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駐加拿大代表處經濟組 函

受文者：經濟部國際貿易局

發文日期：中華民國109年5月25日

發文字號：加經字第1090000212號

速別：最速件

密等及解密條件或保密期限：

附件：如文（加經1090000212_Attach1.odg, 加經1090000212_Attach2.odg）

主旨：有關加拿大邊境服務署通知就原產地或出口國為我國等國之部分石油管產品反傾銷案完成價格複查事，敬請鑒察。

說明：

一、依據加國邊境服務署(CBSA)貿易暨反傾銷計畫處Darryl Larson處長本(109)年5月25日致本組信函辦理(如附件1)。另請參詳本組上(108)年9月30日加經(19)字第1080000244號函及本年3月31日加經字第1090000130號函。

二、前揭L處長信函略以：

(一)CBSA已於本年5月25日完成旨揭對我國、印度、印尼、菲律賓、南韓、泰國、土耳其、烏克蘭及越南進口之部分石油管產品(Oil Country Tubular Goods)所進行之價格複查(re-investigation)，並更新相關涉案出口廠商相關產品之正常價格及出口價格。

(二)前述價格複查調查係自上年9月27日展開，屬加國國際貿易法庭(CITT)於2015年4月2日就本案所作相關裁定持續性執行事項之一。有關本案詳細資訊，請參詳CBSA

經濟部
貿易局

國際貿易局 109/05/26



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本案「完成價格複查調查通知」(Notice of Conclusion of Re-investigation)，如附件2。

(三)本案相關問題可洽詢CBSA貿易暨反傾銷計畫處專案經理 Simon Duval，聯絡電話為613-954-0689，電郵帳號為 Simon.Duval@cbsa-asfc.gc.ca。

三、謹查，CBSA於本案調查期間要求涉案產品所有已知進口商、製造商或出口商等，均需配合填寫「Request for Information, ROI」問卷資料，以據此重新認定正常價格與出口價格，期間並曾至我國、印度、印尼、菲律賓、南韓、泰國及土耳其等國共7家業者進行實地查證。CBSA已針對所有於期限內提交完整問卷資料之廠商，以及經實地查證認定充分可信資料者，更新正常價格與出口價格，我國計3家廠商獲CBSA給予特定正常價格（分別為中鴻鋼鐵、鑫陽鋼鐵及天聲工業）。其他廠商之進口產品，則將以出口價格加計37.4%作為正常價格。"

經濟
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四、次查，加國自上年7月提出特別進口措施法(SIMA)修正案，賦予CBSA在面對特定市場情況下(Particular Market Situation, PMS)，得採替代方案來認定投入成本，以更有彈性對傾銷加國進口產品計算課徵適當程度之反傾銷稅(本組上年7月30日加經(19)字第1080000204號函諒察)。本案因控訴業者指控我國、印度、印尼、菲律賓、南韓、泰國及土耳其等國政府有控制市場及扭曲價格之情況，CBSA爰基於控訴業者及參與本案調查進口商所提供資訊進行初步查證後，要求印度、印尼、泰國及土耳其等國政府配合填寫PMS/ROI問卷資料(並未要求我國填答問卷)，最終並認定本案受控訴方指控之各國政府均無特定市場情況。

五、本案遭課徵反傾銷稅石油管產品之稅號一般列於：7304.2

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9.00.11、7304.29.00.19、7304.29.00.21、7304.29.00.29、7304.29.00.31、7304.29.00.39、7304.29.00.41、7304.29.00.49、7304.29.00.51、7304.29.00.59、7304.29.00.61、7304.29.00.69、7304.29.00.71、7304.29.00.79、7304.39.00.60、7304.59.00.50、7306.29.00.11、7306.29.00.19、7306.29.00.21、7306.29.00.29、7306.29.00.31、7306.29.00.39、7306.29.00.61、7306.29.00.69、7306.30.00.20、7306.30.00.30、7306.50.00.00、7306.90.00.10、7306.90.00.20項下。有關本案詳細產品定義及排除項目，請參詳本案「完成價格複查調查通知」。



正本：經濟部國際貿易局

副本：電子公文交換章
2020/05/26 09:04:02

駐加拿大代表處經濟組



Canada Border
Services Agency

Agence des services
frontaliers du Canada

OS 2019 RI

BY E-MAIL: canada@mcsa.gov.tw

Ms. Chi-Chuan Susan Hu
Executive Director
Taipei Economic & Cultural Office in Ottawa
World Exchange Plaza
45 O'Connor Street, Suite 1960
Ottawa, Ontario K1P 1A4

May 25, 2020

Dear Ms. Hu:

I am writing to inform you that, on this date, the Canada Border Services Agency (CBSA) concluded a re-investigation of the normal values and export prices respecting certain oil country tubular goods originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam.

The re-investigation was initiated on September 27, 2019, as part of the CBSA's enforcement of the Canadian International Trade Tribunal's finding issued on April 2, 2015, in Inquiry No. NQ-2014-002.

For additional information, you may refer to the *Notice of Conclusion of Re-investigations*, which will be posted on the CBSA's website at: www.cbsa-asfc.gc.ca/sima-lmsi.

Should you have any questions pertaining to this re-investigation, please contact Simon Duval, Manager, Anti-dumping and Countervailing Investigations Division, by telephone at 613-954-0689 or by e-mail at Simon.Duval@cbsa-asfc.gc.ca.

Yours truly,

Darryl Larson
Director
Anti-dumping and Countervailing Investigations Division
Trade and Anti-dumping Programs Directorate

Canada



Certain oil country tubular goods (OCTG I & II) and certain seamless casing - OS 2019 RI

Notice of conclusion of re-investigations

Ottawa, May 25, 2020

The **Canada Border Services Agency (CBSA)** has today concluded re-investigations of the normal values and export prices of certain oil country tubular goods (OCTG) and certain seamless casing originating in or exported from China, in accordance with the *Special Import Measures Act (SIMA)*.

The CBSA also has concluded a re-investigation of the normal values and export prices of certain OCTG originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam.

The re-investigations were initiated on September 27, 2019, as part of the CBSA's ongoing enforcement of the Canadian International Trade Tribunal's (CITT) finding/orders respecting:

- a. certain oil country tubular goods originating in or exported from China issued on March 2, 2015, in Expiry Review Number RR-2014-003 (OCTG I);
- b. certain oil country tubular goods originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam issued on April 2, 2015, in Inquiry Number NQ-2014-002 (OCTG II); and
- c. certain seamless carbon or alloy steel oil and gas well casing originating in or exported from China issued on November 28, 2018, in Expiry Review Number RR-2017-006 (Seamless Casing).

The product definition and the applicable tariff classification number of the goods subject to the CITT's finding/orders are contained in **Appendix 1** of this notice.

Period of investigation

The Period of Investigation (POI) and the Profitability Analysis Period (PAP) for the re-investigations were from July 1, 2018 to June 30, 2019.

Re-investigations process

At the initiation of the re-investigations, the CBSA sent a Request for Information (RFI) to all known importers, exporters, producers and vendors to solicit information on the costs and selling prices of subject goods and like goods. The information was requested for purposes of updating the normal values and export prices for subject goods imported into Canada. On-site verifications were conducted at the premises of seven exporters located in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, the Philippines, South Korea and Turkey. Desk audits were conducted for the remaining responding exporters.

As part of the re-investigations, case briefs and reply submissions were provided by counsels representing the complainants and responding exporters. Details of the representations are provided in **Appendix 2**. Details pertaining to the information submitted by the exporters in response to the RFIs as well as the results of the CBSA's re-investigations, including the section 20 inquiry, are provided below.

OCTG I & seamless casing

As part of these re-investigations, the CBSA conducted an inquiry pursuant to section 20 of SIMA respecting the OCTG sector in China. Information available to the CBSA at the start of the re-investigations indicated that there were reasons to believe that section 20 conditions exist in the OCTG sector in China. Section 20 of SIMA is applicable where, in the opinion of the CBSA, domestic prices are substantially determined by the government and there is sufficient reason to believe that they are not substantially the same as they would be if they were determined in a competitive market.

The CBSA sent a section 20 RFI to the Government of China (GOC) and to all known Chinese producers/exporters to examine this matter. During this same period, the CBSA continued to research and review publicly available information concerning the status of the Chinese steel industry including the OCTG sector.

While the GOC and producers/exporters in China were welcome to submit information in respect of the OCTG sector in China, the GOC did not co-operate in the re-investigations and only five producers/exporters from China co-operated in the inquiry.

Information on the record shows that the wide range and material nature of the GOC measures during the POI have resulted in significant influence and control from the government on the OCTG sector in China.

The cumulative impact of the GOC's macro-economic directives, including: the *National Steel Policy*, the *Steel Revitalization/Rescue Plan*, the *12th Five-Year Development Plan for the Steel Industry*, the *13th Five-Year National Economic and Social Development Plan*, the *State Council Decision on Accelerating the Development of Strategic Emerging Industries*, the *List of Industries, Products and Technologies Currently Encouraged by the State for Development (Revised in 2011)*, the *Decree of the State Council of the People's Republic of China No.378* and the *Circular of the State-Council on Supervision of State-Owned Enterprises to Prevent Loss of State Assets*, along with the prevalent GOC representation in the stated-owned enterprises (SOEs) result in an environment where enterprises have GOC mandates which compete with the commercial interests of the enterprises. In making corporate decisions, Chinese steel

enterprises, and in particular SOEs, are subject to the GOC's both micro and macro-economic policies and measures. As a result, corporate decisions based on market dynamics of supply and demand must comply with the GOC's directives and mandates.

Furthermore, the CBSA reviewed the available Chinese domestic pricing as provided by responding exporters during the POI. The CBSA then compared the Chinese price trends with the price trends in comparable third country OCTG markets operating under competitive conditions. The price analysis revealed that that the domestic pricing of OCTG in China are substantially lower than OCTG in other countries. The CBSA is of the opinion that the distorted Chinese prices of OCTG provide a reasonable indication that there are other material factors present in the Chinese OCTG sector other than the forces of supply and demand, which substantially determine domestic prices.

Based on the preceding, the CBSA is of the opinion that:

- domestic prices of OCTG in China are substantially determined by the GOC; and
- there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.

As a result, on May 25, 2020, the CBSA formed the opinion that the conditions of section 20 continue to apply to the OCTG sector in China.

Where the conditions of section 20 of SIMA exist, the CBSA normally determines normal values using the selling price, or the total cost and profit, of like goods sold by producers in a surrogate country pursuant to paragraph 20(1)(c) of SIMA. Alternately, normal values may be determined under paragraph 20(1)(d) of SIMA, on a deductive basis starting with an examination of the prices of imported goods sold in Canada, from a surrogate country. However, sufficient information was not available in these re-investigations to determine normal values under these provisions. As a result, normal values were determined under ministerial specifications, pursuant to section 29 of SIMA.

The following exporters/producers provided a complete response to the CBSA's dumping RFI. The CBSA determined normal values for future shipments of subject goods for those producers/exporters, effective on or after May 25, 2020, in accordance with the revised ministerial specifications pursuant to section 29 of SIMA.

Producers/exporters that have been provided with specific normal values

Producer/exporter
Hengyang Valin Steel Tube Co., Ltd.
Huludao Steel Pipe Industrial Co. Ltd.
Jiangsu Changbao Group and its affiliates
Jiangsu Chengde Steel Tube Share Company
Shandong Molong Petroleum Machinery Co., Ltd.

Producer/exporter
Shengli Oilfield Shengji Petroleum Equipment Co., Ltd.
Tianjin Pipe Corporation
Tianjin TianGang Special Petroleum Pipe Manufacture Co., Ltd.
Vallourec Tianda (Anhui) Co., Ltd.
Zibo Freet Thermal Tech Co., Ltd.

For all other exporters of subject goods from China, normal values for future shipments, shall be determined at the rates listed in the table below, expressed as a percentage of the export price, in accordance with the ministerial specifications pursuant to section 29 of SIMA.

All other exporters (China)	Advance over export price
Certain Oil Country Tubular Goods	166.9%
Certain Seamless Casing	91%

Normal values previously in place expire on May 25, 2020.

OCTG II

During the course of the re-investigation, the complainants made representations concerning the existence of a Particular Market Situation (PMS) in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, the Philippines, South Korea, Thailand and Turkey. Based on CBSA's research supplemented by information provided by the complainants and by participating exporters, the CBSA sent a PMS RFI to the governments of India, Indonesia, Thailand and Turkey to determine whether a PMS exists in those countries. All governments to which the PMS RFI was issued provided a response. In addition, supplementary PMS RFIs were sent to governments of Indonesia and Thailand, to which both governments provided responses.

The following table lists all exporters/producers who provided a complete response to the CBSA's dumping RFI and provided responses to supplementary RFIs. Specific normal values for future shipments of subject goods, effective on or after May 25, 2020, were issued to those producers/exporters.

Exporters that have been provided with specific normal values

Country	Exporter
The Separate Customs Territory of Taiwan, Penghu,	Chung Hung Steel Corporation

Kinmen and Matsu (Chinese Taipei) Country	Exporter Shin Yang Steel Co., Ltd. Tension Steel Co., Ltd.
India	GVN Fuels Inc. & Maharashtra Seamless Limited. ISMT Limited Jindal Saw Limited
Indonesia	PT Citra Tubindo TBK
Philippines	HLD Clark Steel Pipe Co.
South Korea	SeAH Steel Corporation
Thailand	Boly Pipe Co., Ltd. Thai Oil Pipe Co., Ltd.
Turkey	Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş.

All other exporters

For all other exporters of subject goods, normal values for future shipments, shall be assessed at the rate listed in the table below, expressed as a percentage of the export price, in accordance with the ministerial specification pursuant to section 29 of SIMA.

OCTG II Countries	Advance over export price rate
All other exporters	37.4%

Normal values previously in place expire on May 25, 2020.

Particular market situation (PMS)

Paragraph 16(2)(c) is a provision of SIMA that may be applied when the CBSA is of the opinion that domestic sales of like goods in the country of export do not permit a proper comparison with the sales of the goods to the importer in Canada because a PMS prevails. The CBSA may form the opinion that a PMS exists in respect of any goods of a particular exporter or of a particular country, pursuant to subsection 16(2.1) of SIMA.

In such cases, any sales of like goods for use in the country of export shall not be taken into account for purposes of determining normal values under section 15 of SIMA. Accordingly, and where such information is available, the CBSA would look to use one of the methodologies for determining normal values pursuant to section 19.

Where the methodology of paragraph 19(b) has been applied and the CBSA is of the opinion that a PMS also distorts the cost of inputs that are significant in the production of the goods, the CBSA will use information that best represents the actual cost of the inputs to permit a proper comparison, in accordance with subsection 11.2(2) of the *Special Import Measures Regulations* (SIMR).

In determining whether a PMS exists in respect of a particular exporter or of a particular country, the CBSA normally considers whether one or more of the following factors have had a significant impact on the domestic sales of like goods in the country of export: government regulations, taxation policies, government support programs, the presence and activities of SOEs in the domestic market as suppliers or purchasers of the like goods, the acquisition of production inputs from SOEs that do not reflect market-based costs, evidence of distorted input costs, significant volatility in economic conditions in the home market, and any other circumstances in which normal market conditions or patterns of supply and demand do not prevail.

Where it is alleged that the conditions of PMS resulted from the presence of SOEs or other government influence such as support programs, the CBSA conducted an analysis of this government influence and the materiality of any impact.

Where it is alleged that the conditions of PMS resulted from the acquisition of inputs with distorted costs, the CBSA conducted an analysis of such costs. In this regard, hot-rolled coil (HRC) and billet are, respectively, substantial inputs used in the production of welded and seamless OCTG. In order to analyze costs of HRC and billet, the CBSA relied on complete information provided by participating exporters, but also relied on published pricing from Fastmarkets Metal Bulletin (Fastmarkets MB). Fastmarkets MB is one of the world's leading data providers which reports metal and steel prices from around the globe.

Detailed analysis respecting whether a PMS exists for each responding exporter and their respective country is addressed in the country and exporter specific section below.

Results of the re-investigation are summarized below:

The separate customs territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)

The complainants made representations alleging that a PMS exists in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) in accordance with paragraph 16(2)(c) of SIMA. Based on the information on the administrative record, the exporters of subject goods who participated in the re-investigation did not have domestic sales of like goods that were made in the ordinary course of trade under competitive conditions during the POI. As a result, for purposes of this re-investigation, the CBSA could not form an opinion under paragraph 16(2)(c) of SIMA as to whether a PMS exists in the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei).

Where an opinion is not formed by the CBSA under paragraph 16(2)(c) of SIMA, subsection 11.2(2) of the SIMR is, subsequently, not applicable.

Chung Hung Steel Corporation (Chung Hung)

Chung Hung is a manufacturer and exporter of subject goods during the POI. All subject goods shipped to Canada during this period were produced at its facility located in Kaohsiung, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei). Chung Hung provided substantially complete responses to the CBSA's RFI and supplementary RFIs.

With respect to Chung Hung, normal values could not be determined pursuant to section 15 of SIMA as the small amount of domestic sales were not made in ordinary course of trade under competitive conditions during the POI. Normal values could also not be determined pursuant to paragraph 19(b) of SIMA because a reasonable amount for profits could not be determined under paragraph 11(1)(b) of the SIMR. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by Chung Hung to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values for Chung Hung were determined pursuant to section 29 of SIMA using a paragraph 19(b) methodology, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. As inputs significant in the production of the goods were acquired from associated suppliers, the cost of the inputs significant in the production of the goods was determined pursuant to subparagraph 11.2(1)(c)(i) of the SIMR. The amount for profits was determined based on the weighted average profit made on domestic sales of OCTG by other exporters from other countries who provided a complete response in this re-investigation, pursuant to ministerial specification.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

Shin Yang Steel Co., Ltd. (Shin Yang)

Shin Yang, located in Kaohsiung, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), was a manufacturer of OCTG. They did not have any sales of subject goods to Canada during the POI/PAP. The company provided a substantially complete response to the CBSA's RFI and a supplementary RFI.

With respect to Shin Yang, normal values could not be determined pursuant to section 15 of SIMA as the small amount of domestic sales were not made in ordinary course of trade under competitive conditions during the POI. Normal values could also not be determined pursuant to paragraph 19(b) of SIMA because a reasonable amount for profits could not be determined under paragraph 11(1)(b) of the SIMR. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like

goods sold by Shin Yang to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

Therefore, normal values were determined pursuant to section 29 of SIMA, using a paragraph 19(b) methodology, based on the aggregate of the cost of production of goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profits was determined based on the weighted average profit made on domestic sales of OCTG by other exporters from other countries who provided a complete response in this re-investigation, pursuant to ministerial specification.

Tension Steel Industries Co., Ltd. (Tension Steel)

Tension Steel was a manufacturer and exporter of subject goods to Canada during the POI. The goods were manufactured at the company's production facilities in Kaohsiung, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei). Tension Steel did not have domestic sales of OCTG during the POI/ PAP. Tension Steel provided substantially complete responses to the CBSA's RFI and supplementary RFIs and an on-site verification of Tension Steel was conducted in January 2020.

With respect to Tension Steel, normal values could not be determined pursuant to section 15 of SIMA as Tension Steel did not have domestic sales of OCTG during the POI. Normal values could also not be determined pursuant to paragraph 19(b) of SIMA because a reasonable amount for profits could not be determined under paragraph 11(1)(b) of the SIMR. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by Tension Steel to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

Therefore, normal values were determined pursuant to section 29 of SIMA using a paragraph 19(b) methodology, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profits was determined based on the weighted average profit made on domestic sales of OCTG by other exporters from other countries who provided a complete response in this re-investigation, pursuant to ministerial specification.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

India

The complainants made representations alleging that a PMS exists in India in accordance with paragraph 16(2)(c) of SIMA. In addition, the complainants alleged that the costs of inputs reported by the responding exporters in India do not reasonably reflect the actual cost of the inputs, and therefore, those input costs should be adjusted in accordance with subsection 11.2(2) of the SIMR.

The CBSA conducted an analysis to determine whether the presence of SOEs or government support programs led to conditions of the alleged PMS. The Indian responding exporters sold the majority of subject goods to SOEs. However, all OCTG purchases by SOEs in India are strictly based on a formal tendering process, which is open internationally. The CBSA notes that this is not an uncommon practice in the OCTG industry internationally and the fact that the domestic OCTG market in India is largely comprised of SOEs does not necessarily indicate that pricing is distorted.

Aside from the presence of SOEs, there are subsidies for steel and OCTG in place in India. However, there is no evidence on the record that indicates these subsidies enable steel or OCTG producers to sell products at distorted prices. Based on an examination of the information provided by the complainants, GOI, and responding exporters, the CBSA was unable to determine that there was sufficient evidence to establish that the presence of SOEs or government support programs had a significant enough influence on domestic selling prices such that a proper comparison could not be made.

In addition, the CBSA also conducted an analysis as to whether PMS resulted from acquisition of inputs at distorted prices. During the POI, exporters in India purchased billets or round bar from suppliers located in India and China. Monthly purchase prices of the inputs from China and India were calculated based on the information provided by responding exporters and compared with published Fastmarkets MB monthly prices of billets in other regions, including Turkey, Southeast Asia, Latin America and Commonwealth of Independent States (CIS). The price analysis revealed that the monthly prices of Indian and Chinese billets and round bar are in line and higher than the monthly prices published in Fastmarkets MB. Further, the CBSA has examined the input price information provided by the complainants and finds that there is insufficient evidence that Indian OCTG producers are benefitting from production inputs or processing services that do not reflect market-based costs.

Based on the above analysis and for purposes of this re-investigation, the CBSA has not formed the opinion that a PMS existed in India during the POI, pursuant to paragraph 16(2)(c) of SIMA, and subsequently, subsection 11.2(2) of the SIMR is not applicable.

During the course of the re-investigation, the CBSA has been tracking the fluctuations of world currencies. As the Indian Rupee has been observed to be particularly volatile following the end of the POI and in consideration that the majority of the export sales made by the participating exporters in India are carried out in U.S. Dollars (USD), the CBSA issued normal values to the exporters in India in USD.

GVN Fuels Inc. & Maharashtra Seamless Limited. (GVN & MSL)

GVN is an exporter of subject goods sold to Canada during the POI based out of Haryana, India. These goods were produced by MSL, an associated company based out of Maharashtra, India which also produces like goods sold domestically. As the export trading arm of MSL, GVN is not a producer and it does not have any production facility. MSL manufactures both seamless and electronic resistance welded (ERW) OCTG products and sells these goods exclusively in its domestic market while GVN sells MSL's OCTG products exclusively in export markets, including Canada. Due to the relationship between GVN and MSL and their roles and responsibilities during the production and exportation process, the companies have collectively been determined

to be the exporter for SIMA purposes. GVN & MSL provided substantially complete responses to the CBSA's RFI and supplementary RFIs, and an on-site verification of GVN & MSL were conducted in January 2020 in India.

MSL had domestic sales of like goods during the POI/PAP, and as a result, some normal values were determined pursuant to section 15 of SIMA. For the majority of models, however, there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by GVN & MSL to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, most normal values for GVN & MSL were determined pursuant to paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profits were determined under subparagraph 11(1)(b)(ii) of the SIMR.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

ISMT Limited (ISMT)

ISMT is a manufacturer of OCTG located in Maharashtra, India. No subject goods were shipped to Canada during the POI. The exporter provided substantially complete responses to the CBSA's RFI and supplementary RFIs throughout the re-investigation.

Although ISMT had domestic sales of like goods during the POI/PAP, normal values could not be determined pursuant to section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA. Normal values could not be determined pursuant to paragraph 19(a) of SIMA as there was no like goods sold by the ISMT to importers in any country other than Canada during the POI.

As a result, normal values were determined pursuant to paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling, and all other costs, plus a reasonable amount for profits. The amount for profits were determined under subparagraph 11(1)(b)(iv) of the SIMR.

Jindal Saw Limited (JSL)

JSL is a manufacturer of OCTG located in Nashik, India. No subject goods were shipped to Canada during the POI. JSL provided substantially complete responses to the CBSA's RFI and supplementary RFIs, and an on-site verification of JSL was conducted in January 2020.

Although JSL had domestic sales of like goods during the POI/PAP, normal values could not be determined pursuant to section 15 of SIMA as there were not such a number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by JSL to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling, and all other costs, plus a reasonable amount for profits. As inputs significant in the production of the goods were acquired from an associated supplier, the cost of the inputs was determined pursuant to paragraph 11.2(1)(a) of the SIMR. The amount for profits were determined under subparagraph 11(1)(b)(ii) of the SIMR.

Indonesia

The complainants made representations alleging that a PMS exists in Indonesia in accordance with paragraph 16(2)(c) of SIMA. In addition, the complainants alleged that the costs of inputs reported by the responding exporter in Indonesia do not reasonably reflect the actual cost of the inputs, and therefore, those input costs should be adjusted in accordance with subsection 11.2(2) of the SIMR.

The CBSA conducted an analysis to determine if the conditions of alleged PMS resulted from government influence. Oil and gas companies located in Indonesia are required to comply with the procurement procedures set by *Special Task Force for Upstream Oil and Gas Business Activities* which adopt the optimization of local products utilization principle. According to the government of Indonesia, the procurement procedure also provides the opportunity for the suppliers and the purchasers to negotiate the price. As such, SOE purchasers of OCTG in Indonesia buy OCTG products from the best candidates who participated in the tenders. The CBSA found that there was insufficient evidence that local content requirements imposed by the government and the existence of SOE purchasers have a material impact on domestic selling prices of OCTG such that a proper comparison is not possible.

In addition, the CBSA conducted an analysis to determine whether PMS resulted from acquisition of imported inputs at distorted prices. Based on the information on the administrative record, the CBSA examined the prices paid by PTCT to unrelated suppliers located in China, Indonesia, Japan and South Korea of substantial inputs used in the production process. The result showed that, during the POI, acquisition costs of inputs from unrelated suppliers located in China were inline with prices paid to unrelated suppliers located in the other countries analysed. Therefore, the CBSA found there was insufficient evidence to conclude that the costs of these inputs acquired by PTCT were distorted.

Based on the above information and for purposes of this re-investigation, the CBSA has not formed the opinion that a PMS existed in Indonesia during the POI, pursuant to paragraph 16(2)(c) of SIMA, and subsequently, subsection 11.2(2) of the SIMR is not applicable.

During the course of the re-investigation, the CBSA has been tracking the fluctuations of world currencies. As the Indonesian Rupiah has been observed to be particularly volatile following the end of the POI and in consideration that the majority of the export sales made by the participating exporter in Indonesia are carried out in USD, the CBSA issued normal values to the exporter in Indonesia in USD.

PT Citra Tubindo Tbk (PTCT)

PTCT is a producer and exporter of the subject goods during the POI. All subject goods shipped to Canada were produced at its facility located in Batam, Indonesia. PTCT provided substantially complete responses to the CBSA's RFI and supplementary RFIs and an on-site verification of PTCT was conducted in January 2020.

Although PTCT had domestic sales of like goods during the POI/PAP, normal values could not be determined pursuant to section 15 of SIMA as there were not sufficient number of sales that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by PTCT to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. As inputs significant in the production of the goods were acquired from associated suppliers, the cost of the inputs were determined pursuant to paragraphs 11.2(1)(a) or 11.2(1)(b) of the SIMR. The amount for profits were determined under subparagraph 11(1)(b)(ii) of the SIMR.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

The Philippines

The complainants made representations alleging that a PMS exists in the Philippines in accordance with paragraph 16(2)(c) of SIMA. Based on the information on the administrative record, HLD Clark is the only producer/exporter of subject goods in the Philippines who participated in the re-investigation, however, they did not have domestic sales of like goods. As a result, the CBSA could not form an opinion under paragraph 16(2)(c) of SIMA as to whether a PMS exists in the Philippines.

Where an opinion is not formed by the CBSA under paragraph 16(2)(c) of SIMA, subsection 11.2(2) of the SIMR is, subsequently, not applicable.

HLD Clark Steel Pipe Co., Inc. (HLD Clark)

HLD Clark is a manufacturer and exporter of subject goods during the POI. All subject goods shipped to Canada were produced at its facility located in Clark Field, the Philippines. HLD Clark provided substantially complete responses to the CBSA's RFI and supplementary RFIs, and an on-site verification of HLD Clark was conducted in January 2020.

Normal values could not be determined pursuant to section 15 of SIMA as HLD Clark did not have domestic sales of OCTG during the POI. Furthermore, no other producers/exporters of subject goods in the Philippines provided a response to the CBSA's RFI. As such, normal values could not be determined pursuant to paragraph 19(b) of SIMA because a reasonable amount for profits could not be determined under paragraph 11(1)(b) of the SIMR. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by Chung Hung to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to section 29 of SIMA using a paragraph 19(b) methodology, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profits was determined based on the weighted average profit made on domestic sales of OCTG by other exporters who provided a complete response in this re-investigation, pursuant to ministerial specification.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

South Korea

The complainants made representations alleging that a PMS exists in South Korea in accordance with paragraph 16(2)(c) of SIMA. Based on the information on the administrative record, the exporter of subject goods in South Korea who participated in the re-investigation did not have domestic sales of like goods that were made in the ordinary course of trade under competitive conditions. As a result, the CBSA could not form an opinion under paragraph 16(2)(c) of SIMA as to whether a PMS exists in South Korea.

Where an opinion is not formed by the CBSA under paragraph 16(2)(c) of SIMA, subsection 11.2(2) of the SIMR is, subsequently, not applicable.

SeAH Steel Corporation (SeAH)

SeAH Steel Corporation is a manufacturer and exporter of subject goods during the POI. All subject goods shipped to Canada were produced at its facility located in Pohang, South Korea. SeAH provided substantially complete responses to the CBSA's RFI and supplementary RFIs and, an on-site verification of SeAH was conducted in January 2020.

Normal values could not be determined pursuant to section 15 of SIMA as small amount of domestic sales were not made in ordinary course of trade under competitive conditions during the POI. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by SeAH to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to paragraph 19(b), based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profit was determined pursuant to subparagraph 11(1)(b)(v) of the SIMR.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

Thailand

The complainants made representations alleging that a PMS exists in Thailand in accordance with paragraph 16(2)(c) of SIMA. In addition, the complainants alleged that the costs of inputs reported by the responding exporters in Thailand do not reasonably reflect the actual cost of the inputs, and therefore, those input costs should be adjusted in accordance with subsection 11.2(2) of the SIMR.

The CBSA conducted an analysis to determine whether government influence through SOEs led to conditions of the alleged PMS. Based on the information on the administrative record, there are three OCTG producers in Thailand and none of them are SOEs. In addition, none of the hot-rolled coil and billet producers identified by the Government of Thailand (GOT) are SOEs. Respecting OCTG purchasers in Thailand, the GOT identified 50 non-SOE petroleum concessionaires and one SOE end-user (i.e. PTT Exploration and Production Company (PTTEP)) in Thailand. PTTEP is a major OCTG purchaser in Thailand. The GOT explained that the Board of directors at PTTEP are appointed by PTTEP's shareholders and the Board is responsible for company performance and oversees its management. There are no GOT representatives on the Board and the GOT is not involved in PTTEP's decision making process.

In addition, the CBSA also conducted an analysis as to whether PMS resulted from acquisition of imported inputs at distorted prices. During the POI, the responding exporters in Thailand imported billets from suppliers located in both China and India. Monthly purchase prices of the inputs from China and India were calculated based on the information provided by responding exporters and compared with published Fastmarkets MB monthly prices of billets in other regions, including Southeast Asia, Latin America and CIS. The price analysis revealed that the monthly prices of Chinese and Indian billets are in line with input prices from responding exporters in other countries and higher than the prices published in Fastmarkets MB. Further, the CBSA has examined the input price information provided by the complainants and finds that there is insufficient evidence that Thai OCTG producers are benefitting from production inputs that do not reflect market-based costs.

Based on the above analysis and for purposes of this re-investigation, the CBSA has not formed the opinion that a PMS existed in Thailand during the POI, pursuant to paragraph 16(2)(c) of SIMA, and subsequently, subsection 11.2(2) of the SIMR is not applicable.

Boly Pipe Co., Ltd. (Boly Pipe)

Boly Pipe is a manufacturer and exporter of subject goods during the POI. All subject goods shipped to Canada were produced at its facility located in Rayong, Thailand. Boly Pipe provided substantially complete responses to the CBSA's RFI and supplementary RFIs.

Although Boly Pipe had domestic sales of like goods during the POI/PAP, normal values could not be determined pursuant to section 15 of SIMA as there were not sufficient number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada. Normal values could also not be determined pursuant to paragraph 19(b) of SIMA because a reasonable amount for profits could not be determined under paragraph 11(1)(b) of the SIMR. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by Boly Pipe to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to section 29 of SIMA, using a paragraph 19(b) methodology, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profits was determined based on the weighted average profit made on domestic sales of OCTG by other exporters who provided a complete response in this re-investigation, pursuant to ministerial specification.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

Thai Oil Pipe Co., Ltd. (TOP)

Thai Oil Pipe Co., Ltd. (TOP) is a producer of OCTG, located in Rayong, Thailand. No subject goods were shipped to Canada during the POI. TOP provided substantially complete responses to the CBSA's RFI and supplementary RFIs.

Normal values could not be determined pursuant to section 15 of SIMA as TOP did not have domestic sales of OCTG during the POI. Normal values could also not be determined pursuant to paragraph 19(b) of SIMA because a reasonable amount for profits could not be determined under paragraph 11(1)(b) of the SIMR. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by TOP to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to section 29 of SIMA, using the methodology of paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits. The amount for profits was determined based on the weighted average profit made on domestic sales of OCTG by other exporters who provided a complete response in this re-investigation, pursuant to ministerial specification.

Turkey

The complainants made representations alleging that a PMS exists in Turkey in accordance with paragraph 16(2)(c) of SIMA. In addition, the complainants alleged that the costs of inputs acquired from Ereğli Demir ve Çelik Fabrikaları T.A.Ş (Erdemir) reported by the exporter in Turkey do not reasonably reflect the actual cost of the inputs as the inputs are purchased from SOEs, and therefore, those input costs should be adjusted in accordance with subsection 11.2(2) of the SIMR.

The CBSA conducted an analysis to determine whether the conditions of alleged PMS resulted from the influence of SOEs and that PMS otherwise resulted from the acquisition of imported inputs at distorted prices. Based on the CBSA's analysis of the information on the administrative record, the CBSA does not find that there is sufficient evidence to determine that Erdemir is a state-owned or state-controlled enterprise. Further, based on the HRC price information on the administrative record, there is no indication that Turkish OCTG producers are benefitting from production inputs that do not reflect market-based costs. Therefore the CBSA could not conclude that there was sufficient evidence that the presence of SOEs led to the conditions of PMS.

In order to demonstrate whether the costs of inputs that are used in the production of OCTG were otherwise distorted, a detailed price analysis of substantial inputs was conducted. During the POI, the responding exporter in Turkey purchased HRC from suppliers located in Turkey and other countries. The analysis revealed that the input purchase prices were in line for both domestic and exported inputs. Furthermore, monthly purchase prices of the inputs from the participating exporter were compared with published Fastmarkets MB monthly prices of HRC in other regions, including Central Europe. The analysis demonstrated that the monthly prices were either higher or in line with the prices published in Fastmarkets MB.

Based on the information on the administrative record, the above analysis and for purposes of this re-investigation, the CBSA has not formed the opinion that a PMS existed in Turkey during the POI, pursuant to paragraph 16(2)(c) of SIMA, and subsequently, subsection 11.2(2) of the SIMR is not applicable.

During the course of the re-investigation, the CBSA has been tracking the fluctuations of world currencies. As the Turkish Lira has been observed to be particularly volatile following the end of the POI and in consideration that the majority of the export sales made by the participating exporter in Turkey are carried out in USD, the CBSA issued normal values to the exporter in Turkey in USD.

Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş. (BMB)

BMB is a manufacturer and exporter of subject goods during the POI. All subject goods shipped to Canada were produced at its facility located in Gemlik, Turkey. BMB provided substantially complete responses to the CBSA's RFI and supplementary RFIs, an on-site verification of BMB was conducted in January 2020.

Although BMB had domestic sales of like goods during the PAP, normal values could not be determined pursuant to section 15 of SIMA as there were no sufficient number of sales of like goods that complied with all the terms and conditions referred to in sections 15 and 16 of SIMA as to permit a proper comparison with the sales of the goods to the importer in Canada. While determining normal values pursuant to paragraph 19(a) of SIMA was considered, due to the lack of evidence on the record to demonstrate that like goods sold by BMB to importers in any country other than Canada reflected the market value of the goods, the CBSA decided to follow alternative provisions of SIMA to determine normal values.

As a result, normal values were determined pursuant to paragraph 19(b) of SIMA, based on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs plus a reasonable amount for profits.. The amount for profit was determined pursuant to subparagraph 11(1)(b)(v) of the SIMR.

For subject goods exported to Canada, export prices were determined pursuant to section 24 of SIMA, based on the lesser of the exporter's selling price and the importer's purchase price, adjusted by deducting the costs, charges and expenses incurred in preparing the goods for shipment to Canada and resulting from the exportation and shipment of the goods.

Exporter responsibility

Please note that exporters with normal values are required to promptly inform the CBSA in writing of changes to domestic prices, costs, market conditions or terms of sale associated with the production and sales of the goods. All parties are cautioned that where there are increases in domestic prices, and/or costs as noted above, the export price for sales to Canada should be increased accordingly to ensure that any sale made to Canada is not only above the normal value but at or above selling prices and full costs and profit of the goods in the exporter's domestic market. Where exporters do not properly notify the CBSA of any such changes, do not adjust export prices accordingly, or do not provide the information required to make any necessary adjustments to normal values and export prices, retroactive assessments of anti-dumping or countervailing duties may be warranted.

Importer responsibility

Importers are reminded that it is their responsibility to calculate and declare their anti-dumping and countervailing duty liability. If importers are using the services of a customs broker to clear importations, the brokerage firm should be advised that the goods are subject to anti-dumping and countervailing measures and be provided with sufficient information necessary to clear the shipments. To determine their liability for anti-dumping and countervailing duty, importers should contact the exporters to obtain the applicable normal values and amounts of subsidy. For further

information on this matter, refer to Memorandum D14-1-2, Disclosure of Normal Values, Export Prices, and Amounts of Subsidy Established Under the *Special Import Measures Act* to Importers, on the CBSA's website at: www.cbsa-asfc.gc.ca/publications/dm-md/d14-eng.html.

The *Customs Act* applies, with any modifications that the circumstances require, with respect to the accounting and payment of anti-dumping and countervailing duties. As such, failure to pay the duties within the prescribed time will result in the application of the interest provisions of the Act.

Should the importer disagree with the determination made on any importation of goods, a request for re-determination may be filed with the Director General, Trade and Anti-dumping Programs Directorate, 11th Floor, 100 Metcalfe St., Ottawa, Ontario, K1A 0L8. Such a request must be received within 90 days from the making of the determination in the form and manner outlined in Memorandum D14-1-3, Procedures for Making a Request for a Re-determination or an Appeal of Goods Under the *Special Import Measures Act*, on the CBSA's website at: www.cbsa-asfc.gc.ca/publications/dm-md/d14-eng.html.

Information

Any questions concerning the above should be directed to:

SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
11-100 Metcalfe St
Ottawa ON K1A 0L8

Telephone:

Jason Huang: 613-954-7388

Andy Fei: 613-941-4789

Email: simaregistry-depotlmsi@cbsa-asfc.gc.ca

Appendix 1

Product definition

Seamless casing

"certain seamless carbon or alloy steel oil and gas well casing, whether plain end, bevelled, threaded or threaded and coupled, heat-treated or non-heat-treated, meeting American Petroleum Institute (API) specification 5CT, with an outside diameter not exceeding 11.75 inches (298.5 mm), in all grades, including proprietary grades, originating in or exported from the People's Republic China"

The subject goods are normally classified under the following tariff classification numbers:

7304.29.00.11
7304.29.00.19
7304.29.00.21
7304.29.00.29

OCTG I

“oil country tubular goods including, in particular, casing and tubing, made of carbon or alloy steel, welded or seamless, heat-treated or not heat-treated, regardless of end finish, having an outside diameter from 2 3/8 inches to 13 3/8 inches (60.3 mm to 339.7 mm), meeting or supplied to meet API specification 5CT or equivalent standard, in all grades, excluding drill pipe, seamless casing up to 11 3/4 inches (298.5 mm) in outside diameter, pup joints, welded or seamless, heat-treated or not heat-treated, in lengths of up to 3.66 m (12 feet), and coupling stock, originating in or exported from the People’s Republic of China”

The subject goods are normally classified under the following tariff classification numbers:

7304.29.00.31
7304.29.00.39
7304.29.00.41
7304.29.00.49
7304.29.00.51
7304.29.00.59
7304.29.00.61
7304.29.00.69
7304.29.00.71
7304.29.00.79
7304.39.00.60
7304.59.00.50
7306.29.00.11
7306.29.00.19
7306.29.00.21
7306.29.00.29
7306.29.00.31
7306.29.00.39
7306.29.00.61
7306.29.00.69

OCTG II

“Oil country tubular goods, which are casing, tubing and green tubes made of carbon or alloy steel, welded or seamless, heat-treated or not heat-treated, regardless of end finish, having an outside diameter from 2 3/8 inches to 13 3/8 inches (60.3 mm to 339.7 mm), meeting or supplied to meet American Petroleum Institute (API) specification 5CT or equivalent and/or enhanced proprietary standards, in all grades, excluding drill pipe, pup joints, couplings, coupling stock and stainless steel casing, tubing or green tubes containing 10.5 percent or more by weight of chromium, originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, the Philippines, South Korea, Thailand, Turkey, Ukraine and Vietnam”

The subject goods are normally imported under the following tariff classification numbers:

7304.29.00.11
 7304.29.00.19
 7304.29.00.21
 7304.29.00.29
 7304.29.00.31
 7304.29.00.39
 7304.29.00.41
 7304.29.00.49
 7304.29.00.51
 7304.29.00.59
 7304.29.00.61
 7304.29.00.69
 7304.29.00.71
 7304.29.00.79
 7304.39.00.60
 7304.59.00.50
 7306.29.00.11
 7306.29.00.19
 7306.29.00.21
 7306.29.00.31
 7306.29.00.29
 7306.29.00.39
 7306.29.00.61
 7306.29.00.69
 7306.30.00.20
 7306.30.00.30
 7306.50.00.00
 7306.90.00.10
 7306.90.00.20

Appendix 2

Representations

Representations were received from counsel representing the complainants and the responding exporters during the course of the re-investigations.

Following the closing of the record on March 25, 2020, case briefs were received from counsel representing the following parties: Tenaris and Evraz (complainants), SeAH, HLD Clark, GVN & MSL, ISMT, BMB, TOP, Chung Hung and Jindal. In response to a submission made by counsel for the Canadian Steel Producers Association (CSPA) respecting PMS, a case brief was also received from RC International Trade Consultants (RCITC), counsel representing responding exporters from India, the Philippines and Thailand in the OCTG II re-investigation.

The CBSA received reply submissions from counsel on behalf of the complainants, Boly Pipe, SeAH, HLD Clark, GVN & MSL, ISMT, BMB, TOP, Chung Hung and Jindal, as well as from the Government of Turkey.

Certain details provided in case briefs and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions.

The material issues raised by the parties are summarized as follows and the CBSA has provided responses to representations below.

Surrogate normal values for Chinese exporters

Case arguments

Counsel for the complainants submitted that the US is the most appropriate surrogate country to calculate surrogate normal values for cooperative Chinese exporters because there are many similarities between China and the US. Counsel further submitted that the OCTG II countries are not appropriate as surrogate countries.

Counsel for the complainants argued that OCTG pricing data provided in Pipe Logix should be used to determine surrogate normal values. Counsel further argued that an upward adjustment should be made when the CBSA calculates surrogate normal values for semi-premium and premium connection OCTG. Counsel submitted that the downward adjustment specified in the ministerial specification was determined in the original OCTG I investigation in 2010 and does not reflect the current market conditions. Counsel argued that the CBSA should recalculate the percentage based on the information on the record for these re-investigations.

Counsel for the complainants submitted that only Chinese exporters who fully cooperated in the re-investigations are entitled to receive model specific normal values.

CBSA's position

Based on the information on the administrative record, the CBSA formed the opinion that the conditions of section 20 of SIMA apply in the OCTG sector in China. The CBSA further concluded that domestic sales and costing information, submitted by responding producers/exporters in the OCTG II countries whose submissions were considered to be

substantially complete, reliable and verified, would be used to establish the methodology for determining normal values for Chinese exporters who provided a substantially complete response to the RFI as it reflect the best information available to the CBSA.

Dumping ministerial specifications for both **OCTG I** and **Seamless Casing** were revised and have come in effect on May 25, 2020.

Application of Paragraph 16(2)(c) of SIMA

Case arguments

Prior to the close of the record, counsel for the CSPA made representation concerning the interpretation and application of the PMS provisions under SIMA and the SIMR. Counsel for the CSPA submitted that the PMS provisions are applicable and should be considered in all proceedings that involve calculations of normal values. Counsel further submitted that the existence of home market sales in the country of export should not be a pre-condition to applicability of the PMS provisions. Counsel for the complainants argued in their case briefs that the PMS provisions should be given a broad interpretation and application.

Counsel for the complainants argued that the threshold for the application of the PMS provisions is whether there is evidence of sales of like goods in the country of export. Counsel argued that paragraph 16(2)(c) of SIMA only relates to sales of like goods and does not make direct or indirect reference to the conditions of section 15. Counsel further argued that like goods that do not meet the conditions of sections 15 and 16 are still like goods with the meaning of paragraph 16(2)(c).

In applying paragraph 16(2)(c), counsel for the complainants argued that subsection 16(2.1) of SIMA directs that a PMS may be found in respect of any goods in the country under investigation. Counsel further argued that reports of domestic sales from a cooperative exporter cannot be the only form of acceptable evidence of sales in a market and a PMS may found exist in situations where exporters who have domestic sales of like goods choose not to participate.

Counsel for the complainants submitted that paragraph 16(2)(c) is not a residual provision and subsection 16(2) of SIMA is not hierarchical. Counsel argued that the CBSA should make separate and independent determinations under paragraphs of 16(2)(a) to 16(2)(c).

With regards to whether the existence of home market sales is a pre-condition to apply the PMS provisions, RCITC argued that the CSPA's position is untenable and submitted that paragraph 16(2)(c) specifically relates to and hinges on the condition that goods are sold by the exporter in its home market. RCITC further submitted that paragraph 16(2)(c) and subsection 16(2.1) are contingent on the pre-condition of there being sales of like goods by the exporter in the country of export in accordance with section 15. In addition, RCITC submitted that "any goods" referred to in subsection 16(2.1) are "any sale of like goods for use in the country of export" by the exporter provided in paragraph 16(2)(c).

RCITC submitted that if, after the elimination of certain sales from the domestic sales database pursuant to section 15 and subsection 16(1) and paragraphs 16(2)(a) and 16(2)(b), there are no qualifying sales of like goods remaining, common-sense dictates that paragraph 16(2)(c) would not be applicable. RCITC further submitted that the primary objective of this re-investigation is

not to determine whether a PMS exists, and that the PMS provision under paragraph 16(2)(c) is only one of the many conditions in the methodology for determining normal values under section 15. RCITC argued that in absence of domestic sales of like goods, the CBSA cannot form an opinion under paragraph 16(2)(c) that a PMS exists.

Reply submissions

Counsel for Jindal refuted the position taken by counsel for the complainants respecting the application of the PMS provisions, stating that a PMS cannot be found in the absence of domestic market sales and that section 16 including the PMS provisions is no longer applicable if domestic sales are not being considered for the determination of normal values under section 15.

Counsel for Jindal argued that it does not matter whether the conditions under subsection 16(2) are considered in a hierarchical manner, because the domestic sales are no longer considered for normal value determination under section 15 if any of the exclusion conditions are met. Counsel further argued that consideration of a PMS under paragraph 16(2)(c) would be moot if the sales are already excluded under paragraphs 16(2)(a) or 16(2)(b).

CBSA's position

Pursuant to paragraph 16(2)(c) of SIMA, the CBSA will not consider any sales of like goods for use in the country of export that do not permit a proper comparison with the sale of the goods to the importer in Canada because, in the opinion of the President, a PMS exists. In forming an opinion, the CBSA must also determine that the existence of the PMS does not permit a proper comparison between the like goods sold in the country of export and the sale of those goods to the importer in Canada. The element of comparison is a condition that requires domestic sales of like goods in the country of export. Without domestic sales of like goods for a given exporter, paragraph 16(2)(c) of SIMA would not be applicable.

Pursuant to subsection 16(2) of SIMA, the CBSA, in determining the normal value of any goods under section 15, will not consider any sales of like goods that meet the conditions of paragraphs 16(2)(a) to 16(2)(c). There is no requirement that the provisions of subsection 16(2) should only be applied to the sales that have been reduced by the conditions of section 15. The CBSA does not use a residual approach to paragraph 16(2)(c) where sales of like goods are first reduced by the conditions of sections 15 and 16 before the application of this provision. However, a reasonable analysis and consideration should be made in the timing and application of section 15 for cases where the sale of like goods are not made in the ordinary course of trade under competitive conditions. As there are no compensatory rules for the provision of paragraph 15(c) as are found in paragraphs 16(1)(a) to 16(1)(e) for the other provisions of section 15, the primary concern should be to ensure a proper comparison can be made with sales of like goods for use in the country of export. By definition, sales of like goods that are not made in the ordinary course of trade under competitive conditions would not permit a proper comparison in themselves. In this situation, the CBSA will apply the provision of paragraph 15(c) prior to the application of paragraph 16(2)(c).

The CBSA agrees with counsel for the complainants that there is no hierarchy between the provisions of subsection 16(2) such that each provision of subsection 16(2) may be applied independently. Respecting the application and interpretation of paragraph 16(2)(c) of SIMA, the

CBSA's approach is based on the best interpretation of the legislation and the CBSA does not apply either a permissive or restrictive approach.

Particular Market Situation (PMS)

Case arguments

During the course of the OCTG II re-investigation and in their case briefs, counsel for the complainants made representations alleging that a PMS exists in all of the OCTG II countries. Counsels for responding exporters rebutted the allegations put forth by counsel for the complainants.

The following summarizes the key issues raised by counsels for both the complainants and the responding exporters:

Chinese Taipei

Counsel for the complainants submitted that the government of Chinese Taipei controls the HRC market and distorted prices, that government involvement distorted the OCTG market, that the government owns and controls the supply of electricity and natural gas, and that the government subsidizes HRC and OCTG producers, further distorting prices. Counsel argued that OCTG from China satisfies the majority of Chinese Taipei's demand and distorts OCTG selling prices in Chinese Taipei. Counsel further argued that the costs of inputs reported by the responding exporters in Chinese Taipei do not reasonably reflect the actual costs of the inputs.

India

Counsel for the complainants submitted that demand for OCTG in India is dominated by SOEs and that Indian SOEs supply distorted electricity used in the production of OCTG. Counsel further submitted that the government of India subsidizes OCTG producers. Counsel argued that the price for steel inputs in India are significantly distorted due to losses reported by primary Indian steel producers, 30% export duty on export of most iron ore, and the government subsidies for HRC and billets producers. Counsel also indicated that India is the target of low-priced imports of HRC and billets from China, South Korea and Iran.

Counsel for GVN & SML and ISMT refuted the allegation made by counsel for the complainants concerning the existence of a PMS in India. Counsel for GVN & SML and ISMT submitted that the information provided by the government of India and Indian exporters clearly establishes that there is no PMS in India. Counsel argued that one of the Indian exporters did not have domestic sales of like goods to SOEs, but acknowledged that the other Indian exporter did have domestic sales to SOEs in India. Counsel further argued that there is no evidence to support that those sales to SOEs were distorted merely because such sales were made to SOEs.

Counsel for GVN & SML and ISMT submitted that the Indian exporters did not purchase any raw materials from SOEs but acknowledged that one of the Indian exporters obtained electricity from an SOE. Counsel argued that the price of raw materials are purely driven by market forces and power rates in India are determined on commercial terms. Counsel for GVN & SML and ISMT submitted that the government of India is not involved in setting interest rates for financing and further argued that the existence of subsidies does not imply the existence of a PMS.

Counsel for GVN & SML and ISMT referenced Article 2.2 of the WTO Anti-Dumping Agreement and submitted that domestic sales may be disregarded only if because of PMS, such sales do not permit a proper comparison. Counsel argued that two conditions must be met in this regard, (a) that a PMS exists, and (b) that a proper comparison between domestic and export sales is not possible because of the PMS. Counsel also referenced a WTO panel decision on *Australia – Anti-Dumping Measures on A4 Copy Paper* (DS529) and submitted that a relative comparison must be carried out on the effect of PMS on the domestic and export prices, and domestic sales may be rejected only if a proper comparison is not permissible because of the PMS.

Indonesia

Counsel for the complainants argued that high volumes of OCTG and inputs from China were exported to Indonesia at distorted prices, that heavy government involvement in the steel industry resulted in distorted input prices, and that the Local Content Requirement (LCR) imposed by the government of Indonesia indicated that the government plays a large role in influencing OCTG prices in Indonesia. Counsel further submitted that the presence of SOEs as the primary purchasers of OCTG in Indonesia means that selling prices are not set through the usual competitive conditions of supply and demand.

Philippines

Counsel for the complainants submitted that significant amounts of inputs in the production of OCTG were imported from China at distorted prices, that responding exporter was exempt from paying taxes on some of the inputs, that Chinese state control over Filipino electricity resulted in distorted energy costs, and that the responding exporter, with its low cost inputs and significant excess capacity, looms as a distorting specter over the OCTG market in the Philippines. Counsel submitted that the subsidies provided for operating in the Clark Freeport Zone further distorted the responding exporter's costs of production of OCTG, and argued that the costs of inputs reported by the responding exporter do not reasonably reflect the actual costs of the inputs.

Counsel for HLD Clark refuted the allegation made by counsel for the complainants respecting the existence of a PMS in the Philippines. Counsel for HLD Clark submitted that the PMS provisions would not be applicable to HLD Clark because HLD Clark did not have domestic sales of OCTG and there is no domestic market of OCTG in the country. Counsel further submitted that HRC purchased by HLD Clark were all made at arm's length from offshore unrelated suppliers.

South Korea

Counsel for the complainants argued that significant imports of OCTG from China distorted domestic prices and that the presence of significant volumes of Chinese imports has forced Korean government intervention in the pipe production market. Counsel argued that Chinese HRC distorted the Korean market, that the government of Korea has intervened in the HRC market, and that generation, purchase and sale of electricity in Korea is controlled by the government. Further, counsel alleged that Korean OCTG producers have engaged in anti-competitive practices, and argued that the costs of inputs reported by the responding exporter do not reasonably reflect the actual costs of the inputs.

Thailand

Counsel for the complainants submitted that the government of Thailand intervened in the steel market by ways of providing funds to stimulate downstream demand and financial support to OCTG producers in Thailand. Counsel argued that OCTG imported from China dominated the OCTG market and domestic sales of OCTG by the responding exporters were made to an SOE in Thailand. Counsel further claimed that the costs of inputs imported by the cooperative exporters are distorted and energy costs (including electricity and natural gas) in Thailand do not reflect market-based cost.

Counsel for TOP disagreed with counsel for the complainants to prioritize PMS for this re-investigation and argued that the focus of this proceeding is to update normal values and export prices. Counsel submitted that TOP is an export-oriented company and did not have domestic sales of like goods, and further submitted that the domestic sales made by the other responding exporter are not acceptable under section 15 of SIMA. Counsel for TOP argued that in absence of qualifying domestic sales of like goods, the CBSA cannot form an opinion under paragraph 16(2)(c) that a PMS exists.

Counsel for TOP refuted complainants' allegation regarding the impact of alleged PMS on the acquisition costs of TOP's inputs and argued that there is no evidence to support that the costs of imported billets do not reflect market-based costs. Counsel also refuted complainants' allegation respecting distorted price of energy inputs in Thailand and argued that the complainants have not provided any evidence to substantiate their claims. Counsel for TOP rebutted complainants' claim that Chinese OCTG dominates the OCTG market in Thailand, and submitted that imports of OCTG from China only accounted for 16% of total imports from January 2018 to August 2019 according to the information provided by the government of Thailand.

Turkey

Counsel for the complainants argued that significant volatility in economic conditions including rising inflation rates and the collapse of Turkish Lira affected domestic sales and distorted acquisition costs of inputs. Counsel submitted that the majority of OCTG sold in the domestic market are made to SOEs and that significant amounts of OCTG from China were imported at distorted prices distorted domestic OCTG prices. Counsel argued that prices of inputs in the production of OCTG (including HRC and energy) were distorted due to strong presence of Ukrainian and Russian imports, government influences in the steel industry to meet its targets of distorted energy input prices, and state-owned providers of electricity and natural gas. Counsel also made representations concerning government of Turkey's interventions and section 232 tariffs on steel imports from Turkey by the US.

Counsel for BMB refuted the complainants' allegation that a PMS exists in Turkey. Counsel for BMB submitted that there is no evidence that fluctuations in the value of Turkish Lira impacted the selling prices or costs of OCTG in Turkey. Counsel further submitted that Chinese exports of welded OCTG to Turkey were zero during the POI.

Counsel for BMB refuted complainants' claim that BMB's purchases of HRC were distorted because most of the purchases were from Erdemir that is heavily subsidized by the government of Turkey. Counsel argued that the issue respecting whether Erdemir is an SOE has been

resolved by the CBSA and submitted that BMB did not receive benefits as a result of purchasing raw materials from Erdemir.

Reply Submissions

Chinese Taipei

Counsel for Chung Hung refuted complainants' allegations that a PMS exists in Chinese Taipei, arguing that PMS is intended for very unique circumstances, that the "proper comparison" portion of the provisions operate in absolute conjunction with the "particular market situation" provisions (referencing the WTO panel decision on DS529), that if domestic sales are not being considered for the determination of normal values under section 15, then section 16 is not applicable, including the PMS provisions. Counsel submitted that OCTG from China were high-priced and did not distort OCTG selling prices in Chinese Taipei.

Counsel for Chung Hung further argued that the OCTG market in Chinese Taipei was not distorted by government involvement and that the government of Chinese Taipei does not control China Steel Corporation (CSC) through the Chairman or Board of Directors, nor does it interfere with CSC's pricing decisions or other operations. Counsel for Chung Hung also indicated that there is no evidence that energy provided by government owned entities to exporters in Chinese Taipei had a significant impact on the domestic sales of like goods.

India

Counsel for the complainants responded to the arguments presented by counsel for GVN & SML and ISMT and reiterated that the majority of OCTG sold in India were sold to SOEs and that the dominance of SOEs in India distorted all domestic sales of OCTG in India. Counsel for the complainants asserted that price of billets/round bars in India were distorted because a significant quantity of those inputs were imported from dumped and low-priced Chinese SOEs.

Counsel for the complainants disagreed with the position taken by counsel for GVN & SML and ISMT respecting the basis for a PMS determination and refuted the argument that the CBSA must find that a PMS prevents a proper comparison before rejecting the use of their sales.

Counsel for GVN & SML and ISMT reiterated its position presented in their case briefs, and further submitted that unless the CBSA finds that a PMS exists, in respect of goods of each exporter, which prevents proper comparison, it should not be applied universally across all exporters in a country. Counsel referenced the WTO panel decision on DS529 again in their reply submissions and argued that the complainants have not adduced any evidence to demonstrate that a proper comparison with the exports to Canada is not possible.

Counsel for GVN & SML and ISMT submitted that the prices of HRC and billet in India are driven by the market, that domestic content requirement does not distort prices of OCTG, and that the bidding process ensures prices are determined on the basis of free and fair competition. Counsel further argued that, if any effect, domestic content requirements and SOEs inflated the domestic selling prices of OCTG in India.

Counsel for Jindal submitted that the government policy on domestic content requirements does not, in itself, represent a PMS, and argued that no evidence has been provided by the complainants to demonstrate that the impact of this policy had a significant impact on the

domestic sales of like goods. Counsel for Jindal presented many arguments that are similar to the arguments presented by counsel for GVN & SML and ISMT that are already addressed above.

Philippines

Counsel for the complainants responded to the arguments put forth by counsel for HLD Clark, asserting that there is evidence of domestic sales of OCTG in the Philippines based on MBR OCTG Intelligence reports, and that HLD Clark's input costs are distorted by dumped and subsidized imports from China. Counsel for the complainants refuted the HLD Clark's argument respecting the requirement of domestic sales in applying the PMS provisions of SIMA, and argued that PMS also applies in the absence of domestic sales.

Counsel for HLD Clark reiterated the positions presented in the case brief and argued that in absence of domestic sales of like goods, paragraph 16(2)(c) of SIMA would not be applicable.

South Korea

Counsel for SeAH responded to the argument put forth by counsel for the complainants respecting the existence of a PMS in South Korea. Counsel for SeAH asserted that the WTO Anti-Dumping Agreement does not allow the CBSA to disregard domestic sales when a proper comparison is possible. Counsel also referenced the WTO panel decision on DS529 and submitted that the determination of whether there is a PMS is fact-specific and should be determined on a case-by-case basis. Counsel submitted that there is insufficient fact-specific information on the record for this re-investigation and argued that the CBSA should not find any PMS in South Korea.

Thailand

Counsel for the complainants refuted the arguments put forth by counsel for TOP, stating that imports of billets from Chinese SOEs distorted the price of input materials in Thailand, and that the presence of Chinese OCTG in Thailand distorted OCTG prices. Counsel for the complainants further argued that counsel for TOP misinterprets the functionality of the PMS provisions under SIMA and the SIMR and submitted that SIMA only requires that the CBSA finds evidence of sales of like goods to examine whether a PMS exists.

Counsel for Boly Pipe responded to the complainants' allegation concerning the existence of a PMS in Thailand and reminded that it is imperative for the CBSA to apply the PMS provisions with circumspection. Counsel for Boly Pipe also referenced the WTO panel decision on DS529, stating, regardless of the existence of a PMS, domestic sales cannot be disregarded as the basis for normal value if the domestic sales do permit a proper comparison. Counsel for Boly Pipe refuted the complainants' allegation that the government of Thailand provided financial support to OCTG producers in Thailand, and submitted that the CBSA terminated the subsidy investigation from Thailand due to insignificant amounts of subsidy.

Counsel for TOP reiterated its position presented in the case brief and argued that the complainants' allegation of PMS in Thailand is not credible and is without substance.

Turkey

Counsel for the complainants responded to the arguments put forth by counsel for BMB, asserting that the significant volatility of Turkish Lira distorted OCTG prices and costs in Turkey during the POI, that the presence of Chinese seamless OCTG distorted prices for welded OCTG, and that BMB benefited from low priced purchases from its supplier. Counsel for the complainants submitted that Erdemir is an SOE based on the new facts presented in the Preliminary Determination of the *Certain Corrosion-Resistant Steel Sheet 2* subsidy investigation.

The Government of Turkey (GOTr) responded to the PMS allegation made by counsel for the complainants. The GOTr argued that there is no correlation between depreciation in Turkish Lira and the export prices of OCTG. The GOTr submitted that OCTG imports from China represented just over 1% of total OCTG imports of Turkey in 2018 and OCTG imports from China was zero in 2019.

The GOTr further refuted the complainant's allegation respecting GOTr's intervention in the steel industry in Turkey and argued that similar allegations were made in the Carbon Steel Welded Pipe 3 investigation concluded in January 2019, and that the CBSA did not find a PMS existed in Turkey in that case.

The GOTr also responded to the complainants' argument that the GOTr distorted the OCTG market by providing subsidies to OCTG producers and exporters in Turkey. The GOTr submitted that the CBSA terminated the OCTG II subsidy investigation for the reason of the amount of subsidy from Turkey to be insignificant, and the GOTr argued that an insignificant subsidy cannot distort the market.

Counsel for BMB responded to the argument put forth by counsel for the complainants and argued that normal values determined for BMB should be based on paragraph 19(b) not because a PMS exists but, rather, there is not a sufficient number of domestic sales that meet the conditions of sections 15 and 16. Counsel submitted that the only issue relevant to BMB is whether a PMS exists such that subsection 11.2(2) of the SIMR applies to BMB.

Counsel for BMB argued that the CBSA's preliminary determination in an unrelated subsidy investigation is not a basis for finding that Erdemir is a public body in this re-investigation. Counsel further argued that BMB has demonstrated that it receives no benefit as a result of sourcing HRC from Erdemir, even if the CBSA were to find that Erdemir is a public body. Counsel asserted that BMB did not purchase HRC from Ukraine and Russia for the production of OCTG.

Counsel for BMB argued that the evidence before the CBSA does not establish that BMB's input costs are distorted such that subsection 11.2(2) of the SIMR should not apply to BMB.

CBSA's position

Information on the record indicates that the exporter of subject goods in the Philippines who participated in the re-investigation did not have domestic sales of like goods. Information on the record also indicates that the exporters of subject goods in Chinese Taipei and South Korea who participated in the re-investigation did not have domestic sales of like goods that were made in the ordinary course of trade under competitive conditions. As a result and for purposes of this re-investigation, the CBSA cannot form an opinion pursuant to paragraph 16(2)(c) of SIMA as to whether a PMS exists in those countries.

The allegations put forth by counsel for the complainants concerning the existence of a PMS in India, Indonesia, Thailand and Turkey were addressed in this re-investigation. Based on CBSA's analysis and for purposes of this re-investigation, the CBSA could not form an opinion pursuant to paragraph 16(2)(c) of SIMA that a PMS existed in India, Indonesia, Thailand and Turkey during the POI.

Where an opinion is not formed by the CBSA under paragraph 16(2)(c) of SIMA, subsection 11.2(2) of the SIMR is, subsequently, not applicable.

Please refer to the Result of the Re-investigation section of this notice for the CBSA's analysis.

Application of Subsection 11.2(1) of SIMR

Case arguments

Counsel for the complainants submitted that the application of subsection 11.2(1) of the SIMR is of great importance to this re-investigation. Counsel argued that when an exporter sourced inputs from an associated person and that the input is a significant factor in the production of OCTG, both the exporter and the associated supplier are obligated to provide data relevant to paragraphs 11.2(1)(a) to 11.2(1)(c) of the SIMR. Failure to provide information required by subsection 11.2(1) of the SIMR, normal values should be determined under ministerial specification for that exporter.

CBSA's position

Where an input is an significant factor in the production process and has been acquired by the exporter or producer from an associated supplier, the cost of the input will be determined according to the greater of the amounts found in paragraphs 11.2(1)(a) to 11.2(1)(c) of the SIMR.

During the course of this re-investigation, information required under paragraphs 11.2(1)(a) and 11.2(1)(b) were provided by responding exporters and their respective associated suppliers, and such information is available on the administrative record. In applying subsection 11.2(1) of the SIMR, the CBSA considers that the calculation of an amount under paragraphs (a) and (b) is required, but paragraph (c) can only be considered where there is sufficient information to do so.

Application of Subsection 11.2(2) of SIMR

Case arguments

Counsel for the complainants submitted that it is critical that the CBSA carefully assess and properly apply the provisions of subsection 11.2(2) of the SIMR in this re-investigation because the decision of this re-investigation will reverberate throughout future investigations.

Reply submissions

Counsel for TOP submitted that the CBSA decision on the existence of PMS in this re-investigation will no doubt be precedent setting for future investigations. Counsel for TOP refuted the argument put forth by counsel for the complainants that focuses primarily and exclusively on subsection 11.2(2) of the SIMR.

Counsel for TOP argued that, prior to applying the provisions of subsection 11.2(2) of the SIMR, it is explicitly clear that the CBSA must first make an opinion on the existence of a PMS. Counsel further argued that it is also explicitly clear that in absence of domestic sales of like goods, subsection 11.2(2) of the SIMR is not applicable.

CBSA's position

For purposes of constructing normal values pursuant to paragraph 19(b) of SIMA, the CBSA will disregard the acquisition cost of an input that does not reasonably reflect the actual cost of that input if the President is of the opinion that, under paragraph 16(2)(c) of SIMA, a PMS exists.

In order to disregard certain acquisition costs of the inputs used in the production of the goods, the President must first form an opinion that a PMS exists in the country of exporter under paragraph 16(2)(c) of SIMA, and the President must also form an opinion under subsection 11.2(2) of the SIMR that the PMS distorts the acquisition costs of the inputs.

Where there are no sales of like goods in the country of export, the President cannot form an opinion under paragraph 16(2)(c) of SIMA that a PMS exists, and subsequently, subsection of 11.2(2) of the SIMR would not be applicable.

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