



News Release

Communiqué

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WILSON DEEPLY CONCERNED WITH UNITED STATES FINAL DETERMINATIONS OF DUMPING AGAINST CANADIAN STEEL

The Honourable Michael Wilson, Minister of Industry, Science and Technology and Minister for International Trade, expressed dismay and deep concern with today's announcement by the U.S. Department of Commerce (DOC) of final dumping determinations against imports of four flat rolled steel products from 19 countries, including Canada.

"The increases in dumping margins for Canadian exporters are shocking," said Minister Wilson.

"As the government has consistently emphasized, 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 in any initiative that brings a sensible resolution to this situation."

Under United States trade law, anti-dumping duties will be imposed on imports if the United States International Trade Commission (ITC) makes a final determination of injury. The ITC is expected to vote on its final determination on July 27. Until duties are finalized, importers may continue to post bonds covering the provisional duties. The final determinations by the DOC considerably increased the margins of dumping against imports of these products from Canada, compared to the margins in the DOC's preliminary determinations of January 27, 1993.

Minister Wilson noted that all four of these final determinations may be challenged under the dispute settlement provisions of Chapter 19 of the Canada-United States Free Trade Agreement (FTA). "I urge Canadian producers who consider that U.S. trade remedy law was incorrectly applied to take full advantage of the dispute settlement provisions of FTA Chapter 19," said Mr. Wilson.

Minister Wilson also noted that the government has taken a number of initiatives in support of the Canadian steel industry. Most recently, on June 17, Minister Wilson and the Honourable Don Mazankowski announced measures to respond to the Canadian steel industry's concerns about the impact of imports on the Canadian steel market. The ministers announced the establishment of a government/industry Import Surveillance Committee, and an independent study of the differences between U.S. and Canadian trade remedy laws.

The DOC also announced today final determinations of subsidy against imports of the same products from 13 countries. Canada was not included in the countervailing duty investigations initiated by the DOC last summer at the request of U.S. industry.

- 30 -

For further information, media representatives may contact:

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U.S. DEPARTMENT OF COMMERCE

PRELIMINARY AND FINAL DETERMINATIONS OF DUMPING

IMPORTS OF FLAT ROLLED STEEL PRODUCTS FROM CANADA

CARBON STEEL PLATE

<u>COMPANY</u>	PRELIMINARY <u>DUMPING MARGINS</u> January 27, 1993	FINAL <u>DUMPING MARGINS</u> June 22, 1993
Stelco	68.70 percent	68.70 percent
IPSCO	.03 percent	1.47 percent
All others	68.70 percent	61.95 percent

CARBON STEEL HOT ROLLED

<u>COMPANY</u>	PRELIMINARY <u>DUMPING MARGINS</u> January 27, 1993	FINAL <u>DUMPING MARGINS</u> June 22, 1993
Stelco	10.80 percent	16.86 percent
Dofasco	2.85 percent	32.79 percent
IPSCO	1.05 percent	20.08 percent
All others	3.99 percent	20.84 percent

CARBON STEEL COLD ROLLED

<u>COMPANY</u>	PRELIMINARY <u>DUMPING MARGINS</u> January 27, 1993	FINAL <u>DUMPING MARGINS</u> June 22, 1993
Stelco	11.39 percent	48.29 percent
Dofasco	0.47 percent	11.73 percent
Sidbec-Dosco	10.16 percent	48.29 percent
Cold Metal Products	5.33 percent	7.49 percent
All others	9.99 percent	36.19 percent

CARBON STEEL GALVANIZED

<u>COMPANY</u>	PRELIMINARY <u>DUMPING MARGINS</u> January 27, 1993	FINAL <u>DUMPING MARGINS</u> June 22, 1993
Stelco	7.15 percent	28.27 percent
Dofasco	1.62 percent	10.89 percent
All others	5.96 percent	22.29 percent

U.S. DEPARTMENT OF COMMERCE

PRELIMINARY AND FINAL DETERMINATIONS OF DUMPING

IMPORTS OF FLAT ROLLED STEEL PRODUCTS

NOTE: All preliminary and final margins of dumping are trade weighted averages for each country.

CARBON STEEL PLATE

<u>COUNTRY</u>	PRELIMINARY <u>DUMPING MARGINS</u> January 27, 1993	FINAL <u>DUMPING MARGINS</u> June 21, 1993
Brazil	73.36 percent	75.54 percent
Canada	68.70 percent	61.95 percent
Finland	53.37 percent	32.25 percent
France	23.70 percent	52.87 percent
Germany	16.29 percent	35.36 percent
Italy	53.88 percent	53.88 percent
Korea	4.72 percent	7.87 percent
Mexico	49.25 percent	49.25 percent
Poland	75.44 percent	61.98 percent
Romania	75.04 percent	75.04 percent
Spain	105.61 percent	105.61 percent
Sweden	21.77 percent	24.23 percent
United Kingdom	109.22 percent	109.22 percent

CARBON STEEL HOT ROLLED

<u>COUNTRY</u>	PRELIMINARY <u>DUMPING MARGINS</u> January 27, 1993	FINAL <u>DUMPING MARGINS</u> June 22, 1993
Belgium	4.87 percent	41.98 percent
Brazil	45.54 percent	71.48 percent
Canada	3.99 percent	20.84 percent
France	12.39 percent	79.54 percent
Germany	29.02 percent	29.02 percent
Japan	23.67 percent	26.51 percent
Korea	30.00 percent	08.19 percent
Netherlands	26.34 percent	30.70 percent

CARBON STEEL COLD ROLLED

<u>COUNTRY</u>	<u>PRELIMINARY DUMPING MARGINS</u> January 27, 1993	<u>FINAL DUMPING MARGINS</u> June 22, 1993
Argentina	20.28 percent	51.58 percent
Belgium	4.87 percent	14.73 percent
Brazil	45.54 percent	70.59 percent
Canada	9.99 percent	38.19 percent
France	13.92 percent	75.33 percent
Germany	15.00 percent	19.52 percent
Italy	50.15 percent	50.15 percent
Japan	23.67 percent	32.18 percent
Netherlands	23.20 percent	20.09 percent
Spain	41.81 percent	43.12 percent

CARBON STEEL GALVANIZED

<u>COUNTRY</u>	<u>PRELIMINARY DUMPING MARGINS</u> January 27, 1993	<u>FINAL DUMPING MARGINS</u> June 22, 1993
Australia	21.47 percent	24.96 percent
Brazil	58.96 percent	43.00 percent
Canada	5.96 percent	22.29 percent
France	10.58 percent	44.40 percent
Germany	5.04 percent	4.88 percent
Japan	26.71 percent	40.19 percent
Korea	3.28 percent	17.88 percent
Mexico	76.12 percent	64.79 percent

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

July 20, 1992: 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 U.S. DOC made preliminary determinations of subsidy against imports from 12 countries. Imports from Canada were not included.

January 6, 1993: 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: Commerce 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 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 several 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 several countries, including Canada.

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.

UPCOMING EVENTS

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

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

July 29: the Canadian International Trade Tribunal will make its injury determination with respect to cold rolled steel.

By **September 30**, the DOC must make a preliminary determination of dumping against imports of wire rod from several countries, including Canada.

By **December 14**, the DOC must make a final determination of dumping against imports of wire rod from several countries, including Canada.

By **January 28, 1994**, if the preliminary and final dumping determinations are affirmative, the ITC must make a final determination of injury against imports of wire rod from several countries, including Canada.

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

In a June 26, 1992 letter to Deputy U.S. Trade Representative Moskow, the Canadian Embassy attaches document developed by Canadian steel industry providing elements of potential Canada-U.S. steel accord.

July 17: the Canadian Embassy delivers 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 letter to the DOC supporting the DOC proposal to exclude certain classes of merchandise from investigations.

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

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

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

December 16: the Canadian Embassy submits 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.

January 19, 1993: 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 meeting of 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 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 establishment of binational panel at this time, but leaves door open for 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.-Feb.)	1993	Change
Domestic Shipments	14,618	14,689	12,746	12,391	13,456	995	1,158	+16.3%
Canadian Exports	3,904	4,355	4,294	5,116	5,381	353	497	+40.8%
Net Shipments	10,714	10,334	8,452	7,275	8,075	642	661	+ 3.0%
Canadian Imports	2,993	2,353	2,742	2,581	2,291	212	203	- 4.2%
Imports from U.S.	1,007	1,087	1,694	1,609	1,423	142	115	-18.9%
Domestic Market	13,707	12,687	11,194	9,856	10,366	854	864	+ 1.2%

CANADIAN MARKET SHARES
(percent)

Domestic	78.2	81.5	75.5	73.8	77.9	75.1	76.5
Imports	21.8	18.5	24.5	26.2	22.1	24.9	23.5
U.S.	7.3	8.6	15.1	16.3	13.7	16.6	13.3

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

	1988	1989	1990	1991	1992	1992 (Jan.-Mar.)	1993	Change
Domestic Shipments	83,840	84,260	84,829	78,867	82,354	20,442	21,771	+ 6.5%
U.S. Exports	2,152	4,692	4,302	6,346	4,288	1,145	1,040	- 9.2%
Net Shipments	81,689	79,568	80,527	72,521	78,066	19,297	20,731	+ 7.4%
U.S. Imports	20,831	17,320	17,169	15,742	17,076	3,996	3,753	- 6.1%
Imports from Canada	3,172	2,975	2,874	2,929	4,233	927	1,121	+36.9%
Domestic Market	102,520	96,888	97,696	88,263	95,142	23,293	24,475	+ 5.1%

U.S. MARKET SHARES
(percent)

Domestic	78.9	82.1	82.4	82.2	82.1	82.8	84.7
Imports	21.1	17.9	17.6	17.8	17.9	17.2	15.3
Canada	3.1	3.1	2.9	3.3	4.5	4.0	5.2