

SUMMARY OF FINDINGS AND RECOMMENDATIONS
OF THE CANADIAN IMPORT TRIBUNAL
REPORT RESPECTING CARBON STEEL IMPORTS
JULY 15, 1986

The report notes that during the past 10 years, world steel consumption has not moved upward to any significant degree. World capacity has far exceeded production throughout this period and this excess is expected to continue to overhang the world steel market. By contrast, export sales are becoming more difficult due to the noticeable rise in protectionist measures aimed at insulating home markets. Such measures range from voluntary export restraints, quotas, anti-dumping and countervailing duty investigations, licensing and monitoring controls, to export subsidies, customs administrative barriers, internal investment incentives and tax allowances, advertising rules, bounties and exclusive supply arrangements.

The Canadian steel industry faces similar difficulties to those facing its international competitors, namely:

- stagnant/declining domestic steel demand;
- international surplus supply;
- declining competitiveness vis-à-vis certain modern, developing suppliers;
- a myriad of barriers to steel trade;
- extensive government aid to most developing and certain western European producers;
- a general propensity to dump steel products in export markets as a means of increasing capacity utilization, preserving employment and raising foreign exchange; and
- a need to introduce significant steel industry modernization/rationalization program.