



OTTAWA, May 3, 2019

STATEMENT OF REASONS

Concerning the expiry review determination regarding

**THE DUMPING OF COPPER TUBE FROM
BRAZIL, CHINA, GREECE, MEXICO AND SOUTH KOREA,**

**AND THE SUBSIDIZING OF COPPER TUBE FROM
CHINA**

DECISION

On April 18, 2019, pursuant to paragraph 76.03(7)(a) of the *Special Import Measures Act*, the Canada Border Services Agency determined that the expiry of the Canadian International Trade Tribunal's findings made on December 18, 2013, in Inquiry No. NQ-2013-004:

- i. is likely to result in the continuation or resumption of dumping of copper tube originating in or exported from Mexico;
- ii. is likely to result in the continuation or resumption of dumping of copper tube originating in or exported from Brazil, China, Greece and South Korea; and
- iii. is likely to result in the continuation or resumption of subsidizing of copper tube originating in or exported from China.

Cet *Énoncé des motifs* est également disponible en français.
This *Statement of Reasons* is also available in French.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND	2
PRODUCT DEFINITION	3
ADDITIONAL PRODUCT INFORMATION	3
CLASSIFICATION OF IMPORTS.....	5
PERIOD OF REVIEW	5
CANADIAN INDUSTRY	5
CANADIAN MARKET	6
ENFORCEMENT DATA.....	6
PARTIES TO THE PROCEEDINGS.....	7
INFORMATION CONSIDERED BY THE CBSA	7
ADMINISTRATIVE RECORD	7
POSITION OF THE PARTIES – DUMPING	8
PARTIES CONTENDING THAT CONTINUED OR RESUMED DUMPING IS LIKELY	8
<i>International Market Conditions</i>	9
<i>Domestic Market Conditions</i>	10
<i>Commodity Nature of Copper Tube</i>	11
<i>Known Exporters in Subject Countries</i>	11
<i>Likely Prices of Dumped and Subsidized Goods</i>	13
PARTIES CONTENDING THAT CONTINUED OR RESUMED DUMPING IS UNLIKELY	14
CONSIDERATION AND ANALYSIS – DUMPING	14
LIKELIHOOD OF CONTINUED OR RESUMED DUMPING	14
COMMODITY NATURE OF COPPER TUBE	15
NEW OFFSHORE SOURCES & THE ATTRACTIVENESS OF THE CANADIAN MARKET.....	16
<i>Brazil</i>	18
<i>China</i>	19
<i>Greece</i>	24
<i>Mexico</i>	27
<i>South Korea</i>	29
POSITION OF THE PARTIES - SUBSIDIZING.....	32
PARTIES CONTENDING THAT CONTINUED OR RESUMED SUBSIDIZING IS LIKELY	32
PARTIES CONTENDING THAT CONTINUED OR RESUMED SUBSIDIZING IS UNLIKELY	32
CONSIDERATION AND ANALYSIS - SUBSIDIZING	32
LIKELIHOOD OF CONTINUED OR RESUMED SUBSIDIZING	32
CONCLUSION.....	35
FUTURE ACTION.....	36
INFORMATION.....	36

EXECUTIVE SUMMARY

[1] On November 20, 2018, the Canadian International Trade Tribunal (CITT), pursuant to subsection 76.03(3) of the *Special Import Measures Act* (SIMA), initiated an expiry review of its findings made on December 18, 2013, in Inquiry No. NQ-2013-004, concerning the dumping of certain copper tube originating in or exported from Brazil, China, Greece, Mexico and South Korea, and the subsidizing of those goods originating in or exported from China.

[2] As a result of the CITT's notice of expiry review, the Canada Border Services Agency (CBSA), on November 21, 2018, initiated an investigation to determine, pursuant to paragraph 76.03(7)(a) of SIMA, whether the expiry of the findings is likely to result in the continuation or resumption of dumping and/or subsidizing of the goods.

[3] The CBSA received a response to its Expiry Review Questionnaire (ERQ) from Great Lakes Copper Ltd. (GLC), the sole producer of copper tube in Canada. The submission expressed an opinion that the continued or resumed dumping and subsidizing of copper tube from the subject countries is likely if the CITT's findings are rescinded, and included information supporting their position.¹

[4] The CBSA received responses to its ERQ from the following Canadian importers: Chantier Davie Canada Inc.,² Bell Helicopter Textron Canada Limited,³ Ref Plus Inc.,⁴ Hansa-Flex Hydraulics Canada Inc.,⁵ Boutette & Barnett Inc.⁶ and Robert Thibert Inc.⁷ These importers vary in level of trade from distributors to traders. None of the importers expressed an opinion on the likelihood of continued or resumed dumping and/or subsidizing of subject goods.

[5] The CBSA received one response to its ERQ from ElvalHalcor Hellenic Copper and Aluminum Industry S.A. (EHC), an exporter of subject goods in Greece.⁸ The submission did not express an opinion on the likelihood of continued or resumed dumping and/or subsidizing of subject goods. The submission did, however, request that the CBSA terminate/cancel the anti-dumping duties for their products, stating that EHC's intention and strategy is to sell products to Canada at non-dumped prices.

[6] The CBSA did not receive a response to its ERQ that was sent to the Government of China (GOC), nor did it submit a case brief or reply submission.

[7] A case brief was received on behalf of the Canadian producer, GLC. The submission contained information supporting their position that dumping and subsidizing of the goods would resume if the findings are rescinded.

¹ Exhibits 20 (PRO) & 21 (NC) – Response to ERQ, Great Lakes Copper, Ltd.

² Exhibit 25 (NC) – Response to ERQ, Chantier Davie Canada Inc.

³ Exhibit 22 (NC) – Response to ERQ, Bell Helicopter Textron Canada Limited

⁴ Exhibits 18 (PRO) & 19 (NC) – Response to ERQ, Ref Plus Inc.

⁵ Exhibits 16 (PRO) & 17 (NC) – Response to ERQ, Hansa-Flex Hydraulics Canada Inc.

⁶ Exhibit 15 (NC) – Response to ERQ, Boutette & Barnett Inc.

⁷ Exhibits 27 (NC) – Response to ERQ, Robert Thibert Inc.

⁸ Exhibits 23 (PRO) & 24 (NC) – Response to ERQ, EHC.

[8] No importers in Canada, nor exporters or producers located in the subject countries, provided a case brief or reply submission.

[9] With respect to dumping, available information demonstrates that: copper tube is a commodity product and is sold primarily on the basis of price; exporters in the five named countries have either stopped or vastly decreased exports to Canada since the findings have been in place because they are unable to compete at non-dumped prices; a shift in imports of copper tube into Canada from countries not covered by the CITT's findings supports the continued attractiveness of the Canadian market for export sales; uncertain and/or negative outlooks for domestic demand exist in the named countries; measures in force involving the named countries in other jurisdictions; and significant production capacity of producers in the named countries continues to exist.

[10] With respect to subsidizing, available information demonstrates that subsidy programs for exporters in China continue to be widely available, particularly to manufacturers in the industrial sector and that the performance and likely future performance of Chinese exporters in respect of production capacity and exports points to a continued reliance on subsidy programs.

[11] As a result, the CBSA, having considered the information on the administrative record, determined on April 18, 2019, pursuant to paragraph 76.03(7)(a) of SIMA that:

- i. The expiry of the finding in respect of copper tube originating in or exported from Mexico is likely to result in the continuation or resumption of dumping of the goods into Canada;
- ii. The expiry of the finding in respect of copper tube originating in or exported from Brazil, China, Greece and South Korea is likely to result in the continuation or resumption of dumping of the goods into Canada; and
- iii. The expiry of the finding in respect of copper tube originating in or exported from China is likely to result in the continuation or resumption of subsidizing of the goods exported to Canada.

BACKGROUND

[12] On May 22, 2013, following a complaint filed by GLC of London, Ontario, the CBSA initiated investigations pursuant to subsection 31(1) of SIMA, into the dumping of copper tube originating in or exported from Brazil, China, Greece, Mexico and South Korea, and the subsidizing of those goods originating in or exported from China.

[13] On November 18, 2013, pursuant to subsection 41(1) of SIMA, the CBSA made final determinations respecting the dumping of copper tube originating in or exported from Brazil, China, Greece, Mexico and South Korea, and the subsidizing of those goods originating in or exported from China.

[14] On December 18, 2013, pursuant to subsection 43(1) of SIMA, the CITT found that the dumping of copper tube originating in or exported from Brazil, China, Greece and South Korea, and the subsidizing of those goods originating in or exported from China, had caused injury to the domestic industry in Canada.⁹

[15] On the same day, pursuant to subsections 43(1) and (1.01) of SIMA, the CITT found that the dumping of copper tube originating in or exported from Mexico had caused injury.

[16] On January 30, 2015, the CBSA concluded a re-investigation to update the normal values and export prices for copper tube originating in or exported from Brazil, China, Greece, Mexico and South Korea, and the amount of subsidy of those goods originating in or exported from China.

[17] On October 1, 2018, pursuant to subsection 76.03(2) of SIMA, the CITT issued a notice concerning the expiry of its findings, which were scheduled to expire on December 18, 2018. Based on the information filed during the expiry process, the CITT decided that a review of the findings was warranted.

[18] On November 20, 2018, the CITT initiated an expiry review of its findings pursuant to subsection 76.03(3) of SIMA.

[19] On November 21, 2018, the CBSA commenced an expiry review investigation to determine whether the expiry of the findings is likely to result in continued or resumed dumping and/or subsidizing of the subject goods.

PRODUCT DEFINITION

[20] The goods subject to the findings under review are defined as:

Circular copper tube with an outer diameter of 0.2 inch to 4.25 inches (0.502 centimetre to 10.795 centimetres) excluding industrial and coated or insulated copper tube, originating in or exported from the Federative Republic of Brazil, the Hellenic Republic, the People's Republic of China, the Republic of Korea and the United Mexican States.

Additional Product Information

[21] Copper tube sold in Canada is manufactured to a variety of American Society for Testing and Materials (ASTM) standards and grades. The outer diameter range of the tube includes diameters that are within the allowable tolerances within each standard. Canadian copper tube standards and grades are as follow:

⁹ [CITT Findings NQ 2013-004](#) issued December 18, 2013

Table 1
Canadian Copper Tube Standards and Grades

Tube Grade	ASTM	Application
K	B88	Domestic water service and distribution, solar, fuel/fuel oil, natural gas, liquefied petroleum gas, snow melting
L	B88	Domestic water service and distribution, solar, fuel/fuel oil, natural gas, liquefied petroleum gas, snow melting
M	B88	Domestic water service and distribution, solar, compressed air
DWV	B306	Drainage waste, vent
ACR	B280, B68	Air conditioning, refrigeration
Medical Gas	B819	Medical gas uses (e.g., hospitals)

[22] There are numerous widely accepted applications of copper tube. These include but are not limited to plumbing, heating, cooling and medical (MED) gas use. Copper tube produced for plumbing applications and sold in Canada must be third party certified to insure that the requirements of the standards are met. Copper tube is produced in straight lengths and in coils, in diameters that correspond with plumbing, air conditioning/refrigeration (ACR) and MED gas applications.

[23] Tube grades for plumbing copper tube include:

- Type L (ordinarily used in residential and commercial potable water systems);
- Type K (typically used in underground or high pressure applications);
- Type M (ordinarily used in residential potable water systems); and
- Type DWV (drainage, waste and vent).

[24] Type L, K and M copper tube is primarily used for potable water applications, water recirculation systems and heating systems (e.g., solar, geothermal, etc.). Applications include above and below ground, indoor and outdoor systems and can be used in residential, commercial and industrial buildings.

[25] DWV copper tube is primarily used for above ground vent and drain lines.

[26] Tube grades for refrigeration copper tube include:

- ACR;
- MED-L/ACR; and
- MED-K.

[27] ACR copper tube is primarily supplied as soft annealed coils for various refrigeration and air conditioning applications.

[28] The subject goods do not include industrial copper tube and coated or insulated copper tube. Industrial copper tube is a custom-made product made to specific dimensions (e.g., outer diameter, inside diameter, wall thickness and length), tolerances and temper as specified by the customer and is normally made in sizes that differ from those in which copper tube is offered. Coated or insulated copper tube has a polyethylene/polyvinylchloride or foam coating.

CLASSIFICATION OF IMPORTS

[29] The subject goods are normally imported into Canada under the following tariff classification numbers:

7411.10.00.10
7411.10.00.20

[30] The subject goods may also be imported under the following tariff classification numbers:

7411.10.00.31
7411.10.00.39

[31] This listing of tariff classification numbers is for convenience of reference only. Refer to the product definition for authoritative details regarding the subject goods.

PERIOD OF REVIEW

[32] The period of review (POR) for the CBSA's expiry review investigation is January 1, 2015 to September 30, 2018.

CANADIAN INDUSTRY

[33] GLC is the sole Canadian producer of copper tube in Canada.

[34] GLC began operations in London, Ontario, in 1958, as an extension of Wolverine Tube, Inc. of Detroit, Michigan. In 1998, it expanded by acquiring assets from Noranda Metal, which included two additional plants, one located in Montreal, Quebec, and the other in New Westminster, British Columbia. The Montreal and New Westminster facilities have since closed, leaving London as the only remaining manufacturing facility of certain copper tube in Canada.

[35] In 2008, GLC was bought by private Canadian investors. It was at this time that the company was rebranded as GLC.

[36] In 2015, GLC was purchased by Mueller Industries and continues to operate as a separate Canadian entity.

[37] Currently, GLC is a fully-integrated copper tube mill with casting, extrusion and drawing completed under one roof. In their facility, raw material is converted into molten copper; casted into copper billets and then extruded and drawn into finished copper tubes.

CANADIAN MARKET

[38] The imports of copper tube during the POR are presented in **Table 2** below. The CBSA cannot release specific quantitative data respecting the value and volume of Canadian production of copper tube sold for domestic consumption as it would lead to the disclosure of confidential information.

Table 2
Imports of Copper Tube for the Period of Review
(Quantity in Kilograms and Value in \$)

Source	2015		2016		2017		2018 (Jan-Sept)	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Total Subject Countries	37,445	371,829	42	1,104	1,058	17,496	107	2,008
All Other Countries	3,513,097	34,270,975	2,735,673	23,950,241	3,041,775	30,576,628	2,477,235	27,607,753
Total Imports	3,550,542	34,642,804	2,735,715	23,951,346	3,042,833	30,594,124	2,477,342	27,609,761

Canadian Production

[39] The Canadian producer's share of the apparent Canadian market has been relatively consistent during the POR. GLC has held the majority of the market for the entire POR.

Imports – Subject Countries

[40] During the POR, the total volume and value of imports of subject goods from the named countries as a percentage of the apparent Canadian market was relatively consistent. Overall, there were insignificant volumes of imports of subject goods during the POR.

Imports – Other Countries

[41] During the POR, the total volume and value of imports of copper tube from other countries (i.e., the non-named countries) as a percentage of the apparent Canadian market saw a small decrease from 2015 to 2016, followed by a small increase in 2017 that was maintained for the first nine months of 2018. Overall, the trend shows significant imports from these non-named countries throughout the POR.

ENFORCEMENT DATA

[42] In the enforcement of the CITT's findings during the POR, as detailed in **Table 3** below, the total amount of anti-dumping and countervailing duties collected on subject imports was approximately \$17,696. The quantity of subject goods, on which anti-dumping and countervailing duties were assessed, was 1,207 kilograms (kg). The amounts collected reflect the very low volume of subject goods imported into Canada during the POR.

Table 3
Enforcement Data for the Period of Review
(Quantity in Kilograms and SIMA Duties in \$)

Source	2015		2016		2017		2018 (Jan-Sept)	
	Quantity	SIMA Duties	Quantity	SIMA Duties	Quantity	SIMA Duties	Quantity	SIMA Duties
Total Subject Countries	37,445	N/A	42	1,293	1,058	14,440	107	1,963

PARTIES TO THE PROCEEDINGS

[43] On November 21, 2018, the CBSA sent a notice concerning the initiation of the expiry review investigation and ERQs to the known Canadian producer and the known or potential importers and exporters. The GOC was also sent an ERQ relating to subsidy.

[44] The ERQs requested information needed to consider the expiry review factors, as found in subsection 37.2(1) of the *Special Import Measures Regulations* (SIMR), relevant to this expiry review investigation.

[45] The Canadian producer, six importers, and one exporter participated in the expiry review investigation by responding to the ERQs.

[46] A case brief was received on behalf of the Canadian producer, GLC.

[47] None of the importers or exporters provided a case brief or a reply submission.

[48] The GOC did not respond to the CBSA's subsidy ERQ, nor did it submit a case brief or reply submission.

INFORMATION CONSIDERED BY THE CBSA

Administrative Record

[49] The information considered by the CBSA for purposes of this expiry review investigation is contained on the administrative record. The administrative record includes the exhibits listed on the CBSA's Exhibit Listing, which is comprised of the CITT's administrative record relating to the initiation of the expiry review, CBSA exhibits and information submitted by interested persons, including information which they feel is relevant to the decision as to whether dumping and/or subsidizing is likely to continue or resume, if the findings are rescinded. This information may consist of expert analyst reports, excerpts from trade magazines and newspapers, orders and findings issued by authorities of Canada or of a country other than Canada, documents from international trade organizations such as the World Trade Organization and responses to the ERQs submitted by domestic producers, importers, exporters and foreign governments.

[50] For purposes of an expiry review investigation, the CBSA sets a date after which no new information submitted by interested parties may be placed on the administrative record or considered as part of the CBSA's investigation. This is referred to as the closing of the record date. This allows participants time to prepare their case briefs and reply submissions based on the information that is on the record as of the date the record closed. For this expiry review investigation, the record closed on January 22, 2019. There were no procedural issues surrounding the information on the record.

POSITION OF THE PARTIES – DUMPING

Parties Contending that Continued or Resumed Dumping is Likely

GLC

[51] GLC made representations in its case brief¹⁰, as well as its response to the ERQ¹¹, in support of the position that the dumping from Brazil, China, Greece, Mexico and South Korea is likely to continue or resume in the event that the present findings are rescinded. Accordingly, GLC argues that the measures should remain in place.

[52] The main factors identified by GLC regarding a likelihood of continued or resumed dumping can be generally summarized as follows:

- International and domestic market conditions
- Global overcapacity and capacity increases
- Commodity nature of copper tube
- Likely prices of dumped and subsidized goods
- Decrease in volume of imports from the named countries, including known exporters
- Increase in volume of imports from non-named countries

And more specifically, summarized by country as follows:

Brazil

- Copper tube production capacity increased at known exporter's facilities
- Economic forecasts indicating that Brazil's GDP growth from construction will remain slow

¹⁰ Exhibit 29 (NC) – Public case brief filed on behalf of Great Lakes Copper Ltd.

¹¹ Exhibits 20 (PRO) & 21 (NC) - Response to Producer ERQ - Great Lakes Copper Ltd.

China

- China's copper tube production capacity, as well as the unused capacity that exists
- Economic forecasts indicating that China's construction output growth will slow in the coming years
- Exports to other markets

Greece

- Recent investments to expand production facilities at known exporter's factory, as well as its stated goal to enter new markets
- Economic forecasts do not support any construction growth that would increase attractiveness of domestic market in Greece

Mexico

- Known exporters have significant capacity, combined with a decline in sales that is partially attributable to excess inventory
- Economic construction forecasts point to negative growth in the coming years, and more broadly, the International Monetary Fund recently cut its 2019 economic growth outlook

South Korea

- Known exporter had significant presence in Canadian market prior to CITT's finding
- Known exporter has significant capacity and a propensity to export
- Economic forecasts anticipate limited construction growth in the coming years
- Exports to other markets

International Market Conditions

[53] GLC submits that the demand for copper tube is largely driven by construction activity and, more broadly, by general global economic conditions. The International Monetary Fund's October 2018 World Economic Outlook forecasts small to modest GDP growth into 2020 in all the named countries.¹²

[54] More specifically, GLC submits that recent forecasts indicate that Brazil's GDP growth from construction will remain slow into 2020.¹³

[55] Recent forecasts indicate that China's construction output growth will slow into 2022.¹⁴

¹² Exhibit 29 (NC) – Public case brief filed on behalf of Great Lakes Copper Ltd.

¹³ *Ibid*

¹⁴ *Ibid*

[56] GLC submits that recent construction forecasts for Greece do not point to any significant domestic growth that would impede EHC's willingness or capacity to export copper tube to Canada.¹⁵

[57] According to GLC, recent construction forecasts for Mexico indicate negative growth into 2020 and, more broadly, the IMF recently cut its 2019 economic growth outlook.¹⁶

[58] GLC submits that recent construction forecasts for South Korea point to meagre growth into 2020, suggesting that Nungwon Metal Industries Co. Ltd. will continue to rely on its export markets.¹⁷

[59] GLC asserts that the modest overall economic outlook, together with equally modest construction forecasts in the named countries supports the conclusion that demand for copper tube in the named countries is not likely to expand in the near future.

Domestic Market Conditions

[60] Both subject and like goods are sold through the same distribution channels in Canada. That is, all copper tube is sold through plumbing and heating wholesalers, retailers, and at times directly to end-users. The Canadian market is comprised of a relatively small number of participants and as a result, GLC reports that market intelligence is relatively simple to obtain.

[61] GLC goes on to state that the landscape of just a few large wholesalers capturing the majority of the market has not shifted since the time of the original findings, and so their activities have significant impacts on market pricing. According to GLC, some wholesalers have begun to import directly themselves, which has the effect of intensifying price competition in the Canadian market.¹⁸

[62] GLC submits that the demand outlook is not optimistic in Canada. According to Bank of Montreal Capital Markets Economic Research, investment in non-residential construction as well as residential construction will shrink in 2019.¹⁹

[63] The copper tube markets in Canada and around the globe are significantly influenced by movements in the Commodity Exchange, Inc. (COMEX) (or London Metal Exchange (LME)) price of copper, which according to many, is a bellwether for the overall global economy. Copper prices have fluctuated greatly over the last few years and if recent trends are any indication, including the fact that COMEX has been declining in the latter part of the POR, GLC suggests that the outlook is somewhat negative.

¹⁵ *Ibid*

¹⁶ *Ibid*

¹⁷ *Ibid*

¹⁸ *Ibid*

¹⁹ Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005) & Exhibit 2 (PRO) - CITT's administrative record

Commodity Nature of Copper Tube

[64] GLC reiterated that copper tube is a commodity and interchangeable regardless of whether it is produced in Canada, in the subject countries or in non-subject countries. They submit that purchasers routinely purchase on the basis of price, with a 2-5% price difference being sufficient to alter purchasing decisions.²⁰

[65] GLC refers to the CITT findings where it was noted by the CITT that the subject goods and domestic products compete head-to-head in what largely seems to be a commodity market. The CITT went on to state that “in a context such as here where there is widespread physical and functional interchangeability among copper tube of all origins of the same description as the subject goods, price becomes the defining factor in purchasing choices. This is consistent with a product which is, for all intents and purposes, a commodity.”²¹

[66] The commodity nature of copper tube is a feature of the market that has not changed and as a result, GLC states that pricing pressures persist today. To support this statement they have provided a number of more specific market intelligence reports that illustrate how sales can be won or lost on the basis of price.²²

Known Exporters in Subject Countries²³

Brazil – Paranapanema

[67] GLC states that Paranapanema S.A. is one of Brazil’s largest copper tube producers and that it opened a new production facility in 2016, with an annual capacity of 36,000 metric tons. Since the CITT’s finding, imports from Brazil have largely disappeared, indicating that it is unable to compete in the Canadian market subject to normal values. According to GLC, in the years leading up to the CITT’s inquiry, products from Paranapanema were imported into Canada by a particular importer, which has since begun to import low-priced copper tube from alternate sources, including Serbia.

China – Golden Dragon, Hailiang

[68] There are several large copper tube producers in China, including Golden Dragon and Zhejiang Hailiang Co., Ltd. (Hailiang). GLC submits that Hailiang is a particular concern because, in response to the CITT’s finding, it began exporting from its related company in Vietnam. Following the CITT’s finding on Copper Pipe Fittings, it is GLC’s understanding that Hailiang has shuttered its Vietnamese plant and opened a new plant in Thailand. The Canadian producer’s market intelligence shows that Hailiang’s copper tube from Thailand is already being imported into Canada at very low prices. If the CITT’s findings are rescinded, it is submitted by GLC that Hailiang will revert to exporting from its much larger production facilities in China.

²⁰ *Ibid*

²¹ Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005)

²² *Ibid*

²³ *Ibid*

Greece – EHC

[69] GLC submits that EHC is the leading producer of copper tube in Greece and over 80% of its products (by value) are exported. EHC describes itself as “export oriented” and has recently made significant investments to expand its production facilities. In the years leading up to the original CITT hearing, an importer was importing from EHC at very low prices. Since the CITT’s finding, EHC has disappeared from the Canadian market. EHC has an annual production capacity of 75,000 metric tons, which is equivalent to 165 million pounds. Among its goals for 2018, EHC cites expanding and finding new markets, which would include the Canadian market that it lost following the CITT’s finding.

Mexico – Nacobre, Golden Dragon

[70] Nacional De Cobre, S.A. DE C.V. (Nacobre) is the metals division of Elementia, S.A.B.de C.V. (Elementia), a publicly traded company. Nacobre participated in the CBSA’s original investigation, but did not seek updated normal values in the CBSA’s 2015 re-investigation. Elementia’s recent 3rd Quarter Earnings Report indicates a decline in sales due, in part, to excess inventory. Nacobre has an annual production capacity of 60,000 metric tons (132 million pounds).

[71] Golden Dragon Precise Copper Tube Group Inc. (Golden Dragon) is a multinational corporation with production facilities in Mexico. Golden Dragon is the world’s largest producer of copper tube. The Mexican facility, with an annual capacity of 120,000 metric tons (260 million pounds) was built for the purpose of expanding Golden Dragon’s presence in North America, but anti-dumping findings in both the United States and Canada have limited that goal.

South Korea – Nungwon

[72] According to GLC, Nungwon Metal Industries Co. Ltd. (Nungwon) is the largest copper tube manufacturer in South Korea and has an annual production capacity of 40,000 metric tons (88 million pounds). Nungwon is also export oriented, selling its products in over 30 countries. Nungwon had a significant presence in the Canadian market prior to the CITT’s finding. Although Nungwon participated in the CBSA’s 2015 normal value re-investigation, it has had a very limited presence since the finding was put in place, leading GLC to conclude that Nungwon is unable to compete in the Canadian market under normal values.

Canadian Producer Pricing²⁴

[73] The starting point for GLC’s pricing for copper tube is their price list. According to GLC their price lists are updated rarely and, in fact, were only updated once during the POR.

²⁴ Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005) & Exhibit 2 (PRO) - CITT's administrative record

[74] The key pricing element is the discount factor that applies to list prices. Discounts from price lists are negotiated on a daily basis depending on movements in the COMEX²⁵ price of copper as well as fluctuations in the USD/CAD exchange rate.

[75] The objective for GLC is to update pricing to ensure that it is able to maintain a spread over its copper costs. To that end, they use a program that automatically calculates “spread” given the daily COMEX value, daily exchange rate and discount factor.

[76] Copper tube in Canada is typically sold on a \$/lb. basis, but in terms of real price comparisons, one needs to appreciate the components of price. GLC explains, that as a matter of industry custom, the price of copper tube is made up of the copper cost (either LME or COMEX) plus a fabrication charge that represents the cost of transforming the copper into copper tube.

[77] GLC asserts that since the copper cost to the producer is passed through, the producer’s performance is measured by the amount it can charge for fabrication. What this means is that even minor price undercutting (and small dumping margins) can have a significant impact on GLC and shift the market as a whole.

Likely Prices of Dumped and Subsidized Goods

[78] GLC believes that if the findings are rescinded, the subject goods will re-enter the Canadian market in significant volumes and at prices that will undercut, depress and/or suppress GLC’s selling prices in the Canadian market.²⁶ As previously mentioned, copper tube is a commodity type product and price is the most important factor in purchasing decisions. Given the presence of low-priced imports from non-subject countries, GLC fully expects that if the findings are rescinded, exporters from the named countries will take back market share and pricing will converge at even lower levels.

[79] The producer states that it is worth recalling that the Canadian market for copper tube is small and dominated by just a handful of large wholesalers and distributors, which means that even small price changes tend to spread to the entire market very quickly. Several of their customers used to purchase copper tube from subject countries directly or through importers prior to the CITT findings.

[80] GLC submits that current pricing pressures in the Canadian market are being exerted by imports from non-subject countries such as Serbia and Vietnam. GLC states that it is worth mentioning that copper tube from Serbia is being imported by a particular importer, the same importer responsible for imports from Brazil and Greece in the years leading up to the CITT’s findings. GLC points to Statistics Canada data as well as their own internal market intelligence to support the low-pricing from these new countries.

²⁵ [Current and historical COMEX copper pricing data](#)

²⁶ Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005) & Exhibit 2 (PRO) - CITT's administrative record

[81] Statistics Canada data²⁷ shows that during the latter part of the POR, imports from Serbia entered the Canadian market at the lowest prices. In terms of imports from Vietnam, the producer goes on to explain that the data is inconsistent with their own experience and market intelligence regarding the Canadian market and suggest that, although they are unable to confirm, such imports may be coming in under incorrect HS codes causing a distortion to their source Statistics Canada data.

[82] Further, GLC provided a series of internal reports²⁸ detailing instances of aggressive price competition resulting from Serbian and Vietnamese imports of copper tube. They submit that the emergence of these two countries entering the Canadian market supports the likelihood that the named countries will re-enter the Canadian market at possibly even lower prices than before the findings due to these additional downward pressures on price.

[83] GLC concludes by reiterating that the Canadian market is very small relative to the sum of the vast underused capacity in the named countries and that Canada continues to be an attractive market for exporters, as evidenced by the recent entry of new non-named countries.²⁹ The producer's position is that if the findings are rescinded, subject goods will re-enter the Canadian market in significant volumes, at aggressively dumped and subsidized prices in order to compete with new low-priced imports from Serbia and Vietnam. As a result GLC would be forced to increase its discounts offered to customers and reduce its resulting spread/lb. The producer states that this will have "catastrophic consequences" for their financial performance and that the plant, in its current state, would no longer be sustainable.³⁰

Parties Contending that Continued or Resumed Dumping is Unlikely

[84] None of the parties contended that resumed or continued dumping of subject goods is unlikely if the findings are rescinded.

CONSIDERATION AND ANALYSIS – DUMPING

Likelihood of Continued or Resumed Dumping

[85] In making a determination under paragraph 76.03(7)(a) of SIMA whether the expiry of the findings is likely to result in the continuation or resumption of dumping of the goods, the CBSA may consider the factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant under the circumstances.

[86] In general, demand for copper tube is driven by international economic outlooks, and more specifically, construction activity. Various reports on the record provided by the Canadian producer and supported by CBSA research point to limited GDP growth in the named countries as well as stagnant construction activity forecasts.

²⁷ *Ibid*

²⁸ *Ibid*

²⁹ *Ibid*

³⁰ *Ibid*

[87] These factors, that in effect place downward pressure on domestic demand in the named countries, can be reasonably expected to have the effect of making exports to other markets more likely, as export sales are often relied upon by producers who want to remain profitable and maintain healthy capacity unitization ratios.

[88] When selecting export markets to pursue, Canada remains a relatively attractive option. While demand is uncertain in the named countries, there was a degree of optimism found in the forecasts made by Canadian importers who participated in the expiry review investigation. One importer stated that demand had increased during the three year period of 2015 through 2017, with that pattern ceasing so far in 2018 YTD results. A second importer indicates that their growth projections are positive, citing a 10 to 20% increase in demand forecasted through the years 2018 and 2019.³¹ Refer to the section *New Offshore Sources and the Attractiveness of the Canadian Market* below for more details on this factor.

[89] CBSA analysis of customs documentation as well as commercial invoices indicates that it was very common for shipments of subject goods where SIMA duties were charged to the importer during the POR were shipments that originated in one of the five named countries, but were subsequently exported to Canada from the United States. This suggests the possibility that the parties involved in these small transactions were unaware of the SIMA duty liability at the time the purchase was made, since the United States is not one of the named countries in this particular finding, rather than exporters being able to continue to obtain purchase orders of subject goods of any significant commercial quantity.

Commodity Nature of Copper Tube

[90] In making its findings, the CITT noted that:

The Tribunal notes that a majority of questionnaire respondents indicated that the “lowest price” is a “very important” factor in purchasing decisions. Even though a majority of questionnaire respondents did not indicate that the lowest price was the most important factor in purchasing decisions, pricing remains the single most cited factor given by questionnaire respondents when asked to report factors associated with choosing a supplier and negotiating a price. Product consistency and quality, technical specifications, reliability of supply, delivery time and terms, after-sales service or warranties, and credit terms are other important factors cited by questionnaire respondents.

The Tribunal notes that eight firms reported that a price difference of 5 to 10 percent would render price the primary factor outweighing all other factors, while two firms reported that price would become a factor starting at a 25 percent difference; five firms reported that price would never be the primary factor. Canadian origin was not cited as an important purchasing consideration. The Tribunal also heard evidence regarding the importance of purchasers being able to secure at least two sources of supply.

³¹ Exhibit 15 (NC) – Response to ERQ, Boutette & Barnett Inc.

*The Tribunal is satisfied that, in a context such as here where there is widespread physical and functional interchangeability among copper tube of all origins of the same description as the subject goods, price becomes the defining factor in purchasing choices. This is consistent with a product which is, for all intents and purposes, a commodity.*³²

[91] In reviewing the market intelligence reports and specific lost sales examples that were provided by GLC, the evidence does support the assertion that sales can be won or lost on the basis of relatively small movements in price, which supports the fact that copper tube is still a commodity product by and large.³³

[92] In addition, during the CBSA’s review of importer ERQ responses that were received, it was found that of those who shared information regarding what factors were most important when making copper tube purchasing decisions, price and availability were the most common factors listed, providing further support for the commodity nature of the product.³⁴

New Offshore Sources & the Attractiveness of the Canadian Market

[93] The introduction of new low priced imports from Serbia and Vietnam have been supported by market intelligence submitted by GLC, data obtained from Statistics Canada, and further corroborated by CBSA analysis of customs data for the POR.

[94] Given the commodity nature of the subject goods, the emergence of these new foreign suppliers demonstrates that Canada remains an attractive market for exporters looking to enter new markets. GLC suggests that the price point of these imports have become the “new low” that exporters from the named countries would compete against in the event the findings are rescinded and they re-enter the Canadian market for copper tube.

[95] The table below shows the import volumes from these two countries during the POR:

Table 4
POR Import Activity Summary for Serbia and Vietnam
(in Kilograms)

Source	2015	2016	2017	2018 (Jan-Sept)
	Quantity	Quantity	Quantity	Quantity
Serbia	1,006,651	1,028,570	1,417,028	620,704
Vietnam	1,186,694	552,062	248,191	309,063

³² [CITT Finding NQ 2013-004](#), paras. 82-84.

³³ Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005) & Exhibit 2 (PRO) - CITT's administrative record

³⁴ Exhibits 18 (PRO) & 19 (NC) – Response to ERQ, Ref Plus Inc. Exhibit 22 (NC) – Response to ERQ, Bell Helicopter Textron Canada Limited, Exhibit 25 (NC) – Response to ERQ, Chantier Davie Canada Inc.

[96] As shown in the summary table above, it is evident that both Serbia and Vietnam have had a significant presence in the Canadian copper tube market since the CITT finding has been in place. It is noteworthy that during the POI of the original investigation (May 1, 2012 to April 30, 2013) imports from Serbia were non-existent and imports from Vietnam were very limited.³⁵

[97] For the period of time after the finding was put in place, up until the beginning of the POR, a review of FIRM data shows that imports from Serbia began in late 2013, and increased to approximately 660,000 kg in 2014. The pattern shows a steady increase since the time the finding was put in place. Looking at the same time period for Vietnam, there was a large surge of imports from this country that coincided with the finding being put in place. In fact, data for 2014 shows close to 3.5 million kg of imports from Vietnam, before declining progressively to the volumes shown in the table above during the POR.

[98] The CBSA was able to confirm that goods that meet the copper tube product definition were imported from both Serbia and Vietnam during the POR. For additional context, the combined volume of imports from the two countries identified accounts for over 50% of the volume of copper tube imports during the POR, which supports the Canadian producer's assertion that the quantities are of sufficient volume to impact the Canadian copper tube market.

[99] In terms of the Canadian market for copper tube, it has been previously discussed that a key driver for copper tube demand is the housing market. Several recent reports by the Canada Mortgage and Housing Corporation have indicated that after an extended period of increased activity, housing starts are decelerating in Canada. An October, 2018 publication³⁶ by the CBC states that:

“The annual pace of Canadian housing starts fell to their lowest level in nearly two years in September. Canada Mortgage and Housing Corp. says the seasonally adjusted annual rate came in at 188,683 units last month, down from 198,843 in August.”

Analysts, however indicate that this only shows a relative calm and return to sustainability, citing increased interest rates as well as tighter mortgage regulations working as intended. They go on to state that:

“Demand continues to be supported by the fastest population growth in 27 years and new millennial-led households. A calmer housing market is just what the doctor ordered, and won't discourage the Bank of Canada from raising rates.”

³⁵ [CITT Finding NQ 2013-004](#) issued December 18, 2013.

³⁶ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

[100] The CBSA finds that the new import activity from the countries discussed above does support the fact that Canada remains an attractive export market for foreign producers of copper tube and that the presence of these suppliers can potentially exert downward pressure on the prices other exporters would have to offer to Canadian importers. The CBSA also acknowledges that the slowing of housing starts in Canada could have the effect of also slowing demand for a segment of copper tube products in the Canadian market, but after several years of higher than normal activity in the Canadian real estate market, this type of deceleration was not unexpected and so does not represent a significant cause for concern for the copper tube market at this time.

Brazil

[101] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Brazil. The CBSA, therefore, relied on limited information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to copper tube originating in or exported from Brazil.

[102] The copper tube industry depends heavily on the performance of the construction industry and the real estate market. A September, 2018 article states that the FipeZap Index, which monitors real estate listing and sales values in twenty Brazilian cities, reports that real estate prices have fallen for eight consecutive months. This during a time while inflation rates rose in Brazil. Further, recent results show that Rio de Janeiro real estate prices recorded a decrease of 4.24 percent year over year.³⁷

[103] According to a FipeZap economist, there was a sharp reduction in the demand for real estate in the country. “In real terms, discounting the inflation of the period, real estate is losing value. The movements of banks are still not enough to reverse the dynamics of the market.”

[104] When considering Brazil’s general propensity to export, there is limited publicly available information. A recent article does highlight the Government’s plans to “actively and systemically” boost exports in its important farming sector. The country’s next foreign minister, Ernesto Araujo, is expected to increase support for trade and Brazil’s dealings with other nations, which can be said to run contrary to the policies of previous regimes.³⁸ While this new focus from the Government of Brazil does not prove that producers will export copper tube to Canada, it does suggest that the country’s general propensity to export may increase in the years ahead.

[105] Evidence on the record indicates there have not been significant shipments of subject goods from Brazil during the POR.³⁹ This is an indication that Brazilian exporters have been unable to compete in the Canadian market at non-dumped prices.

³⁷ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

³⁸ Exhibit 26 (NC) - Additional CBSA Research

³⁹ Exhibit 28 (PRO) - Updated CBSA Import Compliance Statistics for the Period of Review

[106] It should be noted, however that a particular importer, the importer who purchased subject goods from Brazil before the POR, continues to be a significant and active participant in the Canadian copper tube market. CBSA data is consistent with market intelligence submitted by GLC in that this importer has continued to actively source low cost copper tube from non-named countries since the CITT's finding came into effect in 2013. If the findings were to be rescinded, the importer may revert back to importing from Brazil.

[107] Further, Paranapanema, a producer of copper tube in Brazil that participated in the CBSA's original dumping investigation, expanded its operations and added production capacity for copper tube during the period of review. The producer will naturally be seeking new orders to use this additional capacity and if the findings were to be rescinded this would present an opportunity for the exporter to sell copper tube into Canada.

[108] With respect to measures in force in other jurisdictions, according to the WTO Committee on Anti-Dumping Practices Semi-Annual Report of Anti-Dumping Actions, as at December 31, 2017, there were 11 U.S. measures in force applicable to Brazil.⁴⁰ These measures relate to a range of industrial and consumer products, but do demonstrate that exporters in Brazil have sold products at dumped prices to North American importers.

[109] Based on the information available in respect of: the fact that copper tube is a commodity product and is sold primarily on the basis of price; the fact that producers in Brazil have stopped exports to Canada since the findings have been in place suggesting that they are unable to compete at non-dumped prices; a shift in imports of copper tube into Canada from countries not covered by the CITT's findings supporting the continued attractiveness of the Canadian market; the uncertain outlook for copper tube domestic demand in Brazil due in part to a struggling real estate market; measures in force involving Brazil in other jurisdictions; and the expanded production capacity of a Brazilian producer, the CBSA determined that the expiry of the finding in respect of copper tube originating in or exported from Brazil, is likely to result in the continuation or resumption of dumping of the goods.

China

[110] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in China. The CBSA, therefore, relied on limited information submitted from participating parties, information on the administrative record, as well as pertinent information from recent CBSA dumping investigations involving China for the purposes of the expiry review investigation with respect to copper tube originating in or exported from China.

[111] Evidence on the record indicates that there have been minimal imports of subject goods from China during the period of review. This is an indication that Chinese exporters have been unable to compete in the Canadian market at non-dumped prices.

⁴⁰ See WTO [website](#)

[112] It is, however, worth noting that according to CBSA customs data a number of Chinese exporters have continued to sell copper tube products that do not meet the product definition for the finding, as well as other products to various Canadian customers throughout the POR. These continued and ongoing relationships with Canadian importers suggest that these exporters are positioned to again sell copper tube products that are subject to the finding into Canada with relative ease in the event that the finding were to be rescinded.

[113] Known exporter Golden Dragon just recently added production capacity that far exceeds the relatively small size of the apparent Canadian market for copper tube. From the company's website,⁴¹

“The 80,000 mt/year copper tube project of Golden Dragon Group in Chongqing's Wanzhou district came on stream on Wednesday December 26, 2018. With total investment of some 1.1 billion yuan, the project began construction on April 19, 2017 and the first production line commissioned at the end of the same year. Another two production lines came online on December 26, 2018, marking the commissioning of the whole project that can produce 80,000 mt of precise copper tubes per year.”

With this new capacity, the producer will be seeking new customers in order to use this capacity and as mentioned previously, the Canadian copper tube market remains an attractive option for exporters.

[114] According to Shanghai Metal Markets, China's copper tube producers have a combined capacity of 1.78 million metric tons (nearly 4 billion pounds) and, last year, had unused capacity in excess of 185,000 metric tons (over 400 million pounds).⁴² It is apparent that Chinese factories continue to have far more than sufficient excess production capacity to supply the entire Canadian market if given the opportunity to do so.

[115] Evidence on the record is also consistent with GLC's submissions concerning the economic outlook for China moving forward, including concerns about expected construction activity. Below are a few examples that can be found in publicly available reports and articles that relate to the country's economic outlook for the years ahead, as well as the efforts being made by the Government in order to promote and support exports.

⁴¹ Exhibit 26 (NC) - Additional CBSA Research

⁴² Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005) & Exhibit 2 (PRO) - CITT's administrative record

- *Bloomberg, June 24, 2018* - “Real estate is the driver of the Chinese economy. By some estimates, it accounts (directly and indirectly) for as much as 30 percent of gross domestic product. Keeping housing prices buoyant and development robust is thus an overriding imperative for China - one that is distorting policymaking and worsening its other economic imbalances. Despite reforms in recent years, there's little question that Chinese real estate is in bubble territory. From June 2015 through the end of last year, the 100 City Price Index, published by SouFun Holdings Ltd., rose 31 percent to nearly \$202 per square foot. That's 38 percent higher than the median price per square foot in the U.S., where per-capita income is more than 700 percent higher than in China. Not surprisingly, this has put homeownership out of reach for most Chinese.”⁴³
- *Bloomberg, December 21, 2018* – China’s top policy makers confirmed that more monetary and fiscal support will be rolled out in 2019, as the world’s second-largest economy grapples with a slowdown that’s yet to show signs of ending. “Significant” cuts to taxes and fees will be enacted in 2019 and while monetary policy will remain “prudent,” officials will strike an “appropriate” balance between tightening and loosening, according to a statement published after the annual Economic Work Conference that concluded in Beijing Friday. The statement signals that China is ratcheting up the limited, targeted stimulus approach used during 2018, though still stopping short of the all-out support that would pressure the currency and hobble efforts to contain debt. Facing the most difficult economic environment in years amid the trade standoff with the U.S., the conference outcome suggests Beijing sees increasing urgency in tackling stalling growth.⁴⁴
- *CNBC, December 27, 2018* – The impact of Trump's tariffs on China's economy has mostly only been psychological so far in the ongoing trade war, analysts say. That may be set to change next year, potentially denting Chinese growth. "With the tariffs we haven't seen the direct impact, but we'll see that next year," said Tom Rafferty, principal economist for China, at The Economist Intelligence Unit. "The risk here (is) it's going to slow down pretty clear into 2019," he said. "Global demand is going to shift down a notch or two." Manufacturing and exports have helped drive China's rapid ascent to the world's second-largest economy. However, challenges are mounting as so-called synchronized global growth looks set for a downturn. China's GDP growth has already fallen to its slowest pace in more than two decades, and Beijing is trying to shift the economy to a consumption-driven one, while reducing reliance on debt for fueling growth. Meanwhile, trade worries add to domestic uncertainties that are already hitting consumer sentiment.⁴⁵

⁴³ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

⁴⁴ Exhibit 26 (NC) - Additional CBSA Research

⁴⁵ *Ibid*

[116] As previously mentioned, the copper tube industry depends heavily on the performance of the construction industry and the real estate market. During the POR, China experienced a slowdown of its real estate investments. This slowdown appears to be in part the result of specific policies of the GOC aimed at deflating the housing bubble and tightening its credit policies. The GOC's control measures were seemingly successful at curbing demand for real estate, reducing resident's leverage and reducing the willingness of developers to further invest in 2018.⁴⁶

[117] In the recent Unitized Wall Modules expiry review investigation, the weakening of the Chinese construction market was cited as a reason for weakening demand for the product, including concerns about debt levels and a real estate bubble. Policies implemented by the GOC in response to these issues were also cited, such as policies to dampen demand, especially in the residential market.⁴⁷

[118] Further, it was stated that Chinese developers were highly leveraged and facing heightened liquidity risks and concerns were raised with respect to the risk of bankruptcies among developers in China. For example, the chairman of a major property development holding company was cited as predicting that 20 to 30 percent of Chinese real estate firms would go bankrupt annually in the coming years. This information is also relevant for this analysis, since copper tube demand, much like demand for unitized wall modules, relies in large part on construction activity.⁴⁸

[119] Some relevant analysis can be further referenced regarding Chinese domestic demand conditions in a recent CBSA expiry review investigation concerning Thermoelectric Coolers from China.⁴⁹ It is discussed that a significant threat to the economy is moderating domestic demand within China, and that in the face of new-built capacity and decreasing demand, Chinese governments and industry are again focusing on export markets to drive growth. China's slowing domestic marketplace as well as impediments to the US markets increases the likelihood that dumping will resume.

[120] There is also the possibility that recently imposed Section 301 Tariffs from the U.S. on China will have an impact on the likelihood of continued dumping of copper tube into the Canadian market. In 2018, the U.S. announced the imposition of a two-stage plan to impose a 25% tariff on \$50 billion worth of Chinese imports. There are three lists of goods of Chinese origin to which Section 301 tariffs are relevant. Tariffs on the first two lists have been imposed but they do not contain copper goods. However, while the potential for a 25% tariff on copper tube importations into the U.S. does exist, the US and China are still negotiating the third list. It is therefore not possible at this time to conclude that these goods are more likely to be diverted to Canada.

⁴⁶ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

⁴⁷ CBSA website: <https://www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/menu-eng.html>

⁴⁸ *Ibid*

⁴⁹ *Ibid*

[121] GLC shared concerns that Chinese exporter, Hailiang has shifted its production of copper tube destined for the Canadian market out of China to non-named countries and is continuing to aggressively price the goods, and went on to reference the CITT's Copper Pipe Fitting finding as something that further impacted the country of origin for the producer's manufacturing and subsequent sales of copper tube to Canada. Since the Copper Pipe Fittings finding was in 2007, prior to the original investigation respecting copper tube, the relevance of this is unclear. In any event, it is the position of the CBSA that the company is within its rights to supply the Canadian market from production facilities in non-named countries. This being said, in terms of the relevance for this expiry review investigation, a cursory review of copper tube import activity from non-named countries does support the claim that the producer continues to have commercial relationships with Canadian importers. Nevertheless, Hailiang maintains substantial production capacity in China. The CBSA acknowledges that the factors above demonstrate that Hailiang continues to have an interest in the Canadian market, and the ongoing relationships with Canadian importers suggests that Hailiang would be well positioned to resume selling goods to Canada from its Chinese mill in the event that the finding were to be rescinded. Given the commodity nature of copper tube as discussed previously, and the presence of low priced imports of copper tube from non-named countries, it is likely that the copper tube would again be sold at dumped prices from China.

[122] In an expiry review investigation conducted by the CBSA in 2016 concerning certain copper pipe fittings from the United States, South Korea and China, the CBSA determined that there was a likelihood of continued dumping from China if the order were to be rescinded.⁵⁰ Of note, producers and exporters who sell copper pipe fittings sometimes sell copper tube products to Canada as well. This is supported by the fact that various exporters received ERQs as part of both expiry review investigations. The fact that GLC's U.S. based parent company, Mueller Industries, is a known exporter who has been cooperative in the copper pipe fittings proceedings since 2007 demonstrates further that the two copper products have considerable commonalities in terms of both interested parties and supply chains. These considerations, coupled with the fact that two of the three named countries in the copper pipe fittings finding are also named countries in the copper tube finding, make the copper pipe fittings expiry review conclusion relevant to this determination.

[123] With respect to measures in force in other jurisdictions, according to the WTO Committee on Anti-Dumping Practices Semi-Annual Report of Anti-Dumping Actions, as at December 31, 2017, there were 110 U.S. measures in force applicable to China.⁵¹ These measures relate to a wide range of industrial and consumer products, but do demonstrate that exporters in China have sold a large number of products at dumped prices to North American importers.

⁵⁰ *Ibid*

⁵¹ See WTO [website](#)

[124] Based on the information available in respect of: the fact that copper tube is a commodity product and is sold primarily on the basis of price; the fact that exporters in China have either stopped or vastly decreased exports to Canada since the findings have been in place suggesting that they are unable to compete at non-dumped prices; a shift in imports of copper tube into Canada from countries not covered by the CITT's findings supporting the continued attractiveness of the Canadian market; the uncertain outlooks for domestic demand in China; the CBSA expiry review conclusion regarding copper pipe fittings from China; measures in force involving China in other jurisdictions; the significant excess production capacity of Chinese producers; and the continued relationships Chinese exporters have maintained with Canadian importers in regards to similar products suggesting that they could resume selling subject goods into Canada with relative ease should the finding be rescinded, the CBSA determined that the expiry of the finding in respect of copper tube originating in or exported from China is likely to result in the continuation or resumption of dumping of the goods.

Greece

[125] The CBSA received one ERQ response from an exporter in Greece, ElvalHalcor Hellenic Copper and Aluminum Industry S.A (EHC).⁵² This was the only ERQ response received from an exporter in any of the named countries as part of this expiry review investigation. In addition, this company is one of two companies with normal values currently in place.⁵³

[126] The CBSA, therefore, relied on information contained in EHC's ERQ response, information submitted by GLC, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to copper tube originating in or exported from Greece.

[127] Evidence on the record indicates that there have been minimal imports of subject goods from Greece during the POR. This is an indication that exporters in Greece have been unable to compete in the Canadian market at non-dumped prices.

[128] While the economic impacts presented by the Greek debt crisis that began prior to the POR and continue to affect the country to this day have been well documented, there are signs that the country is stabilizing.

[129] Regarding the country's general propensity to export, there are various reports outlining why Greece continues to struggle to grow its exports. One such report cites the high cost of borrowing and energy as reasons why Greece continues to lag behind its OECD peers in export growth.⁵⁴ Another report refers to additional factors such as having relatively poor countries as neighbours, continued struggles to adequately promote Greek brands in foreign markets and administrative burdens imposed by the State.⁵⁵

⁵² Exhibits 23 (PRO) & 24 (NC) - Response to Exporter ERQ - EVALHALCOR

⁵³ Nungwon, a Korean producer is the other company with normal values.

⁵⁴ Exhibit 26 (NC) - Additional CBSA Research

⁵⁵ *Ibid*

[130] Greek exporters themselves strike a different tone in an article that discusses optimism among Greek exporters' associations.⁵⁶ For example, the President of the Panhellenic Exporters' Association noted that figures up to December 2018 indicate that Greece is headed for a historic high in terms of export activity forecasts in 2019. The same report refers to government backing for the efforts going forward, stating that "according to the Economy and Development ministry, in its Economic Developments Report for November and December 2018, the government's aim is for exports of Greek goods and services to increase from 30 pct of GDP at present to almost 50 pct of GDP by 2025."

[131] In terms of the country's real estate market, according to a recently published article on GreekReporter.com⁵⁷, the Athens market is showing tentative signs of recovery, "fueled by rising employment, steady tourism, 'golden visas' for foreign investors and streamlined taxation and red tape". In theory this could eventually translate into stronger domestic demand for copper tube products if the trend were to continue, a factor that can reduce the reliance on exports to other markets for Greek producers of copper tube. The article goes on to state that there are even some construction projects beginning, and construction starts correlate very closely with demand for copper tube products.

Greek Exporter ERQ Response⁵⁸

[132] ElvalHalcor Hellenic Copper and Aluminum Industry S.A (EHC) is a producer and exporter of subject goods and submitted a substantially complete response to the Exporter ERQ on December 27, 2018. The company name has changed since the CBSA's 2015 re-investigation (previously Halcor Metal Works S.A.) because during 2017, they acquired a separate company, Elval Hellenic Aluminum Industry S.A.

[133] None of the companies that imported from EHC during the POR responded to the Importer ERQ that was sent to them.

[134] While EHC did not state a position on the likelihood of the continuation or resumption of dumping should the finding be rescinded, they did provide an assortment of information and data requested by the CBSA as part of the expiry review investigation. Some highlights of the non-confidential information submitted is listed below:

- There are no new facilities that have been added during the POR that are capable of producing copper tube.
- Due in part to some changes in the European refrigeration market, there are plans and improvements currently underway to increase the capacity to manufacture certain types of non-subject copper tube at their facilities.
- During the POR, raw material costs (copper metal) accounted for approximately 91% of production costs.

⁵⁶ *Ibid*

⁵⁷ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

⁵⁸ Exhibits 23 (PRO) & 24 (NC) - Response to Exporter ERQ - EVALHALCOR

- As a policy, they do not offer credit on domestic sales as they continue to operate without credit insurance for sales in Greece. They do however offer credit terms to select strategic domestic customers as well as international customers.
- EHC uses a wide variety of marketing strategies to reach both domestic and international markets. The company participated in trade shows in Germany, Italy, Turkey and the Netherlands during the POR.
- The company's domestic demand outlook for copper tube sales in Greece is cautiously optimistic in that there are signs of growth driven by factors such as infrastructure and the development of new facilities in the tourism industry. Conversely, profitability has been recently reduced due to competition from Greek importers who were selling products with decreased wall thickness at a discount, which placed downward pressures on price as well as upward pressures on marketing expenses.
- In terms of the specific types of copper tube that are subject to the finding, EHC categorized the two primary categories as installation and refrigeration copper tubes. The installation tubes category experienced a decline in demand for various reasons during the POR, including the volatility of the LME market and resulting prices of the products as well as weak construction activity in export markets. The refrigeration tubes category has however experienced stable or increased demand. This can be partially attributed to the change previously mentioned in this market segment (European costumers demanding different, higher value-added types of product).
- On July 14, 2016, Turkey initiated an anti-dumping investigation regarding pipes and tubes of refined copper originating in Greece. The investigating authority determined that there was dumping, and a 5% anti-dumping duty was imposed on EHC's goods subject to that measure. No other anti-dumping and/or countervailing measures are in effect concerning products being sold by EHC.
- To finalize, in its ERQ response the company asked that the CBSA terminate/cancel any future anti-dumping duties applicable to their copper tube exports to Canada, stating that the normal values in place are far more than what is required to offset any injury to Canadian producers, due in part to the CBSA's refusal to use Europe, rather than Greece, as the company's "domestic market" for SIMA purposes in the calculation of normal values.

[135] It is evident that EHC remains interested in the Canadian copper tube market and that given the opportunity to do so, would resume selling subject goods into Canada. The producer has enough production capacity to have a significant impact on the Canadian market.

[136] Evidence that EHC is an export oriented producer can be further seen in its 2017 Annual Report. In fact, EHC won the award for “Top Greek Export Company” for the second time in 2017. Their 2018 goals as articulated in this same annual report include an objective to “further increase existing market shares and entry into new markets”.⁵⁹

[137] EHC, like most Greek companies, continues to face uncertainty with domestic demand and that is further exacerbated by a lack of access to traditional finance and credit insurance for domestic sales. These factors point to a reliance on export performance in order to continue to maintain and grow sales as well as to insulate the Greek companies from the lingering impacts of the debt crisis.⁶⁰ Further, given the commodity nature of copper tube as discussed previously, and the presence of low priced imports of copper tube from non-named countries, it is likely that the copper tube would again be sold at dumped prices from Greece in order to compete.

[138] With respect to measures in force in other jurisdictions, as mentioned above, EHC identified that in 2016, Turkey initiated an anti-dumping investigation regarding pipes and tubes of refined copper originating in Greece and the investigating authority determined that there was dumping.

[139] Based on the information on the record in respect of: the fact that copper tube is a commodity product and is sold primarily on the basis of price; the fact that exporters in Greece have either stopped or vastly decreased exports to Canada since the findings have been in place suggesting that they are unable to compete at non-dumped prices; a shift in imports of copper tube into Canada from countries not covered by the CITT’s findings supporting the continued attractiveness of the Canadian market; the uncertain outlooks for domestic demand in Greece; the identified measure in force applicable to copper tube from Greece in another jurisdiction; and the significant production capacity of the known Greek producer, combined with its general propensity to export, the CBSA determined that the expiry of the finding in respect of copper tube originating in or exported from Greece is likely to result in the continuation or resumption of dumping of the goods.

Mexico

[140] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in Mexico. The CBSA, therefore, relied on limited information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to copper tube originating in or exported from Mexico.

[141] Evidence on the record indicates that there have not been significant shipments of subject goods from Mexico during the POR. This is an indication that Mexican exporters have been unable to compete in the Canadian market at non-dumped prices.

⁵⁹ Exhibit 1 (NC) CITT Notice of Expiry Review of Finding (RR-2018-005) & Exhibit 2 (PRO) - CITT's administrative record

⁶⁰ Exhibits 23 (PRO) & 24 (NC) - Response to Exporter ERQ - EVALHALCOR

[142] It is, however, worth noting that the known exporters in Mexico have continued to sell large volumes of copper tube products that do not meet the product definition for the finding, as well as other products to various Canadian customers throughout the POR. These continued and ongoing relationships with Canadian importers suggest that the Mexican exporters are positioned to again sell copper tube products that are subject to the finding into Canada with relative ease in the event that the finding were to be rescinded.

[143] The known Mexican exporters referred to by GLC (Nacobre and Golden Dragon) have a combined production capacity of 180,000 metric tons, which far exceeds the relatively small size of the apparent Canadian market for copper tube. Although there is no evidence on the record that establishes the presence of excess capacity, it is apparent that Mexican factories continue to have more than sufficient production capacity to supply the entire Canadian market if given the opportunity to do so. The continued commercial interest in the Canadian copper tube market mentioned above suggests there is a likelihood that the Mexican producers would be interested in an opportunity to again sell subject goods to Canada.

[144] Nacobre is a subsidiary of Elementia, a publicly traded company. Elementia's recent 3rd Quarter Earnings Report makes reference to impacts on the company's performance due to excess inventory.⁶¹ This excess inventory could increase pressure on the company to be more aggressive in pursuing alternative markets for their products, and increase the likelihood of the resumption of selling copper tube into Canada if the finding were to be rescinded.

[145] Golden Dragon, the world's largest copper tube producer previously mentioned in relation to China, built its Mexican facility with the intent of supplying the North American market.⁶² Trade action from both the United States and Canada have made that goal more difficult to achieve, but if the finding were to be rescinded there is reason to believe that the company would resume selling copper tube into Canada. Given the commodity nature of copper tube as discussed previously, and the presence of low priced imports of copper tube from non-named countries, it is likely that any copper tube would again be sold at dumped prices from Mexico in order to compete.

[146] With respect to measures in force in other jurisdictions, according to the WTO Committee on Anti-Dumping Practices Semi-Annual Report of Anti-Dumping Actions, as at December 31, 2017, there were 13 U.S. measures in force applicable to Mexico.⁶³ These measures relate to a range of industrial and consumer products, but do demonstrate that exporters in Mexico have sold products at dumped prices to North American importers.

⁶¹ Exhibit 29 (NC) – Public case brief filed on behalf of Great Lakes Copper Ltd.

⁶² *Ibid*

⁶³ See WTO [website](#)

[147] Based on the information on the record in respect of: the fact that copper tube is a commodity product and is sold primarily on the basis of price; the fact that exporters in Mexico have stopped exports of subject goods to Canada, while continuing to sell non-subject copper tube products in significant quantities since the findings have been in place suggesting that they are unable to compete at non-dumped prices; a shift in imports of copper tube into Canada from countries not covered by the CITT's findings supporting the continued attractiveness of the Canadian market; measures in force involving Mexico in other jurisdictions; the significant production capacity of producers in the Mexico; and the continued relationships Mexican exporters have maintained with Canadian importers in regards to similar products suggesting that they could resume selling subject goods into Canada with relative ease should the finding be rescinded, the CBSA determined that the expiry of the finding in respect of copper tube originating in or exported from Mexico is likely to result in the continuation or resumption of dumping of the goods.

South Korea

[148] The CBSA did not receive any ERQ responses, case briefs, or reply submissions from exporters in South Korea. The CBSA, therefore, relied on limited information submitted from participating parties, as well as other information on the administrative record, for the purposes of the expiry review investigation with respect to copper tube originating in or exported from South Korea.

[149] Evidence on the record indicates that there have been minimal imports of subject goods from South Korea during the POR. This is an indication that exporters in South Korea have been unable to compete in the Canadian market at non-dumped prices.

[150] It is, however, worth noting that the known exporter in South Korea (Nungwon) has continued to sell copper tube products that do not meet the product definition for the finding, as well as other products to various Canadian customers throughout the POR. This continued and ongoing relationship with Canadian importers suggests that the Korean exporter is positioned to again sell copper tube products that are subject to the finding into Canada with relative ease in the event that the finding were to be rescinded.

[151] The known Korean exporter referred to by GLC is an export oriented producer that has a production capacity of 40,000 metric tons, which exceeds the relatively small size of the apparent Canadian market for copper tube.

From the company's website:

*"Nungwon continuously invests in research and development to develop its sales in the world market, to pursue its goal of market recognition worldwide."*⁶⁴

Further, online promotional material on the administrative record includes the following statement that supports an interest in the North American copper tube market:

⁶⁴ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

*“How would you like to acquire copper tubes for less than what you are currently paying? How would you like to acquire copper tubes renowned for their exceptional quality? We are Nungwon Metal, a leading manufacturer / supplier / exporter of copper tubes and we are looking to find potential buyers of our products in North America”.*⁶⁵

[152] Evidence on the record also supports GLC’s submissions concerning the economic outlook for South Korea moving forward. Below are a few examples that can be found in publicly available reports and articles that demonstrate that the country does not have a positive economic outlook for the years ahead, and that there are concerted efforts being made by the Government in order to promote and support exports.

- *Hyundai Research Institute, December 9, 2018*: “According to a report by the Hyundai Research Institute (HRI), an assessment of the country's coincident composite index and leading economic indicators showed that after peaking in May 2017, Asia's fourth largest economy has been losing steam.”⁶⁶
- *Korea Times, December 1, 2018* - The Ministry of Trade, Industry and Energy expressed concerns over an unfavorable business environment next year amid global trade protectionism and rising financial volatility following the interest rate hike in the U.S. "We will take proactive measures to deal with the downside risks facing the nation's exports to keep the upward momentum going next year," industry minister Sung Yun-mo said in a press release. "We will also explore ways to diversify export markets and items and enhance the export structure." Local economic policy think tanks have painted a gloomy outlook for Asia's fourth-largest economy next year on concerns over slowing exports and tepid domestic demand.⁶⁷
- *Ministry of Trade, Industry and Energy, December 7, 2018* - The government vowed to take proactive measures to enhance competitiveness of the local industry to maintain growth momentum next year, stressing the role of exporters amid lackluster domestic demand and the tight job market. "It is time for the Korean economy to carry out fundamental reforms to leap forward in the unfavorable global trade environment," industry minister Sung Yun-mo said in an award ceremony for leading exporters. "We will make efforts to upgrade leading export industries and diversify markets, while expanding support for small and medium-sized companies' global marketing efforts."

[153] South Korea continues to be a country that relies heavily on exports. Construction investment, an important driver of copper tube demand previously mentioned, is projected to slow following tighter regulations on housing and mortgage lending, and as a result exports may be relied on even more heavily as a contributor to economic growth.

⁶⁵ Exhibit 29 (NC) - Public case brief filed on behalf of Great Lakes Copper Ltd.

⁶⁶ Exhibit 26 (NC) - Additional CBSA Research

⁶⁷ Exhibit 14 (NC) - Non-Confidential Articles, Reports and CBSA Research

[154] In an expiry review investigation conducted by the CBSA in 2016 concerning certain copper pipe fittings from the United States, South Korea and China, the CBSA determined that there was a likelihood of continued dumping if the order were to be rescinded.⁶⁸ Of note, producers of copper pipe fittings sometimes produce copper tube products as well. This, coupled with the fact that South Korea is a named country in both findings, make that expiry review conclusion relevant to this determination.

[155] In general, Canada remains an important export market for various products produced in South Korea. Given the commodity nature of copper tube as discussed previously, and the presence in the Canadian market of low priced imports of copper tube from non-named countries, it is likely that any copper tube sold to Canada would again be sold at dumped prices from South Korea in order to compete in the event that the findings were to be rescinded.

[156] With respect to measures in force in other jurisdictions, according to the WTO Committee on Anti-Dumping Practices Semi-Annual Report of Anti-Dumping Actions, as at December 31, 2017, there were 23 U.S. measures in force applicable to South Korea.⁶⁹ These measures relate to a range of industrial and consumer products, but do demonstrate that exporters in South Korea have sold products at dumped prices to North American importers.

[157] Based on the information on the record in respect of: the fact that copper tube is a commodity product and is sold primarily on the basis of price; the fact that exporters in South Korea have either stopped or vastly decreased exports to Canada since the findings have been in place suggesting that they are unable to compete at non-dumped prices; a shift in imports of copper tube into Canada from countries not covered by the CITT's findings supporting the continued attractiveness of the Canadian market; the uncertain outlook for domestic demand in South Korea; the CBSA expiry review conclusion regarding copper pipe fittings from South Korea; measures in force involving South Korea in other jurisdictions; the significant production capacity of South Korean producers; and the continued relationships South Korean exporters have maintained with Canadian importers in regards to similar products suggesting that they could resume selling subject goods into Canada with relative ease should the finding be rescinded, the CBSA determined that the expiry of the finding in respect of copper tube originating in or exported from South Korea is likely to result in the continuation or resumption of dumping of the goods.

⁶⁸ CBSA website: <https://www.cbsa-asfc.gc.ca/sima-lmsi/er-rre/menu-eng.html>

⁶⁹ See WTO [website](#)

POSITION OF THE PARTIES - SUBSIDIZING

Parties Contending that Continued or Resumed Subsidizing is Likely

Great Lakes Copper Ltd

[158] GLC's submission in support of their contention that the continued or resumed subsidizing of the subject goods is likely in the event the finding is discontinued was limited to a general statement in their public case brief as follows:⁷⁰

“GLC notes that the Government of China did not respond to the CBSA's Foreign Government questionnaire and no Chinese exporters co-operated with CBSA. In the original investigation, CBSA identified approximately 170 countervailable programs and further found that Chinese exporters who co-operated in the investigation received benefits under many of those programs. In the absence of responses from the Government of China and Chinese exporters, there is no reason to conclude that those programs no longer exist or would no longer confer benefits to Chinese producers of copper tube.”

Parties Contending that Continued or Resumed Subsidizing is Unlikely

[159] No case briefs or reply submissions were submitted contending that the subsidizing of copper tube is not likely to continue or resume if the finding is rescinded.

CONSIDERATION AND ANALYSIS - SUBSIDIZING

[160] In making a determination under paragraph 76.03(7)(a) of SIMA as to whether the expiry of the finding in respect of goods from China is likely to result in the continuation or resumption of subsidizing of these goods, the CBSA may consider factors identified in subsection 37.2(1) of the SIMR, as well as any other factors relevant in the circumstances.

Likelihood of Continued or Resumed Subsidizing

[161] No Chinese exporters provided a response to the ERQ, nor did they file case briefs or reply submissions. No importers provided an opinion on the likelihood of continued or resumed subsidizing. Further, no case briefs or reply submissions were received from any of the importers that imported subject goods during the POR. The GOC did not provide a response to the ERQ, nor did the GOC provide a case brief or reply submission.

[162] In the absence of participation from Chinese exporters and the GOC and only ERQ responses from six importers of subject goods that did not express an opinion on the likelihood of continued or resumed subsidizing, the CBSA relied on other information on the administrative record as well as information related to recent CBSA subsidy investigations concerning China in assessing the likelihood of continued or resumed subsidization should the CITT's finding be rescinded.

⁷⁰ Exhibit 29 (NC) – Public case brief filed on behalf of Great Lakes Copper Ltd.

[163] In the original copper tube subsidy investigation in 2013, 178 programs were investigated. Information concerning these programs is available in the CBSA's *Statement of Reasons* for the original investigation concerning copper tube.⁷¹

[164] The GOC did not respond to the subsidy RFI that was sent to them as part of the original investigation. Due to this fact, subsidy amounts for all exporters were determined pursuant to subsection 30.4(2) of SIMA, based on a ministerial specification. However, in consideration of the fact that two Chinese companies (Shanghai Hailiang Copper Co., Ltd. and Zhejiang Hailiang Co., Ltd.) provided complete responses to the subsidy RFI, individual amounts of subsidy were determined under the ministerial specification for these two specific exporters based on the information provided in their submissions.

[165] It was found that 100% of the goods exported from China were subsidized during the original investigation.

[166] Since the CITT's finding, the CBSA has conducted one re-investigation to update amounts of subsidy for copper tube, concluded in January 2015.

[167] No Chinese exporters cooperated in the re-investigation. Furthermore, the GOC did not participate in the re-investigation. Consequently, the CBSA continued to have limited information concerning the details of the subsidy programs that were considered to be countervailable.

[168] Since the CITT's finding concerning copper tube has been in place, the CBSA has conducted eight additional subsidy investigations involving China, which brings the current total to 19 countervailing measures in force applicable to Chinese goods sold to Canada. In each of these cases the CBSA has identified a significant number of subsidy programs including preferential tax policies, and grants involving: development assistance, property tax exemptions, research and development, reimbursement of patent fees and reimbursement of loan interest that may also be available to producers of copper tube. Detailed descriptions of the programs and explanations as to why they were regarded as countervailable subsidies are contained in the CBSA's *Statement of Reasons* issued at the final determination for each investigation.⁷²

[169] According to WTO semi-annual reports, as at December 31, 2017, there were 43 countervailing measures reported to be in force and applicable to Chinese products being sold to the United States.⁷³

⁷¹ See CBSA website at: <http://www.cbsa.gc.ca/sima-lmsi/i-e/menu-eng.html>

⁷² See CBSA website at: <http://www.cbsa.gc.ca/sima-lmsi/i-e/menu-eng.html>

⁷³ See WTO [website](#)

[170] An expiry review investigation conducted by the CBSA in 2016 concerning certain copper pipe fittings from the United States, South Korea and China determined that there was a likelihood of continued subsidizing from China if the order were to be rescinded.⁷⁴ As previously mentioned, Chinese exporters who sell copper pipe fittings sometimes sell copper tube products to Canada as well. This is supported by the fact that various Chinese exporters received ERQs as part of both expiry review investigations. For example, Chinese exporter Hailiang discussed previously is one of the world's largest manufacturers of copper pipe fittings. This, coupled with the fact that two of the three named countries in the copper pipe fittings orders are also named countries in the copper tube finding, make the expiry review conclusion relevant to this determination.

[171] Further, a recent expiry review investigation concluded by the CBSA on March 29, 2019 regarding thermoelectric coolers from China determined that there was a likelihood of continued subsidizing if the order were to be rescinded.⁷⁵ Another recent expiry review investigation concluded by the CBSA on January 24, 2019 regarding unitized wall modules from China determined that there was a likelihood of continued subsidizing if the finding were to be rescinded.⁷⁶

[172] On September 5, 2018, the GOC announced that it will provide an export tax rebate on 397 products, ranging from a rebate of 9% to 16% in order to mitigate the impact of tariffs imposed by the United States. While copper tube was not listed, these rebates affect a wide range of consumer and industrial products and demonstrate in general that the GOC continues to support exporters.⁷⁷ An article on China Briefing.com discusses the details of the rebates, and goes on to suggest that more support measures are anticipated:⁷⁸

“Other measures the Chinese Government has taken to assist exporters include cutting tariffs for five Asian countries, tax cuts to support small businesses, and regional policies to cut business costs.”

[173] While these recent CBSA expiry review determinations and GOC export tax rebates do not act as evidence that the subsidizing of subject goods will resume if the copper tube finding were to be rescinded, they do speak to the fact that the GOC, in general, continues to provide a variety of support measures to producers.

[174] Historically the GOC has suggested that it does not maintain a complete list of its subsidies. The theme of public comments from the GOC often suggests that the list of subsidies is considerable in length, and when this is combined with a lack of cooperation from the GOC, as well as Chinese exporters in a subsidy investigation, the investigating authority is limited in terms of what information is available in the public domain.

⁷⁴ See CBSA website at: <http://www.cbsa.gc.ca/sima-lmsi/i-e/menu-eng.html>

⁷⁵ *Ibid*

⁷⁶ *Ibid*

⁷⁷ Exhibit 26 (NC) - Additional CBSA Research

⁷⁸ *Ibid*

[175] CBSA's analysis suggests that not only are Chinese exporters looking for alternative export markets as trade barriers and the resulting uncertainty continues to increase globally, but also that the GOC continues to actively support Chinese exporters.

Determination Regarding Likelihood of Continued or Resumed Subsidizing

[176] Based on the information on the administrative record as well as information related to recent CBSA subsidy investigations concerning China in respect of: the continued availability of subsidy programs for exporters in China; the performance and likely future performance of Chinese exporters in respect of production capacity and exports; the CBSA expiry review conclusion regarding copper pipe fittings from China; measures in force in other jurisdictions; and the GOC provision of subsidies to its manufacturers in the industrial sector, the CBSA determined that the expiry of the finding is likely to result in the continuation or resumption of subsidizing of copper tube originating in or exported from China.

CONCLUSION

[177] For the purpose of making a determination in this expiry review investigation, the CBSA conducted its analysis within the scope of the factors found under subsection 37.2(1) of the SIMR. Based on the foregoing consideration of pertinent factors and analysis of the information on the administrative record, on April 18, 2019, the CBSA made a determination pursuant to paragraph 76.03(7)(a) of SIMA that the expiry of the findings in Inquiry No. NQ-2013-004, made by the CITT on December 18, 2013:

- i. in respect of copper tube originating in or exported from Mexico, is likely to result in the continuation or resumption of dumping of the goods;
- ii. in respect of copper tube originating in or exported from Brazil, China, Greece, and South Korea, is likely to result in the continuation or resumption of dumping of the goods; and
- iii. in respect of copper tube originating in or exported from China, is likely to result in the continuation or resumption of subsidizing of the goods.

FUTURE ACTION

[178] On April 23, 2019, the CITT commenced its inquiry to determine whether the expiry of the findings with respect to the dumping of certain copper tube originating in or exported from Brazil, China, Greece, Mexico and South Korea, and the subsidizing of those goods originating in or exported from China is likely to result in injury. The CITT's Expiry Review schedule indicates that it will make its decision by September 25, 2019.

[179] If the CITT determines that the expiry of the findings with respect to the goods is likely to result in injury, the CITT will make orders continuing the findings in respect of those goods, with or without amendment. If this is the case, the CBSA will continue to levy anti-dumping and/or countervailing duties on dumped and/or subsidized importations of the subject goods.

[180] If the CITT determines that the expiry of the findings with respect to the goods is not likely to result in injury, the CITT will make orders rescinding the findings in respect of those goods. Anti-dumping and/or countervailing duties would then no longer be levied on importations of the subject goods, and any anti-dumping and/or countervailing duties paid in respect of goods that were released after the date that the findings were scheduled to expire will be returned to the importer.

INFORMATION

[181] For further information, please contact the officer listed below:

Mail: SIMA Registry and Disclosure Unit
Trade and Anti-dumping Programs Directorate
Canada Border Services Agency
100 Metcalfe Street, 11th floor
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