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HOCKIN RESPONDS TO U.S. INJURY DETERMINATIONS ON CANADIAN STEEL IMPORTS

The Honourable Tom Hockin, Minister for International Trade, expressed satisfaction with today's ruling by the United States that imports of Canadian carbon steel hot rolled and cold rolled sheet did not injure the U.S. domestic industry. These two products make up about 60 percent of the Canadian steel products that were under investigation by the U.S. International Trade Commission (ITC).

"I am pleased that the ITC finding on hot rolled and cold rolled steel will terminate the anti-dumping cases on these two products," said Mr. Hockin.

The ITC did, however, make final affirmative injury determinations against imports of carbon steel plate and galvanized steel sheet from Canada.

"Trade remedy actions like these make no commercial sense given the integrated nature of the North American steel market. The government will continue to support the Canadian steel industry with a view to finding a sensible resolution to the anti-dumping duties that still apply on other products."

Under U.S. trade law, the negative ITC determination on hot rolled and cold rolled sheet terminates the application of anti-dumping duties as announced by the Department of Commerce (DOC) on June 22.

Mr. Hockin emphasized that the injury findings against Canadian carbon steel plate and galvanized steel may be challenged under the dispute settlement provisions of Chapter 19 of the Canada-U.S. Free Trade Agreement (FTA). The Minister noted that Canadian steel producers had already exercised their rights under Chapter 19 of the FTA and have launched several challenges of the final DOC dumping determinations.

The Minister also noted that the Canadian International Trade Tribunal is scheduled to make its injury determination with respect to dumped imports of cold rolled steel sheet from five countries, including the United States, on July 29.

Mr. Hockin added that he was pleased with the progress in government initiatives announced on June 17 in response to the Canadian steel industry's concerns with steel imports. Specifically, the Government of Canada established a government/industry Import Surveillance Committee to monitor the prices and levels of steel imports, and their possible impact on the Canadian market. The Committee has met on two occasions since the announcement, and a third meeting is scheduled for August 4.

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CHRONOLOGY OF U.S. AND CANADIAN ANTI-DUMPING INVESTIGATIONS AGAINST IMPORTED STEEL PRODUCTS

1992

July 20: the U.S. Department of Commerce (DOC) initiated anti-dumping and countervailing duty investigations of imports of four flat rolled steel products from 21 countries, including Canada. The investigations involving imports from Canada were limited to anti-dumping allegations only.

The other countries involved in these investigations were Argentina, Australia, Austria, Belgium, Brazil, Finland, France, Germany, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Poland, Romania, Spain, Sweden, Taiwan and the United Kingdom.

August 10: the U.S. International Trade Commission (ITC) made affirmative preliminary determinations of injury against imports from 20 countries.

August 24 and September 8: Revenue Canada initiated anti-dumping duty investigations against imports of carbon steel plate from 10 countries, including the United States.

September 16: Revenue Canada initiated anti-dumping duty investigations against imports of hot rolled steel from six countries, including the United States.

November 16: Revenue Canada initiated anti-dumping duty investigations against imports of cold rolled steel from five countries, including the United States.

November 30: the DOC made preliminary determinations of subsidy against imports from 12 countries. Imports from Canada were not included.

1993

January 6: Revenue Canada made preliminary determinations of dumping against imports of steel plate from nine countries, including the United States. Preliminary dumping margins for imports from the United States ranged from zero to 65 percent, with an average margin of 13 percent. U.S. exports are valued at about \$20 million annually.

January 27: the DOC made preliminary determinations of dumping against imports of flat rolled products from 20 countries, including Canada. Canadian exports are valued at about \$750 million annually.

January 29: Revenue Canada made preliminary determinations of dumping against imports of carbon steel hot rolled from six countries, including the United States. Preliminary dumping margins for imports from the United States ranged from 4.5 to 124.2 percent, with an average margin of 12 percent. U.S. exports are valued at about \$100 million annually.

- March 31:** Revenue Canada made preliminary determinations of dumping against imports of cold rolled steel from five countries, including the United States. Preliminary dumping margins for imports from the United States ranged from zero to 87.3 percent, with an average margin of 25.5 percent. U.S. exports are valued at about \$80 million annually.
- April 5:** Revenue Canada made final determinations of dumping against imports of plate from nine countries, including the United States. The weighted average dumping margin for imports from the United States decreased slightly, from 13 to 12.6 percent. U.S. exports are valued at about \$20 million annually.
- April 23:** a group of five U.S. wire rod producers filed a petition with the DOC and the ITC requesting the imposition of anti-dumping duties on imports of wire rod from Brazil, Japan, Trinidad and Tobago, and Canada.
- April 29:** Revenue Canada made final determinations of dumping against imports of hot rolled steel from six countries, including the United States. The margins increased for all six countries including the U.S., where margins increased from 44.5 to 46.6 percent.
- May 3:** U.S. exporters requested review of Revenue Canada's final dumping determination on imports of plate from the United States under Chapter 19 of the Canada-U.S. Free Trade Agreement (FTA).
- May 6:** the Canadian International Trade Tribunal (CITT) made an affirmative injury determination with respect to imports of plate from eight out of the nine countries against which Revenue Canada had made final dumping determinations. Imports from the United States were not found to be injuring Canadian production.
- May 13:** the DOC initiated an investigation on imports of wire rod from four countries, including Canada.
- May 21:** the CITT released its Statement of Reasons in the plate case.
- May 31:** the CITT made a negative injury finding on dumped imports of hot rolled steel from six countries, including the United States.
- June 2:** the ITC made affirmative preliminary determinations of injury against allegedly dumped imports of wire rod from four countries, including Canada.
- June 7:** U.S. exporters requested review of Revenue Canada's final dumping determination on imports of hot rolled sheet from the U.S. under Chapter 19 of the FTA.

June 8: Canadian producers requested review of the CITT's negative injury determination on imports of plate from the U.S. under Chapter 19 of the FTA.

June 15: the CITT released its Statement of Reasons in the hot rolled case.

June 22: the DOC announced its final determinations of subsidy and dumping against imports of flat rolled products from 20 countries, including Canada.

June 29: Revenue Canada made final determinations of dumping against imports of cold rolled steel from five countries, including the United States.

July 7: Canadian producers requested review of the CITT's negative injury determination on imports of hot rolled sheet from the U.S. under Chapter 19 of the FTA.

July 9: Canadian producers requested review of the DOC's final determination on imports of flat rolled steel products from Canada under Chapter 19 of the FTA.

July 27: the U.S. ITC made final injury determinations with respect to allegedly dumped and subsidized steel imports from 20 countries.

UPCOMING EVENTS

1993

July 29: the CITT will make its injury determination with respect to cold rolled steel.

August 12: anti-dumping and countervailing duty orders will go into effect against U.S. imports of flat rolled steel products from 20 countries, including Canada.

By November 19, the DOC must make a preliminary determination of dumping against imports of wire rod from four countries, including Canada.

1994

By February 2 (estimate), the DOC must make a final determination of dumping against imports of wire rod from four countries, including Canada.

By March 19 (estimate), if the preliminary and final dumping determinations are affirmative, the ITC must make a final determination of injury against imports of wire rod from four countries, including Canada.

CANADA-U.S. STEEL TRADE CHRONOLOGY OF GOVERNMENT REPRESENTATIONS

1992

June 26: in a letter to Deputy U.S. Trade Representative Moskow, the Canadian Embassy attaches a document developed by Canadian steel industry providing elements of potential Canada-U.S. steel accord.

July 17: the Canadian Embassy delivers a diplomatic note urging the U.S. Department of Commerce (DOC) to dismiss petitions for anti-dumping investigations on imports of flat rolled steel from Canada. . .

July 23: Canadian Ambassador to the United States Burney wrote to Commerce Secretary Franklin to urge them to issue dumping questionnaires to certain Canadian companies that had asked to be specifically investigated.

October 8: the Canadian Embassy submits a letter to the DOC supporting the DOC proposal to exclude certain classes of merchandise from investigations.

October 14: the Canadian Embassy submits a letter to the DOC urging deadline extension for submission of questionnaire responses.

December 8: the Canadian Embassy submits a letter to the DOC objecting to the proposed expansion of scope of investigations to include non-rectangular products.

December 11: Canadian Minister for International Trade Wilson submits a letter to U.S. Trade Representative Hills proposing a binational panel on Canada-U.S. steel trade.

December 16: the Canadian Embassy submits a letter to the DOC urging the use of continuous entry bonds for imports from Canada, should preliminary determinations be made and provisional duties be applied.

1993

January 19: U.S. Trade Representative Hills writes Minister Wilson advising against establishment of binational panel.

February 17: Minister Wilson submits letters to U.S. Trade Representative Kantor and Commerce Secretary Brown proposing binational panel on Canada-U.S. steel trade.

February 19: the Canadian Embassy submits letter to the DOC urging the issuance of amended preliminary determinations of dumping in cases where ministerial errors have been made, and seeking an extension of deadline for responses to cost of production questionnaires.

March 15: U.S. Trade Representative Kantor writes Minister Wilson advising against establishment of binational panel.

March 25: Minister Wilson submits letter to U.S. Trade Representative Kantor, asking him to reconsider Canadian panel proposal.

April 2: at a meeting of the Canada-U.S. Trade Commission, U.S. Trade Representative Kantor agrees to reconsider proposal.

May 12: the Canadian Embassy delivers diplomatic note urging the DOC, further to an industry petition of April 23, not to initiate an anti-dumping duty investigation against imports of wire rod from Canada.

May 13: U.S. Trade Representative Kantor writes Minister Wilson advising against the establishment of a binational panel at this time, but leaves the door open for such a panel after the trade investigations have been concluded.

June 16: the Canadian Embassy writes the DOC regarding a number of issues of concern to Canadian steel industry in the conduct of flat rolled steel investigations.

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CANADIAN STEEL MARKET
(000's tons)

	1988	1989	1990	1991	1992	1992 (Jan.-April)	1993	Change
Domestic Shipments	14 618	14 689	12 746	12 391	13 456	4 211	4 921	+16.9%
Canadian Exports	3 904	4 355	4 294	5 116	5 381	1 564	1 900	+21.5%
Net Shipments	10 714	10 334	8 452	7 275	8 075	2 647	3 021	+14.1%
Canadian Imports	2 993	2 353	2 742	2 581	2 291	857	790	- 7.8%
Imports from U.S.	1 007	1 087	1 694	1 609	1 423	532	524	- 1.5%
Domestic Market	13 707	12 687	11 194	9 856	10 366	3 504	3 811	+ 8.8%

CANADIAN MARKET SHARES
(percent)

Domestic	78.2	81.5	75.5	73.8	77.9	75.5	79.3
Imports	21.8	18.5	24.5	26.2	22.1	24.5	20.7
U.S.	7.3	8.6	15.1	16.3	13.7	15.2	13.7

U.S. STEEL MARKET
(000's tons)

	1988	1989	1990	1991	1992	1992 (Jan.-April)	1993	Change
Domestic Shipments	83 840	84 260	84 829	78 867	82 354	27 396	29 094	+ 6.2%
U.S. Exports	2 152	4 692	4 302	6 346	4 288	1 535	1 465	- 4.6%
Net Shipments	81 689	79 568	80 527	72 521	78 066	25 861	27 629	+ 6.8%
U.S. Imports	20 831	17 320	17 169	15 742	17 076	5 580	4 939	-11.5%
Imports from Canada	3 172	2 975	2 874	2 929	4 233	1 288	1 675	+30.0%
Domestic Market	102 520	96 888	97 696	88 263	95 142	31 441	32 568	+ 3.6%

U.S. MARKET SHARES
(percent)

Domestic	78.9	82.1	82.4	82.2	82.1	82.3	84.8
Imports	21.1	17.9	17.6	17.8	17.9	17.7	15.2
Canada	3.1	3.1	2.9	3.3	4.5	4.1	5.1