



Canadian International
Trade Tribunal

Tribunal canadien du
commerce extérieur

CANADIAN
INTERNATIONAL
TRADE TRIBUNAL

Dumping and Subsidizing

ORDER AND REASONS

Expiry Review No. RR-2004-001

Certain Concrete Reinforcing Bar

*Order issued
Tuesday, January 11, 2005*

*Reasons issued
Wednesday, January 26, 2005*

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IN THE MATTER OF an expiry review, under subsection 76.03(3) of the *Special Import Measures Act*, of the finding made by the Canadian International Trade Tribunal on January 12, 2000, in Inquiry No. NQ-99-002, concerning:

**CERTAIN CONCRETE REINFORCING BAR ORIGINATING IN OR
EXPORTED FROM THE REPUBLIC OF CUBA, THE REPUBLIC OF KOREA
AND THE REPUBLIC OF TURKEY**

ORDER

The Canadian International Trade Tribunal, under the provisions of subsection 76.03(3) of the *Special Import Measures Act*, has conducted an expiry review of its finding made on January 12, 2000, in Inquiry No. NQ-99-002, concerning hot-rolled deformed carbon or low alloy steel concrete reinforcing bar, in straight lengths or coils, originating in or exported from the Republic of Cuba, the Republic of Korea and the Republic of Turkey.

Pursuant to subparagraph 76.03(12)(a)(ii) of the *Special Import Measures Act*, the Canadian International Trade Tribunal hereby rescinds its finding in respect of the above-mentioned product originating in or exported from the Republic of Cuba, the Republic of Korea and the Republic of Turkey.

James A. Ogilvy
James A. Ogilvy
Presiding Member

Richard Lafontaine
Richard Lafontaine
Member

Ellen Fry
Ellen Fry
Member

Hélène Nadeau
Hélène Nadeau
Secretary

The statement of reasons will be issued within 15 days.

Place of Hearing: Ottawa, Ontario
Dates of Hearing: November 16-19, 2004

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STATEMENT OF REASONS

BACKGROUND

1. This is an expiry review, under subsection 76.03(3) of the *Special Import Measures Act*,¹ of the finding made by the Canadian International Trade Tribunal (the Tribunal) on January 12, 2000, in Inquiry No. NQ-99-002, concerning certain concrete reinforcing bar originating in or exported from the Republic of Cuba (Cuba), the Republic of Korea (Korea) and the Republic of Turkey (Turkey) (the subject goods).
2. On April 28, 2004, the Tribunal issued a notice of expiry review² to all interested parties. As part of these proceedings, the Tribunal and the Canada Border Services Agency (CBSA) sent questionnaires to Canadian producers, importers and exporters/foreign producers of certain concrete reinforcing bar. These questionnaires and the replies thereto formed part of the expiry review records of both the Tribunal and the CBSA.
3. On April 29, 2004, the CBSA initiated an expiry review to determine whether the expiry of the finding was likely to result in the continuation or resumption of dumping of the subject goods.
4. On August 26, 2004, the CBSA determined that, pursuant to subsection 76.03(7) of *SIMA*, the expiry of the finding was likely to result in the continuation or resumption of dumping of the subject goods.
5. On August 27, 2004, following the CBSA's determination, the Tribunal continued its expiry review to determine, pursuant to subsection 76.03(10) of *SIMA*, whether the expiry of the finding respecting the subject goods was likely to result in injury or retardation.
6. The record of these proceedings consists of the following: the testimony heard during the hearing, which had public and *in camera* components, held in Ottawa, Ontario, from November 16 to 19, 2004; all relevant documents, including the CBSA's protected *Expiry Review Report*, statement of reasons, index of background information and related documents; the protected and public replies to the expiry review questionnaires; the public and protected pre-hearing staff reports; requests for information and parties' replies provided in accordance with the Tribunal's directions; witness statements and exhibits filed by the parties throughout the inquiry; the transcript of the hearing; the finding; the notice of expiry review; and the public and protected pre-hearing staff reports prepared for Inquiry No. NQ-99-002. All public exhibits were made available to interested parties, while protected exhibits were provided only to counsel who had filed a declaration and undertaking with the Tribunal in respect of protected information.
7. Six domestic producers, Gerdau Ameristeel Corporation (Gerdau Ameristeel) and its wholly owned subsidiary, Gerdau MRM Specialty Sections Inc. (the Gerdau companies), Stelco Inc. (Stelco) and its wholly owned subsidiaries, AltaSteel Ltd. and Norambar Inc. (the Stelco companies), and Ispat Sidbec Inc. (Ispat), were represented by counsel at the hearing. They submitted evidence and made arguments in support of a continuation of the finding. All but Gerdau MRM Specialty Sections Inc. (Gerdau MRM) provided witnesses at the hearing.

1. R.S.C. 1985, c. S-15 [*SIMA*].

2. C. Gaz. 2004.I.1434.

8. Four Turkish exporters/producers of certain concrete reinforcing bar, Çolakoğlu Metalurji A.S. (Çolakoğlu), ICDAS Celik Enerji Tersane ve Ulasim Sanayi A.S. (ICDAS), Habas Sinai ve Tibbi Gazlar Istihsal Endustri A.S. (Habas) and Diler Foreign Trade Inc. (Diler), made arguments in support of a rescission of the finding and were represented by counsel at the hearing. Çolakoğlu and ICDAS provided witnesses, whereas Habas and Diler did not appear at the hearing. Two Korean exporters/producers, Dongkuk Steel Mill Co., Ltd. (Dongkuk) and INI Steel Company (INI), were represented by counsel and made a submission in support of a rescission of the finding, but did not appear at the hearing. One importer, CCC Steel GmbH & Co., KG, and its subsidiary, CCC Steel Canada Inc. (CCC Steel), were represented by counsel at the hearing, provided witnesses and made a submission in support of a rescission of the finding.

PRODUCT

Product Definition and Description

9. For the purpose of this expiry review, the subject goods are defined as: hot-rolled deformed carbon or low-alloy steel concrete reinforcing bar in straight lengths or coils, including all hot-rolled deformed bar, rolled from billet steel, rail steel, axle steel or low-alloy steel (rebar), originating in or exported from Cuba, Korea and Turkey. Excluded from this expiry review are: plain round bar, rebar that has been further worked or fabricated (other than cut) and coated rebar.

10. The Canadian standards for rebar are set out in the National Standard of Canada CAN/CSA-G30.18-M92 for Billet-Steel Bars for Concrete Reinforcement (the National Standard).

11. In Canada, rebar comes in the following sizes or bar designation numbers, with the corresponding diameter in millimetres in parentheses: 10 (11.3), 15 (16.0), 20 (19.5), 25 (25.2), 30 (29.9), 35 (35.7), 45 (43.7) and 55 (56.4). Rebar sizes are commonly referred to by the bar designation number combined with the letter "M." Thus, 10M rebar has a bar designation number of 10 and a diameter of 11.3 millimetres.

12. The National Standard identifies two grades of rebar, regular ("R") and weldable ("W"). "R" grades are intended for general applications, while "W" grades are used where welding, bending or ductility is of special concern.

13. The standard lengths of rebar are 6 metres (20 feet), 12 metres (40 feet) and 18 metres (60 feet), although it can be cut and sold in other lengths, as specified by customers. Rebar is also sold, uncut, in the form of coil.

Production Process

14. For the most part, in Canada, rebar is produced using ferrous scrap metal as the principal raw material. The scrap metal is melted in an electric arc furnace to produce liquid steel. Throughout the melting process, additions are made to the molten liquid depending on the desired chemical composition of the steel. The molten steel is then continuously cast into rectangular billets by solidification through a combination of water-cooled copper moulds and secondary sprays. These billets are then cut to length. The billets are later reheated and then rolled into various sizes of rebar, which is cut to various lengths depending on the customers' requirements. Certain sizes are also produced in coil form.

15. Rebar is rolled with deformations on the bar, which provide gripping power so that concrete adheres to the bar and provides reinforcing value. The deformations must conform to the requirements set out in the National Standard.

Product Applications

16. Rebar is used almost exclusively in the construction industry to provide structural reinforcement to concrete structures. The residential construction market uses rebar primarily in smaller sizes, while the heavy construction and fabrication markets use mostly the larger sizes of rebar.

DOMESTIC PRODUCERS

The Gerdau Companies

17. The Gerdau companies have three rebar-producing facilities that are located in Whitby, Ontario, Cambridge, Ontario, and Selkirk, Manitoba. Gerdau Ameristeel was established in October 2002 upon the acquisition of Co-Steel Inc. of Whitby, by Gerdau S.A. of Brazil. In July 2003, Gerdau Courtice Steel Inc. of Cambridge changed its name to Gerdau Ameristeel Cambridge Inc. On September 26, 2003, Gerdau Ameristeel amalgamated with a number of entities, including Gerdau Cambridge Inc., to form the existing Gerdau Ameristeel. Gerdau MRM of Selkirk is a wholly owned subsidiary of Gerdau Ameristeel.

18. The Gerdau companies' three rebar-producing operations are capable of producing the full range of sizes and grades of rebar. The Whitby plant has produced rebar, including coil, since 1964, as well as other bars and structural shapes. The Cambridge plant has produced rebar since 1987. It also produces rounds, squares, channels and angles. Gerdau MRM has produced rebar for over 75 years.

The Stelco Companies

19. Stelco is one of Canada's largest integrated steel producers. The Stelco companies' rebar production facilities are operated by Stelco's two wholly owned subsidiaries, AltaSteel Ltd. (AltaSteel) in Edmonton, Alberta, and Norambar Inc. (Norambar) in Contrecoeur, Quebec, and by Stelco in Hamilton, Ontario.

20. Stelco's rebar-producing operations are capable of producing the full range of sizes and grades of rebar. Norambar, which changed its name from Stelco McMaster Ltée in 2004, has been in operation and producing rebar since 1963. It also produces merchant quality flats and rounds, special quality bars for rounds, special railway sections for clips and anchors, round edge automotive leaf spring bars and billets. AltaSteel also produces merchant and special-quality bar products. AltaSteel's product line also includes flats, rounds, ballstock, squares and grinding rod. Stelco also produced rebar on a limited basis at its Hilton Works facility as part of its product line, which included industrial chain quality, cold finishing, cold heading, welding and quality high-carbon wire rods for various applications.

21. On January 29, 2004, Stelco obtained a court order under the *Companies' Creditors Arrangement Act*³ to allow the company to restructure its financial position. Among the possible outcomes of re-organization is the sale of Norambar and AltaSteel as separate entities.⁴

3. R.S.C. 1985, c. C-36 [CCAA]. Information relating to the proceedings under the CCAA can be found at <http://www.mccarthy.ca/en/cca>.

4. *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 311-12.

Ispat

22. Ispat has been a wholly owned subsidiary of Ispat International N.V. of the Netherlands since 1994. Ispat has been producing rebar since 1962. The Bars and Shapes unit produces rebar and straight bars in rounds and flats at its plant in Longueuil, Quebec. Rebar in coil is produced at the Wire Rod unit in Contrecoeur.

FOREIGN PRODUCERS

23. The following companies in the subject countries provided replies to the exporters' questionnaire: Dongkuk, INI and Hanbo Steel⁵ (Hanbo) of Korea; Çolakoğlu, Diler, Ekinciler Demir ve Çelik San A.S. (Ekinciler), Habas and ICDAS of Turkey; and ACINOX.SA (ACINOX) of Cuba.

IMPORTERS

24. Importers of rebar include resellers of steel products, such as trading companies and brokers, as well as non-resident importers. The largest importers of rebar include: Novosteel of Switzerland; Thyssen Canada Ltd. of Richmond, British Columbia; CCC Steel; Dollard Steel of Montréal, Quebec; Nucor Steel Inc. (Nucor) of the United States; and Birmingham Steel Corp. of the United States, which was bought by Nucor in 2002. Generally, they sell to the same type of customers as the domestic mills, that is, fabricators and steel service centres. Very little rebar is imported directly by fabricators or steel service centres in Canada.

PRODUCT DISTRIBUTION

Domestic Product

25. The Canadian producers sell rebar either directly to fabricators or to steel service centres. The vast majority of sales are made to fabricators. The fabricators cut, bend and install rebar in structures at the construction sites. Steel service centres distribute rebar to construction companies and building supply dealers. The Canadian mills sell to their customers either on a freight prepaid (delivered) basis or FOB the Canadian mill, whichever the customer prefers. The Canadian mills market their products, including rebar, through their own sales forces.

Imported Product

26. Importers of rebar sell their products in a variety of ways. Some importers utilize sales agents or a dedicated sales force to contact customers. Some learn of a quantity of rebar available and seek orders from customers for that quantity of rebar. Others respond to customer enquiries and source product when they receive a request. Some importers ship directly to their customers from the source mill, while others sell FOB unloading dock in Canada.

5. INI acquired Hanbo on September 21, 2004.

SUMMARY OF PAST PROCEEDINGS

Summary of Finding in Inquiry No. NQ-99-002

27. The Tribunal determined that the volumes of imports from Cuba, Korea and Turkey were not negligible and that the margins of dumping were not insignificant. Based on this, and on the conditions of competition between the dumped goods and the like goods produced by the domestic industry, the Tribunal determined that an assessment of the cumulative effect of the dumped imports of rebar from the three subject countries was appropriate.

28. The Tribunal found that the domestic producers of rebar had experienced a significant loss of market share. In addition, to combat the market share losses, they were forced to reduce selling prices, which led to reductions in their revenue and profitability, especially in the latter part of 1998 and in the first half of 1999. The Tribunal found that the magnitude of the market share losses, the price declines and the resulting financial losses were such that the domestic producers had been materially injured.

29. Exporters and importers argued that factors other than dumping had caused the injury suffered by the domestic producers. These factors included allegations that: (1) rebar price declines in the latter part of 1998 and in the first half of 1999 were the result of decreased scrap steel prices; (2) the increased presence of imported rebar in the Canadian market was due to the inability of the domestic industry to supply market needs; (3) the domestic producers had purposely reduced their production of rebar in favour of a switch to higher-margin products; (4) the real causes of the price pressures felt by the domestic producers were related to developments in the world market for rebar; (5) imports of rebar from non-subject countries, principally the United States, had a greater influence on rebar prices in Canada than did the goods from the subject countries; and (6) the Canadian producers' lack of export sales for rebar demonstrated that they were not competitive with international rebar producers and that any injury that they may have suffered had been self-inflicted. The Tribunal determined that none of these factors individually or collectively satisfactorily explained the injury suffered by the domestic industry.

30. Rather, the Tribunal concluded that the material injury suffered by the domestic industry in the form of lost sales, declining market share and price erosion was caused by the low prices at which large volumes of dumped imported rebar were being sold in the Canadian market. Furthermore, these lost sales and the price erosion accounted for a significant proportion of the decline in financial performance experienced by the domestic industry in the latter part of 1998 and in the first half of 1999.

31. The Tribunal found that it was not necessary to take action under paragraph 42(1)(b) of *SIMA* to prevent the recurrence of injury and that the requirements for making a finding of massive importation were not met.

32. It was argued that Cuba was a developing country, member of the World Trade Organization (WTO), and that the Tribunal should apply Article 15 of the WTO *Agreement on Implementation of Article VI of GATT 1994*⁶ to the extent that it was not contrary to *SIMA*. The Tribunal noted that no evidence was presented that would permit it to draw a conclusion that the imposition of anti-dumping duties on Cuban rebar exports to Canada would affect the essential interests of Cuba.

6. Signed at Marrakesh on April 15, 1994 [*Anti-Dumping Agreement*].

33. The Tribunal considered the following requests for exclusions from exporters and importers: (1) a product exclusion for 10M rebar; (2) an exclusion for Cuba; (3) producer exclusions for three Turkish exporters, Çolakoğlu, Habas and ICDAS, and (4) a producer exclusion for a Korean exporter, Dongkuk. The Tribunal denied each of the requests for exclusion.

Other Finding

34. Another finding was issued by the Tribunal on rebar. In a 2001 finding in Inquiry No. NQ-2000-007, the Tribunal determined that the dumping of rebar from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei and Ukraine had caused material injury to the domestic industry.

POSITIONS OF THE PARTIES

Position of the Domestic Industry

35. The domestic industry argued that the expiry of the finding is likely to result in injury and that, therefore, the finding should be continued without amendment.

36. The domestic industry argued that the conditions of competition warrant an assessment of the likely cumulative effects of dumping because none of the differences in the conditions of competition that have justified non-cumulative injury assessments in the past are present in this case.

37. The domestic industry argued that the volumes of subject goods will likely increase significantly if the finding is rescinded. According to the industry, production volumes of subject and like goods in China and other markets will likely outstrip demand in those markets, making the Canadian market a more attractive outlet for the subject goods. It argued that this would be facilitated by importers, which engage in the practice of source switching from countries covered by an anti-dumping finding to countries that are not covered.

38. The domestic industry submitted that renewed dumping would likely adversely affect domestic prices. It argued that rebar is a price-sensitive commodity and that an increase in low-priced imports would lead to a downward spiral in Canadian market prices, as suppliers of the subject goods undercut the domestic market price to recapture market share from domestic producers and other foreign producers.

39. The domestic industry argued that increases in domestic prices are largely related to rising material and energy prices and that domestic demand has not significantly strengthened. According to the domestic industry, its lack of profitability has been a direct result of low-priced imports. It argued that renewed dumping would reduce its revenues and net income and frustrate its efforts to recover costs, make capital improvements and restructure. It submitted that its production of rebar cannot be sustained without a period during which it is not faced with injurious dumping.

40. The domestic industry argued that the Tribunal should deny any request for a “regional exclusion” for Western Canada because, while it has been absent from the Lower Mainland of British Columbia due to low-priced import competition, it has supplied all of Western Canada in the past and continues to supply the Prairie Provinces and northern British Columbia. In addition, it argued that prices in British Columbia can affect prices in Eastern Canada.

Position of the Foreign Producers and Importer

The Turkish Producers

41. The Turkish producers argued that the finding should be rescinded.
42. The Turkish producers argued that an assessment on a cumulative basis would not be appropriate because rebar from Turkey would not compete with rebar from Korea or Cuba. According to the Turkish producers, if Korean rebar returned to Canada, it would be destined for the Lower Mainland of British Columbia, where Turkish rebar would not be present. In addition, Cuba is a small producer that is largely dedicated to its proximate markets.
43. The Turkish producers argued that demand for rebar in China will continue to grow, albeit at a slower pace, and will likely be supplemented by growing demand in other markets and at home. According to the Turkish producers, this makes it unlikely that exports to Canada will increase significantly.
44. The Turkish producers argued that the domestic industry has exceeded its performance records despite import competition at normal values, and that it can look forward to a prosperous cycle for the foreseeable future.
45. The Turkish producers referred to Article 11 of the WTO *Anti-Dumping Agreement*, which provides that an anti-dumping duty shall remain in force only as long as necessary to counteract injurious dumping.

The Korean Producers

46. The Korean producers argued that the finding respecting Korea should be rescinded.
47. The Korean producers argued against cumulation because, if they were to export to Canada, it would likely be to the Lower Mainland of British Columbia where domestic producers would not compete.
48. The Korean producers argued that the overseas economic crises that created the price pressures that led to the original finding have disappeared, and no such problems appear now.
49. The Korean producers argued that there would not be a significant increase in volumes to Canada if the finding were rescinded. According to them, despite operating at full capacity, their exports have dramatically declined because of substantial growth in demand at home, which is forecast to continue into the foreseeable future.
50. The Korean producers argued that, if they need an export outlet, it would be easier for them to compete in China, which is a more proximate market than Canada and is larger.
51. The Korean producers argued that Canadian market prices have not been affected by imports and, taking into account high ocean freight costs, the price of many imports exceeded the price of domestically produced rebar by a wide margin.
52. The Korean producers argued that positive demand forecasts in Canada bode well for high domestic prices and production.

CCC Steel

53. CCC Steel argued that the finding should be rescinded or at least amended to exclude the subject goods destined for Western Canada because it is a separate market.

54. CCC Steel argued that domestic and global conditions for producers have never been better and that this will not change in the foreseeable future. It argued that demand in China will grow, making it unlikely that there will be a significant increase in volumes of subject goods to Canada.

55. CCC Steel argued that there is insufficient domestic supply, especially in Western Canada, which necessitates the importation of the subject goods. According to CCC Steel, this has happened at prices significantly higher than those offered by the domestic industry. CCC Steel argued that rising energy and scrap-metal prices, growing domestic demand and domestic supply constraints will keep prices high.

56. CCC Steel argued that, notwithstanding the presence of imports, the domestic industry is experiencing improved financial performance as a result of higher prices, demand and capacity utilization.

ANALYSIS

57. Following the CBSA's determination that the expiry of the finding in respect of the subject goods is likely to result in the continuation or resumption of dumping, the Tribunal is required, pursuant to subsection 76.03(10) of *SIMA*, to determine whether the expiry of the finding is likely to result in injury or retardation, as the case may be, to the domestic industry. Given that the finding under review in these proceedings relates to injury rather than to retardation, the Tribunal is required, pursuant to subsection 76.03(12) of *SIMA*, to make an order rescinding the finding, if it determines that the expiry of the finding is unlikely to result in injury, or continuing the finding, with or without amendment, if it determines that the expiry of the finding is likely to result in injury.

58. In making its assessment of the likelihood of injury, consistent with previous cases, the Tribunal is of the view that the focus must be on circumstances that can reasonably be expected to exist in the near to medium term, as opposed to circumstances in the more remote future. In this case, the Tribunal considers it appropriate to examine a period of up to 24 months from the expiry of the finding.

Like Goods

59. 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".

60. In considering the issue of like goods, the Tribunal typically looks at a number of factors, including the physical characteristics of the goods, their substitutability and whether the goods fulfill the same customer needs.

61. Based on the evidence, the Tribunal is of the opinion that rebar produced by the domestic industry closely resembles the subject goods in physical characteristics and end uses, and can be substituted for them.

62. Therefore, for the purposes of this expiry review, the Tribunal finds that domestically produced rebar constitutes like goods to the subject goods.

Domestic Industry

63. Having decided that domestically produced rebar constitutes like goods, the Tribunal must consider which producers constitute the domestic industry.

64. Subsection 2(1) of *SIMA* defines “domestic industry” in part 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”.

65. The Gerdau companies, the Stelco companies and Ispat collectively represent the total domestic production of like goods, and all participated in this expiry review. Therefore, they constitute the domestic industry for the purpose of this expiry review.

Cumulation

66. The Tribunal is obliged to make an assessment of the cumulative effect of the dumping of goods from more than one country if it is satisfied that such an assessment would be appropriate taking into account the conditions of competition between the goods imported from any of the countries and the goods from any other of those countries, or like goods of domestic producers.⁷ If the Tribunal is not satisfied that an assessment would be appropriate, then it must assess the effects of dumping for each country separately.

67. The conditions of competition that the Tribunal has taken into account in the past include price, quality, modes of transportation, distribution channels⁸ and geographic markets.⁹

68. The evidence indicates that rebar is a commodity-type product.¹⁰ Price is therefore a key driving factor in capturing sales, regardless of the source of the product. As a commodity, rebar imported from each subject country is interchangeable, and the Tribunal considers this to be a strong indicator that its quality is similar. In addition, the rebar from each subject country is shipped to Canada using the same mode of transportation (i.e. ocean freighter) and has been distributed in Canada through the same type of distribution channel (i.e. importers/traders).¹¹ The evidence does not indicate that these conditions of competition will change in the foreseeable future.

69. Notwithstanding these similarities, rebar from Korea will likely compete in a different geographic market than rebar from Cuba and Turkey. In the past decade, most rebar from Korea arrived in British Columbia. By contrast, most rebar from Turkey and all rebar from Cuba arrived in Eastern Canada.¹² Since the period of the inquiry, the cost of ocean freight has increased greatly, as has the cost of passage through the Panama Canal.¹³ The Tribunal was persuaded by the evidence that these facts, in conjunction with the

7. Subsection 76.03(11) of *SIMA*.

8. *Hot-rolled Carbon Steel Plate* (10 January 2003), RR-2001-006 (CITT) at 10.

9. *Hot-rolled Carbon and Alloy Steel Sheet* (17 August 2001), NQ-2001-001 (CITT) at 16.

10. Manufacturer’s Exhibit D-03 at 3, Administrative Record, Vol. 11A; Manufacturer’s Exhibit C-03, para. 49, Administrative Record, Vol. 11A; *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 560; Tribunal Exhibit RR-2004-001-01, Administrative Record, Vol. 1 at 23.

11. Manufacturer’s Exhibit F-04, para. 15, Administrative Record, Vol. 11B; Manufacturer’s Exhibit C-03, paras. 60, 61, 66, Administrative Record, Vol. 11A; *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 529.

12. Foreign Producer’s Exhibit G-01 at 19-22, Administrative Record, Vol. 13; Manufacturer’s Exhibit A-03 at 23, 24, Administrative Record, Vol. 11A. The Tribunal defines “Eastern Canada” as all the provinces east of Manitoba and “Western Canada” as all the provinces west of Ontario.

13. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 608, 659-60.

high cost of shipping goods overland across Canada,¹⁴ make it unlikely that, in the foreseeable future, rebar from Korea will be shipped to Eastern Canada or that rebar from Cuba and Turkey will be shipped to British Columbia.¹⁵ The Tribunal is also satisfied that, as a result of the high cost of shipping goods overland across Canada, rebar from Korea will likely penetrate no further inland than the Prairie Provinces, if it does move inland at all, and that rebar from Cuba and rebar from Turkey will likely compete with each other in Eastern Canada.¹⁶ In the Tribunal's view, the evidence does not indicate that the pricing of rebar in British Columbia or the Prairie Provinces affects the pricing in Eastern Canada, or vice versa, and that, therefore, it is unlikely that prices and volumes of Korean rebar in British Columbia, or in the Prairie Provinces, and prices and volumes of Cuban and Turkish rebar in Eastern Canada will affect each other.¹⁷

70. Furthermore, the evidence indicates that the domestic industry is not supplying the Lower Mainland of British Columbia, which, in the Tribunal's opinion, is where rebar from Korea will be directed, at least initially. The evidence also shows that Nucor, a major U.S. producer, located in Seattle, Washington, has a freight cost competitive advantage over domestic producers in serving this market. Evidence on the record also shows that, during the period of review, rebar from China was exported to the B.C. market in significant volumes.¹⁸ Consequently, the principal competition that rebar from Korea would face in that market would come from Chinese and U.S. rebar. Only upon entering the Prairie Provinces or northern British Columbia, which would involve a significant freight charge, would Korean goods compete with the like goods of a domestic producer. By contrast, the evidence indicates that rebar from Cuba and Turkey would compete with the like goods of domestic producers in Eastern Canada.

71. Taking into account the conditions of competition discussed above, the Tribunal is satisfied that it would be appropriate to make an assessment of the cumulative effect of the dumping of rebar from Cuba and Turkey, and a separate assessment of the effect of the dumping of rebar from Korea.

Likelihood of Injury

72. Subsection 37.2(2) of the *Special Import Measures Regulations*¹⁹ enumerates the factors that the Tribunal may consider in addressing the question of likelihood of injury. These factors are analysed under the following five general headings: international market conditions; domestic market conditions; the likely volumes of dumped imports; the likely prices of dumped imports; and the likely impact of dumped imports on the domestic industry. While the analysis performed on international and domestic market conditions will be applicable to the discussion of both the cumulated countries and Korea, the analysis for the other three sections will be done separately for the cumulated countries and for Korea.

14. *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 323, 341, 395, 424.

15. *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 295-96, Vol. 3, 18 November 2004, at 533, 608, 629-30, 659-60; Foreign Producer's Exhibit I-3 at 5, Administrative Record, Vol. 13.

16. *Transcript of Public Hearing*, Vol. 1, 16 November 2004, at 213-14.

17. *Transcript of Public Hearing*, 17 November 2004, Vol. 2 at 299-300, 413-15, 422-23, 444; Manufacturer's Exhibit A-03 at 21-27, 30, Administrative Record, Vol. 11.

18. *Transcript of Public Hearing*, Vol. 1, 16 November 2004, at 99, 124; Foreign Producer's Exhibit G-01 at 62-65, Administrative Record, Vol. 13; Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 24.

19. S.O.R./84-927.

International Market Conditions

73. There have been extensive changes in international market conditions since the finding. In the period leading to the finding, global demand and prices for rebar were in decline.²⁰ By contrast, global demand and prices have recently been buoyant, especially since the beginning of 2004.

74. Late in the period of review, the global steel market was buoyed by robust economic growth in Asia, particularly in China. China's booming economy and its accession to the WTO in 2001 have positioned China as the world's largest producer of steel. In 2000, China produced roughly 129 million tonnes of steel, or 15 percent of the world total.²¹ By 2004, Chinese output had doubled to 260 million tonnes, or 25 percent of the world total.²² Yet, this dramatic increase in output has been insufficient to satisfy home market demand, and China has consequently become the largest importer of steel.²³ A case in point is that, by mid-2004, China consumed 31 percent of the world's rebar.²⁴ This has provided a significant market opportunity for Chinese producers, as well as for producers and exporters in other countries. But China's steel boom has also caused a global shortage of scrap metal and other steelmaking inputs used for rebar.²⁵ There is evidence that the worldwide shortage of raw materials, including scrap metal, is likely to continue in the foreseeable future.²⁶ The price of scrap metal soared from late 2003 through to the second quarter of 2004.²⁷ At the same time, global energy prices also rose rapidly.²⁸ Although there was a slight levelling off in the third quarter of 2004, raw material and energy prices remained at high levels. The rush to supply the Chinese market has also contributed to congested ports, a global shortage of seagoing vessels, higher freight costs and other logistical difficulties.²⁹

75. Meanwhile, as global demand for rebar and the costs of producing and delivering rebar have increased in parallel, the global market has accepted sharply higher rebar prices. For example, average prices in the Far East between December 2003 and August 2004 rose from US\$340 to US\$435 per tonne; prices of exports from the European Union rose from US\$295 to US\$500 per tonne; prices in the United States rose from US\$380 to US\$628 per tonne; and prices in Eastern Europe rose from US\$280 to US\$638 per tonne.³⁰ Global demand for rebar remained strong through the third quarter of 2004, and it is projected to remain strong at least up to the end of 2005.³¹

20. Tribunal Exhibit RR-2004-001-01, Administrative Record, Vol. 1 at 33.

21. Tribunal Exhibit RR-2004-001-25.06, Administrative Record, Vol. 1.01 at 201.

22. Tribunal Exhibit RR-2004-001-25.06, Administrative Record, Vol. 1.01 at 201.

23. Foreign Producer's Exhibit J-01 at 39-41, Administrative Record, Vol. 13.

24. Tribunal Exhibit RR-2004-001-25.06, Administrative Record, Vol. 1.01 at 201.

25. Foreign Producer's Exhibit J-01 at 46, Administrative Record, Vol. 13.

26. Foreign Producer's Exhibit I-03 at 87-90, Administrative Record, Vol. 13.

27. Foreign Producer's Exhibit J-01 at 58-60, Administrative Record, Vol. 13.

28. Foreign Producer's Exhibit J-01 at 61, Administrative Record, Vol. 13; Importer's Exhibit M-01 at 5, Administrative Record, Vol. 13.

29. Foreign Producer's Exhibit I-03, para. 23, Administrative Record, Vol. 13.

30. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 177.

31. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 494-97; Importer's Exhibit M-01, paras. 11, 17, 18, Administrative Record, Vol. 13; Foreign Producer's Exhibit I-03 at 34, Administrative Record, Vol. 13. See also paras. 76 and 78 of this statement of reasons.

76. Although the Government of China has imposed measures to slow the overheated economy, that country's gross domestic product (GDP) is still projected to grow at a rate of 9.0 percent in 2004 and 7.5 percent in 2005.³² Demand for rebar is driven in large measure by construction activity and, in the medium term, huge infrastructure projects, such as the construction of river dams, hydroelectric power stations, railways and highways, are expected to significantly accelerate the pace of Chinese consumption of rebar and other steel products.³³ Likewise, China is expected to consume large quantities of rebar in preparation for the 2008 Olympics in Beijing and the 2010 World Fair in Shanghai.³⁴

77. The Tribunal notes that, in contrast to the situation with flat-rolled steel products, China has become a net exporter of rebar, with capacity building continuing into the third quarter of 2004.³⁵ However, high raw material costs, the scarcity of natural gas, electricity and other non-scrap inputs, constraints on government approval of new projects and an inadequate transportation infrastructure will likely limit future additional capacity.³⁶ The Tribunal notes that the price of rebar in China declined in the second quarter of 2004, as the August price dipped to approximately US\$423 per tonne.³⁷ However, the price started to rise again at a significant pace in the latter part of the year, and Chinese consumption of long products, such as rebar, is expected to continue to grow, albeit at a slower rate, through to 2010.³⁸ Many Chinese rebar producers are small companies that are quite responsive to demand and price trends and are able to adjust production in response to fluctuating demand. Consequently, any softening in Chinese demand is not expected to lead them to export rebar in substantial volumes.³⁹ Thus, in the Tribunal's opinion, China will continue to be an attractive destination for the world's rebar in the foreseeable future.

78. Furthermore, the evidence indicates that demand for rebar will also be strong elsewhere. India, with a booming economy, an infrastructure deficit and tariffs that have been reduced to ease the entry of rebar, is emerging as a large Asian market.⁴⁰ Indeed, India leads construction-spending growth in the Asia-Pacific region, with an anticipated 10 percent hike in 2004, and could yield an annual growth rate of 9 percent through 2009.⁴¹ Market conditions are also very good in the Middle East, where growth in the construction sector and rising demand for rebar are expected to continue at least through to 2006.⁴² In addition, there was a shift of the location of the highest global price late in the second quarter of 2004 to Eastern Europe, which

32. Foreign Producer's Exhibit J-01 at 21, Administrative Record, Vol. 13.

33. Foreign Producer's Exhibit J-01 at 41, 43-44, Administrative Record, Vol. 13.

34. Foreign Producer's Exhibit J-01 at 44, Administrative Record, Vol. 13; Foreign Producer's Exhibit I-03 at 47, Administrative Record, Vol. 13; Importer's Exhibit M-01, para. 15, Administrative Record, Vol. 13; *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 430.

35. Manufacturer's Exhibit C-06, para. 31, Administrative Record, Vol. 11A; Manufacturer's Exhibit C-06A at 14, Administrative Record, Vol. 11A.

36. Tribunal Exhibit RR-2004-001-25.08, Administrative Record, Vol. 1.01 at 8-9; Foreign Producer's Exhibit J-01 at 46-47, Administrative Record, Vol. 13; Tribunal Exhibit RR-2004-001-25.06, Administrative Record, Vol. 1.01 at 203.

37. Tribunal Exhibit RR-2004-001-25.08, Administrative Record, Vol. 1.01 at 53.

38. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 177; Tribunal Exhibit RR-2004-001-25.08, Administrative Record, Vol. 1.01 at 294.

39. Tribunal Exhibit RR-2004-001-25.08, Administrative Record, Vol. 1.01 at 33.

40. Foreign Producer's Exhibit G-01 at 25, Administrative Record, Vol. 13; Foreign Producer's Exhibit I-03, para. 19, Administrative Record, Vol. 13; Foreign Producer's Exhibit I-03 at 65, Administrative Record, Vol. 13; *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 494; *Transcript of In Camera Hearing*, Vol. 3, 18 November 2004, at 157.

41. Foreign Producer's Exhibit J-01 at 55, 57, Administrative Record, Vol. 13.

42. Foreign Producer's Exhibit I-03, para. 18, Administrative Record, Vol. 13; Foreign Producer's Exhibit I-03 at 49, Administrative Record, Vol. 13; Foreign Producer's Exhibit G-01 at 34, Administrative Record, Vol. 13.

suggests that demand there is also dynamic.⁴³ Indeed, the recent accession of several Eastern European countries to the European Union promises to further stimulate growth and demand in that part of the world.⁴⁴ Moreover, according to one witness, the highest prices for rebar are currently in Russia, which presents a favourable market opportunity for foreign producers that can gain access to it.⁴⁵

79. For these reasons, in the Tribunal's view, global demand and global prices will remain high for the foreseeable future. Greater demand and high prices in China, India, the Middle East, Eastern Europe and Russia will probably reduce the attractiveness of the Canadian market for imports. Given that ocean freight costs have escalated and that the other export markets are closer than Canada, this is especially true for rebar from Korea and Turkey. Relatively low volumes of imports from the subject countries expected in Canada, together with continuing global shortages of raw materials and high energy costs, will likely maintain upward pressure on Canadian market prices.

Domestic Market Conditions

80. There have been some changes in the structure of the domestic industry since the finding. Gerdau Ameristeel was formed in September 2003 through a merger of Co-Steel Inc. and Gerdau Courtice Steel Inc., combining two Ontario production facilities under a single corporate umbrella. Gerdau MRM has continued to operate as a separate legal entity in Selkirk, Manitoba, but it produced only small quantities of like goods in 2004.⁴⁶ As a consequence, AltaSteel is now the only significant domestic producer of like goods in Western Canada. Since January 2004, Stelco has been restructuring under the CCAA and, on October 5, 2004, it announced its intention to divest itself of both AltaSteel and Norambar.⁴⁷ During the first seven months of 2004, rebar production at Stelco's Hamilton facility was minimal.

81. Domestic demand in 2002 was consistent with the previous year, but it grew by 25 percent in 2003 and a further 34 percent in the first seven months of 2004 over the same period in 2003.⁴⁸ In 2003, sales volume from domestic production increased by 31 percent over 2002 and, in the first seven months of 2004, it decreased by 3 percent relative to the same period in 2003. However, the Tribunal notes that, even with this slight decrease, sales from domestic production from January to July 2004 represented over 70 percent of annual sales volumes for each of the years 2001 and 2002.

82. As noted above, demand for rebar is driven in large measure by construction activity. Forecasts on the record indicate that construction activity is projected to continue growing through 2006, particularly in engineering and non-residential construction, the sectors where demand for rebar is highest.⁴⁹ Witnesses for the domestic producers also provided testimony that the outlook for construction activity in Canada is positive at least up to the end of 2005.⁵⁰

43. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 177.

44. Foreign Producer's Exhibit I-03, para. 21, Administrative Record, Vol. 13.

45. *Transcript of In Camera Hearing*, Vol. 3, 18 November 2004, at 136-37.

46. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 68.

47. Manufacturer's Exhibit C-05 at 213, Administrative Record, Vol. 11A.

48. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 28.

49. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 61.

50. *Transcript of Public Hearing*, Vol. 1, 16 November 2004, at 189; *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 277.

83. Rebar deliveries by domestic mills are generally concentrated within a maximum radius of 500 miles of the mills, beyond which freight costs make domestic rebar prices uncompetitive.⁵¹ Thus, destinations in Western Canada, especially British Columbia, are unattractive for Ontario and Quebec producers.

84. The Tribunal notes that the Lower Mainland of British Columbia is not served by AltaSteel, which is the main domestic producer in Western Canada.⁵² It is in this region, which, in the Tribunal's view, the domestic industry has chosen not to supply, that rebar from China, the United States and Korea has been mainly concentrated.⁵³ By contrast, as noted earlier, rebar from Cuba and Turkey has mainly entered Eastern Canada, where it has competed with the domestic industry.⁵⁴ Although rebar from Turkey was present in British Columbia in 2001,⁵⁵ the current high freight costs for both overland and oceanic routes suggest that this will not likely recur over the next 24 months.⁵⁶

85. The domestic producers' market share ranged between 55 and 59 percent during the period from 2001 to 2003. However, their market share decreased to 45 percent in the first seven months of 2004.⁵⁷ The Tribunal notes that imports from the subject countries ranged between 11 and 14 percent of the market between 2001 and 2003, while their share represented 13 percent from January to July 2004. The Tribunal observes that, while imports from non-subject countries represented on average 31 percent of all imports between 2001 and 2003, their share increased to 42 percent in the first seven months of 2004. The Tribunal concludes that the domestic industry's lower market share in 2004 is mainly attributable to the large increase of market share of imports from non-subject countries. The principal source of these imports was China, which supplied rebar to the Lower Mainland of British Columbia.

86. The Tribunal notes that prices in the Canadian market increased significantly during 2004, reflecting the strong global and domestic demand for rebar. The evidence also shows that the prices of inputs, particularly those of scrap metal and energy, rose rapidly in the latter part of the period of review, due to the global shortage noted above. Starting in late 2003 and continuing in 2004, the domestic producers began a series of price increases in the form of either surcharges or upward adjustments to their base prices.⁵⁸ From January to July 2004, the average unit value for sales from domestic production was CAN\$630 per tonne, which represents an increase of 34 percent over the same period in 2003. The Tribunal also notes that the average unit value for sales was CAN\$726 per tonne for the subject goods and CAN\$669 per tonne for non-subject country imports for the first seven months of 2004.⁵⁹

51. *Transcript of Public Hearing*, Vol. 1, 16 November 2004, at 95.

52. *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 340.

53. *Transcript of Public Hearing*, Vol. 1, 16 November 2004, at 45, 95, 102-103, 198-99; *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 329, 340-41, 470; Foreign Producer's Exhibit G-01 at 19-20, 62-65, Administrative Record, Vol. 13; Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 35.

54. Foreign Producer's Exhibit G-01 at 21-22, Administrative Record, Vol. 13; Manufacturer's Exhibit A-03 at 23, 24, Administrative Record, Vol. 11A; Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 35.

55. Foreign Producer's Exhibit G-01 at 21-22, Administrative Record, Vol. 13.

56. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 533-34, 608, 649-50; 659-60.

57. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 29.

58. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 33; Manufacturer's Exhibit A-08 at 31-39, Administrative Record, Vol. 11.

59. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 33.

87. The Tribunal also notes that, since Gerdau MRM is no longer producing rebar in significant quantities, and in the absence of significant volumes of imports, AltaSteel is now in a position to be a price setter in the Prairie Provinces. As mentioned, the evidence does not demonstrate that prices in Eastern Canada and Western Canada influence each other.⁶⁰

88. The domestic industry argued that an important indicator of the likelihood of injury is its poor financial results between 2001 and 2003. It notes that it lost more than CAN\$47 million during that period, on an aggregate basis, while the finding was in effect. The Tribunal notes that, although the domestic industry suffered a net loss in each year from 2001 to 2003, its financial performance is now showing the effects of a high level of capacity utilization, increasing sales and a strong increase in prices. In fact, its net losses decreased steadily between 2001 and 2003 and then turned into a positive net income before taxes of over CAN\$19 million for the period from January to July 2004.⁶¹ Net sales increased from CAN\$465 per tonne in 2003 to CAN\$637 per tonne in 2004, while the cost of goods sold increased from CAN\$455 per tonne in 2003 to CAN\$533 per tonne in 2004. The Tribunal notes that net sales increased by CAN\$171 per tonne in the first seven months of 2004 over the same period in 2003, which significantly exceeded the increase of CAN\$79 per tonne in cost of goods sold.

89. The Tribunal notes that the data from the inquiry indicated that gross margins of 11 to 13 percent of sales were the norm before the impact of dumped imports.⁶² The Tribunal observes that the industry recorded a negative gross margin of 4 percent in 2001, before reporting gross margins of 1 percent and 2 percent in 2002 and 2003 respectively. However, in the first seven months of 2004, gross margins were at 16 percent, exceeding the norm of 11 to 13 percent during the period from 1996 to 1998. In absolute terms, net income has reversed from a loss of CAN\$16 per tonne in 2003 to a profit of CAN\$79 per tonne in 2004, which is significantly higher than the CAN\$20 range reported between 1996 and 1998. These significant improvements have been achieved even in a period where Stelco has been in financial circumstances that led it to obtain *CCAA* protection, substantial imports have entered the Canadian market and the market share of the domestic industry has decreased. Clearly, domestic producers have been able to take advantage of higher domestic demand to raise their prices to levels that surpass the increased cost of inputs, such as scrap metal and energy.

90. The domestic industry's plant capacity utilization rate improved during the period of review. The utilization rate for rebar increased from 15 to 18 percent between 2001 and 2004. The utilization rate for other products made on the same equipment also increased from 65 to 70 percent during the same period. Thus, the domestic industry's total utilization rate for all products made on the same equipment was at a healthy 88 percent for the period from January to July 2004.⁶³

91. In summary, during the period of review, Canadian demand became very strong, and domestic producers improved their production, capacity utilization, prices, sales revenues, gross margins and profits. The Tribunal concludes that domestic market conditions and the results of the domestic industry have improved considerably in recent months.

60. *Transcript of Public Hearing*, 17 November 2004, Vol. 2 at 299-300, 413-15, 422-23, 444; Manufacturer's Exhibit A-03 at 21-27, 30, Administrative Record, Vol. 11.

61. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 39.

62. Tribunal Exhibit RR-2004-001-08, Administrative Record, Vol. 1.1 at 109.

63. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 51.

92. Looking forward, the Tribunal is of the view that the continuing heavy demand for raw materials, such as scrap metal, is likely to keep the supply in both the global and Canadian markets relatively tight for the coming 24 months. The Tribunal is also of the opinion that, while construction activity continues to grow in Canada as forecast, this will have the effect of maintaining high demand on domestic supply. At the same time, offshore imports will likely be subject to continuing high freight costs and possibly a scarcity of vessels, which will continue to exert upward pressure on their landed prices.⁶⁴ The Tribunal is therefore of the view that prices for rebar in the Canadian market will continue at a high level over the next 24 months.

Likelihood of Injury from Cumulated Countries

- Likely Volume of Dumped Imports from the Cumulated Countries

CUBA

93. There is little information on the record that is specific to Cuba. ACINOX, a Cuban exporter, provided a partial response to the exporters' questionnaire and, apart from this, has not participated in the Tribunal's proceeding. The evidence indicates that there is only one producer of rebar in Cuba.⁶⁵ According to the International Iron and Steel Institute (IISI), the volume of rebar production was 90,000 tonnes in 2002 and 113,000 tonnes in 2001.⁶⁶ Stelco argued that, since the IISI reported a production of 236,000 tonnes of rebar in 1998,⁶⁷ the Cuban mill has an excess capacity of approximately 146,000 tonnes. The Tribunal questions the level of production reported by the IISI for 1998, since it is more than double the other annual IISI production figures during the 1993-2002 period. Moreover, there is credible evidence on the record that the Cuban mill's production of rebar in 1998 was in the same range as that which was reported in other years.⁶⁸

94. The Tribunal notes that normal values for Cuba were developed based on the average of the normal values determined for the co-operating exporters in Turkey.⁶⁹

95. The Tribunal observes that imports from Cuba are not subject to anti-dumping duties in other jurisdictions. There are also no safeguard actions in place against rebar from Cuba. However, Cuba cannot export rebar to the United States due to a trade embargo on all Cuban goods.

96. The Tribunal notes that the volume of imports from Cuba was very low during the review period and that its share of overall Canadian imports has been very small.⁷⁰ The evidence also shows that ACINOX has supplied the Canadian market exclusively through one Canadian importer.⁷¹ The Tribunal notes that the share of Cuban rebar in the Canadian market remained small and generally stable over the period of inquiry and the period of review.

64. Foreign Producer's Exhibit G-01, para. 23, Administrative Record, Vol. 13; Foreign Producer's Exhibit I-03, para. 23, Administrative Record, Vol. 13.

65. It was established in the inquiry that Siderúrgica José Martí was the sole Cuban producer that could export to Canada. Another Cuban steel manufacturer produced rebar at that time, but its production could not meet the quality standards necessary to sell to the Canadian market. Tribunal Exhibit RR-2004-001-09 (protected), Administrative Record, Vol. 2.1 at 72.

66. Manufacturer's Exhibit C-05 at 5, Administrative Record, Vol. 11A.

67. Manufacturer's Exhibit C-01, para. 146, Administrative Record, Vol. 11A.

68. Tribunal Exhibit RR-2004-001-09 (protected), Administrative Record, Vol. 2.1 at 74.

69. Tribunal Exhibit RR-2004-001-10.06, Administrative Record, Vol. 1.2 at 176.

70. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 24.

71. Tribunal Exhibit RR-2004-001-17.02 (protected), Administrative Record, Vol. 6 at 52.

97. The Tribunal notes that, during the period of review, rebar exports to Canada represented only a small percentage of ACINOX's total rebar exports.⁷² The major markets for ACINOX's exports of rebar were in the Caribbean countries and Latin America.⁷³ However, according to a witness for the Turkish producers, the Cuban producer could not be a leader in these regions since it has insufficient production capacity to satisfy the demand. It has to focus on specific export markets, such as Mexico, Costa Rica and Honduras.⁷⁴ Thus, the Tribunal concludes that, even in its neighbouring export markets, Cuba is not a major player.

98. Taking into account the evidence concerning Cuba's current production levels of rebar and its concentration of sales in the Caribbean and Latin American markets, the Tribunal is of the view that there would need to be a major change in Cuban production levels before significant volumes of rebar could be available for sale to Canada. In the Tribunal's view, the evidence does not indicate that this is likely to happen. Accordingly, the Tribunal is of the view that, if the finding is rescinded, the Cuban exporter will not likely ship dumped rebar to the Canadian market in significant volumes over the next 24 months.

TURKEY

99. The Tribunal observes that the capacity of the Turkish industry to produce rebar is significant. The combined plant capacity of the five producers that replied to the questionnaires amounted in 2003 to over 5.5 million tonnes,⁷⁵ and the domestic producers suggest that eight other large Turkish mills that did not respond to the questionnaires have a combined rebar manufacturing capacity in excess of 3.8 million tonnes.⁷⁶ The Tribunal heard testimony that might affect these numbers slightly,⁷⁷ but it is of the opinion that the sum of these plant capacities, totalling more than 9 million tonnes, provides a reasonably good picture of total Turkish plant capacity.

100. The Tribunal first notes that data provided by the Turkish producers show that their plant capacity represents more than 60 percent of the plant capacity for all producers of rebar in Turkey.⁷⁸ The Tribunal observes that the producers of rebar in Turkey have been operating at high rates of capacity utilization, having achieved between 74 percent and 84 percent utilization of capacity between 2001 and July 2004, if other goods produced on common equipment are included. The Tribunal notes that the other products produced on the same equipment are small in proportion to Turkey's overall rebar production. From the Turkish producers' standpoint, they operated at full capacity during the period of review.⁷⁹ The Tribunal is satisfied that the information on the record reflects high rates of capacity utilization. The Tribunal is also aware that, while Ekinciler plans to bring its significant but dormant production capacity back on stream, this will not likely be realized in its entirety in the next 24 months.⁸⁰ Further, the Tribunal observes that the total rebar production capacity of all producers in Turkey, including those appearing as parties in this proceeding, is not likely to increase significantly over the next 24 months.⁸¹

72. Tribunal Exhibit RR-2004-001-20.06 (protected), Administrative Record, Vol. 6.1 at 190.

73. Tribunal Exhibit RR-2004-001-20.06 (protected), Administrative Record, Vol. 6.1 at 190.

74. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 603-604.

75. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 165, 167, 169, 171-72.

76. Manufacturer's Exhibit C-01, para. 18, Administrative Record, Vol. 11A.

77. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 614-17.

78. Tribunal Exhibit RR-2004-001-05B, Administrative Record, Vol. 1A at 181.

79. Foreign Producer's Exhibit G-01, para. 16, Administrative Record, Vol. 13.

80. *Transcript of In Camera Hearing*, Vol. 3, 18 November 2004, at 118-19.

81. Foreign Producer's Exhibit G-01, para. 16, Administrative Record, Vol. 13.

101. As well, in the Tribunal's view, the evidence does not support the domestic industry's contention that Turkey would increase production of rebar by shifting production from other long products.⁸² The Tribunal is aware that the capacity figure of more than 9 million tonnes cited above includes capacity to manufacture both rebar and other products on the same equipment. However, it is clear from the evidence that rebar was the main product produced on this equipment during the period of review and that the utilization rates of other products have shown increases similar to those of rebar, suggesting that producers have not shifted production from one product to another.⁸³ Moreover, the Tribunal notes that the Turkish industry generally does not produce higher-value long products, such as merchant bars.⁸⁴ Accordingly, the Tribunal concludes that it is unlikely that such shifting would happen.

102. The domestic industry argued that the expiry of the finding would result in significant volumes of rebar being exported to Canada because of Turkey's large freely disposable capacity and dependence on exports.⁸⁵ Although, as discussed below, Turkey has a rebar production capacity that is many times larger than the Canadian apparent market and is highly dependent on exports, the important factor is not the mere existence of unused capacity and export dependence but how and where this extra capacity is likely to be used for exports. In this context, the Tribunal is of the view that, in the next 24 months, as discussed below, Turkey will use its capacity primarily to produce rebar to satisfy either its home market demand or its major and growing traditional markets rather than Canada.

103. The Tribunal's review of the available evidence revealed that only the United States maintains anti-dumping or countervailing measures against rebar from Turkey.⁸⁶ The Tribunal notes that Singapore's and Egypt's findings covering imports from Turkey were revoked in January 2003 and in August 2004 respectively.⁸⁷ In the United States, imports from Turkey were subject to safeguard action under section 201 of the *Trade Act of 1974*.⁸⁸ This action was revoked in December 2003. There are currently no safeguard actions in place against rebar originating in Turkey. The Tribunal also notes that, despite the anti-dumping and safeguard measures in the United States, the producers of rebar in Turkey continued to export significant volumes of rebar to that market between 2001 and July 2004.⁸⁹ Although a small amount of Turkish rebar may have been diverted from the United States to Canada during the period of the U.S. safeguard, in the Tribunal's view, the current expectation by the Turkish industry that it will continue to have access to the U.S. market, combined with its focus on its traditional major markets and other, possibly more lucrative, markets, as discussed later, suggests that little, if any, Turkish rebar is likely to be diverted from the United States to Canada during the next 24 months.

104. Turkey has recently enjoyed relatively high rates of economic growth. According to the Organisation for Economic Co-operation and Development, the GDP grew by 5.0 percent in 2003, and it is forecast to increase by 4.9 percent in 2004 and 5.4 percent in 2005.⁹⁰ The Tribunal notes that Turkey has been invited to begin formal negotiations on accession to the European Union. According to one witness,

82. Manufacturer's Exhibit A-01, para. 104, Administrative Record, Vol. 11.

83. Tribunal Exhibit RR-2004-001-05B, Administrative Record, Vol. 1A at 181.

84. Foreign Producer's Exhibit H-03, para. 10, Administrative Record, Vol. 13.

85. Manufacturer's Exhibit F-02, para. 30, Administrative Record, Vol. 11B.

86. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 15. The U.S. finding against Turkey was renewed in February 2003, Manufacturer's Exhibit A-01, para. 112, Administrative Record, Vol. 11.

87. Manufacturer's Exhibit C-01, para. 165, Administrative Record, Vol. 11A; Foreign Producer's Exhibit H-03, para. 17, Administrative Record, Vol. 13.

88. Manufacturer's Exhibit C-01, para. 164, Administrative Record, Vol. 11A.

89. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 165, 167, 169, 171.

90. Tribunal Exhibit RR-2004-001-19.04A, Administrative Record, Vol. 5.1A at 161.

the prospect of accession is already having a positive impact on the Turkish economy.⁹¹ The Tribunal also notes that Turkey has recently experienced significant development in the construction sector that has resulted in increasing demand for long products, including rebar, in its home market. In 2003, Turkey's consumption of long products increased by 28 percent over the previous year and, for the first eight months of 2004, consumption increased by 15 percent over the same period in 2003.⁹² Turkish selling prices in its home market were 42 percent higher in the first seven months of 2004 than in the same period in 2003.⁹³ In the Tribunal's opinion, home market consumption and sales are likely to continue to grow in the foreseeable future.

105. The evidence indicates that Turkey's rebar production and exports appear to be responsive to the escalating global demand, especially in markets where demand is particularly strong. The evidence indicates that a significant portion of Turkish exports is sold in neighbouring markets, such as the Middle East and the expanded European Union.⁹⁴ A witness for the Turkish producers testified that the demand in the Middle East, particularly the United Arab Emirates, has increased significantly recently because of high energy prices.⁹⁵ He also stated that Israel is an important customer and that exports to Syria should improve in the near future. Turkey, being part of a customs union with the European Union, supplies close to 50 percent of the imported rebar in the European Union.⁹⁶ Turkey also has major customers in North African countries and other emerging markets, such as India.⁹⁷ As well, despite difficulties with access, the Turkish producers hope to increase their exports to Russia, which, as noted above, has been identified as the currently highest-priced market for rebar in the world.⁹⁸ The Turkish producers also testified that Hong Kong and Singapore are major markets for them in Asia and that the Caribbean has been an export market for many years.⁹⁹ Moreover, the Tribunal notes that Turkish exports of rebar to the United States continued in recent years and increased in recent months, even with anti-dumping measures in place against Turkish rebar. The Tribunal also notes that, as in the U.S. market, Turkish exports have been competitive in the Canadian market with the anti-dumping finding in place, even at normal values.

106. The Tribunal notes that rebar producers in Turkey continue to rely heavily on exports. The evidence shows that the Turkish industry's total volume of export sales increased in absolute terms between 2001 and 2004.¹⁰⁰ However, the Turkish volume of export sales, as a percentage of total sales, decreased from 79 percent in 2001 to 76 percent in the first seven months of 2004. The Tribunal is of the view that, even though Turkey is export oriented, it has to balance this fact against meeting the demands of an important and growing home market. A witness for the Turkish producers testified that, even if the finding is rescinded, the Turkish producers have other market preferences and that their attitude vis-à-vis Canada will not change.¹⁰¹

91. Foreign Producer's Exhibit H-03, para. 12, Administrative Record, Vol. 13.

92. Foreign Producer's Exhibit H-03, para. 13, Administrative Record, Vol. 13.

93. Tribunal Exhibit RR-2004-001-05B, Administrative Record, Vol. 1A at 181.

94. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 165, 167, 169, 171.

95. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 495, 600-602.

96. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 496.

97. Foreign Producer's Exhibit I-03, paras. 19, 20, Administrative Record, Vol. 13; *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 494-95; *Transcript of In Camera Hearing*, Vol. 3, 18 November 2004, at 157.

98. *Transcript of In Camera Hearing*, Vol. 3, 18 November 2004, at 136.

99. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 598-99, 603.

100. Tribunal Exhibit RR-2004-001-05B, Administrative Record, Vol. 1A at 181.

101. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 507.

107. The Tribunal also notes that CCC Steel, a major importer of rebar that has entered into a joint venture agreement with a Mexican steel producer, has recently switched some of its purchases of rebar from Turkey to Mexico. The Tribunal considers that this is another factor that will limit the volume of rebar exported to Canada from Turkey.

108. In light of the foregoing, the Tribunal is of the opinion that the Turkish rebar producers will likely be focusing primarily on their major existing, and growing, export markets, as well as on emerging markets, including possible improved access to the high-priced Russian market. There is no reason to believe that the export focus on existing major Turkish trading partners will cease. Moreover, the forecasts of strong economic growth in Turkey also suggest to the Tribunal that increased home market consumption is likely to continue and that any shift in the proportion of home market to export sales in the foreseeable future is unlikely to create additional pressure to export. All the above suggests to the Tribunal that the volume of rebar available for export to Canada is unlikely to exceed current levels significantly over the next 24 months.

– Likely Prices of Dumped Imports from the Cumulated Countries

CUBA

109. The Tribunal first notes that, during the period of review, imports from Cuba were sold at prices higher than the normal value levels. The Tribunal also notes that the Cuban selling prices were comparable to or sometimes higher than those of other subject countries' and domestic producers' rebar.¹⁰² The Tribunal is of the view that, over the next 24 months, Cuban rebar will be sold at prevailing market prices, which will likely continue to be above the normal value levels. In the Tribunal's view, this suggests that the likelihood of Cuban rebar competing at injurious prices is very limited.

110. Moreover, as noted above, the Tribunal's view that there would likely be very little, if any, volume of Cuban rebar in the Canadian market in the foreseeable future leads to the conclusion that any impact on the Canadian market, even if prices were low, would likely be minimal.

TURKEY

111. The Tribunal is of the view that any imports of rebar into Canada from Turkey following the expiry of the finding will likely be at the prevailing world prices. The Tribunal does not consider that the Turkish industry will have a significant incentive to sell rebar into this market at low prices, given that price levels in other markets are projected to remain high. Further, because demand in other markets is expected to be high, the Turkish industry is unlikely to have large excess volumes for which it needs to find markets, a situation that, if it occurred, might necessitate selling at low prices.

112. The Tribunal notes that, between 2001 and July 2004, the Turkish producers sold at or above normal values. Given that Turkish rebar is competitive at these prices, and given the current and expected level of Canadian demand and prices, the Tribunal is of the view that Turkey will not have to lower its prices to injurious levels in order to continue to be competitive.

113. Considering the above, in the Tribunal's view, the prices of imports from Turkey are likely to remain at non-injurious levels over the next 24 months.

102. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 33.

– Likely Effect of Dumped Imports from the Cumulated Countries on the Domestic Industry

114. As noted above, the Tribunal is of the view that Cuba will not likely export rebar to the Canadian market in significant volumes in the foreseeable future. Regarding Turkey, the Tribunal considers that the volume of rebar available for export to Canada is unlikely, over the next 24 months, to significantly exceed current levels. Accordingly, the Tribunal does not consider that the volume of rebar from the cumulated countries is likely to increase significantly over the next 24 months.

115. Considering the situation described above in the Canadian market, the Tribunal is of the opinion that prices will likely remain at high levels for the next 24 months. Even if the domestic industry has to lower its prices from their current and expected high levels, they will still likely be well above those experienced in recent years. In this context and as discussed above, the Tribunal does not consider that imports from the cumulated countries are likely to be sold at injurious prices.

116. In the Tribunal's view, as a result of the strong projected domestic demand discussed above, the domestic rebar supply will remain at, or close to, the levels observed recently. Domestic capacity utilization rates are likely to remain at, or close to, their present high levels.

117. As discussed above, the Tribunal is of the view that the domestic industry's financial performance is now showing the effects of a high rate of capacity utilization, increasing sales and excellent prices. All these positive indicators translated into gross margins of 16 percent of net sales in the first seven months of 2004, which occurred even while a major producer was in an unfavourable overall financial situation. The Tribunal is of the opinion that the positive outlook for the economy, the current buoyant market and the resulting strong demand for rebar and the continuing high prices for the foreseeable future are all factors that are likely to provide the necessary conditions for the domestic industry to maintain a good level of profitability.

118. Accordingly, the Tribunal concludes that, over the next 24 months, the industry's financial prospects are solid and that it is not likely to be materially injured by the likely resumption or continuation of dumping by the cumulated countries.

Likelihood of Injury from Korea

– Likely Volumes of Dumped Imports from Korea

119. Turning to the performance of the Korean industry, the Tribunal observes that it has a large rebar production capacity, which increased during the period of review.¹⁰³ Its production also increased from 9.5 million tonnes to 10.9 million tonnes between 2000 and 2002.¹⁰⁴ Korean producers operated at full capacity utilization for most of the period of review.¹⁰⁵ The utilization rate decreased slightly in the first seven months of 2004 compared to the same period in 2003. The Tribunal observes that production of other products on the same equipment is very limited, which, combined with the high total capacity utilization rates, means that, with the existing equipment, the likelihood of shifting from the production of other products to increase rebar production is very low. Korean producers have submitted that no capacity addition for the production of rebar is planned.¹⁰⁶

103. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 56.

104. Manufacturer's Exhibit C-05 at 6, Administrative Record, Vol. 11A.

105. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 56.

106. Foreign Producer's Exhibit J-01 at 5, Administrative Record, Vol. 13.

120. The Tribunal observes that, other than the United States, there are no countries that maintain anti-dumping or countervailing measures against rebar from Korea.¹⁰⁷ There are no safeguard actions in place against rebar from Korea.

121. The Korean economy has experienced significant growth during the period of review and that growth is projected to continue into the foreseeable future. According to the IMF, the GDP growth for Korea is likely to be 4.6 percent in 2004 and 4.0 percent in 2005.¹⁰⁸ Korean producers' home market sales of rebar grew by 16 percent between 2001 and 2003 and decreased slightly in the first seven months of 2004 compared to the same period in 2003.¹⁰⁹ The evidence indicates that home market prices for rebar are high.¹¹⁰ According to MEPS International, building investment in Korea peaked during 2003.¹¹¹ In the last quarter of 2004, MEPS International predicts a deceleration in the real estate market and, therefore, a slowdown in demand for long products such as rebar.¹¹² However, rebar supply and demand are broadly in balance, in spite of the slowing of the real estate market.¹¹³

122. The Tribunal notes that total Korean rebar export sales decreased between 2001 and 2003 and represented only a small fraction of total sales. In response to buoyant home market demand, Korean producers have practically ceased the export of rebar since 2002. There was only one relatively small shipment of rebar to Canada during the period of review. Furthermore, Korea imposed an export ban on rebar for about six months in 2004, which suggests to the Tribunal that internal demand was more than sufficient to exhaust the supply of Korean producers during that period.

123. Although strong demand for rebar has absorbed almost all Korean production in recent years, the weakening in home market demand means that a higher proportion of Korean production could be available for export markets, which may represent a significant quantity. This was confirmed by recent exports to at least one of Korea's neighbouring markets.¹¹⁴ Nevertheless, the forecasts of economic growth in the Korean market, as noted above, suggest to the Tribunal that home market consumption is likely to continue to be strong, even if at a lower level than in recent periods. Despite the above-noted shipment to the neighbouring market, the evidence shows that Korean producers have not shipped to more distant markets since the export ban on rebar was lifted.¹¹⁵ Indeed, the witness for a Turkish producer testified that he was not currently encountering Korean rebar in the international market.¹¹⁶

124. The Tribunal notes that China's recent transformation into a net exporter of rebar will potentially create pressure on Korean exports, particularly in neighbouring markets. Ultimately, this could result in a significant increase in Korean rebar exports to Canada. The Tribunal is of the view that, even without pressure from China, Western Canada may be a potentially attractive market for Korea, since it has a history of exporting rebar into that market. However, in the Tribunal's opinion, significant volumes of low-priced exports to Western Canada will occur only if Korean home market sales soften rapidly and significantly, and if pressure from China in Asian export markets increases rapidly and significantly, challenging Korean product in those markets. As discussed above, given the continuing strength of Korea's and China's home

107. Tribunal Exhibit RR-2004-001-05, Administrative Record, Vol. 1A at 15.

108. Foreign Producer's Exhibit J-01 at 24, Administrative Record, Vol. 13.

109. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 56.

110. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 57.

111. Tribunal Exhibit RR-2004-001-03A, Administrative Record, Vol. 1 at 185.

112. Tribunal Exhibit RR-2004-001-25.03, Administrative Record, Vol. 1.01 at 33.

113. Tribunal Exhibit RR-2004-001-25.03, Administrative Record, Vol. 1.01 at 35.

114. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 161-62.

115. Tribunal Exhibit RR-2004-001-06 (protected), Administrative Record, Vol. 2A at 161-62.

116. *Transcript of Public Hearing*, Vol. 3, 18 November 2004, at 597.

markets, neither of these scenarios is likely to occur in the next 24 months. Even if these scenarios were to occur, however, as discussed above, the first target market in Canada would likely be the Lower Mainland of British Columbia, where Korean exports would come into competition with rebar from China and the United States, rather than with like goods of domestic producers.

125. Given the circumstances and facts cited above, the Tribunal is of the view that, should the finding be rescinded, it is not likely that the Korean producers will export rebar to the Canadian market in significant volumes over the next 24 months and, if they do so, it will be primarily to the Lower Mainland of British Columbia.

– Likely Prices of Dumped Imports from Korea

126. As discussed above, the Tribunal is of the view that the circumstances that would lead to the re-entry of rebar from Korea into the Canadian market in significant volumes would be a combination of internal pressure to export and the inability of Asian markets to absorb Korean rebar. The Tribunal is of the view that such a concurrence of circumstances is unlikely in the next 24 months. If this were to occur, Korean rebar would almost certainly be exported to the Lower Mainland of British Columbia, which is currently served largely by imports from the United States and China and not by like goods of domestic producers. Korean goods would therefore have to compete with the imports from the United States and China, but would not compete directly with the like goods of domestic producers. In order to compete successfully with the other imports, Korean producers might be forced to quote prices below current prices in the Lower Mainland of British Columbia. Over time, this practice might lead to pricing levels low enough to offset freight rates into the Prairie Provinces and allow Korean rebar ultimately to compete there with domestically produced rebar. However, this scenario calls for a coincidence of multiple circumstances that is highly speculative. In any case, for the reasons stated above, the Tribunal is of the view that this is unlikely to occur within a 24-month period after a rescission of the finding. Further, the Tribunal notes that, in the period from January to July 2004, actual prices of imports from China and the United States were at levels similar to, and even higher than, those of the domestic industry elsewhere in Canada. In light of these attractive price levels, the only force in the B.C. market that would likely drive Korean prices to low levels would be a need to lower prices in order to sell off a large volume of product that had been subjected to export pressure. As discussed, the evidence does not indicate that such export pressure is likely to occur over the next 24 months.

– Likely Effect of Dumped Imports from Korea on the Domestic Industry

127. As noted above, during the period of review, demand in the Lower Mainland of British Columbia was satisfied mainly by U.S. and Chinese rebar and to a much lesser extent by Korean rebar. The Tribunal notes that, during the period of review, all rebar from Korea was imported into British Columbia. In the Tribunal's opinion, for the reasons discussed earlier, it is unlikely that rebar from Korea will be sold in Eastern Canada in the next 24 months. On the other hand, there is evidence that domestic producers chose not to compete in the Lower Mainland of British Columbia during the period of review.¹¹⁷

128. Considering the above, the Tribunal is of the view that, over the next 24 months, the participation of Korean rebar in the Canadian market will likely have a very small impact, if any, on the performance of the domestic industry, since Korean and domestic suppliers most likely will not operate in the same geographic market. In any event, as discussed earlier, the Tribunal is of the view that the performance of the domestic

117. *Transcript of Public Hearing*, Vol. 1, 16 November 2004, at 45, 95, 102-103, 198-99; *Transcript of Public Hearing*, Vol. 2, 17 November 2004, at 329, 340-41, 470.

industry is likely to be good for the foreseeable future and that healthy profitability is likely to continue in a strong domestic market. Accordingly, even if exports of rebar from Korea increased significantly as a result of a rescission of the finding, and a portion of it were sold in provinces other than British Columbia, the Tribunal is not persuaded that the volume of those sales would be significant or that the price of Korean imports would likely be low enough to materially injure the domestic industry.

CONCLUSION

129. The Tribunal finds that it is unlikely that the resumed or continued dumping of rebar from Cuba and Turkey will cause injury to the domestic industry over the next 24 months. The Tribunal also finds that it is unlikely that the resumed or continued dumping of rebar from Korea will cause injury to the domestic industry over the next 24 months.

130. Therefore, pursuant to subparagraph 76.03(12)(a)(ii) of *SIMA*, the Tribunal rescinds its finding in respect of rebar originating in or exported from Cuba, Turkey, and Korea.

James A. Ogilvy
James A. Ogilvy
Presiding Member

Richard Lafontaine
Richard Lafontaine
Member

Ellen Fry
Ellen Fry
Member