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1025 CONNECTICUT AVE. N.W.
SUITE 1000
WASHINGTON, DC 20036

EDMUND W. SIM
PARTNER
TEL. (301) 649-2149
FAX (202) 449-4129
EMAIL: SIM@APPLETONLUFF.COM

February 17, 2025

Registrar
Secretariat to the Canadian International Trade Tribunal
17th Floor
333 Laurier Avenue West
Ottawa, Ontario K1A 0G7

Re: Inquiry NQ-2024-003: Certain Concrete Reinforcing Bar Originating in or Exported from Bulgaria, Thailand and the United Arab Emirates – Request for Public Interest Inquiry

Dear Sirs and Madams:

On behalf of Promet Steel JSC, a producer and manufacturer of reinforcing bar in Bulgaria, we hereby request commencement of a public interest inquiry in the above-referenced proceeding. This submission does not contain any confidential information. Please let us know if you have any questions regarding this submission.

Respectfully submitted,

/s/ Edmund W. Sim
Edmund W. Sim

I. Introduction

Promet Steel JSC, a producer and manufacturer of reinforcing bar in Bulgaria, respectfully requests the initiation of a public interest inquiry concerning the proposed anti-dumping duties on imports of certain concrete reinforcing bars from Bulgaria. This request is made in accordance with subsection 45(1) of the Special Import Measures Act (SIMA) and complies with the requirements outlined in subsection 40.1(2) of the Regulations governing public interest inquiries. Promet was a party to the injury inquiry conducted by the Tribunal in this proceeding. This request is timely filed, as it is made within 45 days of the Tribunal's injury finding dated 13 January 2025.

The relevant contact information is as follows:

Name:	Promet Steel JSC
Address:	Region of Burgas, Municipality of Sredets, 8314 Debelt, Bulgaria
Telephone:	+359-56-5930972
Email:	dmytro.zakharchenko@metinvestholding.com
Counsel:	Edmund Sim
Law Firm:	Appleton Luff International Lawyers
Address:	1025 Connecticut Avenue NW, Suite 1000, Washington DC 20036, USA (counsel consents to service via e-mail or other electronic means)
Email:	sim@appletonluff.com
Phone:	+1-571-208-5818, +1-301-649-2149
Fax:	+1-202-449-4129

The primary objective of this request is to demonstrate that the imposition of anti-dumping duties on reinforcing bars from Bulgaria would not serve the public interest. Promet believes that there are reasonable grounds for the Tribunal to consider eliminating or reducing the anti-dumping duties imposed on its exports of concrete reinforcing bars from Bulgaria, as doing so is in the public interest of Canada. Promet presents that imposing anti-dumping duties on reinforcing bars made from Ukrainian steel directly contradicts the Canadian government's strong support of Ukraine during the Russian invasion, by encouraging Canada-Ukraine trade. Indeed, the magnitude of the proposed anti-dumping duties were inflated as a result of the negative impact of the Russian invasion. Moreover, such duties are

likely to have adverse effects on competition, downstream industries, and consumers in Canada, while disproportionately impacting Bulgarian exporters without commensurate benefits accruing to the domestic industry. Thus, Promet respectfully requests the initiation of a public interest inquiry into the definitive anti-dumping duties under consideration. This is deemed essential to ensure a fair and balanced outcome for all stakeholders involved in this matter.

II. Public Interest and Balance of Rights and Obligations

Article 6 of the WTO Anti-Dumping Agreement outlines procedural obligations for investigating authorities to balance the rights of all parties involved and consider broader public interest concerns. Specifically, Article 6.2 ensures that throughout an anti-dumping investigation, all interested parties have the opportunity to defend their interests. Thus Section 45(1) of SIMA empowers the Tribunal to assess the public interest implications of imposing duties following an injury determination.

In the EC – Fasteners (China) case, the WTO Appellate Body emphasized that anti-dumping measures should not unduly disrupt fair competition and should only be applied when necessary to address injury resulting from dumping, with careful consideration of broader economic impacts and proportionality.¹

Moreover, the Government of Canada has explicitly demonstrated that a strong and independent Ukraine is in the public interest of Canada through various acts and declarations, most notably the Ukraine Goods Remission Order (UGRO), SOR/2022-127, as amended by SOR/2024-111, which exempts Ukrainian goods from the scope of SIMA:

¹ WTO, EC – Fasteners (China), WT/DS397/AB/R, 2011.

Remission — [*Special Import Measures Act*](#)

2 (1) Subject to section 3, remission is granted of the duties paid or payable under the [*Special Import Measures Act*](#) in respect of goods that originate in Ukraine.

Marginal note: Goods that originate in Ukraine

(2) For the purposes of this section, goods originate in Ukraine if they acquired their physical and technical characteristics in Ukraine.

The Ministry of Finance articulated the reasons for implementing the UGRO as follows:

On February 24, 2022, Russian military forces invaded the sovereign country of Ukraine, including through the territory of Belarus with the permission of that country's government.

From the beginning of the war in Ukraine, the Government of Canada has responded to Russia and Belarus's violation of sovereignty and of international law with a broad range of measures and sanctions, in close coordination with our Allies and partners. This response included trade-restrictive measures under the *Customs Tariff*. Furthermore, the Government of Canada has supported Ukraine, including with development, humanitarian, military and economic assistance.

The Canada-Ukraine Free Trade Agreement (CUFTA), which entered into force on August 1, 2017, represents an important milestone in the Canada-Ukraine relationship that brings economic benefits to both countries. In April 2023, Canada and Ukraine announced the conclusion of CUFTA modernization negotiations and are working toward timely implementation.

To provide further economic support to Ukraine, since June 9, 2022, the *Ukraine Goods Remission Order* (the Order) has provided additional temporary and comprehensive duty relief to Ukrainian goods imported into Canada under section 115 of the *Customs Tariff*. Under this measure, temporary relief from customs, anti-dumping and countervailing duties was provided for all Ukrainian goods. . . .

Given the enduring nature of the conflict that continues to significantly disrupt and harm Ukraine's economy, extending temporary tariff relief is warranted.

Objective

The objective of this Order is to encourage increased exports from Ukraine to Canada to help support economic activity in Ukraine.

The Russian invasion of Ukraine continues “to significantly disrupt and harm Ukraine's economy,” such that it is still necessary for Canada to support the Ukrainian war effort by encouraging “exports from Ukraine to Canada to help support economic activity in Ukraine.” Thus the UGRO

has been extended to 2027 and the Canadian government for the most part has supported the people of Ukraine.

However, as explained both to the Tribunal and the CBSA, the application of anti-dumping duties on reinforcing bars exported by Promet from Bulgaria, which were manufactured from steel billet produced in Ukraine, undermines the Canadian public interest in supporting the Ukrainian war effort through measures like the UGRO.

The only Bulgarian respondent in this proceeding is Promet, which has been owned by the Metinvest Group of Ukraine since 2010. The rebar produced and exported by Promet to Canada is made entirely from steel billets melted and poured in Ukraine (as Promet has no own steel melting capacity in Bulgaria). These steel billets are produced at Promet's affiliate – PJSC “Kamet-Steel” (further – “Kamet”), an integrated long steel producer located in Kamianske, in the Dnipropetrovsk region, which is duly confirmed by Mill Test Certificates issued for rebars. The close supplier relationship between Promet and Kamet was established before the full-scale Russian invasion that started in February 2022.

As such, Promet is a vital part of the Ukrainian steel industry and its efforts in dealing with the Russian invasion. Although it is located in Bulgaria, Promet has been a long-standing part of a supply chain that originates in Ukraine. The iron ore, coke, coal and other raw materials are sourced in Ukraine and converted into billets by Kamet. Under normal pre-war circumstances, the billets were shipped via Ukrainian rivers and the Black Sea from Kamet to Promet. Promet would then roll the billets into rebars for sale in Europe and other markets.

The full-scale Russian invasion of February 2022 profoundly impacted the Kamet-Promet supply chain. Metinvest had been already severely impacted by the Russian-led occupation of the Donbas region in eastern Ukraine, as its Yenakieve Steel facility that produced rebar was occupied in 2017, along with its pipe-, coal-, coke-producing enterprises. The full-scale Russian invasion has impacted Kamet, which is located in Kamianske, Dnipropetrovsk region, near the front line of the war, in various ways:

- 1) Significant logistical disruptions that increase transportation costs. While historically Kamet has exported directly through Ukrainian river and Black Sea ports, Russia's blockade of navigation in the Black Sea, as well as strategic occupation of ports and logistical centers in Ukraine has forced Kamet to resort to more complicated and expensive shipping routes to get its billets to Promet during the POI. The utilization of the railway routes through Hungary, Romania, Moldova and Bulgaria, as well as routes via the Danube River waterways, has led to a significant increase in transportation costs from Kamet-Steel to Promet during the POI, amounting to CAD 71 per metric ton of additional cost (CAD 22 per metric ton of additional cost for inland railway logistics in Ukraine and CAD 49 per metric ton of additional cost for maritime logistics and railway logistics outside of Ukraine).
- 2) Sharp drop in production output. There has been a significant reduction in production output during the POR due to the direct effects of the Russian invasion, specifically a 25% decline in weighted average monthly output compared to pre-war levels. Electricity generation in Ukraine has been erratic and inconsistent, making it difficult to melt and pour steel. Staff have been conscripted into military service or become internally or externally displaced. Air raid warnings force staff into shelters and stop work. This reduction has directly resulted in an increase in fixed costs per unit, such as administrative and selling expenses, which have risen by 25% representing CAD 23 per metric ton of the billet sold to Promet.

Other influences that are difficult to quantify but that are detrimental to the mill's operations, production costs, and its competitiveness in the international market, including but not limited to the additional expenses for restoring operations after unexpected power shutdowns as a result of Russian missile attacks, rising input raw material prices due to increased logistical expenses and elevated fixed costs for raw materials resulting from reduced output, loss of qualified labor due to

mobilization and staff outflow to safer regions, disruption of delivery schedules, quality losses etc. Indeed, earlier this month Metinvest had to suspend its operations at the Pokrovske Coal due to the evolving frontline conditions, power supply shortages and a deteriorating security situation.

The continuing human and financial costs have inflicted heavy pain on Kamet and the entire Ukrainian economy. Promet and Kamet provided much detail on the Ukrainian experience during the injury hearing of this proceeding. See Attachment for their Power Point testimony.

However, the imposition of anti-dumping duties on Ukrainian-owned Promet, which relies on billets melted and poured in Ukraine, made from Ukrainian raw materials, is directly at odds Canadian government policy. Promet has been a long-standing component of a supply chain originating in Ukraine and is an important export outlet for Kamet, comprising 40-50% of Kamet billet exports. Therefore, Promet is providing vital support to keep Kamet-Steel operational as Ukraine navigates through the war.

Consequently, the imposition of anti-dumping duties on Promet directly negatively impacts Kamet and the Ukrainian steel industry, of which Kamet represents more than 30%.

Moreover, Promet needs to maintain efficiencies of scale and capability so that it can support the eventual reconstruction of Ukraine; Kamet does not have sufficient rolling capability to do this. Imposing anti-dumping duties inhibits Promet's production capabilities.

Yet the level of antidumping duties, both in percentage terms and in terms of the normal value applied by the CBSA, has been artificially distorted by the negative impacts of the Russian invasion. Notably, the CBSA inflated the costs of Kamet-supplied Ukrainian billets to Promet:

The costs of production were adjusted pursuant to paragraph 11.2(1)(b) of SIMR, to account for the supply of steel billet from the associated supplier Kamet being acquired at less than the associated cost of production of those input goods. This resulted in an upwards adjustment to Promet's reported steel billet costs.

Statement of reasons—Final determination: Certain concrete reinforcing bar 5 (RB5 2024 IN), para 65 (27 December 2024). The CBSA made this adjustment because Kamet was deemed to be unprofitable during the Profitability Analysis Period (PAP) of January 1, 2023 to March 31, 2024.

Because of that adjustment, the CBSA accordingly increased the normal value, and thusly, the dumping rate applied to Promet in the final determination.

However, as explained above and during the injury hearing, Kamet was operating under uniquely adverse situations resulting from the Russian invasion in February 2022. Costs for labor, transportation, energy and raw materials have been severely inflated by continuing Russian attacks on Ukrainian infrastructure and the incredible human loss. Under such circumstances any Ukrainian company would be unprofitable.

By making this adjustment to Kamet's billet prices, which were unprofitable solely because of the Russian invasion, the CBSA's determination has imposed antidumping duties on Promet's exports as a result of the Russian aggression, and the Tribunal's injury determination facilitates those antidumping duties. The CBSA and the Tribunal are thusly compounding the effects of the Russian invasion on Ukraine. This is inconsistent with the Canadian government's support of the Ukrainian defense efforts. It is inconsistent for the Canadian government to promote trade with Ukraine through the UGRO yet impose antidumping duties on products produced by a Ukrainian-owned company from Ukrainian raw materials by applying a methodology result that stems entirely from the Russian invasion. The negative effects from the antidumping duties endure so long as the Russian invasion endures, meaning that normal values calculated for Promet's exports to Canada will also be distorted by the effects of the Russian invasion.

Promet accordingly asks that the Tribunal bring its determination into alignment with Canadian government policy by eliminating or reducing the antidumping duties imposed on its exports of reinforcing bar made from Ukrainian billet. Those billet prices were below cost solely because of the inflated costs during the PAP, and currently, because of the Russian war. Adjusting or eliminating the antidumping duties will eliminate the distortion currently existing in the CBSA's determination because of the Russian invasion.²

² Promet and Kamet also respectfully ask for the Tribunal to kindly support exempting Promet from the application of antidumping duties under Section 14(1) of SIMA. This exemption

III. Impact on Competition in the Domestic Market

Article 3 of the Anti-Dumping Agreement stresses the importance of evaluating whether anti-dumping measures are warranted based on significant injury to the domestic industry and the potential adverse impact on competition. The Panel decision in US – Hot-Rolled Steel highlights the necessity of considering the economic context, competition in the market, broader public interest concerns, and potential negative effects on consumers.³

In the case of reinforcing bars, Promet suggests that imposing duties could diminish market competition by excluding key foreign suppliers like Bulgaria. This exclusion may result in increased input costs for Canadian industries reliant on reinforcing bars, potentially leading to higher prices and reduced competitiveness in the international market.

IV. Effect on Downstream Industries Using Reinforcing Bars

Article 9.1 of the Anti-Dumping Agreement emphasizes the preference for imposing duties that are universally applicable among all member countries and suggests that duties should be lower than the margin if a lesser duty would effectively address the injury to the domestic industry.

In the Argentina – Poultry case, the Panel highlighted the necessity for authorities to consider the impact of duties on downstream industries, cautioning that excessive duties could negatively affect industries reliant on imported inputs.⁴ Similarly, the Appellate Body decision in US – Softwood Lumber V underscored that the primary goal of anti-dumping duties is to safeguard domestic industries from injury without disproportionately harming

would not only acknowledge the unique challenges faced by the Metinvest Group due to the wartime conditions but also support the broader Ukrainian steel industry, economy, and people in their defense efforts. By alleviating the financial burden of antidumping duties during such a critical time, Canada can demonstrate its commitment to fair trade practices while fostering solidarity with Ukraine, contributing to both Canadian and Ukrainian economies.

³ WTO, US – Hot-Rolled Steel, WT/DS184/R, 2001.

⁴ WTO, Argentina – Poultry, WT/DS241/R, 2003.

broader economic sectors, including upstream and downstream industries.⁵

Therefore, Promet asserts that levying anti-dumping duties on Bulgarian exports of the subject product in this instance poses a risk to Canadian industries that depend on reinforcing bars as inputs. By reducing competition in the reinforcing bar supply market, domestic industries may face heightened production costs, potentially resulting in decreased output and job losses.

V. Limited Access to Inputs and Technology

In considering whether imposing duties serves the public interest, the Tribunal assesses the impact on users of the imported products, among other considerations.

Referencing the Mexico – Anti-Dumping Investigation of High Fructose Corn Syrup (HFCS) from the United States case, the panel stressed the importance of considering the availability of imported goods and their role in promoting technological advancement and competitive pricing in the domestic market as part of the public interest evaluation.⁶

Therefore, Promet contends that Bulgarian reinforcing bars may offer technological advantages or quality standards crucial for certain Canadian industries. Restricting access to such inputs through hefty anti-dumping duties could hinder innovation and productivity in key sectors.

Promet emphasizes that reducing duties on Bulgarian reinforcing bars could benefit Canadian producers of inputs used in downstream products, fostering competitiveness rather than shielding inefficient producers through excessive protectionist measures.

⁵ WTO, US – Softwood Lumber V, WT/DS264/AB/R, 2004.

⁶ WTO, Mexico – Corn Syrup, WT/DS132/R, 2000.

VI. Impact on Consumers

GATT 1994 Article XI upholds the concept of free trade and the reduction of trade barriers to facilitate the availability of goods at competitive prices.

In the Japan – Film case, the Appellate Body stressed that import restrictions should not unduly limit consumer choice or elevate prices in an unjustified manner compared to the injury inflicted by dumping.⁷

Therefore, Promet argues that imposing anti-dumping duties on Bulgarian reinforcing bars may result in higher prices for Canadian consumers of downstream products. This could potentially create inflationary pressures on essential goods for the Canadian economy.

Imposing a dumping margin on Bulgarian products is projected to influence consumer choices within the Canadian market, as these duties will lead to an escalation in the price of the imported Bulgarian goods in Canada. Thus, Promet advocates for either the removal of these duties or the adoption of a lesser duty margin. This adjustment would provide Bulgarian products with a more level playing field to compete with similar domestic Canadian products.

VII. Global Supply Chain Resilience

The Appellate Body ruling in China – Rare Earths underscored the significance of securing access to essential resources for production, especially amid market volatility.⁸ Promet asserts that Bulgarian reinforcing bars play a vital role in bolstering supply chain resilience in the Canadian market during times of global disruptions, such as the Russian invasion of Ukraine since 2022 and the COVID-19 pandemic in 2020. These events have

⁷ WTO, Japan – Film, WT/DS44/AB/R, 1998.

⁸ WTO, China – Rare Earths, WT/DS431/AB/R, 2014.

caused widespread supply chain disruptions across various industries, particularly impacting the global supply of steel and other raw materials, leading to price fluctuations, shortages, and supply chain instabilities. As a result, countries have been compelled to diversify their sources for critical materials like reinforcing bars.

Moreover, the surge in energy prices in 2021 and 2022, influenced by factors like the shift to renewable energy sources and geopolitical tensions, has escalated production costs for energy-intensive manufacturing sectors, including steel production. Energy market fluctuations have further impacted the availability and pricing of industrial inputs, prompting nations to secure stable and varied supply sources.

Therefore, Promet reiterates that against the backdrop of these international challenges, maintaining access to Bulgarian reinforcing bars is essential for bolstering Canada's supply chain resilience. This ensures a dependable and consistent supply of essential industrial materials during periods marked by significant market disruptions and uncertainties.

VIII. Conclusion

The Canadian government, through the UGRO and other expressions of support for Ukraine, has determined that a free and prosperous Ukraine is in the interest of the Canadian public, if not the entire world. Yet without termination or modification, the decisions of the Tribunal and CBSA would impose anti-dumping duties on Promet's exports of reinforcing bars made from Ukrainian steel, damaging the Ukrainian war effort and reconstruction capabilities. Indeed, the dumping rate imposed by the CBSA is inflated because of the Russian invasion that Canada opposes. Finally, termination or modification of the duties is otherwise consistent with the criteria established by the Tribunal for considering the public interest. Given the foregoing, Promet respectfully requests that the Tribunal initiate a public interest investigation.



Raised in Bulgaria.
Born in Ukraine

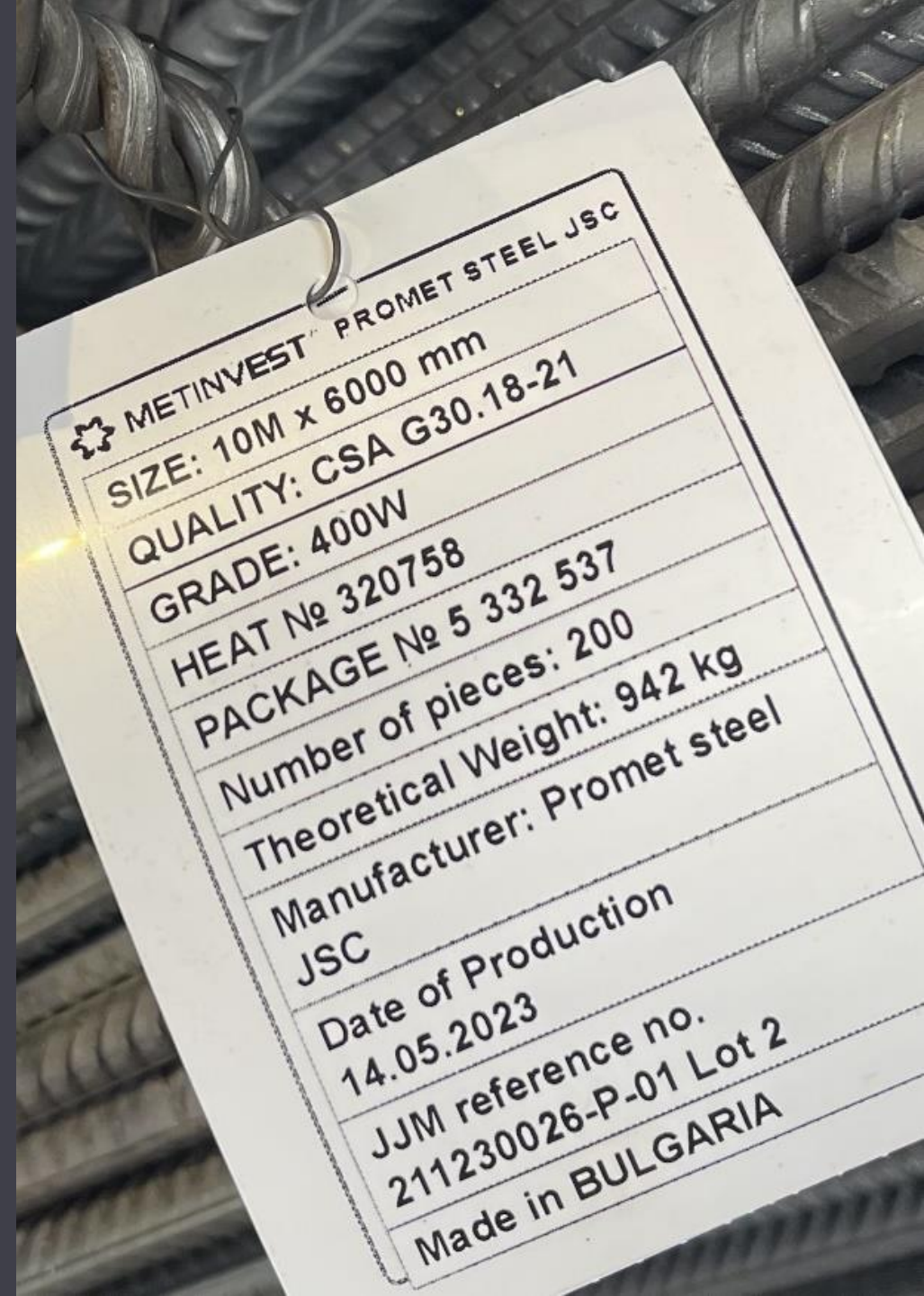



Promet Steel: a part of Metinvest with Ukrainian roots

Promet Steel is the only Bulgarian rebar supplier to Canada

Promet Steel is a manufacturing enterprise that specialises in rolling square steel billets into reinforcing steel in bars and some merchant bars (profiles) for the construction industry

Since 2010, Promet Steel has been part of Metinvest, an international, vertically integrated mining and metals group originating from Ukraine and comprising mining and metallurgical assets in Ukraine, Europe and the US



 METINVEST™ PROMET STEEL JSC
SIZE: 10M x 6000 mm
QUALITY: CSA G30.18-21
GRADE: 400W
HEAT № 320758
PACKAGE № 5 332 537
Number of pieces: 200
Theoretical Weight: 942 kg
Manufacturer: Promet steel JSC
Date of Production 14.05.2023
JJM reference no. 211230026-P-01 Lot 2
Made in BULGARIA



Promet Steel: essential for Ukraine's steel industry

The steel used to produce Promet Steel's rebar exported to Canada is melted and poured exclusively in Ukraine.

As a raw material for its production, Promet Steel uses steel billets made at its affiliate Kamet Steel in Ukraine, which in turn uses iron ore, coal and other raw materials from its affiliates in Ukraine, ensuring vertical integration.

Promet Steel is an important export outlet for Kamet Steel, comprising 40-50% of its billet exports.



Promet Steel: connection to Ukraine

The Ukrainian steel industry faces formidable obstacles to exporting. The challenges of war have led to a loss of competitiveness and much more limited access to customers in international markets for Kamet Steel's billet. As such, Promet Steel is providing vital support to keep Kamet Steel operational as Ukraine navigates through the war.

The opportunity to sell to the Canadian market is key to supporting Promet Steel's operations and capacity utilisation.

This in turn directly supports Kamet Steel, for which Promet Steel is a principal buyer.





Metinvest: a pillar of Ukrainian strength and resilience

On 24 February 2022, Russia initiated a full-scale military invasion of Ukraine, unleashing widespread devastation that claimed countless lives, destroyed critical infrastructure and displaced millions, resulting in a severe humanitarian and economic crisis.

As a result of this invasion, Metinvest has lost key assets: Ilyich Steel, Azovstal and Avdiivka Coke.

In addition, Russia unlawfully expropriated assets back in 2017 (Yenakiieve Steel and its Makiivka branch, Yenakiieve Coke, Khartsyzsk Pipe, Komsomolske Flux, Krasnodon Coal and Donetsk Coke).





Mariupol, Azovstal
Photo: Dmytro Kozatskyi



Avdiivka Coke, Donetsk Region, Ukraine
Photo: Ukrainian Armed Forces



Kryvyi Rih, Ukraine, 09 July 2024
Northern enrichment plant after Russian strike



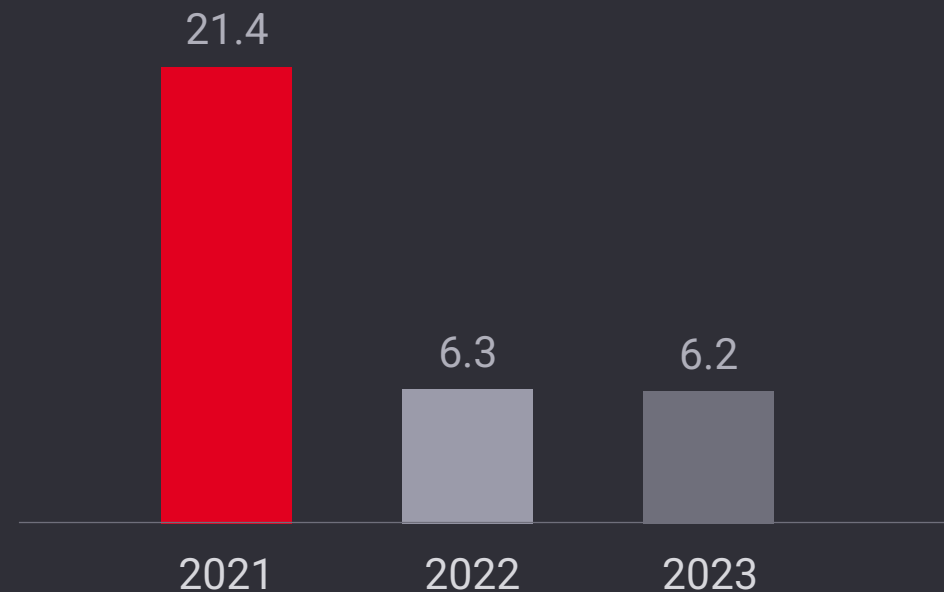
Ukrainian steel industry at war

Steel industry is a pillar of Ukrainian economy

Iron and steel comprise around 10% percent of Ukraine's GDP, and the industry is the largest employer in Ukraine with over 500,000 employees. Each steel related job creates, in turn, four jobs in other sectors.

Steel production in Ukraine in 2023 fell by 70% compared to 2021 to approximately 6.2 million tons, and the surviving steel mills are operating at 30-70% of their pre-war capacity.

Crude steel production in Ukraine
mln tons



Data source: Ukrmetallurgprom



Humanitarian catastrophe, loss of lives and damage to civilians

Irpın, Ukraine
Photo: Carlos Barria



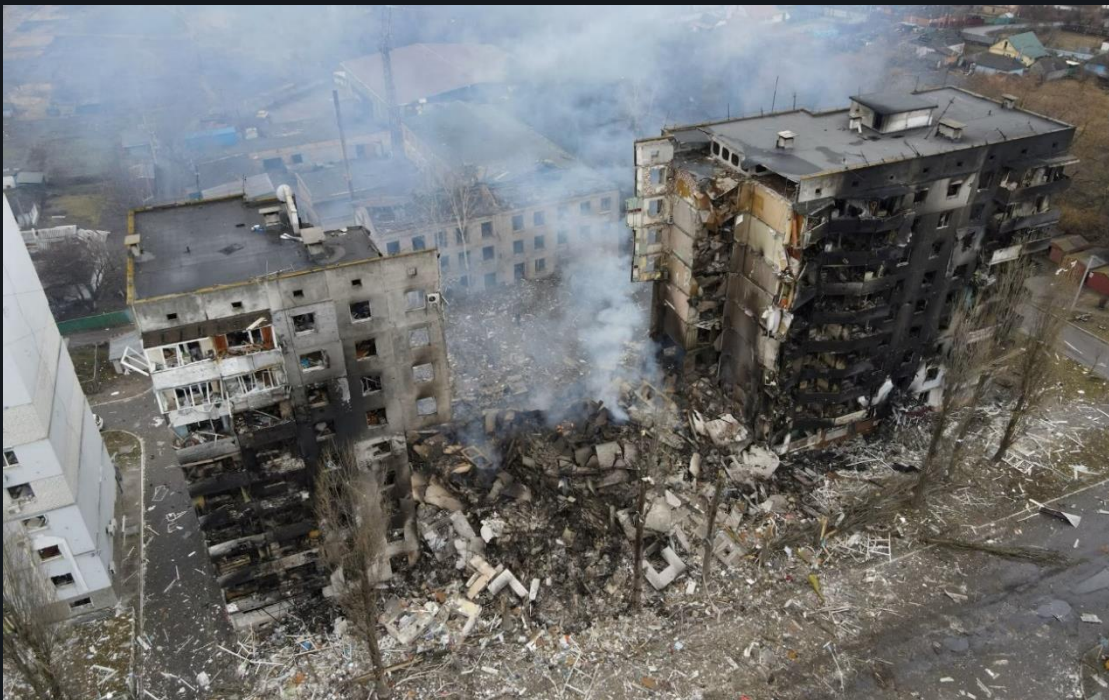


Destruction of energy infrastructure by russia

Ukraine has lost almost 50% of its entire energy system, including 44% of nuclear generation, 80% of thermal, 40% of hydro, 90% of wind, and about 45-50% of solar generation.

In addition, the Zaporizhzhia nuclear power plant remains under Russian control.

Kharkiv, Ukraine
Photo: Sofiia Gatilova



Borodyanka, Ukraine
Photo: Maksim Levin



A satellite image shows the Nova Kakhovka
Dam and hydroelectric plant after its collapse,
in Nova Kakhovka, Ukraine
Photo: Maxar Technologies

Constant shelling and attacks by russia



Logistical blockade and unsafety of logistical routes

In the last three months alone, Russia has carried out nearly 60 attacks on Ukraine's port infrastructure. They resulted in the damage and destruction of nearly 300 port infrastructure facilities, 177 vehicles, and 22 civilian vessels.

As many as 79 civilians were injured. Among them are employees of ports, logistics companies and ship crews.

This significantly drives up transportation costs due to the increasing war premium on freight rates, reduces the number of available shipowners, and compels the use of more expensive alternative land routes.



Odessa region, Ukraine
Photo: Press service
of the State Emergency Service
of Ukraine in Odessa region



Lack of personnel

A shortage of skilled workers, as many people have been mobilized into the Ukrainian Armed Forces or migrated abroad and within the country.

At least 15% of employees of metallurgical enterprises were drafted into the Armed Forces of Ukraine.

Mobilization is ongoing, while the exemption of employees from mobilization has been suspended.

Lviv, Ukraine
Photo: Kai Pfaffenbach



Ukrainian steel industry at war

Ukrainian steelmakers' export competitiveness has substantially fallen





Significant uncertainties on the battlefield are persisting

The situation in Ukraine continues to deteriorate as Russia intensifies its offensive in the Donetsk region, placing Pokrovske Coal – which supplies coking coal to Ukrainian mills – at significant risk of disruption and occupation. This escalation is expected to further increase production costs and compel Ukrainian mills to reduce their output.



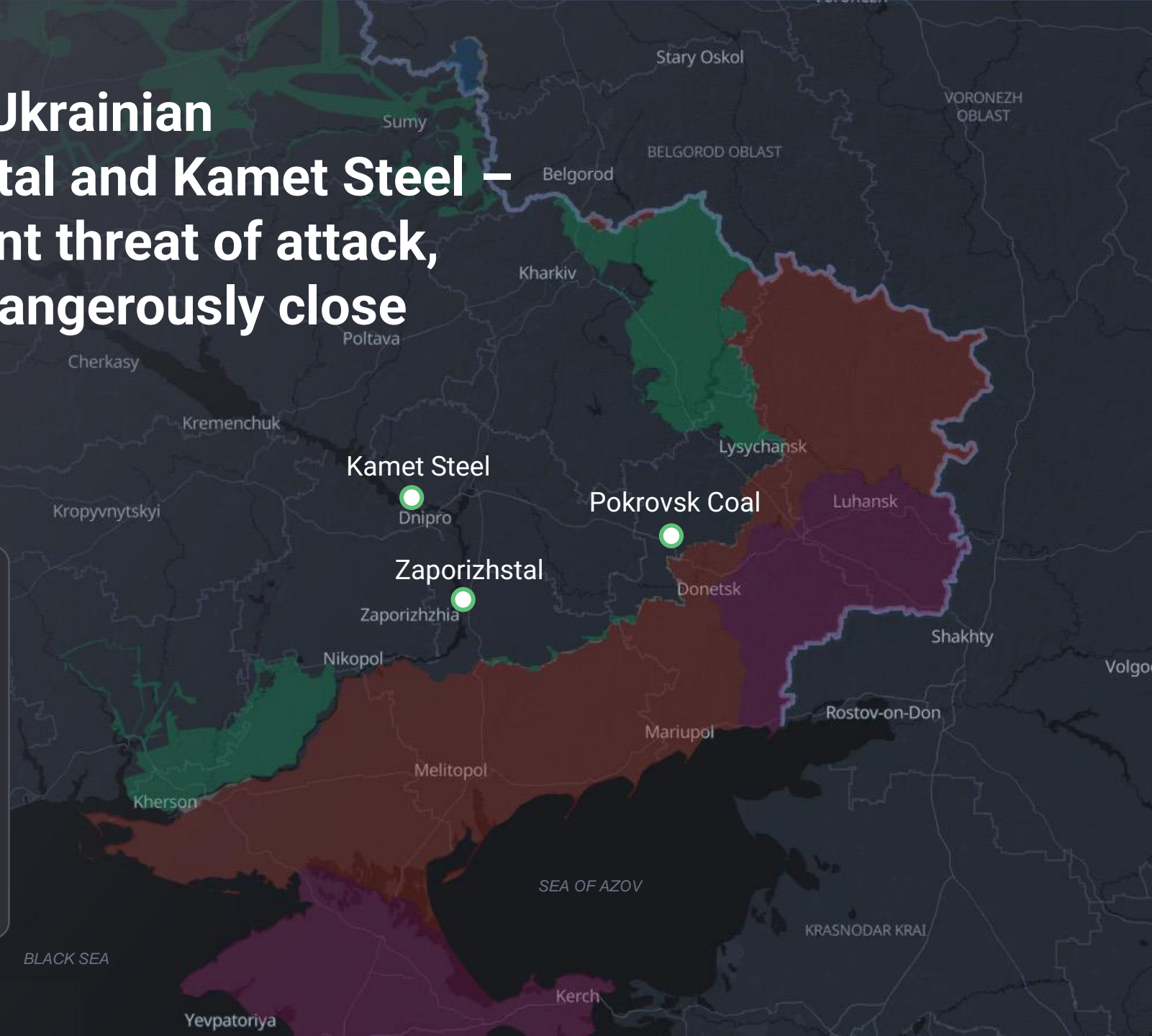
A Russian missile attack in September damaged this section of the Pokrovske coking coal mine.

Photo: Christopher Occhicone/Bloomberg



Two vital assets for Ukrainian industry – Zaporizhstal and Kamet Steel – remain under constant threat of attack, as they are located dangerously close to the front line

- Occupied territory since 2022
- Liberated territory since 2022
- Occupied Crimea and ORDLO (2014-2015)





Kamet Steel: the cornerstone of Ukraine's steel industry

The enterprise is a full-cycle steelmaker located in Kamianske, in the Dnipropetrovsk region. It specializes in producing continuous cast square billets and long products, including rebar, wire rod, grinding balls and sections. Its main product is steel billet, hence why access to export markets is key to ensuring its full functioning.



Kamet Steel represents over 30% of the Ukrainian steel industry's current annual output

Its actual steel production reaches 1.8 mln tons, of which rebar accounts for just 10-15%, based on capacity

	Steel output, Kmt	Merchant billets output, Kmt	Rebar output, Kmt
Pre-war	2,464	1,503	326
2022	1,563	1,031	138
2023	2,025	1,193	315
Pre-war VS average 2022-2023	– 27%	– 26%	– 31%

The Canadian government has taken a very constructive position on exempting Ukrainian goods from import duties and anti-dumping measures imposed under the Special Import Measures Act.

However, Kamet Steel is not able to fully benefit from this exemption, given its limited rebar capacity. Its rebar mill is operating at full capacity: the domestic market consumes almost all of its output.

As such, Kamet Steel cannot export rebar to Canada, but can export billets to its affiliate Promet Steel, which will convert it into rebar and export to Canada.



The mill continues to work despite the numerous challenges imposed by the war

01

Logistical blockades of navigation in the Black Sea,

which has forced Kamet Steel to resort to more complicated and expensive shipping routes to export billets during the POR

02

Constant shelling and missile strikes by Russia,

damaging critical energy and logistical infrastructure, which is frustrating Kamet Steel's production process due to power outages and possibilities to ship

03

Increasing cost of electricity and limited consumption, as well as the need to import more expensive electricity

04

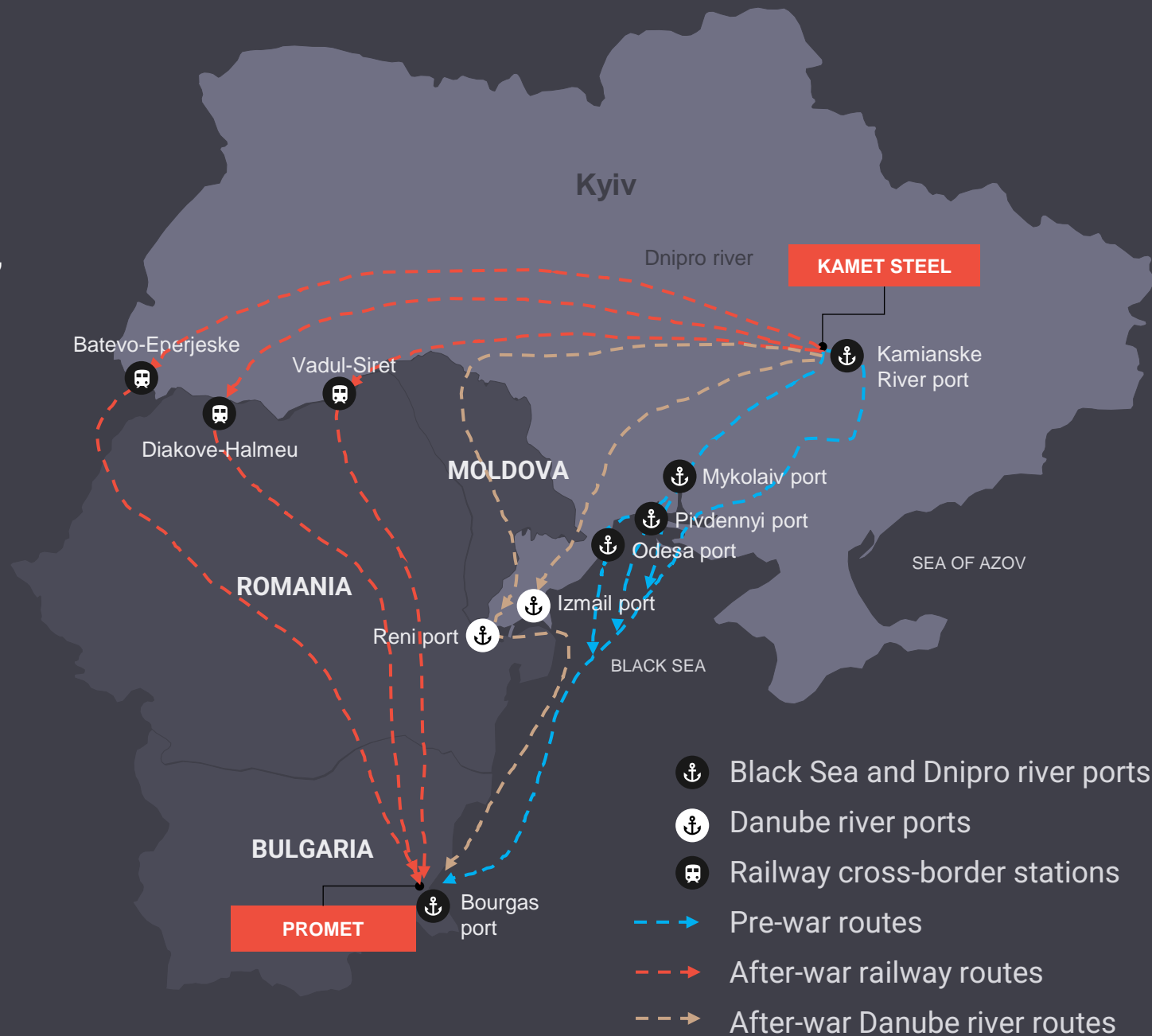
Shortage of skilled personnel, as many people are being mobilised into Ukraine's armed forces or migrating abroad and within the country

05

Regular air raid alerts



More complicated and expensive shipping routes to export billets during the POR – the railway routes through Hungary, Romania, Moldova and Bulgaria, as well as routes via the Danube River waterways, instead of Ukrainian river and Black Sea ports





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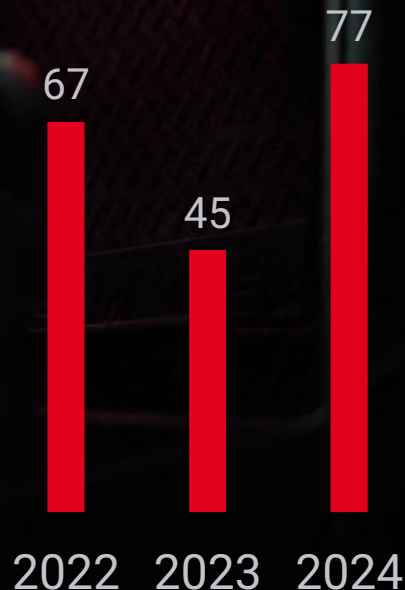
Shortage of skilled personnel, as many people are being mobilised into Ukraine's armed forces or migrating abroad and within the country

05

Regular air raid alerts



Kamet-Steel recorded
189 cases of power outages
and voltage drops
over 2022–1H2024



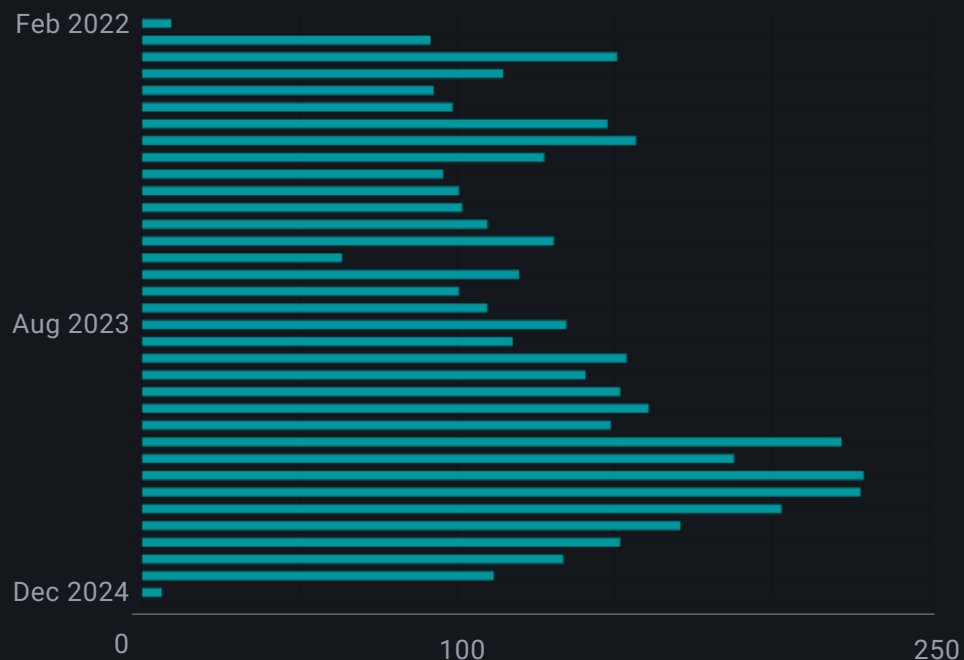
Power outages and regular air raids significantly affect rhythmical production processes

Since the beginning of the war Kamet-Steel survived 3 massive blackouts significantly reducing the output, when the mill's operations were completely suspended (complete cessation of production of pig iron, steel, and rolled products) causing damage to main technological equipment, with some of it not repairable.

THE MILL'S LOSSES FROM
ONLY THESE BLACKOUTS HAVE
AMOUNTED TO **8 MILLION USD**



The frequency of air raid alarms in Ukraine is increasing



Air raid alarms occur more frequently in the Dnipropetrovsk and Zaporizhzhia regions than in most other regions of Ukraine





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as well as the need to import more expensive electricity

04

Shortage of skilled personnel,

as many people are being mobilised into Ukraine's armed forces or migrating abroad and within the country

05

Regular air raid alerts



The electricity prices keep rising as the mill is required to import of at least 80% of expensive electricity from the total consumption to guarantee power supply without outages

80% quota on electricity imports is hitting many segments of steel sector as the share of electricity in the cost of steel billets is about 25%, iron ore concentrate – even up to 60%

Electricity price 2022-2024, UAH/kWh

■ Import electricity price

As Russia intensifies its attacks on energy infrastructure of Ukraine, the share of expensive imported electricity will be further increasing, driving up the mill's production costs, diminishing mill's output and worsening mill's profitability.





The mill continues to work despite the numerous challenges imposed by the war

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Logistical blockades of navigation in the Black Sea,

which has forced Kamet Steel to resort to more complicated and expensive shipping routes to export billets during the POR

02

Constant shelling and missile strikes by Russia,

damaging critical energy and logistical infrastructure, which is frustrating Kamet Steel's production process due to power outages and possibilities to ship

03

Increasing cost of electricity and limited consumption, as well as the need to import more expensive electricity

04

Shortage of skilled personnel, as many people are being mobilized into Ukraine's armed forces or migrating abroad and within the country

05

Regular air raid alerts



Kamet Steel employs approximately 7,500 Ukrainians directly

Kamet Steel indirectly supports further approximately 25,000 employees, approximately 3,000 of which are in the Ukrainian Armed Forces.

Considering the staff outflow due to the war, the current personnel shortage at the mill stands at 15%.

	2022	2023	2024
Mobilized	497	109	91
Injured	25	22	10
Deceased	19	13	5

Mobilization is ongoing, and unfortunately, we are losing our most valuable resource: human lives and health



As a result

01

Production
is declining

Steel output is down by almost 30% during 2022-2023 compared with pre-war levels

02

Transportation
costs are rising

up US\$52/mt during the POR for the billets supplied to Promet

03

Fixed production
costs are increasing

up at least US\$17/MT during the POR, although there are many "hidden" factors that inflate the costs but are difficult to quantify, including:

- Additional expenses for restoring operations after unexpected power shutdowns caused by russian missile attacks.
- Rising raw-material input prices due to increased logistical expenses
- Elevated fixed costs for raw materials resulting from reduced output
- Loss of qualified labour caused by mobilisation and staff outflow to safer regions.
- Disruption of delivery schedules, quality losses.

04

There is
unprofitability
(full cost)

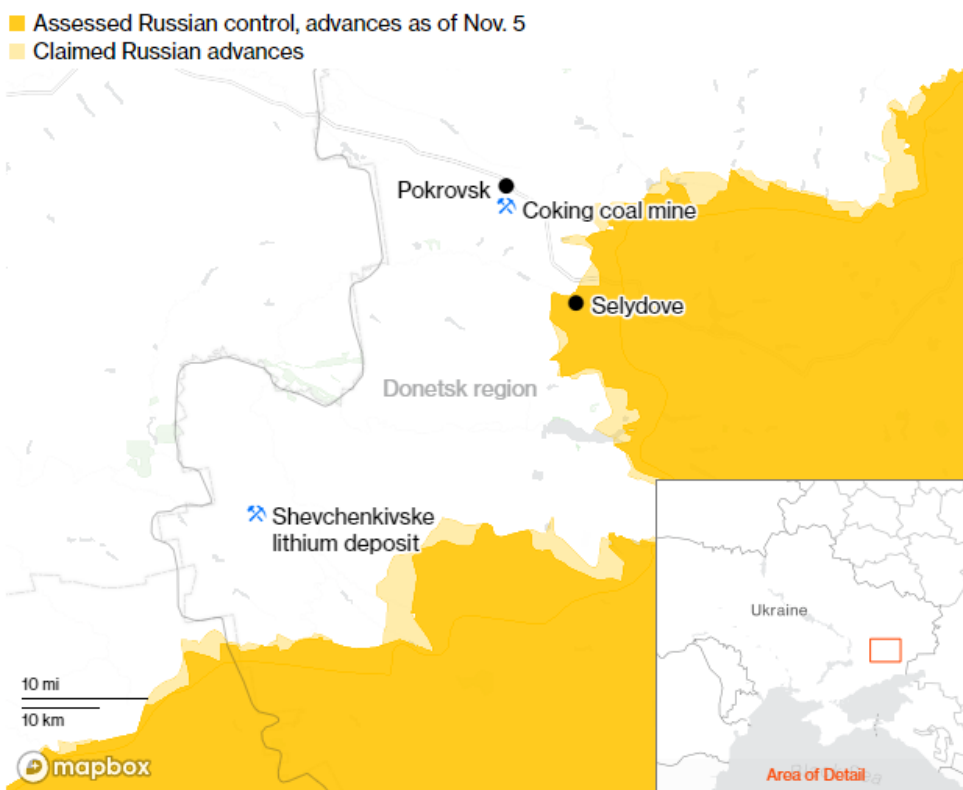
05

Export
competitiveness
is lower

due to high costs
and war risks



The facility is particularly threatened as Russia intensifies its offensive in the Donetsk region, placing the Pokrovske coal mine – which supplies coking coal to Ukrainian mills – at significant risk of disruption and occupation. This escalation is expected to further increase production costs and compel Kamet Steel to reduce output.



Now, more than ever, it is crucial for Ukrainian industry to maintain the ability to operate in markets like Canada by supplying rebar there by processing Kamet Steel's billets at Promet Steel



This will serve as a vital lifeline to keep the facility operational, as well as contribute to the overall support of Ukraine's economy in such challenging times.



Metinvest, Kamet Steel and Promet Steel: tomorrow

Reconstruction of Ukraine

Staleva Mriia



New jobs

Largest private employer in the country

Taxes

Ukraine's largest private exporter and taxpayer



Role in the reconstruction of Ukraine

After the cessation of hostilities, housing and other infrastructure restoration projects in Ukraine are expected to require significant volumes of rebar and other rolled products. As a result, it is estimated that demand for rebar may at least double.

Meeting these needs will be a top priority for Kamet Steel. Promet-Steel to play an important role in supplying its products to Ukraine to meet the growing demand from construction sector.



Staleva Mriia

A universal concept for the rapid reconstruction of Ukraine, which consist of 13 typical buildings on steel frames combining housing and infrastructure facilities

More than 200 projects consist of technical and cost documentation and can be adopted by any plot and customer needs

Residential

- 1-8 store buildings
- dormitory, hotel

Infrastructure

- parking
- sports complex

Social

- kindergarten
- school
- outpatient clinic
- underground shelters





Metinvest has spent UAH 8 billion to help Ukraine and its citizens since the start of the full-scale invasion



This includes UAH 4.4 billion for the national defence forces

The Group provides free products to the defenders

651

mobile shelters installed underground to protecting the lives of soldiers



23

mine trawls

246

steel screens to protect armoured vehicles from video-piloted drones

Metinvest's steel is also used to make armour plates for bulletproof vests, anti-tank hedgehogs, mini-bastions and mobile buggy vehicles etc.





The Group is one of the largest donors to the defence forces among private companies, having established systematic supplies of equipment to the front line



5,553

surveillance drones



551

vehicles



2,003

thermal imagers



Another priority
for the Group in times
of war is the well-being of
its employees, their families
and local communities

As part of the Saving Lives
humanitarian initiative launched
at the onset of the full-scale
invasion, 516,000 civilians have
received assistance





Stand with us in our defense efforts: respectful request to Canada not to impose the anti-dumping duty on rebar from Bulgaria

Promet Steel and Kamet Steel respectfully ask the tribunal to support exempting Promet Steel from anti-dumping duties under Section 14 (1) of SIMA

This would not only acknowledge the unique challenges faced by Metinvest due to the war, but also support the broader Ukrainian steel industry, economy and people in their defence efforts. Canada can demonstrate its commitment to fair trade practices while fostering solidarity with Ukraine, contributing to both countries' economies.

Promet Steel and Kamet Steel ask the CITT to interpret UGRO to exclude Promet's rebar from anti-dumping duties

UGRO exempts goods from them "if they acquired their physical and technical characteristics in Ukraine". Kamet Steel melted and poured the billets in Ukraine, thereby imparting their unique metallurgical content. Accordingly, Promet's rebars acquired their physical and technical characteristics in Ukraine, and this qualifies them for remission under UGRO.

Accounting for only 10% of imports during the POI, rebar from Bulgaria did not harm the domestic industry

The domestic industry increased its market share by 6 pps from 46% in 2023 to 52% in 1H 2024. Imports have always accounted for a relatively large share of the Canadian market and are necessary to meet demand for rebar. Bulgaria cannot be reasonably viewed as a cause of harm to Canada's domestic industry.

Your support can make a difference
in the fight for freedom and justice
by strengthening Ukrainian resilience.

Stand with Ukraine
in its time of need.
Together, we can rebuild
lives and restore hope.

Thank you for attention and for
the opportunity to be listened to,
and hopefully to be heard.



