



Minister for
International Trade

Ministre du
Commerce extérieur

COMMUNIQUÉ

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U.S. COMMERCE DEPARTMENT FINAL FINDING ON SUBSIDIES TO CANADIAN OIL COUNTRY TUBULAR GOODS

The Minister for International Trade, James Kelleher expressed disappointment over the U.S. Commerce Department's final affirmative determination of subsidy of 0.72% to two Canadian producers of oil country tubular goods - IPSCO and Seigfried Kreiser. Minister Kelleher stated, "While I am pleased that most Canadian exporters were found not to be subsidized, I had hoped for a negative or "de minimus" (less than 0.5%) determination for all the companies involved".

The Minister went on to indicate his disappointment that certain Canadian companies had also been found to be dumping in their exports of oil country tubular goods to the U.S. market. The U.S. International Trade Commission will decide by May 31 whether Canadian imports have caused material injury to the U.S. industry. If no material injury is found, the cases will be terminated.

The U.S. Commerce Department has been investigating a petition by the Lone Star Steel Company and the CF&I Steel Corporation that the Canadian product is being dumped into the U.S. market and that the Canadian Federal and Provincial governments are providing subsidies to the production of oil country tubular goods in Canada and that Canadian exports of such products to the U.S. have materially injured the U.S. industry. The U.S. petitioners are seeking countervailing duties to offset the benefit of these alleged subsidies as well as the imposition of anti-dumping duties on imports of oil country tubular goods from Canada.

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In conclusion, Minister Kelleher indicated that Federal officials will be discussing the finding with the Canadian companies to consider Canada's response to this final determination.