



Ottawa, Friday, December 6, 1991

Expiry No.: LE-91-004

IN THE MATTER OF a request made under subsection 76(2) of the *Special Import Measures Act* for a review of the review finding made by the Canadian Import Tribunal on April 16, 1987, in Review No. R-3-87, continuing without amendment the finding of material injury made by the Anti-dumping Tribunal on July 21, 1982, in Inquiry No. ADT-6-82, respecting:

**BUTT WELD FITTINGS ORIGINATING  
IN OR EXPORTED FROM JAPAN**

**ORDER**

On August 16, 1991, the Canadian International Trade Tribunal issued Notice of Expiry No. LE-91-004, requesting views on whether the aforementioned finding should be reviewed. Having considered representations in support of a review of the finding, the Tribunal has decided, pursuant to subsection 76(3) of the *Special Import Measures Act*, that a review is not warranted at this time.

Arthur B. Trudeau

Arthur B. Trudeau  
Presiding Member

W. Roy Hines

W. Roy Hines  
Member

Robert C. Coates, Q.C.

Robert C. Coates, Q.C.  
Member

Michel P. Granger

Michel P. Granger  
Acting Secretary



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**BUTT WELD FITTINGS ORIGINATING  
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TRIBUNAL: ARTHUR B. TRUDEAU, Presiding Member  
W. ROY HINES, Member  
ROBERT C. COATES, Q.C., Member

**STATEMENT OF REASONS**

**BACKGROUND**

The Canadian International Trade Tribunal (the Tribunal), in Notice of Expiry No. LE-91-004 dated August 16, 1991, gave notice that the review finding made by the Canadian Import Tribunal on April 16, 1987, in Review No. R-3-87, continuing without amendment the finding of material injury made by the Anti-dumping Tribunal on July 21, 1982, in Inquiry No. ADT-6-82, with respect to stainless steel, excluding alloy and carbon steel, butt weld fittings made to ASTM A-403 and ASME SA-403 specifications, in diameters 6 in. to 32 in., in schedules 5S to XXH, originating in or exported from Japan, was scheduled to expire on April 15, 1992. Interested parties supporting or opposing a review, including domestic producers, importers and exporters, were invited to file submissions addressing the question of whether this finding should be reviewed by the Tribunal.

The notice of expiry further provided that, if the Tribunal decided to review the review finding, in Review No. R-3-87, interested parties should submit views on whether to review, concurrently, the finding of material injury, in Inquiry No. CIT-1-88, concerning certain stainless steel butt welding fittings of an outside diameter of 1/2 in. to 5 in., originating in or exported from Japan.

Butt weld fittings, the subject goods, are manufactured from stainless steel pipe in a number of shapes or configurations: elbows, tees, reducers, caps and stub ends. Fittings are used whenever there is a need to change the direction or function of an industrial piping system in high-pressure applications, such as nuclear and chemical plants, food processing facilities, breweries and waste treatment facilities.

The butt weld fitting derives its name from the fact that it is butt-welded to matching pipe. In the manufacturing process, the pipe ends and the fittings are machine bevelled to form a groove. Each piece is then fitted together and fused by welding. A welded system has a number of advantages; for instance, it is permanently leak proof, requires little or no maintenance and uses a minimum of space.

The Tribunal received only one submission to review and continue the 1987 review finding dealing with fittings in diameters 6 in. to 32 in., from Devjo Industries Inc. (Devjo).<sup>1</sup> Devjo submitted that the Hibernia Project off Newfoundland will call for large volumes of fittings with predictable lead times. While Devjo stated that fittings in diameters 6 in. to 32 in. are not being imported from Japan or Taiwan, it argued that the lifting of anti-dumping duties, coupled with the start-up of the Hibernia Project, will create ideal conditions for import penetration at dumped prices.

With respect to small fittings, Devjo stated that these goods are no longer originating in Japan, but are being produced by Japanese companies in other countries such as Taiwan, and dumped in Canada. However, it advised the Tribunal that it does not want the 1988 finding regarding small fittings reviewed at this time.

The Tribunal also received a submission from Associated Tube Industries, A Division of Samuel Manu-Tech Inc., indicating that it is an interested party to any possible review of the situation, since it produces the major input raw material (stainless steel welded pipe) for butt weld fittings.

### **REASONS FOR THE DECISION**

When considering a request to review a finding, subsection 76(3) of the *Special Import Measures Act* requires that the Tribunal be satisfied that a review is warranted.

The Tribunal has examined the submission made by Devjo and does not find it to be sufficient in scope to justify a review of the finding at this time. Insufficient information was provided to support the allegation that the dumping in Canada of butt weld fittings from Japan would resume if the finding were allowed to expire. Furthermore, no information was provided to assess the conditions of the domestic market and domestic industry since the last review. Accordingly, the Tribunal is not satisfied that a review of the finding is warranted at this time.

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1. In early 1990, Devjo Industries Inc., of Markham, Ontario, purchased the shares of both Ezeflow Canada Inc. (Ezeflow) and Macline Fittings (Macline). Ezeflow, the largest Canadian producer of fittings of an outside diameter of 6 in. to 32 in., participated in Inquiry No. ADT-6-82 and in Review No. R-3-87, whereas Macline, the sole Canadian producer of small fittings, participated in Inquiry No. CIT-1-88. These companies are now divisions of Devjo Industries (Canada) Ltd.

Because of this decision, there will be no review, at this time, of the finding of material injury, in Inquiry No. CIT-1-88, dealing with stainless steel butt weld fittings in diameters 1/2 in. to 5 in., originating in or exported from Japan.

Arthur B. Trudeau

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