially determined by the government, and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be if they were determined in a competitive market, the normal values of the goods under investigation will be determined, pursuant to paragraph 20(1)(c) of SIMA, where such information is available, on the basis of the domestic selling prices or the aggregate of the cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits of like goods sold by producers in any country designated by the CBSA and adjusted for price comparability; or, pursuant to paragraph 20(1)(d) of SIMA, where such information is available, on the basis of the selling price in Canada of like goods produced and imported from any country designated by the CBSA and adjusted for price comparability.

[65] For the purposes of initiation, the CBSA has made a conservative estimate of China's margin of dumping and therefore did not utilize the section 20 methodology.

PARTICULAR MARKET SITUATION ALLEGATIONS

[66] In accordance with paragraph 16(2)(c) of SIMA, and for purposes of determining normal values under section 15 of SIMA, the CBSA will not consider any sales of like goods for use in the country of export that, in the opinion of the CBSA, do not permit a proper comparison with the sale of the goods to the importer in Canada due to the existence of a particular market situation (PMS). The normal value of those goods will be determined under section 19 of SIMA, where possible, or section 29 of SIMA.

[67] Where the CBSA forms the opinions that a PMS does not allow for a proper comparison with like goods pursuant to section 15 of SIMA and that a PMS also impacts the cost of an input, for the purposes of constructing normal values pursuant to paragraph 19(b) of SIMA, the CBSA will not take into consideration the acquisition price of an input that does not allow a proper comparison as it does not reasonably reflect the actual costs of that input due to a PMS. The input costs will be determined in accordance with subsection 11.2(2) of SIMR, to be the amounts that reasonably reflects the actual cost of the input in the country of export to permit a proper comparison.

[68] Subsection 16(2.1) of SIMA provides that, for the purposes of paragraph 16(2)(c), a PMS may be found to exist in respect of any goods of a particular exporter or of a particular country, as appropriate in the circumstances.

[69] The information available to the CBSA demonstrates that a PMS may exist with respect to Türkiye for the following reasons: government regulations such as price floors, price ceilings, production quotas, import and export controls and evidence of distorted input costs.

[70] Evidence indicates that several ministries in Türkiye are required, pursuant to Presidential Decree, to provide price ceilings at which they will purchase inputs, including steel wire, for large infrastructure projects.¹¹

[71] By placing a price ceiling on certain products, producers may not be able to sell steel wire domestically to a large purchaser (the government) at a market rate and will be forced to settle for prices which are less than they would be able to obtain elsewhere. Further, a large purchaser of a product may have an impact on the purchase prices of other purchasers in the same market as selling prices will reach an equilibrium as purchasers and sellers will attempt to maximize profit.

[72] Evidence also indicates that due to restrictions by several countries on exports from Russia, wire rod, the principal input in steel wire, is entering Türkiye at a reduced price.¹² A pricing analysis shows that wire rod selling prices in Türkiye and Southern Europe, as well as between Türkiye and Northern Europe, were previously heavily correlated, but since the Russian invasion of Ukraine that this is no longer the case.¹³

[73] Despite a recent Turkish safeguard measure concerning wire rod from Russia that came into force in June of 2024, midway through the POI, many Turkish producers are still able to purchase Russian wire rod without the duties because of Türkiye's Inward Processing Regime, where these duties are refunded if the finished steel wire is subsequently exported.¹⁴

[74] The evidence also shows that the particular market situation has a differentiated impact on the domestic selling prices in Türkiye versus the selling prices to Canada. The ceiling prices set by Turkish ministries would only have an impact on Turkish domestic sales as no such ceiling prices exist for the steel wire sold to Canada.

[75] Further, several countries have sanctions not only on Russian made goods, but on goods made from Russian inputs. This means that steel wire made from cheap Russian wire rod is more likely to be sold domestically, while steel wire for export is more likely to be made from wire rod from other sources.¹⁵ Conversely, with the introduction of safeguard measures on wire rod, wire rod from Russia now faces duties when they are imported. But these duties can be avoided through Türkiye's Inward Processing Regime if the Russian wire rod is used in exported steel wire.¹⁶

¹¹ Exhibit 2 - SW Complaint (NC), Public Attachment B-59, Public Attachment B-60, Public Attachment B-61, Public Attachment B-62, Public Attachment B-63, Public Attachment B-64, Public Attachment B-65, and Public Attachment B-66, Public Attachment B-68, and Public Attachment B-69

¹² Exhibit 1 - SW Complaint (PRO), Confidential Attachment B-39 and Exhibit 2 - SW Complaint (NC), Public Attachment B-40.

¹³ Exhibit 2 - SW Complaint (NC), Annex B, paras. 128-134

¹⁴ Exhibit 2 - SW Complaint (NC), Public Attachment B-40, Public Attachment B-49, Public Attachment B-50, and Public Attachment B-51, Public Attachment B-52 and Public Attachment B-53

¹⁵ Exhibit 2 - SW Complaint (NC), Annex B, para. 123

¹⁶ Exhibit 2 - SW Complaint (NC), Annex B, para. 125

[76] On the basis of the above, the CBSA has sent out RFIs to all relevant parties to obtain information and conduct a detailed analysis as to whether a PMS exists in Türkiye for steel wire. Further, the CBSA has made a conservative estimate of Türkiye's margin of dumping at initiation and therefore did not utilize the PMS methodology for this purpose, including for the substitution of input costs.

NORMAL VALUE

Complainants' Estimates of Normal Value

[77] To ensure that the estimated dumping margins incorporated a reasonable product mix and were representative of the overall range of subject imports during the POI, the complainants identified six key benchmark products and calculated normal values for these products. The complainants took into consideration the share of imports for the identified benchmark products, as well as product-specific costs and price differences. Based on these considerations, the complainants identified the following benchmark products (BMP):¹⁷

- BMP 1: carbon steel, uncoated (i.e., "bright wire"), low carbon ("LC")
- BMP 2: carbon steel, uncoated (i.e., "bright wire"), medium/high carbon ("MC/HC")
- BMP 3: carbon steel, PVC coated
- BMP 4: carbon steel, other coated, LC
- BMP 5: carbon steel, other coated, MC/HC
- BMP 6: alloy steel

Section 15

[78] The complainants stated that, in general, the sales price for steel wire in the domestic markets of the subject countries was not publicly available due to the business proprietary nature of the data. Nevertheless, the complainants attempted to gather publicly available marketing materials from certain countries but determined that the pricing information was unreliable, as prices were published as either "minimum" or reference prices only; not for a given point in time or outside the period of investigation; and not product specific or for a range of wire products. For Türkiye, the complainants argued that the pricing information could not be used because they are set by the GOT and are not determined under competitive conditions.¹⁸

[79] As such, the complainants did not include estimates of normal values pursuant to section 15 of SIMA for the subject countries.

¹⁷ Exhibit 2 - SW Complaint (NC), para. 71-78.

¹⁸ Exhibit 2 - SW Complaint (NC), para. 83-87.

Section 19(b)

[80] The complainants estimated normal values using a constructed cost approach based on the methodology in paragraph 19(b) of SIMA for all of the subject countries. The calculations were based on the aggregate of estimates of the cost of production of the subject goods, a reasonable amount for administrative selling and all other costs and a reasonable amount for profits.

Complainants' Estimate of Cost of Production

[81] As detailed information regarding producers' costs of production of the subject goods was not available, the complainants estimated the cost of production in subject countries using:

- The complainants' weighted average raw material costs of wire rod adjusted to reflect the differences between wire rod costs in Canada and each of the subject countries, based on international wire rod prices available from MEPS International and Developing Markets Steel Review ("MEPS").¹⁹ Where adjustment factors were not available for a particular country (Thailand, Malaysia, Vietnam and Portugal), the complainants used regional prices (East Asian region and EU region) instead.
- The complainants' weighted average direct labour costs adjusted to reflect the difference between manufacturing wages in Canada and each of the subject countries, based on earnings information obtained from the International Labour Organization ("ILO") and the Government of Chinese Taipei.²⁰
- The complainants' weighted average factory overhead costs adjusted to reflect the differences between manufacturing costs in Canada and each of the subject countries.²¹ Labour-related overhead amounts were adjusted using the above labour adjustment ratio.

SG&A, Financial Expenses and Amount for Profit

[82] In order to estimate a reasonable amount for administrative, selling and other costs, and a reasonable amount for profits for the subject goods from the subject countries, the complainants relied on the publicly available financial results of companies located in the subject countries or where that information was not available, in the same regions as the subject countries, as discussed below. Using this information, the complainants estimated a reasonable amount for selling, general, administrative expenses (SG&A); financial expenses; and profits as a percentage of the costs of production for the POI.

¹⁹ Exhibit 2 - SW Complaint (NC), para.91-95.

²⁰ Exhibit 2 - SW Complaint (NC), para. 96.

²¹ Exhibit 2 - SW Complaint (NC), para. 97.

China

[83] The complainants relied on the financial statements of three companies who were reported to be profitable, namely, Baosteel, Shougang Group and Shagang Group, to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from China.²² The amounts are summarized below:

Table 4:
SG&A, Financial Expenses and Profit Percentages in China

	12-month Average
SG&A	3.16%
Financial Expenses	0.58%
Profit	3.94%

Chinese Taipei

[84] The complainants relied on the financial statements of Quintain Steel (“Quintain”) and New Best Wire (“NBW”) to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from Chinese Taipei.²³ The amounts are summarized below:

Table 5:
SG&A, Financial Expenses and Profit Percentages in Chinese Taipei

	12-month Average
SG&A	13.59%
Financial Expenses	1.25%
Profit	8.95%

²² Exhibit 2 - SW Complaint (NC), para. 99.

²³ Exhibit 2 - SW Complaint (NC), para. 109-110.

India

[85] The complainants relied on the financial statements for Tata Steel’s subsidiary, Indian Steel & Wire Products Limited (“ISWP”); and Bharat Wire Ropes (“BWR”), to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from India.²⁴ The amounts are summarized below:

Table 6:
SG&A, Financial Expenses and Profit Percentages in India

	12-month Average
SG&A	26.98%
Financial Expenses	2.04%
Profit	24.04%

Italy, Portugal and Spain (European Union (EU))

[86] The complainants relied on financial statements for Alpifer Srl (“Alpifer”), a subsidiary of the Feralpi Group (“Feralpi”) located in Italy. In the case of Spain and Portugal, the complainants were unable to find publicly available financial information for steel wire producers in each respective country.²⁵

[87] As such, the complainants used the financial information published by Voestalpine Wire Technology (“Voestalpine Wire”) to supplement Alpifer’s information to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from Italy, Portugal and Spain. Voestalpine Wire produces steel wire in Italy, Australia and Germany and has sales in the EU.²⁶ The amounts are summarized below:

Table 7:
SG&A, Financial Expenses and Profit Percentages in Italy, Spain and Portugal

	12-month Average
SG&A	21.13%
Financial Expenses	1.33%
Profit	2.81%

²⁴ Exhibit 2 - SW Complaint (NC), para. 111.

²⁵ Exhibit 2 - SW Complaint (NC), para. 106.

²⁶ Exhibit 2 - SW Complaint (NC), para. 107.

Malaysia

[88] The complainants relied on financial statements of BRC Prefab Holdings Sdn Bhd (“BRC”) and Engtex Metals Sdn Bhd (“Engtex”), to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from Malaysia.²⁷ The amounts are summarized below:

Table 8:
SG&A, Financial Expenses and Profit Percentages in Malaysia

	12-month Average
SG&A	5.34%
Financial Expenses	1.80%
Profit	4.97%

Thailand and Vietnam (Southeast Asia)

[89] The complainants used combined information from Siam Industrial Wires Co., Ltd. in Thailand and Hoa Phat in Vietnam with the companies in Malaysia to estimate a Southeast Asian rate to ensure representativeness to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from Thailand and Vietnam.²⁸ The amounts are summarized below:

Table 9:
SG&A, Financial Expenses and Profit Percentages in Thailand and Vietnam

	12-month Average
SG&A	5.97%
Financial Expenses	0.98%
Profit	6.38%

²⁷ Exhibit 2 - SW Complaint (NC), para. 100.

²⁸ Exhibit 2 - SW Complaint (NC), para. 101 and 103.

Türkiye

[90] The complainants relied on the financial statements of BMS Birlesik Metal Sanayi Ve Ticaret (“BMS”) and Çelik Halat (“Çelik”) to estimate a reasonable amount for SG&A, financial expenses and profits for the subject goods from Türkiye.²⁹ The amounts are summarized below:

Table 10:
SG&A, Financial Expenses and Profit Percentages in Türkiye

	12-month Average
SG&A	5.97%
Financial Expenses	0.98%
Profit	6.38%

[91] Based on the above methodology, the complainants estimated normal values for the benchmark products identified for each of the subject countries on a quarterly basis.

Section 20

[92] The complainants submitted that domestic selling prices of steel wire in China are substantially influenced by government policies and should not be used in the calculation of normal values since the prices are not reflective of competitive market conditions. As a result, the complainants also estimated normal values for exporters in China using the methodology of section 20 based on surrogate country information.

[93] The complainants submit that Italy would be an appropriate surrogate country as Italy has a large economy and a similar level of economic development to China; the similar economy size translates into comparable levels of household consumption; and, both Italy and China have well-developed and significant production of steel wire.

[94] As such, the complainants also estimated section 20 surrogate normal values for subject goods from China, calculated using a methodology similar to the one described in section 19(b) of SIMA for Italy above.³⁰

Particular Market Situation

[95] The complainants submitted that there is a reasonable indication that a PMS exists in the steel wire sector in Türkiye, which does not permit a proper comparison with the sale of the goods to the importer in Canada, pursuant to paragraph 16(2)(c) of the SIMA and that Turkish exporters’ input costs are distorted and should be adjusted pursuant to subsection 11.2(2) of the SIMR.

²⁹ Exhibit 2 - SW Complaint (NC), para. 105.

³⁰ Exhibit 2 - SW Complaint (NC), para. 112-116.

[96] As such, the complainants also calculated normal values with substituted input prices using 2024 MEPS-reported Italian wire rod prices. It should be noted that the Italian wire rod prices were considered conservative because Italy reported the lowest wire rod prices of all the European wire rod prices in 2024.³¹

CBSA's Estimate of Normal Value

[97] The CBSA reviewed the complainants' information pertaining to marketing materials obtained from producers in subject countries and agree with the complainants assessment of the unreliability of the pricing information. As indicated by the complainants, the prices as published were either "minimum" or reference prices; did not specify a period in which the prices were effective; covered a general range of products or were not determined under competitive market conditions. As such, the pricing information could not be used to estimate normal values under section 15. Further, the CBSA conducted its own research and could not obtain domestic selling price of steel wire in the subject countries. Therefore the CBSA is unable to estimate normal values following the methodology described in section 15 of SIMA.

[98] With respect to the complainants' allegations that the conditions of section 20 prevail in the steel wire sector in China, the CBSA will endeavor to gather additional information from exporters, the GOC, and other relevant sources in order to enable the CBSA to form an opinion as to whether the conditions of section 20 exist in the long products steel sector in China.

[99] Similarly, with respect to the complainants' allegations that a PMS exists in the steel wire sector in Türkiye, the CBSA will endeavor to gather additional information from exporters, the GOT, and other relevant sources in order to enable the CBSA to determine whether a PMS exist in the domestic steel wire in Türkiye.

[100] Therefore the CBSA finds the methodology of section 19 to be a conservative and reasonable basis for estimating normal values at this stage.

[101] As such, for purposes of the initiation, the CBSA estimated normal values using a constructed cost approach based on the methodology in paragraph 19(b) of SIMA, calculated based on the aggregate of estimates of the cost of production of the subject goods, a reasonable amount for administrative selling and other costs and a reasonable amount for profits for all subject countries.

[102] In general, the CBSA reviewed the complainants' methodology for estimating normal values under section 19 and found that the approach was reasonable, but made the following adjustments.

³¹ Exhibit 2 - SW Complaint (NC), para. 117-118.

[103] To estimate a reasonable amount for administrative, selling and other costs for the subject goods and amount for profits from Chinese Taipei, the CBSA used the 2022 income statements for Quintain Steel (“Quintain”) and the 2023 income statements for New Best Wire (“NBW”). Quintain reported a loss in 2023 and this information could not be used for the purpose of estimating an amount for profits.

[104] The revised amounts are summarized below:

Table 11:
SG&A, Financial Expenses and Profit Percentages in Chinese Taipei

	12-month Average
SG&A	13.77%
Financial Expenses	0.96%
Profit	8.95%

[105] The CBSA conducted research to collect financial statements of other companies in the subject countries but were unable to identify producers of steel wire in those countries with publically available financial statements. As such, the CBSA accepted the information provided by the complainants.

[106] Based on the above methodology, the CBSA estimated normal values for the benchmark products identified by the complainants for each of the subject countries on a quarterly basis.

EXPORT PRICE

Complainants’ Estimates of Export Price

[107] The export price of goods sold to an importer in Canada is generally determined in accordance with section 24 of SIMA as the lesser of the exporter’s sale price for the goods and the price at which the importer has purchased or agreed to purchase the goods adjusted by deducting all costs, charges, expenses, and duties and taxes resulting from the exportation of the goods.

[108] The complainants estimated export prices based on data from Statistics Canada for the benchmark products, described above. The complainants used an average unit value (“AUV”) of imports of benchmark products from a given subject country to estimate the export price on a quarterly basis.

[109] In calculating the export price, the complainants made certain adjustments to the Statistics Canada data based on market intelligence.

CBSA's Estimates of Export Price

[110] In order to estimate export prices, the CBSA relied on information available through FIRM, CARM and ACROSS for the period of January 1, 2024 to December 31, 2024. The CBSA reviewed customs data for goods imported within the tariff classification numbers in which steel wire are imported under.

ESTIMATED MARGINS OF DUMPING

[111] For the purposes of the initiation of the investigation, as previously mentioned, the CBSA has estimated margin of dumping using normal values based on the methodology of section 19 of SIMA for all subject countries.

[112] Based on the normal values estimated under section 19, the CBSA estimated the margin of dumping for subject goods from the subject countries by comparing the estimated normal values with the estimated export prices for the period of January 1, 2024 to December 31, 2024. The CBSA estimates that subject goods from subject countries were dumped in the range of 5.1% to 68.0%, expressed as a percentage of the export price, as follows:

Table 12:
CBSA Estimated Margins of Dumping

Country	Margin of Dumping
China	6.5%
Chinese Taipei	6.8%
India	33.6%
Italy	40.8%
Malaysia	18.6%
Portugal	68.0%
Spain	50.7%
Thailand	25.4%
Türkiye	19.4%
Vietnam	5.1%

EVIDENCE OF INJURY

[113] The complainants alleged that the subject goods have been dumped and that the dumping has caused and is threatening to cause material injury to the steel wire industry in Canada.

[114] SIMA refers to material injury caused to the domestic producers of like goods in Canada. The CBSA has concluded that steel wire produced by the domestic industry are like goods to the subject goods from the subject countries.

[115] Given concerns with respect to the confidentiality of the information of the domestic producers, the CBSA is limited in its ability to discuss certain information contained in the complaint.

[116] In support of their allegations, the complainants provided evidence of:

- Increase in volume of subject goods imports and lost market share;
- Price undercutting;
- Price depression and price suppression;
- Adverse impact on industry market share, sales volumes, production, and capacity utilization;
- Adverse impact on financial performance and profitability;
- Adverse impact on employment; and
- Adverse impact on investment and ability to raise capital.³²

INCREASE IN VOLUME OF SUBJECT GOOD IMPORTS AND LOST MARKET SHARE

[117] The complainants alleged that the volume of subject imports increased 18% between 2021 and 2024, directly contributing to their lost market share. The absolute increase over the last two years was even more significant. Between 2023 and 2024, subject imports increased from 65,371 MT to 78,965 MT, or 21%. To support its allegation, the complainants provided estimates of imports and domestic volume of sales during the period from 2021 to 2024 based on the complainants' own data and estimates of other Canadian producers' data.³³

[118] The complainants stated that between 2021 and 2024 subject imports increased significantly relative to domestic industry sales from domestic production, from 53.1% to 75%, an increase of 21.9 percentage points (p.p.).³⁴

[119] The CBSA's analysis of import data supports the allegation of an increase in the import volume of the allegedly dumped goods from 2021 to 2024. Based on the CBSA's estimate of imports, the total volume of imports from the subject countries increased by 17.8%. At the same time, imports of steel wire from all other countries decreased by 35.1%.

³² Exhibit 2 - SW Complaint (NC), paras. 127 - 179

³³ Exhibit 2 - SW Complaint (NC), paras. 127-130

³⁴ Exhibit 2 - SW Complaint (NC), para. 129

[120] Based on the CBSA's estimates and analysis of import volumes, the CBSA finds that the increased volume of subject goods and lost market share of the domestic producers are sufficiently supported and linked to the allegedly dumped goods.

PRICE UNDERCUTTING

[121] The complainants stated that the allegedly dumped goods have captured market share at the expense of the domestic industry by undercutting the prices of the domestic producers. According to the complainants, even with the import prices that are inclusive of ocean freight and other transportation costs incurred to ship the goods to Canada, steel wire from the subject countries are still priced below the prices offered by the Canadian producers.³⁵

[122] The evidence of price undercutting provided by the complainants compares the average unit value of the subject goods as calculated based on Statistics Canada data, for the period of 2021 to 2024, against the complainants' prices during the same period. The result of this comparison demonstrates significant and steady undercutting from the subject goods on both an individual and cumulated basis.

[123] The complainants submitted that between 2021 and 2024, the average unit value of subject imports reaches the lowest level at \$1,291 per MT in 2024.³⁶ In addition to the evidence discussed above, the complainants provided account-specific examples of price undercutting by subject goods well below that of the complainants' prices. The complainants summarized numerous instances where their selling prices were undercut by pricing on imports from the subject countries, resulting in their lost sales, price reductions or pricing pressure from their customers.

[124] The CBSA examined the complainants' allegations of price undercutting by comparing the complainants' weighted average price per MT for steel wire to the CBSA's estimated unit import prices for subject goods during the period of 2021 to 2024. The average prices calculated by the CBSA reveal a similar trend to that described by the complainants. From 2021 to 2024, the average price of subject goods has been significantly less than complainants' average unit selling price.

[125] Based on the CBSA's analysis of the information contained in the complaint, the CBSA finds the claim of price undercutting to be supported and sufficiently linked to the allegedly dumped goods.

³⁵ Exhibit 2 - SW Complaint (NC), para. 135

³⁶ Exhibit 2 - SW Complaint (NC), para. 138

PRICE DEPRESSION AND PRICE SUPPRESSION

[126] The complainants submitted that the price undercutting discussed above has resulted in price depression and price suppression between 2021 and 2024. While the complaint shows that the domestic industry's weighted average selling prices increased between 2021 and 2022, the complainants stated that they were forced to begin lowering prices in 2023, despite an increase in costs, when imports of subject goods increased significantly in the Canadian market.³⁷

[127] To support the allegations of price depression, the complainants provided average domestic industry pricing from 2022 to 2024. The complainants emphasized that this price depression occurred while the import volumes of subject goods and their market share were significantly increasing. During the same period, the prices of subject goods were lower than the average prices of domestically produced steel wire. The complainants alleged that this was the cause of the resulting price depression to their domestic sales of steel wire.³⁸

[128] To support the allegations of price suppression, the complainants provided information which suggests that although the industry was able to increase prices between 2021 and 2022, these price increases between 2021 and 2022 barely kept up with increasing costs at that time, with the domestic industry's cost of goods sold (COGS) to net sales ratio decreasing slightly from 2021 to 2022, resulting in a decline in the industry's gross margin results. The complainants submitted that the price suppression became critically acute in 2024, with the COGS to net sales ratio increasing to an unsustainable rate.³⁹

[129] To further support the allegations of price depression and price suppression, the complainants provided specific evidence of instances where they were forced to reduce prices in response to pricing pressure by their customers in light of lower available prices on imports of subject goods.⁴⁰

[130] Based on the information contained in the complaint, as well as the CBSA's analysis, the CBSA finds the claims of price depression and price suppression to be well supported and sufficiently linked to the allegedly dumped goods.

ADVERSE IMPACT ON INDUSTRY MARKET SHARE, SALES VOLUMES, PRODUCTION, AND CAPACITY UTILIZATION

[131] The complainants alleged that the increase in subject import volume and market share described above has directly led to the domestic industry's decreased market share, sales volumes, production output, and capacity utilization.

³⁷ Exhibit 2 - SW Complaint (NC), para. 142.

³⁸ Exhibit 2 - SW Complaint (NC), para. 145

³⁹ Exhibit 2 - SW Complaint (NC), para. 147

⁴⁰ Exhibit 2 - SW Complaint (NC), para. 146

[132] With respect to the domestic industry's market share, the complainants demonstrated that subject imports grew from 28.7% to 31.6% before further increasing market share again in 2024 to 35.4%. The complainants pointed out that this market share growth corresponds with the decrease in the market share of the domestic industry from 54.1% in 2021 to 51.4% in 2023, and then a further decrease to 47.2% in 2024.⁴¹

[133] The complainants emphasized that the domestic industry also lost significant sales volumes since 2021, which was consistent with the decrease of the domestic industry's market share. The complainants pointed to the fact that the domestic industry sold 126,271 MT of wire in Canada in 2021. In 2022, the domestic industry sales had decreased to 111,984 MT. And by 2023, the domestic industry's sales volumes had fallen to 106,181 MT, before continuing to fall to 105,220 MT in 2024, the lowest level during the four years between 2021 and 2024. The complainants argue that Canadian market demand also declined over this period, but only by a lesser extent of 4.5%. At the same time, subject imports grew from 67,054 MT in 2021 to 78,965 MT in 2024, fuelling the increase in total imports during the same period, meaning that subject imports increased while the domestic industry's sales decreased.⁴²

[134] The complaint includes data with respect to the capacity utilization and production volumes of the domestic producers of steel wire. This information suggests a worsening trend in regards to capacity utilization and excess production capacity. The complainants stressed that their declining capacity utilization rates and increasing excess production capacity occurred during the same timeframe that the volume of imports of subject goods significantly increased.

[135] Based on the CBSA's analysis of information concerning the market share, consolidated sales, production and capacity utilization of the domestic producers, as well as the CBSA's estimate of imports and market share, the CBSA finds the complainants' claim of an adverse impact on industry market share, sales volumes, production volumes, and capacity utilization, to be reasonable and well supported. As such, the CBSA is of the opinion that this injury factor is sufficiently supported and linked to the allegedly dumped goods.

ADVERSE IMPACT ON FINANCIAL PERFORMANCE AND PROFITABILITY

[136] The complaint alleges that the dumped goods have had an adverse impact on the financial performance and profitability of the domestic industry. To support this allegation, the complainants and a supporting domestic producer provided their consolidated financial results on domestic sales from 2021 to 2024.

⁴¹ Exhibit 2 - SW Complaint (NC), para. 151

⁴² Exhibit 2 - SW Complaint (NC), para. 152

[137] The complainants and a supporting domestic producer demonstrated that their financial results declined as they lost market share and sales volume, and were forced to begin lowering prices when imports of subject goods increased in the Canadian market between 2021 and 2024. The complaint demonstrated significant reductions in both gross margin and net income from 2021 to 2024.⁴³

[138] The CBSA has reviewed the financial information contained in the complaint and finds that there is a trend of a deteriorating financial situation, thereby supporting the complainants' allegations of adverse impact on financial performance and reduced profitability. The CBSA finds that the injury factor is sufficiently supported and reasonably linked to the alleged dumped goods.

ADVERSE IMPACT ON EMPLOYMENT

[139] The complainants submitted that the loss of sales volume and revenue due to increased subject goods from subject countries have adversely affected employment levels across the domestic industry. In support of this allegation, the complainants provided information concerning employment levels.⁴⁴

[140] The CBSA has analyzed the information provided in the complaint and found a reduction in employment from 2021 to 2024.

[141] The available evidence supports the complainants' claim of an adverse effect on employment. The CBSA finds that this injury factor is sufficiently supported and reasonably linked to the allegedly dumped goods.

ADVERSE IMPACT ON INVESTMENT AND ABILITY TO RAISE CAPITAL

[142] The complainants alleged that the injurious impact of the dumped goods is demonstrated by an actual or potential decline in the return on investments, as well as actual or potential negative effects on the ability to raise capital.

[143] The complainants and a supporting domestic producer have provided confidential information to support this allegation.⁴⁵

[144] After reviewing the information provided in the complaint, and in consideration of the presence of the other injury factors discussed above, the CBSA finds that this injury factor is sufficiently supported and linked to the allegedly dumped goods.

⁴³ Exhibit 2 - SW Complaint (NC), paras. 161 - 165

⁴⁴ Exhibit 2 - SW Complaint (NC), paras. 167 - 170

⁴⁵ Exhibit 2 - SW Complaint (NC), paras. 172 - 176

CBSA'S CONCLUSION - INJURY

[145] Overall, based on the evidence provided in the complaint, and supplementary data available to the CBSA through its own research, the CBSA finds that the evidence discloses a reasonable indication that the dumping of the subject goods from the subject countries have caused injury to the steel wire industry in Canada in the form of:

- Increase in volume of subject good imports and lost market share;
- Price undercutting;
- Price depression and price suppression;
- Adverse impact on industry market share, sales volumes, production, and capacity utilization;
- Adverse impact on financial performance and profitability;
- Adverse impact on employment; and
- Adverse impact on investment and ability to raise capital.

THREAT OF INJURY

[146] The complainants alleged that the dumped goods threaten to cause further material injury to the domestic producers of steel wire. The complainants provided the following information to support the allegations that imports of subject goods threaten to cause further injury to the Canadian industry.

INTERNATIONAL MARKET CONDITIONS ARE LIKELY TO RESULT IN INCREASED EXPORTS TO CANADA

[147] According to the complainants, international market conditions make it likely that the subject countries, collectively and individually, will export even larger volumes of steel wire to Canada at low prices over the next 12 to 24 months. To support this allegation, the complainants include data with respect to a number of market conditions which, according to the complainants, will make Canada an attractive market for the continued export of subject goods. These conditions include:

1. Global Macroeconomic Conditions;
2. Global Excess Capacity Continues to Distort Steel Markets; and
3. Subject Imports Face Challenging Conditions in Key Markets.⁴⁶

⁴⁶ Exhibit 2 - SW Complaint (NC), paras. 183 - 188

[148] The complainants provided evidence that International Monetary Fund (IMF) has downgraded the economic outlook for emerging markets, developing economies and EU, and projects global growth will slow over the next five years and remain mediocre compared to the pre-pandemic average. Consequently, the complainants stated that producers in subject countries are likely to experience an increasing imperative to export to available markets over the next 12 to 24 months as the domestic and international markets experience a contraction in demand.⁴⁷

[149] The complainants also provided evidence that the global economy faces an accelerating excess steel capacity crisis, which remains one of the biggest challenges for the steel industry. Excess capacity encourages low-priced exports of overproduction at dumped prices, which creates a disruptive impact on steel markets around the world. The complainants highlighted that China's excessive steel capacity creates a domino effect whereby producers in the subject countries turn to other markets to sell their steel products.⁴⁸

[150] Lastly, the complainants provided evidence and extensive information with respect to the growing challenges that subject exporters face in key markets such as the United States (US) and the EU. The complainants stated that producers of subject goods who had otherwise sold into the EU market are now required to seek out other markets, such as Canada, to maintain production levels that are in decline due to difficult demand conditions in the EU.⁴⁹

[151] The CBSA finds that certain international market conditions outlined in the complaint reasonably support the allegation that producers and exporters of steel wire may view Canada as an attractive market for future exports. The CBSA recognizes that uncertainty in the global steel markets and, in parallel, excess steel capacity are having a negative effect on steel wire demand and pricing, causing both to decline in recent years. The CBSA finds that this could lead to increased competition in the global markets, incentivizing exporters to dump subject goods to Canada in the future and threatens to further injure the Canadian domestic industry.

SUBJECT COUNTRY MARKET CONDITIONS WILL ENCOURAGE EVEN GREATER EXPORTS TO CANADA

[152] The complaint includes information with respect to market conditions in each subject country and notes that these conditions may encourage greater exports of subject goods to Canada.

⁴⁷ Exhibit 2 - SW Complaint (NC), paras. 182 -183

⁴⁸ Exhibit 2 - SW Complaint (NC), paras. 184 -187

⁴⁹ Exhibit 2 - SW Complaint (NC), paras. 194 -198

China

1. China's General Economic Crisis

[153] The complainants cited a 2023 CNN report which states that the Chinese economy is in the midst of a crisis that may take China years to recover from, particularly given that for over a decade, a major portion of China's economic growth has relied upon quick infrastructure and real estate development financed through credit. The complainants also referred to an IMF article which argues that the crisis in the Chinese property market has spilled over to multiple areas of the Chinese economy and has slowed China's current and projected growth out to 2025. Lastly, the complainants cited a 2024 BHP report that China's construction sector has historically been the country's largest demander of steel. However, as China's real estate market has suffered, its dominance has diminished, contributing to China's decreasing domestic steel demand. Between 2010 to 2023, the demand for steel from China's construction industry was estimated to fall from 42% of total demand to 24%. This shift resulted in 37 million MT less steel demanded by Chinese construction over the same period. As such, wire demand in China is likely to remain suppressed over at least the medium term.⁵⁰

2. China's Increasing Export Orientation

[154] The complainants referred to an article from Bloomberg which states that Chinese steel manufacturers' reliance on exports in the face of declining domestic demand is likely to grow imminently. The article also reports that only 5% of Chinese steel producers were profitable in 2024 as the industry was hit by weak demand, significant drop in steel prices, and reduced profitability.⁵¹

⁵⁰ Exhibit 2 - SW Complaint (NC), paras. 199-200 and 205-206

⁵¹ Exhibit 2 - SW Complaint (NC), paras. 207-209

[155] The complainants provided data in the table below that shows the consecutively increase of Chinese wire exports since 2012. The complainants argued that the trend is likely to continue as China continues to experience difficulties in its domestic market.

Table 13:
Chinese Exports under HS Code 7217 and 7229 (MT)⁵²

Year	Sum of MT
2012	1,741,701
2013	1,778,981
2014	2,090,538
2015	2,216,246
2016	1,640,679
2017	1,967,995
2018	N/A
2019	1,977,452
2019	1,977,452
2020	1,958,683
2021	1,890,787
2022	1,931,243
2023	2,345,523
Total	21,539,827

3. China's Immense Production Capacity

[156] The complainants referred to a report from the OECD that states that China maintains the largest total steel production capacity by far of any country in the world and China's steel production capacity accounts for approximately 47% of the global production capacity. The complainants argued that because of the size of China's production capacity, it is clear that even small percentage increases in Chinese wire capacity utilization from a small number of Chinese wire producers may correspond to increased production volumes on an absolute basis that is larger than the entire Canadian market for wire.⁵³

⁵² Exhibit 2 - SW Complaint (NC)

⁵³ Exhibit 2 - SW Complaint (NC), paras. 210 and 215-216

Chinese Taipei

1. Chinese Taipei Economic Conditions

[157] The complainants cited Asian Development Bank (ADB), which reports that the GDP of Chinese Taipei grew by just 1.3% from 2022 to 2023, compared to 2.6% achieved from 2021 to 2022 and 6.6% from 2020 to 2021. While the ADB expects that Chinese Taipei will grow by 4.0% in 2024, the ADB also expects this growth to be short-lived, as it forecasts the GDP growth to slow again to 2.5% in 2025. In this regard, the ADB explained that “private consumption will continue to slow and exports are expected to slacken somewhat, due to modest growth in China and global trade disruptions”.⁵⁴

2. The Chinese Taipei’s Industry has Significant Excessive Capacity and is Predisposed to Export

[158] The complainants analyzed publicly available information pertaining to seven companies from Chinese Taipei and were able to estimate a combined annual capacity of over 1 million MT of steel wire. In comparison, the entire Canadian market is estimated to be 222,872 MT in 2024.⁵⁵

[159] The complainants argued that Chinese Taipei’s wire industry is structurally predisposed to export given its massive capacity. While Chinese Taipei’s wire industry has a massive production capacity, the market conditions in the region are deteriorating. As such, the complainants argued that Chinese Taipei’s wire industry is likely to suffer from significant and growing excess capacity in the foreseeable future.⁵⁶

India

1. India Economic Conditions

[160] The complainants referred to an IMF article that the Indian economy’s growth is projected to moderate in the near-term and India’s 2024 GDP growth is projected to be 6.5% in 2024 and to remain at this level over 2025. This stands in contrast to its 2023 growth rate of 8.2%. This slowdown reflects India’s return to a more normal rate of growth as pent-up demand during the pandemic is exhausted. Between April and November 2024, China exported 1.96 million MT of steel to India, representing a 22.8% increase year-on-year. Remarkably, this increase made India, the world’s second largest producer of steel, a net importer.⁵⁷

⁵⁴ Exhibit 2 - SW Complaint (NC), paras. 217 – 218

⁵⁵ Exhibit 2 - SW Complaint (NC), paras. 220-221

⁵⁶ Exhibit - SW Complaint (NC), para. 222

⁵⁷ Exhibit 2 - SW Complaint (NC), paras. 223-224

2. India's Wire Industry has immense Excess Capacity and is Export Oriented

[161] The complainants illustrated that according to the Steel Wire Manufacturer's Association of India, in 2012, the total wire production capacity in India was 2.60 million MT per annum with an average annual capacity utilization of 70.0% or 1.82 million MT. In other words, India's excess capacity alone in 2012 was approximately 3.5 times larger than the entire Canadian market in 2024. The complainants emphasized that given that the Indian wire industry has massive excess capacity well above the entire apparent Canadian market, is increasing its production capacity, is export oriented, and has established distribution networks in Canada, it is all but certain that India will look to increase its exports to Canada in the future absent any anti-dumping duties.⁵⁸

Italy

1. Italy's Economic Conditions and Steel Market Conditions

[162] According to a report regarding economic forecast for Italy from the European Commission, the complainants pointed to the fact that Italian annual GDP growth is expected to improve from 0.7% in 2024 to 1.0% and 1.2% in 2025 and 2026 respectively, largely driven by an increase in investments and consumption, and by falling imports. Furthermore, other variables, including inflation, unemployment and government deficit are anticipated to maintain a downward trajectory over the same period.⁵⁹

[163] With regard to the steel market, Italy remains the second largest producer in Europe and 11th largest in the world. The complaint provides data regarding the annual domestic demand for steel long products in Italy and demonstrates that demand is expected to remain low through 2027.⁶⁰

2. The Italian Industry has Significant Excess Capacity

[164] The complainants included information regarding the capacity, production, excess capacity and utilization. The complainants have reviewed publicly available information pertaining to the capacity of the Italian wire industry and estimate its total wire capacity to be at least 435,400 MT based on figures published by Italian steel wire manufacturers.⁶¹ The complainants stressed that given the very low utilization rates for Italian long product producers, the "intensifying" stagnation in this market, and low margins, Italian wire producers will likely look to export markets such as Canada to sell of their excess production.⁶²

⁵⁸ Exhibit 2 - SW Complaint (NC), paras. 226-234

⁵⁹ Exhibit 2 - SW Complaint (NC), para. 235

⁶⁰ Exhibit 2 - SW Complaint (NC), paras. 237-238

⁶¹ Exhibit 2 - SW Complaint (NC), paras. 247

⁶² Exhibit 2 - SW Complaint (NC), para. 248

3. The Italian Wire Industry is Export Dependent

[165] The complainants demonstrated that Italian steel exports to Canada have increased since 2022 while exports to the US have declined. In the first three quarters of 2024, total exports to Canada have already outpaced export volumes in the entire year of 2023 by 22% and double that of 2022. Furthermore, in 2024, the demand for Italian steel in Canada surpassed that of the US by 3,829 MT or 41.0%, despite the fact that the Canadian market is considerably smaller than that of the US.⁶³

Table 14:
Italian Long Products Capacity and Production⁶⁴

	2022	2023	2024(Q1-Q3)
Total Exports (MT)	1,215,320	1,453,458	949,394
US	22,957	31,328	9,419
Canada	7,196	10,852	13,428

[166] With regards to steel wire specifically, the complainants stated that while exports to Canada decreased from 2021 to 2023, they grew by 1.1% in January-September 2024 compared to the same period in 2023. This increase occurred while Italy's total steel wire exports fell by 5.0 %, indicating an increased reliance on the Canadian market in 2024⁶⁵

Table 15:
Italian Wire Exports (MT)⁶⁶

	2021	2022	2023	2023(Q1-Q3)	2024(Q1-Q3)
Total Exports (MT)	923,477	984,287	868,348	649,628	616,015
Canada	8,238	6,972	4,253	3,287	3,323

⁶³ Exhibit 2 - SW Complaint (NC), para. 251

⁶⁴ Table 31 - SW Complaint (NC)

⁶⁵ Exhibit 2 - SW Complaint (NC), para. 252

⁶⁶ Table 32 - SW Complaint (NC)

Malaysia

1. Malaysia's Economic Conditions

[167] The complainants cited the IMF, which reports that Malaysia's GDP grew by 8.9% from 2021 to 2022, which more than halved to just 3.6% in 2023. The GDP growth in 2024 appears to have rebounded somewhat to 4.8%, but it is forecast to slowdown again to 4.4% in 2025 and to just 4% by 2029 based on the IMF's October 2024 World Economic Outlook.⁶⁷ The complainants mention some economic challenges that Malaysia is facing, including but not limited to: an economic slowdown in China (an important export market for Malaysia), a significant decrease of Chinese tourists to Malaysia, deteriorating trade flows and commodity prices, a decline in Chinese Foreign Direct Investment and impact of excess capacity from China in the iron and steel sector.⁶⁸

2. The Malaysian Industry has Significant Excess Capacity

[168] The complainants included a significant volume of information pertaining to the capacity of the Malaysian wire industry and three Malaysian producers' capacities. The complainants stated that the three Malaysian producers alone have a capacity of 306,000 MT per year, and excess capacity of 156,780 MT. Given that the Canadian market is estimated to be 222,872 MT in 2024, the complainants argue that the three Malaysian wire companies identified alone have freely disposable capacity to fulfil over 70% of the entire Canadian market.⁶⁹

3. The Malaysian Wire Industry is Export Dependent

[169] The complainants noted that Malaysia is a significant steel producer with an annual capacity of 16.1 million MT as of 2021, which puts it as the third largest in the Southeast Asia behind only Vietnam and Indonesia. By comparison, the total apparent steel consumption in Malaysia stood at just 7.9 million MT in 2023, meaning that Malaysian steel industry's capacity is more than double the size of its entire domestic demand. The complainants claim that the Malaysian steel industry recorded a utilization rate of just 39.1% during 2024, even as its exports have grown by 14.5% to 8.2 million MT. The complainants stressed that the Malaysian wire industry has been affected by weak domestic demand and fierce import competition. SSB, a major Malaysian wire producer, explained that its operations have been affected by "structural overcapacity, cheap imports and the absence of large infrastructure projects". Between 2021 and 2023, the average export value of wire exports to some of the major markets for Malaysia decreased significantly, creating an imperative for Malaysian companies to increase exports.⁷⁰

⁶⁷ Exhibit 2 - SW Complaint (NC), Public Attachment INT-01

⁶⁸ Exhibit 2 - SW Complaint (NC), para. 257

⁶⁹ SW Complaint (NC), paras. 259-260

⁷⁰ Exhibit 2 - SW Complaint (NC), paras. 263-265

Portugal

[170] The complaint includes a significant volume of information related to the economic conditions in Portugal. The factors stated by the complainants include excess steel wire production capacity due to low utilization rates, an expected decrease in demand for steel wire particularly in neighbouring countries, and an expected increase in exports due to the export orientation of steel producers in Portugal. The complainants argue that although steel wire exports to Canada in 2024 were down, there is precedent for viewing Canada as an alternative for the European market. When Portugal reduced its exports to Europe in 2023, it increased its exports to Canada by 26% compared to the previous year.⁷¹

Spain

1. Spanish Economic Conditions

[171] The complainants referred to the IMF, which reported and forecasted that Spain's GDP growth will decline in the coming years: dropping from 3.1% in 2024 to 2.3% in 2025 and just 1.8% in 2026. The compounding factors of slow economic growth, high inflation, and institutional challenges, constrain Spain's potential demand for manufactured products and means that its economy increasingly relies on exports to absorb excess production.⁷²

2. Spain's Excess Capacity and Protection

[172] The complainants stated that Spanish wire producers exist within the larger and highly competitive steel market, with Spain's total steel capacity sitting at 19.44 million MT per year in 2023. Despite this large capacity, Spain's utilization rate was just 58 % in 2023.⁷³

[173] The complainants provided data in the table below and argue that Spain has significant excess steel available within its market, with 8.8 to 11.3 million MT available for export markets in 2021-2023.

⁷¹ Exhibit 2 - SW Complaint (NC), para. 280

⁷² Exhibit 2 - SW Complaint (NC), paras. 281 and 284

⁷³ SW Complaint (NC), paras. 281 and 287

Table 16:
Excess Available Steel Within Spain’s Domestic Market⁷⁴

Million MT	2021	2022	2023
Total Steel Available in the Spanish Market	24.3	21.4	21.5
Steel Production in Spain	14.2	11.36	11.4
Steel Imports in Spain	10.1	9.8	10.1
Total Steel Consumption	13.0	12.5	12.7
Total Excess Steel	11.3	8.9	8.8

3. Spanish Dependence on Exports in its Steel Wire Industry

[174] The complainants noted that despite Spain’s substantial and increasing production, its domestic demand for steel wire cannot sustain this level of output. The principal downstream markets for wire are the agricultural, industrial, construction and automotive sectors. These sectors all face challenges to maintaining a viable source of domestic demand for Spanish wire producers.⁷⁵

[175] The complainants also submitted data collected by Anadolu Agency and Reuters, which showed that considering the increased competition with Chinese automobile imports, it is unlikely that Spanish automakers will be able to sustain demand through their auto industry for the domestically produced steel wire. The market share of Chinese EVs has “ballooned” in recent years, with Chinese-made EVs up from below 2% in 2020 to 14% in Q2 2024. Non-electric Chinese-made vehicles are seeing similar exponential growth, moving from 3.5% in 2020 to 27.2% in Q2 2024. These Chinese imports especially affected Spain, where more than half of the country’s EV imports came from China.⁷⁶

⁷⁴ Table 39 - SW Complaint (NC)

⁷⁵ Exhibit 2 - SW Complaint (NC), Public Attachment 6-01

⁷⁶ Exhibit 2 - SW Complaint (NC), para. 295

[176] The complainants argued that given that Spain faces decreasing domestic demand in steel wire's downstream industries, Spanish steel wire producers are likely to increasingly rely on exports to sustain their steel and steel wire production. Spain will need to shift its exports once again to sustain its level of production, and Canada is a likely target given its established distribution channels. Spain's propensity to flood markets with which it has connections is shown through its exponential increase of exports to Portugal, Italy, and the United Kingdom in 2024. This is of particular concern for Canada because, from 2021 to August 2024, Canada was in Spain's top ten steel wire export markets, representing 1% to 4% of its total steel wire exports each year. With Spain's steel wire producers shifting export markets, it is likely that Canada would see an increasing volume of low-priced steel wire imports from Spain and therefore threatens the domestic industry with injury.⁷⁷

Thailand

[177] The complaint includes a significant volume of information related to the economic conditions in Thailand. The factors stated by the complainants include a slower GDP growth rate compared to other Southeast Asian countries, excess steel wire capacity, reduced demand for steel wire in downstream industries (primarily construction and automotive sector), the flood of Chinese exports into the Thailand market and the likelihood of increased export volumes due to decreased demand.⁷⁸

Türkiye

1. General Economic and Steel Market Conditions in Türkiye Encourage Turkish Wire Producers to Seek Export Markets

[178] The complainants emphasized that Türkiye suffers from persistently weak domestic demand owing to factors such as extreme inflation, weaker than expected construction demand, as well as market distortions caused by low-priced imported steel products. As a result, Turkish wire producers have acknowledged the challenging market and the subsequent need to cultivate export markets to mitigate the effect of depressed home market conditions. Given this, if left undisciplined, the complainants alleged that Turkish producers will likely seek out increased exports to Canada at whatever price point they can obtain.⁷⁹

⁷⁷ Exhibit 2 - SW Complaint (NC), paras. 298 - 230

⁷⁸ Exhibit 2 - SW Complaint (NC), paras. 304-305

⁷⁹ Exhibit 2 - SW Complaint (NC), para. 315

[179] The complainants referred to the IMF, which confirms that consumer prices increased precipitously by 72.3% in 2022, and another 64.8% in 2023.⁸⁰ Wire-specific demand drivers, such as construction, follow these same poor macroeconomic trends. A tightening credit environment and higher costs have weakened demand in Türkiye's construction sector, causing a fall in new building licenses and completion permits in the residential segment. To address the ongoing inflation, the Turkish government has announced austerity measures through cuts to public spending, including a reduction of US\$3.1 billion in spending and a pause on the construction of new public buildings. This further slows down the Turkish construction sector that was already struggling. Based on the building permit data noted above, the complainants point to the fact that the construction sector is doing poorly despite the recent earthquake and suggest that reconstruction efforts will not be a demand driver for wire going forward.⁸¹

[180] The complainants further stated that consumer sentiment in Türkiye is also likely to translate into weak demand for wire. Most recently, in November 2024, the country's Central Bank reported that domestic demand was slowing. The complainants provided context that shows, in September 2024, private consumption in Türkiye was at its lowest levels since the worst of the pandemic, growing at only 1.6 % in 2024 year-over-year, while investment barely increased 0.5 % year-over-year.⁸²

[181] The complainants noted that Türkiye has been struggling in recent years to maintain its share of export markets, with cheap steel produced by countries such as China making inroads on its traditional markets in the EU. Türkiye's exports to the EU have fallen from 7.5 million MT a decade ago to just 2.5 million MT. For all the above reasons, the complainants argue that dumped subject goods from Türkiye will continue to find the Canadian market a particularly attractive market if dumping is left unchecked.⁸³

2. Turkish Wire Producers Have Significant Capacity and Are Export-Oriented

[182] The complainants provided data in the table below and stated that based on the publicly available production capacities of only seven wire producers, at a minimum, the steel industry in Türkiye has wire production capacity of approximately 1,192,000 MT, or over 5.3 times the Canadian market based on 2024 data.⁸⁴

⁸⁰ Exhibit 2 - SW Complaint (NC), Public Attachment INT-05

⁸¹ Exhibit 2 - SW Complaint (NC), paras. 317-318

⁸² Exhibit 2 - SW Complaint (NC), para. 319

⁸³ Exhibit 2 - SW Complaint (NC), paras. 320-322

⁸⁴ Exhibit 2 - SW Complaint (NC), para. 323

Table 17:
Production Capacity of Wire Producers in Türkiye⁸⁵

Entity Name	Wire Production Capacity (in MT)
BMS Steel	120,000
Bimeks Tel	35,000
Cag Celik Inc.	500,000
Celik Halat	70,000
Ersa Tel	50,000
Dogusan Metal	30,000
Gunnes Wire	25,000
Ozyasar Tel	257,000
Temel Tel	60,000
Yilmar Steel	45,000
Total	1,192,000

[183] The complainants provided an estimation of the capacity utilization for BMS Steel, the largest steel wire producer in Türkiye. In this estimate, the complainants stated that BMS Steel has produced 33,257 MT of steel wire in the first nine months of 2024 (i.e., estimated at 44,343 MT when annualized). Based on its production capacity of 120,000 MT as provided in its marketing materials, this translates to a capacity utilization of only 37.0%.⁸⁶ The complainants provided evidence that leading Turkish steel producers have shown interest in the Canadian market and believe that there is no doubt that unfairly priced Turkish wire will continue to infiltrate the Canadian market if left undisciplined. For example, in December 2023, a Turkish newspaper published an “import request” for galvanized wire from Canada that will “excite exporters.” The original request linked to the published article seeks an ongoing relationship (i.e., 2-3 containers per month) with exporters carrying galvanized steel wire with the following specifications: 3.55 mm diameter, 500 kg coils.⁸⁷ The complainants stress that Turkish wire producers who are already export-oriented and have shown an interest in the Canadian market, will seek to export to Canada, an attractive market for dumped subject goods from Türkiye.

⁸⁵ Table 43 - SW Complaint (NC)

⁸⁶ Exhibit 2 - SW Complaint (NC), para. 324

⁸⁷ Exhibit 2 - SW Complaint (NC), paras. 326-327

Vietnam

1. Vietnam's Economic Conditions

[184] The complainants referred to the IMF, which projects Vietnamese GDP to stabilize at a historically low level, growing by 6.1% in 2024 and 2025, before tailing off to 5.6% by 2029. The complainants also cite Professor Ohno of Japan's GRIPS Policy Research Institute, which notes that the Vietnamese economy is heavily dependent on foreign direct investment and natural resources, both of which present constraints on its long-term growth potential. In the meantime, shortages of skilled workforce and lagging productivity is dragging down the country's growth.⁸⁸ The complainants further states that the slowdown and the future uncertainties arising from geopolitical changes are also affecting the Vietnamese steel industry. In 2023, Vietnam's apparent finished steel consumption decreased to approximately 22-23 million MT, a drop of 8% from 2022.⁸⁹

2. The Vietnamese Industry has Significant Excess Capacity

[185] The complainants provided evidence that the Vietnamese domestic industry had its capacity utilization "hit the bottom at 65.6%" in 2022, after decreasing by 11% from 2019. Specifically, the Vietnamese domestic industry's production output, as well as domestic sales, fell in 2022. As such, its domestic sales profit "fell sharply" in 2022, causing Vietnamese producers, including Hoa Phat, to cut its workforce, suspend operations, and shut down blast furnaces. Applying the 65.6% capacity utilization figure to the annual capacity of 147,000 MT for just three companies whose capacity is known—Hoa Phat, Dusco Vina and HD Steel—the complainants estimated that this capacity utilization rate translates into excess capacity of 50,568 MT, representing over 23.0% of the estimated total apparent Canadian market in 2024.⁹⁰

3. The Vietnamese Wire Industry is Export Dependent

[186] The complainants provided evidence that Vietnamese wire producers are specifically targeting export markets. The complainants cited the "Export Policy" from the website of Hoa Phat, the leading Vietnamese steel and wire producer, that illustrates having "conquered 14 countries around the world including many new markets such as... Canada... which have increased many orders". The complainants stated that Vietnam's steel exports, including of steel wire, will continue to increase. Indeed, as recently as in January 2025, Hoa Phat reported expecting more international orders in the coming months.⁹¹

⁸⁸ Exhibit 2 - SW Complaint (NC), paras. 329-330

⁸⁹ Exhibit 2 - SW Complaint (NC), paras. 329-331

⁹⁰ Exhibit 2 - SW Complaint (NC), para. 334

⁹¹ Exhibit 2 - SW Complaint (NC), paras. 336-338

[187] The CBSA has reviewed the complainants' arguments regarding the market conditions of the subject countries and found them to be reasonable and well supported. The CBSA found that the factors related to steel wire conditions in each country to be reasonable, particularly excess capacity and softening demand, which could become an incentive for the subject countries to increase exports to Canada.

CANADA REMAINS AN ATTRACTIVE MARKET FOR DUMPED SUBJECT GOODS

[188] The complainants submitted that Canada will remain an attractive market for dumped subject goods over the next 24 months due to a number of factors, including: a forecast to register higher growth than nearly all comparable G7 economies over the next 24 months, strong economic performance relative to other developed countries, the rate of increase of subject imports, increased uncertainties created by the threat of tariffs in the US, the interest rate cuts that the Bank of Canada has been making recently in order to spur the economy, stable non-residential construction industry, and a resilient GDP growth expected in 2025. The complainants also provided data that compares domestic selling price per MT in Canada and other major markets, which place the Canadian pricing level at or near the top of the major wire importing countries.⁹²

**Table 18:
Wire Prices in North America vs. Other Markets⁹³**

	2023 (\$CAD per MT)
Average unit import value into the US	1,614
Average unit import value into Japan	1,614
Average unit import value into France	1,368
Average unit import value into Australia	985
Average unit import value into the Philippines	741

[189] The CBSA believes these allegations to be too general to be a threat of injury to the domestic steel wire market. However, a review of the CBSA's estimates of imports and export prices does suggest a trend of increasing imports of subject goods to Canada at prices well below those offered by the domestic producers. Further, when paired with the information provided in the complaint which suggests that there are growth opportunities in the steel wire market in Canada, the CBSA acknowledges the likelihood that Canada may remain an attractive market for dumped subject goods.

⁹² Exhibit 2 - SW Complaint (NC), paras. 339-345

⁹³ Table 44 - SW Complaint (NC)

LIKELIHOOD OF SUBSTANTIALLY INCREASED SUBJECT IMPORTS INTO CANADA

[190] The complainants alleged that the estimated market share of subject imports grew from 28.7% in 2021 to nearly 35.4% by 2024, a significant increase of 6.7%. While the volume of subject imports decreased a bit in 2023 as the overall market declined, subject imports still maintained an elevated level of market share of 31.6%, which grew in 2024 to 35.4%, the highest point during the period between 2021 and 2024. (i.e., meaning that the increase in the volume of subject imports outpaced the total market increase).⁹⁴

[191] The complainants provided information in the table below regarding the trade measures that subject countries are currently facing. The complainants emphasized that these trade measures, in addition to the more general steel trade restrictions in force in the US, Mexico, and the EU mean fewer opportunities for subject country producers to increase throughput, increasing the likelihood of additional exports to Canada if left unprotected.⁹⁵

Table 19:
Trade Measures Against Subject Countries in Other Jurisdictions
Concerning Wire and Similar Products⁹⁶

Country	Subject Country Affected	Product	Measure
Ukraine	China	Wires	AD
Japan	China	Galvanized Wire	AD
European Union	China	Molybdenum Wires	AD
New Zealand	China	Galvanised Wire	AD
Türkiye	China	Core Wire of base metal	AD
Morocco	Türkiye	Galvanized wire	AD
New Zealand	Malaysia	Galvanized wire	AD
United States	China, World	Wire provided for in heading 7217 or 7229	Section 232 Section 301

⁹⁴ Exhibit 2 - SW Complaint (NC), paras. 346-348

⁹⁵ Exhibit 2 - SW Complaint (NC), para. 350

⁹⁶ Table 45 - SW Complaint (NC)

[192] The complainants argue that absent anti-dumping protection, it is all but certain that producers from the subject countries—who have an imperative to continue exporting vast volumes of subject goods—will continue to target the Canadian market over the next 24 months as they have during the period of review and will be increasingly be incentivised to export to Canada as their domestic demand declines.⁹⁷

[193] The CBSA finds this allegation reasonable and well supported. The trend of increased volume of imports of subject goods could lead to further increases.

SUBJECT IMPORTS ARE LIKELY TO CAUSE SIGNIFICANT ADVERSE PRICE EFFECTS

[194] The complainants reiterated that subject imports have caused significant adverse price effects since 2021, including price undercutting, price depression, and price suppression. The complainants then provided evidence of subject goods prices undercutting the domestic industry prices from 2021 to 2024. The complainants stressed that uncertain Canadian market conditions, coupled with foreign producers' excess capacity and deteriorating foreign market conditions, among other things, are likely to yield increased volumes of subject imports to Canada.⁹⁸ The complainants alleged that this price gap will continue to depress prices of the Canadian producers if a finding is not imposed.

[195] The CBSA finds this allegation reasonable and well supported. The difference in price between the like goods and subject goods, and given steel wire's commodity nature, could cause injury to the domestic producers through reduced market share of domestic products and price suppression.

LIKELY IMPACT OF SUBJECT GOODS ON THE DOMESTIC INDUSTRY

[196] The complainants alleged that the price effects of the subject imports include: reduced industry sales and production volumes, lower market share and capacity utilization, and significantly reduced industry profitability. The complainants argued that all indications are that these adverse impacts are likely to continue and to grow as subject import volumes increase, threatening to cause further injury to the domestic industry and putting the sustainability of the domestic industry and current employment levels at risk.⁹⁹

⁹⁷ Exhibit 2 - SW Complaint (NC), para. 354

⁹⁸ Exhibit 2 - SW Complaint (NC), paras. 355 - 360

⁹⁹ Exhibit 2 - SW Complaint (NC), para. 361

[197] The complainants reiterated that the domestic industry lost 6.9% of market share from 2021 to 2024, falling from 54.1% in 2021 to 47.2% in interim 2024. Conversely, subject imports gained 6.7 p.p. of market share during the same period at the direct expense of the domestic industry. Further, the domestic industry lost market share during the time when the total estimated apparent Canadian market declined from 233,495 MT in 2021 to 206,750 MT in 2023, i.e., domestic industry suffered from an even more significant decline in sales volumes since 2021 than the market, and these losses translated into lower production volumes and capacity utilization. In 2021, the domestic industry sold 126,271 MT compared to 106,181 MT sold in 2023, a loss of more than 20,000 MT. The domestic industry's sales decreased yet again to 105,220 MT in 2024, even as the total estimated apparent Canadian market during this time increased to 222,872 MT.¹⁰⁰

[198] As discussed in the respective sections, the CBSA finds the complainants' allegations that the subject imports have adversely impacted the domestic industry to be reasonable and well supported. Specifically, the CBSA finds that the complainants have provided sufficient evidence to reasonably link the allegations of reduced sales and production volumes, lost sales, decline in market share and capacity utilization, and reduced industry profitability, to the allegedly dumped goods. Further, the CBSA finds that the continued presence of the allegedly dumped goods threaten to cause further injury to the domestic industry.

CBSA'S CONCLUSION - THREAT OF INJURY

[199] The complaint contains evidence that discloses a reasonable indication that there is a threat of injury to the steel wire industry in Canada. The information provided by the complainants indicates that the following factors are collectively posing a threat to the Canadian industry:

- International market conditions are likely to result in increased exports to Canada;
- Subject country market conditions will encourage even greater exports to Canada;
- Canada remains an attractive market for dumped subject goods;
- Likelihood of substantially increased subject imports into Canada;
- Subject imports are likely to cause significant adverse price effects; and
- Likely impact of subject goods on the domestic industry.

CAUSAL LINK - DUMPING AND INJURY/THREAT OF INJURY

[200] The CBSA finds that the complainants have sufficiently linked the injury to the alleged dumping of the subject goods imported into Canada. This injury includes increase in volume of subject good imports and lost market share, price undercutting, price depression and price suppression, adverse impact on industry market share, sales volumes, production, and capacity utilization, adverse impact on financial performance and profitability, adverse impact on employment, adverse impact on investment and ability to raise capital.

¹⁰⁰ Exhibit 2 - SW Complaint (NC), para. 362-363

[201] The complainants submit that the continued dumping from subject countries threatens to cause further injury to the Canadian domestic industry in the future. As discussed above, the CBSA is of the opinion that this allegation of threat of injury is reasonably supported.

[202] In summary, the CBSA is of the opinion that the information provided in the complaint has disclosed a reasonable indication that the alleged dumping has caused injury and is threatening to cause injury to the Canadian domestic industry.

SCOPE OF THE INVESTIGATION

[203] The CBSA is conducting an investigation to determine whether the subject goods have been dumped.

[204] The CBSA has requested information from all potential exporters and importers to determine whether or not subject goods imported into Canada during the POI of January 1, 2024 to December 31, 2024 were dumped. The information requested will be used to determine the normal values, export prices and margins of dumping, if any. The CBSA also requested information from the GOC with respect to the possibility that the conditions of section 20 of SIMA exist in the long products steel sector in China. As well, the CBSA requested information from the GOT with respect to the possibility that a particular market situation exists with regard to steel wire in Türkiye.

[205] All parties have been clearly advised of the CBSA's information requirements and the time frames for providing their responses.

FUTURE ACTION

[206] The CITT will conduct a preliminary inquiry to determine whether the evidence discloses a reasonable indication that the alleged dumping of the goods has caused or is threatening to cause injury to the Canadian industry. The CITT must make its decision on or before the 60th day after the date of the initiation of the investigation. If the CITT concludes that the evidence does not disclose a reasonable indication of injury to the Canadian industry, the investigation will be terminated.

[207] If the CITT finds that the evidence discloses a reasonable indication of injury to the Canadian industry and the CBSA's preliminary investigation reveals that the goods have been dumped, the CBSA will make a preliminary determination of within 90 days after the date of the initiation of the investigation, by July 21, 2025. Where circumstances warrant, this period may be extended to 135 days from the date of the initiation of the investigation.

[208] Under section 35 of SIMA, if, at any time before making a preliminary determination, the CBSA is satisfied that the volume of goods of a country is negligible, the investigation will be terminated with respect to goods of that country.

[209] Imports of subject goods released by the CBSA on and after the date of a preliminary determination of dumping, other than goods of the same description as goods in respect of which a determination was made that the margin of dumping of the goods is insignificant, may be subject to provisional duty in an amount not greater than the estimated margin of dumping on the imported goods.

[210] Should the CBSA make a preliminary determination of dumping, the investigation will be continued for the purpose of making a final decision within 90 days after the date of the preliminary determination.

[211] After the preliminary determination, if, in respect of goods of a particular exporter, the CBSA's investigation reveals that imports of the subject goods from that exporter have not been dumped, or that the margin of dumping is insignificant, the investigation will be terminated in respect of those goods.

[212] If a final determination of dumping is made, the CITT will continue its inquiry and hold public hearings into the question of material injury to the Canadian industry. The CITT is required to make a finding with respect to the goods to which the final determination of dumping apply, not later than 120 days after the CBSA's preliminary determination.

[213] In the event of an injury finding by the CITT, imports of subject goods released by the CBSA after that date will be subject to anti-dumping duty equal to the applicable margin of dumping on the imported goods.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

[214] When the CITT conducts an inquiry concerning injury to the Canadian industry, it may consider if dumped goods that were imported close to or after the initiation of the investigation constitute massive importations over a relatively short period of time and have caused injury to the Canadian industry.

[215] Should the CITT issue such a finding, anti-dumping duties may be imposed retroactively on subject goods imported into Canada and released by the CBSA during the period of 90 days preceding the day of the CBSA making preliminary determination of dumping.

UNDERTAKINGS

[216] After a preliminary determination of dumping by the CBSA, other than a preliminary determination in which a determination was made that the margin of dumping of the goods is insignificant, an exporter may submit a written undertaking to revise selling prices to Canada so that the margin of dumping or the injury caused by the dumping is eliminated.

[217] An acceptable undertaking must account for all or substantially all of the exports to Canada of the dumped goods. Interested parties may provide comments regarding the acceptability of undertakings within nine days of the receipt of an undertaking by the CBSA. The CBSA will maintain a list of parties who wish to be notified should an undertaking proposal be received. Those who are interested in being notified should provide their name, telephone number, mailing address and email address to the email identified in the “Contact us” section of this document.

[218] If an undertaking were to be accepted, the investigation and the collection of provisional duties would be suspended. Notwithstanding the acceptance of an undertaking, an exporter may request that the CBSA’s investigation be completed and that the CITT complete its injury inquiry.

PUBLICATION

[219] Notice of the initiation of this investigation is being published in the Canada Gazette pursuant to subparagraph 34(1)(a)(ii) of SIMA.

CONTACT US

[220] Interested parties are invited to file written submissions presenting facts, arguments, and evidence that they feel are relevant to the alleged dumping. Written submissions should be forwarded to the attention of the SIMA Registry and Disclosure Unit.

[221] To be given consideration in this investigation, all information should be received by the CBSA by August 29, 2025 at noon.

[222] Any information submitted to the CBSA by interested parties concerning this investigation is considered to be public information unless clearly marked “confidential”. Where the submission by an interested party is confidential, a non-confidential version of the submission must be provided at the same time. This non-confidential version will be made available to other interested parties upon request.

[223] Confidential information submitted to the CBSA will be disclosed on written request to independent counsel for parties to these proceedings, subject to conditions to protect the confidentiality of the information. Confidential information may also be released to the CITT, any court in Canada, or a WTO or Canada-United States-Mexico Agreement (CUSMA) dispute settlement panel. Additional information respecting the CBSA’s policy on the disclosure of information under SIMA may be obtained by contacting the SIMA Registry and Disclosure Unit identified below or by visiting the CBSA’s website.

[224] The schedule of the investigation and a complete listing of all exhibits and information are available at: www.cbsa-asfc.gc.ca/sima-lmsi/i-e/menu-eng.html. The exhibit listing will be updated as new exhibits and information are made available.

[225] This *Statement of Reasons* is available through the CBSA's website at the address below. For further information, please contact the SIMA Registry and Disclosure Unit as follows:

Email: simaregistry-depotlmsi@cbsa-asfc.gc.ca

Website: www.cbsa-asfc.gc.ca/sima-lmsi



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A/Executive Director
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