

OTTAWA, May 2, 2001

4258-111
AD-1247

STATEMENT OF REASONS

Concerning the making of a final determination of dumping with respect to

**CERTAIN CONCRETE REINFORCING BAR
ORIGINATING IN OR EXPORTED FROM
THE REPUBLIC OF INDONESIA, JAPAN, THE REPUBLIC OF LATVIA,
THE REPUBLIC OF MOLDOVA, THE REPUBLIC OF POLAND, CHINESE
TAIPEI AND UKRAINE**

DECISION

Pursuant to paragraph 41(1)(a) of the *Special Import Measures Act*, the Commissioner of Customs and Revenue has today made a final determination of dumping concerning hot-rolled deformed carbon or low alloy steel concrete reinforcing bar in straight lengths or coils, originating in or exported from the Republic of Indonesia, Japan, the Republic of Latvia, the Republic of Moldova, the Republic of Poland, Chinese Taipei and Ukraine.

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

1. Ukraine

In the current investigation, information was requested from the Ukrainian government and the exporter at the initiation of the investigation in order to obtain information necessary to determine whether the conditions of section 20 of SIMA exist in respect of the steel sector. The CCRA received full cooperation from the government and the exporter. A complete analysis of the information dealing with the prevailing economic conditions in Ukraine was conducted before the final stage of the investigation. Information obtained by the CCRA from other publicly available sources was also reviewed.

The analysis and verifications of the submissions revealed that the government of Ukraine does not have a monopoly or a substantial monopoly of its export trade in the steel sector and therefore section 20 of SIMA does not apply.

7.1 Krivorozhstal Steel Works

A complete response to the request for information was received from Krivorozhstal Iron and Steel Works (Krivorozhstal) the sole manufacturer and the exporter of the subject goods during the period of investigation. Verification meetings were held at Krivorozhstal's premises in Krivoi Rog, Ukraine.

(a) Normal Value

Information was submitted on domestic and export sales and related cost data that would ordinarily be used to determine normal values. However, it was established that during the investigation period, Krivorozhstal had procured significant raw materials and other inputs used in the production of rebar through barter. In addition, there was evidence of some barter transactions in the company's domestic sales. Due to the use of non-monetary transactions (barter) in the selling of the goods domestically and in the purchasing of raw materials, normal values were not based on domestic sales or the aggregate of the cost of production, selling, administrative and other costs, and an amount for profit.

Accordingly, for Krivorozhstal, normal values were determined in accordance with subsection 29(1) of SIMA, based on the facts available. In view of the full cooperation provided by Krivorozhstal, normal values were determined on the basis of the weighted average selling price of the like goods of the co-operative producers of subject goods covered by the previous Tribunal finding on rebar, where those domestic sales permitted a proper comparison.

(b) Export Price

Export prices were determined pursuant to section 24 of SIMA on the basis of the exporter's selling price, less all costs, charges and expenses resulting from the exportation of the goods.

(c) Margin of Dumping

During the period of investigation, 100 per cent of the goods exported to Canada from Krivorozhstal were found to be dumped and the margin of dumping ranged from 13.0 per cent to 22.0 per cent. The weighted average margin of dumping was 15.7 per cent when expressed as a percentage of normal value or 18.6 per cent when expressed as a percentage of export price. The margin of dumping is not insignificant as it is above the required 2 per cent threshold.

Ukrainian origin goods were also shipped indirectly to Canada through the United States and therefore subsection 30(2) of SIMA is applicable. In situations where goods are shipped indirectly to Canada, the CCRA is required to determine the normal value of the goods, in the country of origin and in the country of export. Where the normal value in the country of origin is higher than the normal value determined in the country of export then both normal value and export price will be determined as if the goods were shipped directly from the country of origin. In the case of Ukraine, the normal value from the country of export was the higher of the two. For details on normal value and export price calculations for subject goods shipped from the United States, refer to point 8.