

Consequences of New Anti-dumping Investigation Against Imports of Concrete Reinforcing Bar

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Important Information for Exporters, Canadian Importers, Distributors, Developers and End Users

On September 22, 2020, the Canada Border Services Agency (CBSA) commenced an anti-dumping (AD) investigation under the *Special Import Measures Act* with respect to imports of concrete reinforcing bar (Rebar) from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore, and Vietnam. CBSA initiated the investigation as a result of a complaint filed with CBSA by AltaSteel Inc. (Edmonton, AB), ArcelorMittal Long Products Canada, G.P. (Contrecoeur, QC) and Gerdau Ameristeel Corporation (Whitby, ON). alleging that certain rebar being imported from these countries is being sold in Canada at unfairly low dumped prices. CBSA's Notice of Initiation can be found [here](#).

The complainants seek the imposition of anti-dumping (AD) duties on imports of rebar from these countries: Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore, and Vietnam. The complainants allege that import pricing consistently undercuts domestic pricing on average by \$119/MT. If successful, AD duties will be imposed on imports of rebar to offset the dumping margin.

Under Canadian law, a domestic industry can petition the government to initiate an AD investigation to determine whether an imported product is sold in Canada at prices that are less than the price for comparable products in the exporter's home market or at prices which are unprofitable (i.e., dumped). AD duties can be imposed on imports of the products subject to the investigation if the CBSA determines that imported goods are dumped *and* if the Canadian International Trade Tribunal (CITT) also determines that the domestic industry is materially injured or threatened with such injury by reason of the subject imports.

Products Covered by the Investigation

The product covered by the investigation is hot rolled deformed steel concrete reinforcing bar in straight lengths or coils (commonly identified as rebar) in various diameters up to and including 56.4 millimeters, in various finishes, excluding plain round bar and fabricated rebar products.

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The subject goods *do not* include 10 mm diameter (10M) rebar produced to meet the requirements of CSA G30 18.09 (or equivalent standards) and coated to meet the requirements of epoxy standard ASTM A775/A 775M 04a (or equivalent standards) in lengths from 1 foot (30.48 cm) up to and including 8 feet (243.84 cm).

Uncoated rebar, sometimes referred to as black rebar, is generally used for projects in non-corrosive environments where anti-corrosion coatings are not required. On the other hand, anti-corrosion coated rebar is used in concrete projects that are subjected to corrosive environments, such as road salt. Examples of anti-corrosion coated rebar are epoxy or hot dip galvanized rebar. The subject goods include uncoated rebar and rebar that has a coating or finish applied.

Fabricated rebar products are generally engineered using Computer Automated Design programs, and are made to the customer's unique project requirements. The fabricated rebar products are normally finished with either a protective or corrosion resistant coating. Rebar that is simply cut to length is not considered to be a fabricated rebar product excluded from the definition of subject goods.

For more, please see the description of the goods in the CBSA Notice of Initiation.

Foreign Producers and US Importers of Rebar

The complaint identifies alleged exporters and Canadian importers of the subject goods. We would be pleased to provide a copy of the complaint.

Estimated Schedule of Investigations

AD proceedings are conducted pursuant to a strict statutory time schedule. According to the CBSA's Investigation Schedule, importers are required to file their response to the CBSA's Request for Information by October 15, 2020. Exporters must file their response by October 29.

The CBSA is expected to issue its preliminary determination on or by December 21. On that date, if CBSA finds dumping, provisional anti-dumping duties could be imposed on imports of subject concrete reinforcing bar from the above-referenced countries. That date also triggers the initiation of the CITT investigation into whether the dumped imports are causing material injury to the domestic complainants. That investigation will conclude on April 3, 2021. If the CITT finds injury then AD duties will go into effect on these products for the next five years.

Consequences for Exporters, Canadian Importers, Distributors and

Developers

Canadian AD investigations can result in the imposition of substantial duties, in addition to other already applicable import duties and taxes and increase the cost of the product all through the supply chain. This can be a significant issue for those industry players that operate with fixed price contracts.

AD duties imposed at high rates can significantly alter the supply chain forcing some exporters to stop shipping to Canada and some importers to cease importation of subject merchandise or pass the added costs down the supply chain. Thus, interested parties (including foreign producers, exporters and importers, and distributors and developers) should have a strategy for addressing AD investigations, including possible participation.

These proceedings advance quickly in accordance with a statutory time line. In this case, preliminary duties will go into effect on December 21 and final duties could be imposed on April 3, 2021, for five years going forward. Therefore, a quick response is essential to understand the specific implications of this investigation, and to prepare and implement a pertinent strategy to protect your interests.

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.