



Canadian International  
Trade Tribunal

Tribunal canadien du  
commerce extérieur

CANADIAN  
INTERNATIONAL  
TRADE TRIBUNAL

# Dumping and Subsidizing

## ORDER AND REASONS

Expiry No. LE-2004-008

Certain Stainless Steel Round Bar

*Order issued  
Tuesday, January 18, 2005*

*Reasons issued  
Wednesday, February 2, 2005*

**TABLE OF CONTENTS**

ORDER.....i

STATEMENT OF REASONS .....1

    BACKGROUND.....1

    ANALYSIS.....1

    CONCLUSION.....3

IN THE MATTER OF a notice of expiry, pursuant to subsection 76.03(2) of the *Special Import Measures Act*, of the finding made by the Canadian International Trade Tribunal on October 27, 2000, in Inquiry No. NQ-2000-002, concerning:

**CERTAIN STAINLESS STEEL ROUND BAR ORIGINATING IN OR  
EXPORTED FROM BRAZIL AND INDIA**

**ORDER**

On November 29, 2004, the Canadian International Trade Tribunal issued a notice of expiry seeking submissions on whether the October 27, 2000, finding should be reviewed. An expiry review was requested. The Canadian International Trade Tribunal is not satisfied that an expiry review is warranted and, pursuant to subsection 76.03(5) of the *Special Import Measures Act*, has therefore decided not to initiate an expiry review.

James A. Ogilvy  
James A. Ogilvy  
Presiding Member

Patricia M. Close  
Patricia M. Close  
Member

Meriel V. M. Bradford  
Meriel V. M. Bradford  
Member

Hélène Nadeau  
Hélène Nadeau  
Secretary

The statement of reasons will be issued within 15 days.

## STATEMENT OF REASONS

### BACKGROUND

1. On November 29, 2004, the Canadian International Trade Tribunal (the Tribunal) gave notice that its finding made on October 27, 2000, in Inquiry No. NQ-2000-002 concerning the dumping in Canada of stainless steel round bar of sizes 25 mm in diameter up to 570 mm in diameter inclusive, excluding stainless steel round bar made to specifications ASN-A3380, ASN-A3294 and 410QDT (oil quenched), i.e. grade 410 quenched and double-tempered with an oil quenching medium, originating in or exported from Brazil, and the subsidizing of stainless steel round bar of sizes 25 mm in diameter up to 570 mm in diameter inclusive, excluding stainless steel round bar made to specifications ASN-A3380, ASN-A3294 and 410QDT (oil quenched), i.e. grade 410 quenched and double-tempered with an oil quenching medium, originating in or exported from Brazil and India (the finding), was scheduled to expire on October 26, 2005.

2. Persons or governments requesting or opposing the initiation of an expiry review were invited to file submissions containing information, opinions and arguments on all relevant factors, including: the likelihood of continued or resumed dumping and subsidizing of the goods; the likely volume and price ranges of dumped and subsidized imports if dumping and subsidizing were to continue or resume; the domestic industry's recent performance, including trends in production, sales, market share and profits; the likelihood of injury to the domestic industry if the finding were allowed to expire, having regard to anticipated effects of a continuation or resumption of dumped imports and subsidized imports on the industry's future performance; any other developments affecting, or likely to affect, the performance of the domestic industry; changes in circumstances, domestically or internationally, including changes in the supply of or demand for the goods, and changes in trends in, and sources of, imports into Canada; and any other matter that is relevant.<sup>1</sup>

3. At the time of the original 2000 inquiry, there was one domestic producer, Atlas Specialty Steels, Inc. (Atlas), of Welland, Ontario, whose production of stainless steel round bar constituted 100 percent of domestic production. Four foreign producers, all from India, were identified: Viraj Impoexpo Limited, of Mumbai; Ferro Alloys Corporation Limited, of Nagpur; Panchmahal Steel Limited (Panchmahal), of the state of Gujarat; and Venus Wire Industries Limited, also of Mumbai.

4. By December 22, 2004, the Tribunal had received three submissions in response to the notice of expiry: Unalloy-IWRC (Unalloy), of Brampton, Ontario, requested an expiry review; and Jyoti Steel Industries (Jyoti), of Mumbai, and the Engineering Export Promotion Council of India opposed the initiation of a review. Given that there were opposing views, the Tribunal invited these entities to respond to each other's submissions by January 6, 2005. The Tribunal received replies from Unalloy and Jyoti.

### ANALYSIS

5. For the Tribunal to initiate an expiry review, the person requesting the review must satisfy the Tribunal that a review is warranted.<sup>2</sup> Only Unalloy, which identified itself as "the mill support centre" for Atlas, requested an expiry review. The Tribunal did not hear directly from Atlas. Where the Tribunal does not hear directly from the domestic industry, it is reluctant to initiate an expiry review. In this instance, Atlas

---

1. These factors are prescribed by rule 73.2 of the *Canadian International Trade Tribunal Rules*, S.O.R./91-499.

2. Subsection 76.03(4) of the *Special Import Measures Act*.

had not produced the subject goods since at least the beginning of 2004. Moreover, the Tribunal has no information to indicate that any other company has commenced or will commence production of stainless steel round bar in Canada.

6. Furthermore, Unalloy did not address, in full or in part, several of the factors identified, which the Tribunal takes into account when deciding whether an expiry review is warranted.

7. With respect to the likelihood of continued or resumed dumping and subsidizing, Unalloy asserted that the “removal of the anti-dumping and countervailing duties would very quickly bring back the unfair trade practices seen prior to [their] implementation.” It cited the volume of imports that have continued to enter the United States from India under what the United States terms “New Shipper Status” and asserted that, in light of the fact that at least two Indian manufacturers, Panchmahal and Chandan Steel Ltd., have lost their “New Shipper Status”, Indian producers have a propensity to dump stainless steel round bar. The Tribunal notes that Unalloy did not address the likely volume and price ranges of dumped and subsidized imports into Canada.

8. Regarding the likelihood of injury if the finding is allowed to expire, the Tribunal notes that there cannot be a likelihood of injury without a domestic industry that can likely be injured. Unalloy submitted that Ezee Management Inc. (Ezee) was making an effort to restart the Atlas plant and that the expiry of the finding would seriously impair this effort. Unalloy attached to its submission an e-mail, dated January 3, 2005, that it received from Mr. Gregg Cousins, who is Atlas’s Vice President and General Manager, stating that the new owner of Atlas was still endeavouring to resume production and that the expiry of the finding would be very detrimental. The Tribunal did not receive any submission from Ezee.

9. Efforts to resume production at Atlas may indeed be underway, but the evidence regarding whether and when production will resume is unsatisfactory. In its submission, Unalloy identified the target date as May 2005. Yet, in his e-mail to Unalloy, Mr. Cousins stated that Atlas was targeting July 2005 for its first melt. Neither Unalloy nor Atlas nor Ezee provided any reliable information to indicate that production would resume at any time in the near future.<sup>3</sup> In the Tribunal’s view, given that Atlas has been shut down for more than a year, restarting it is bound to be a burdensome undertaking with an uncertain outcome. Indeed, the Tribunal observes that the e-mail from Mr. Cousins suggests significant obstacles to restarting the mill that have yet to be overcome, i.e. tax arrears, negotiations of new collective bargaining agreements with various unions, and entering new contracts with potential suppliers.

10. Therefore, the Tribunal is of the opinion that mere assertions that domestic production will resume are unreliable indicators of a likelihood of injury to a domestic industry.

11. Finally, the Tribunal did not receive any information regarding changes in the international market for stainless steel round bar.

---

3. *Wooden Clothespins* (14 November 1986), R-4-86 (Canadian Import Tribunal). In this case, the findings were rescinded because it appeared that any domestic production would not resume for at least six to eight months, and perhaps not for an entire year.

**CONCLUSION**

12. Given that the domestic industry has made no submission to the Tribunal, and neither Unalloy nor any other company has provided sufficient information to satisfy the Tribunal that a review is warranted, the Tribunal has decided not to conduct an expiry review.

James A. Ogilvy  
James A. Ogilvy  
Presiding Member

Patricia M. Close  
Patricia M. Close  
Member

Meriel V. M. Bradford  
Meriel V. M. Bradford  
Member