



OTTAWA, December 30, 2025

SS 2025 IN

STATEMENT OF REASONS

Concerning the final decisions with respect to the dumping and subsidizing of

STEEL STRAPPING

ORIGINATING IN OR EXPORTED FROM

CHINA, SOUTH KOREA, TÜRKIYE, AND VIETNAM

DECISIONS

On December 15, 2025, pursuant to subsection 41(1)(a) of the *Special Import Measures Act*, the Canada Border Services Agency terminated the dumping investigation in respect of steel strapping originating in or exported from the Republic of Korea, by Sam Hwan Steel Co., Ltd., and the Socialist Republic of Vietnam, by Sam Hwan Vina Co., Ltd. On the same date, pursuant to subsection 41(1)(b) of the *Special Import Measures Act*, the Canada Border Services Agency made final determinations respecting the dumping of steel strapping originating in or exported from the People's Republic of China, the Republic of Korea, the Republic of Türkiye, and the Socialist Republic of Vietnam, and the subsidizing of steel strapping originating in or exported from the People's Republic of China.

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

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SUMMARY

[1] On March 21, 2025, the Canada Border Services Agency (CBSA) received a written complaint from JEM Strapping Systems Inc. (Brantford, Ontario) (hereinafter, the complainant) alleging that imports of steel strapping originating in or exported from the People's Republic of China (China), the Republic of Korea (South Korea), the Republic of Türkiye (Türkiye) and the Socialist Republic of Vietnam (Vietnam) are being injuriously dumped, and steel strapping originating in or exported from China are being injuriously subsidized.

[2] On April 11, 2025, pursuant to paragraph 32(1)(a) of the *Special Import Measures Act* (SIMA), the CBSA informed the complainant that the complaint was properly documented. On April 22, 2025, the CBSA informed the Government of China (GOC) that a properly documented complaint had been filed. At that time, the GOC was provided with a non-confidential version of the subsidy complaint and was invited for consultations pursuant to Article 13.1 of the *Agreement on Subsidies and Countervailing Measures*, prior to the initiation of the subsidy investigation. The CBSA did not receive any request for consultations. On May 5, 2025, the CBSA informed the governments of South Korea, Türkiye, and Vietnam that a properly documented complaint had been filed.

[3] The complainant provided evidence to support the allegations that steel strapping from China, South Korea, Türkiye, and Vietnam have been dumped, and that steel strapping from China has been subsidized, as well as evidence that discloses a reasonable indication that the dumping and subsidizing have caused injury or are threatening to cause injury to the Canadian industry producing like goods.

[4] On May 12, 2025, pursuant to subsection 31(1) of SIMA, the CBSA initiated an investigation respecting the dumping of steel strapping from China, South Korea, Türkiye, and Vietnam and initiated an investigation respecting the subsidizing of steel strapping from China.

[5] Upon receiving notice of the initiation of the investigations, the Canadian International Trade Tribunal (CITT) commenced a preliminary injury inquiry, pursuant to subsection 34(2) of SIMA, into whether the evidence discloses a reasonable indication that the dumping and subsidizing of the above-mentioned goods have caused injury or are threatening to cause injury to the Canadian industry producing the like goods.

[6] On July 10, 2025, pursuant to subsection 37.1(1) of SIMA, the CITT made a preliminary determination that there is evidence that discloses a reasonable indication that the dumping of steel strapping from China, South Korea, Türkiye, and Vietnam, and the subsidizing of steel strapping from China, are threatening to cause injury to the domestic industry.

[7] On September 16, 2025, as a result of the CBSA's preliminary investigations and pursuant to subsection 38(1) of SIMA, the CBSA made preliminary determinations of dumping of steel strapping originating in or exported from China, South Korea, Türkiye, and Vietnam, and subsidizing of steel strapping originating in or exported from China.

[8] On the same date, pursuant to subsection 8(1) of SIMA, provisional duties were imposed on imports of dumped and/or subsidized goods that are of the same description as any goods to which the preliminary determinations apply, and that are released during the period commencing on the day the preliminary determinations were made and ending on the earlier of the day on which the CBSA causes the investigations in respect of any goods to be terminated pursuant to subsection 41(1) of SIMA or the day the CITT makes an order or finding pursuant to subsection 43(1) of SIMA.

[9] Based on the available evidence, the CBSA is satisfied that steel strapping originating in or exported from South Korea, by Sam Hwan Steel Co., Ltd., and Vietnam, by Sam Hwan Vina Co., Ltd., was not dumped. Therefore, on December 15, 2025, the CBSA terminated the dumping investigation, pursuant to paragraph 41(1)(a) of SIMA, in respect of those goods.

[10] Based on the available evidence, the CBSA is satisfied that steel strapping originating in or exported from China, South Korea, Türkiye, and Vietnam, for which the dumping investigation has not been terminated under paragraph 41(1)(a) of SIMA, have been dumped, and steel strapping originating in or exported from China have been subsidized. Therefore, on December 15, 2025, the CBSA made final determinations of dumping and subsidizing pursuant to paragraph 41(1)(b) of SIMA in respect of those goods.

[11] The CITT's inquiry into the question of injury to the Canadian industry is continuing, and the CITT will issue its decision by January 14, 2026. Provisional duties will continue to be imposed on the subject goods from China, South Korea, Türkiye, and Vietnam until the CITT renders its decision. However, provisional anti-dumping duties will not be imposed on imports of goods for which the dumping investigation has been terminated. Any provisional duties paid, or security posted, on imports of goods for which the dumping investigation has been terminated will be refunded, as appropriate.

PERIOD OF INVESTIGATION

[12] The Period of Investigation (POI) for the investigations is April 1, 2024 to March 31, 2025.

INTERESTED PARTIES

[13] Interested parties were notified at the initiation of the investigations and were sent Requests for Information (RFI). Refer to the Initiation [*Statement of Reasons*](#) for additional information on interested parties.

Exporters

[14] Four exporters provided complete responses to the CBSA's dumping RFI and supplemental RFIs (SRFI), and where applicable, the section 20 RFI, in sufficient time to be considered for the final determination:

Table 1: Cooperative Exporters – Dumping

Country	Exporter
China	Juhong Packing Materials Jiangsu Co., Ltd. ¹
	Qinhuangdao Jiashilun Packaging Materials Co., Ltd. ²
South Korea	Sam Hwan Steel Co., Ltd. ³
Vietnam	Sam Hwan Vina Co., Ltd. ⁴

[15] One Chinese vendor provided an incomplete response to the CBSA's dumping RFI, TangShang Jason Metal Materials Co., Ltd. As the producer of the subject goods did not provide a response to the dumping RFI, the CBSA was unable to substantiate any information regarding production costs, and was unable to determine the identity of the exporter for SIMA purposes.

[16] In addition, two exporters provided deficient responses to the dumping RFI:

Table 2: Non-Cooperative Exporters – Dumping

Country	Exporter
South Korea	Hankum Co., Ltd. ⁵
Türkiye	Bekap Metal Ins San Ve Tic A.Ş. ⁶

¹ Exhibits 75 (PRO), 76 (NC), 120 (PRO), 121 (NC), 180 (PRO), 181 (NC), 186 (PRO), and 183 (NC) – Responses to dumping RFI and SRFIs – Juhong Packing Materials Jiangsu Co., Ltd. and Changzhou Hongkai Import and Export Trade Co., Ltd.; Exhibits 65 (PRO) and 66 (NC) – Response to section 20 RFI – Juhong Packing Materials Jiangsu Co., Ltd.

² Exhibits 44 (PRO), 45 (NC), 122 (PRO), 123 (NC), 177 (PRO), and 178 (NC) – Responses to dumping RFI and SRFIs; Exhibits 67 (PRO), and 68 (NC) – Response to section 20 RFI – Qinhuangdao Jiashilun Packaging Materials Co., Ltd.

³ Exhibits 54 (PRO), 55 (NC), 112 (PRO), 113 (NC), 152 (PRO), and 153 (NC) – Responses to dumping RFI and SRFIs – Sam Hwan Steel Co., Ltd.

⁴ Exhibits 52 (PRO), 53 (NC), 116 (PRO), 117 (NC), 154 (PRO), and 155 (NC) – Responses to dumping RFI and SRFIs – Sam Hwan Vina Co., Ltd.; Exhibits 063 (PRO) and 64 (NC) – Response to section 20 RFI – Sam Hwan Vina Co., Ltd.

⁵ Exhibits 135 (PRO) and 136 (NC) – Response to dumping RFI – Hankum Co., Ltd.

⁶ Exhibits 81 (PRO) and 82 (NC) – Response to dumping RFI – Bekap Metal Ins San Ve Tic A.Ş.

[17] Two exporters provided complete responses to the CBSA's subsidy RFI in sufficient time to be considered for the final determination:

Table 3: Cooperative Exporters – Subsidy

Country	Exporter
China	Juhong Packing Materials Jiangsu Co., Ltd ⁷
	Qinhuangdao Jiashilun Packaging Materials Co., Ltd. ⁸

Importers

[18] One importer provided a response to the CBSA's importer RFI: Heartland Shipping Supplies Inc.⁹

Surrogates

[19] The CBSA did not receive any responses to the surrogate producer RFI from producers or exporters of steel strapping in the United States (U.S.).

[20] The complainant submitted sales data from a steel strapping producer located in the U.S.¹⁰; however, this data was provided 131 days after the due date for the surrogate producer RFI. Due to the lateness of this submission, the CBSA could not verify that the data submitted was accurate. Further, the CBSA reviewed the submission and found it to be incomplete.

Government

[21] The Government of Vietnam provided a response to the section 20 RFI.¹¹

[22] The CBSA did not receive a response from the Government of China to the subsidy RFI or section 20 RFI.

⁷ Exhibits 77 (PRO) and 78 (NC) – Response to subsidy RFI – Juhong Packing Materials Jiangsu Co., Ltd.

⁸ Exhibits 47 (PRO) and 48 (NC) – Response to subsidy RFI – Qinhuangdao Jiashilun Packaging Materials Co., Ltd.

⁹ Exhibits 61 (PRO) and 62 (NC) – Response to importer RFI – Heartland Shipping Supplies Inc.

¹⁰ Exhibits 208 (PRO) and 209 (NC) – Attachment 4, Sales data from a U.S. steel strapping producer

¹¹ Exhibits 39 (PRO) and 40 (NC) – Response to section 20 RFI – Government of Vietnam.

PRODUCT INFORMATION

DEFINITION

[23] For the purpose of these investigations, subject goods are defined as:

Steel strapping, of carbon or alloy steel, with or without seals, whether or not in coils, whether or not punched, whether or not waxed, regardless of surface finish (including whether or not coated, painted, galvanized or “blued”), with a nominal width of 9.5 mm (3/8”) to 50.8mm (2”) inclusive, and a nominal thickness of 0.38 mm (0.015”) to 1.12mm (0.044”) inclusive (with all dimensions being plus or minus allowable tolerances), originating in or exported from the People’s Republic of China, the Republic of Türkiye, the Republic of Korea, and the Socialist Republic of Vietnam.

ADDITIONAL PRODUCT INFORMATION

[24] For greater certainty, subject goods do not overlap with goods subject to the cold-rolled steel (CRS) Order. Additionally, stainless steel strapping is not considered to be subject goods for this investigation. As detailed in the notes to chapter 72 of the *Customs Tariff 2025*, stainless steel is considered its own subclass of steel and distinct from other alloy steel.

[25] In plain terms, steel strapping is a narrow but strong, flat band made of steel. Steel strapping is a product of the flat-rolled steel sector. It is classified under tariff items characterized by “flat” steel products. In addition, steel strapping is largely manufactured from CRS, a flat-rolled product, and maintains its flat dimensions after transformation into strapping. It is typically used for load containment, bundling of goods, or lifting in a variety of industries.

[26] Steel strapping is also known as iron metal hoop strip, metal strapping, strapping band, steel band, steel banding strap, steel tape, baling hoop, metal strap, steel strip, iron tape or iron strip, and flat wire. The above terms are not meant to be exhaustive, and other terms could be used for steel strapping. Various companies also have brand names for steel strapping.

[27] Steel strapping is typically categorized based on the break strength of the steel, its width and thickness, whether it is painted or otherwise coated or galvanized, and whether it is oscillated or ribbon-wound.

[28] Steel strapping seals are small metal clips or fasteners used to secure steel strapping in place after it's been wrapped around a load. Seals help lock the ends of the steel strapping together so it stays tight and does not come loose during shipping or storage.

[29] For information on the production process, the classification of imports, like goods and classes of goods, and information on the Canadian industry, refer to the Initiation [*Statement of Reasons*](#).

IMPORTS INTO CANADA

[30] During the final phase of the investigations, the CBSA refined the estimated volume and value of imports based on information from CBSA import entry documentation and other information received from exporters and importers.

[31] The following table presents the CBSA's analysis of imports of steel strapping for the purposes of the final determinations:

Table 4: Import volume of Steel Strapping
(April 1, 2024 to March 31, 2025)

Country	% of total import volume
China	8.1 %
South Korea	9.8 %
Türkiye	14.9 %
Vietnam	25.5 %
Other	41.7 %
Total	100 %

INVESTIGATIONS PROCESS

[32] Regarding the dumping investigation, information was requested from all known and potential exporters, producers, vendors and importers, concerning shipments of steel strapping shipped to Canada during the POI.

[33] Regarding the subsidy investigation, information related to potential actionable subsidies was requested from all known and potential exporters and producers in China. Information was also requested from the Government of China concerning financial contributions made to exporters or producers of steel strapping shipped to Canada during the POI. The Government of China was also requested to forward the RFIs to all subordinate levels of government that had jurisdiction over the exporters.

[34] The Government of China and the exporters/producers were also notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits or the desk audits may result in the margin of dumping, the amount of subsidy and the assessment of dumping and/or countervailing duties on subject goods being based on facts available to the CBSA. Further, the Government of China and the exporters/producers were notified that determinations on the basis of facts available could be less favorable to them than if complete, verifiable information was made available.

[35] After reviewing the RFI responses, SRFIs were sent to responding parties, in order to clarify information provided in the responses and request additional information, where necessary.

[36] Deficiency letters were sent to responding parties that did not provide complete information. These notices were sent to parties to inform them that certain information was missing, and that without the missing information, final determinations would be made on the basis of facts available.

[37] Details pertaining to the information submitted by exporters in response to the dumping and subsidy RFIs, as well as the results of the CBSA's investigations, are provided in the *Results of the Dumping Investigation* and *Results of the Subsidy Investigation* sections of this document, respectively.

[38] As part of the final phase of the investigations, case briefs and reply submissions were provided by counsel representing the complainant, exporters from South Korea and Vietnam, the Vietnam Steel Association, and the Government of Vietnam. A summary of the representations is provided in **Appendix 2**.

DUMPING INVESTIGATION

[39] The following presents the final results of the investigation into the dumping of steel strapping originating in or exported from China, South Korea, Türkiye, and Vietnam.

NORMAL VALUE

[40] Normal values are generally determined based on the domestic selling prices of like goods in the country of export, in accordance with the methodology of section 15 of SIMA, or on the aggregate of the cost of production of the goods, a reasonable amount for administrative, selling and all other costs, plus a reasonable amount for profits, in accordance with the methodology of paragraph 19(b) of SIMA.

[41] Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, normal values are determined pursuant to a ministerial specification in accordance with subsection 29(1) of SIMA.

EXPORT PRICE

[42] The export price of goods sold to importers in Canada is generally determined in accordance with the methodology of section 24 of SIMA based on the lesser of the adjusted exporter's sale price for the goods or the adjusted importer's purchase price. These prices are adjusted where necessary by deducting the costs, charges, expenses, duties and taxes resulting from the exportation of the goods as provided for in subparagraphs 24(a)(i) to 24(a)(iii) of SIMA.

[43] Where there are sales between associated persons and/or a compensatory arrangement exists, the export price is based on the importer's resale price of the imported goods in Canada to unrelated purchasers, less deductions for all costs incurred in preparing, shipping and exporting the goods to Canada that are additional to those incurred on the sales of like goods for use in the country of export, all costs included in the resale price that are incurred in reselling the goods (including duties and taxes) or associated with the assembly of the goods in Canada and an amount representative of the average industry profit in Canada as provided for in paragraphs 25(1)(c) and 25(1)(d) of SIMA.

[44] Where, in the opinion of the CBSA, sufficient information has not been furnished or is not available, export prices are determined pursuant to a ministerial specification under subsection 29(1) of SIMA.

MARGIN OF DUMPING

[45] The margin of dumping by exporter is equal to the amount by which the total normal value exceeds the total export price of the goods, expressed as a percentage of the total export price. All subject goods imported into Canada during the POI are included in the calculation of the margins of dumping of the goods. Where the total normal value of the goods does not exceed the total export price of the goods, the margin of dumping is zero.

[46] Further information regarding each exporter is detailed below.

BACKGROUND OF SECTION 20 INQUIRIES

[47] Section 20 is a provision of SIMA that may be applied to determine the normal value of goods in a dumping investigation where certain conditions prevail in the domestic market of the exporting country. In the case of a prescribed country under paragraph 20(1)(a) of SIMA, it is applied where, in the opinion of the CBSA, the government of that country substantially determines domestic prices and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.¹²

[48] The CBSA initiated section 20 inquiries into the flat-rolled steel sectors of China and Vietnam, respectively, at the initiation of the dumping investigation, as the complaint contained a reasonable indication of government control in the flat-rolled steel sector in each country, and that domestic prices in China and Vietnam, respectively, may not be substantially the same as they would be if they were determined in a competitive market.

[49] The flat-rolled steel sector includes corrosion-resistant steel sheets, cold-rolled steel, carbon and alloy steel plates, and carbon and alloy steel sheets. Flat-rolled steel refers to steel products that are processed by rolling them into flat sheets or coils. This category includes both hot-rolled steel and cold-rolled steel. The CBSA also considers steel strapping to be part of the flat-rolled steel sector. As such, for the purposes of the section 20 inquiries, the flat-rolled steel sectors in China and Vietnam are the sectors under review.

[50] In the event that the CBSA forms an opinion that the domestic prices of steel strapping in China and/or Vietnam are substantially determined by the government, and there is sufficient reason to believe that the domestic prices are not substantially the same as they would be if they were determined in a competitive market, the normal values of the goods under investigation will be determined, pursuant to paragraph 20(1)(c) of SIMA, where such information is available, on the basis of the domestic selling prices or the aggregate of the cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits of like goods sold by producers in any country designated by the CBSA and adjusted for price comparability; or, pursuant to paragraph 20(1)(d) of SIMA, where such information is available, on the basis of the selling price in Canada of like goods produced and imported from any country designated by the CBSA and adjusted for price comparability.

¹² China and Vietnam are prescribed countries under Section 17.1 of the *Special Import Measures Regulations*.

ANALYSIS OF SECTION 20 CONDITIONS

China

Government Control Analysis

[51] This section will present the CBSA's analysis of the extent the Government of China exerts control over the flat-rolled steel sector in China, by examining the following:

- the Government of China's control over the flat-rolled steel sector;
- the Government of China's steel plans, directives and other policy documents;
- the Government of China's ownership and control of steel manufacturers;
- the Government of China's provision of subsidies to steel manufacturers; and
- the Government of China's intervention in the cost of production of steel.

Government of China's Control Over the Flat-Rolled Steel Sector

[52] Most recently, the CBSA has determined that section 20 conditions exist in the flat-rolled steel sector in China:

- carbon and alloy steel plate in 2010;¹³
- flat hot-rolled carbon and alloy steel sheet and strips in 2015;¹⁴
- cold-rolled steel in 2018;¹⁵
- corrosion-resistant steel sheet in 2019; and¹⁶
- corrosion-resistant steel sheet in 2023.¹⁷

[53] The CBSA has previously found that a government can indirectly control the prices of the sector being investigated by controlling the prices of the primary inputs.¹⁸ Given that cold-rolled steel is the primary input material in the production of steel strapping, the recent section 20 finding on cold-rolled steel in China is highly relevant to the steel strapping case.

[54] The substantial amount of information on the record for these previous findings and new information collected through the CBSA's own research support the conclusion that the government substantially determines prices in China's flat-rolled steel sector.

¹³ *Notice of Conclusion of Re-investigation, Steel Plate* – July 16, 2010.

¹⁴ *Notice of Conclusion of Re-investigation for Hot-Rolled Steel Sheet* – October 28, 2015.

¹⁵ *Final determination Statement of Reasons for Cold-Rolled Steel* – November 15, 2018.

¹⁶ *Final determination Statement of Reasons for Corrosion-Resistant Steel Sheet* – January 12, 2019.

¹⁷ *Notice of Conclusion of Re-investigation for Corrosion-Resistant Steel Sheet* – April 26, 2023.

¹⁸ *Final determination Statement of Reasons for Cold-Rolled Steel* – November 15, 2018.

Steel Plans, Directives, and Other Policy Documents

[55] The steel industry is regarded as a key industry by the Government of China. As such, the steel industry, including the flat-rolled steel sector, in China is subject to a variety of plans, directives and other policy documents issued by all levels of the Government of China, including the following:

- In September 2025, a new work plan was issued to support the steady operation and structural upgrading of the steel industry. It sets the sector's average annual value-added output growth target at around four percent for the two-year period.¹⁹ This plan places a much stronger emphasis on quality, efficiency, and environmental compliance.
- In August 2024, the Government of China issued "Notice of the General Office of the Ministry of Industry and Information Technology on Suspending Steel Production Capacity Replacement Work" requiring the suspension of new steel capacity replacement plans starting August 23, 2024.²⁰
- In August 2023, the Government of China released the "*Work Plan for Stabilizing Growth in the Steel Industry*" to guide and support the enhancement of supply and demand of steel in China.²¹
- In March 2022, the Government of China released the "*Roadmap for high-quality development of iron and steel industry*" to guide the development of the iron and steel industry and aiming to rationalize the structure of the industry, ensuring global competitiveness, and technical advancement.²²
- In February 2022, the Government of China released guidelines for its steel industry to consolidate through mergers and acquisitions (M&As) in order to "create world-class steel giants and accelerate the sector's high-quality development." In addition, financial institutions are urged to provide "comprehensive financial services to iron and steel enterprises pursuing M&As, structural adjustments, transformations and upgrading."²³

¹⁹ Exhibit 209 (NC), Attachment 2 – Government of China Plans and Policies.

²⁰ SteelOrbis, *China's MIIT suspends steel capacity replacement*. 23 August 2024.

²¹ Global Times *Work Plan for Stabilizing Growth in the Steel Industry*. 25 August 2023.

²² National Development and Reform Commission, PRC, *China issues roadmap for high-quality development of iron and steel industry*. 25 March 2022.

²³ Global Times, *China encourages steel industry consolidation through M&As among firms*. 7 February 2022.

- In May 2021, Chinese Premier Li Keqiang addressed the State Council at its executive meeting on the topic of rising steel prices, stating that “we must... deal with the excessively rapid increase in commodity prices and its collateral effects” and that such efforts were needed to “keep the economy running smoothly.” To discourage collusion on higher steel prices, local governments in Shanghai and Tangshan had ordered steel mills to fix their prices “at reasonable levels” or they would face severe punishments.²⁴
- In March 2021, the Government of China released the “*14th Five Year Plan: Part III*” which is a directive identifying the transformation of traditional industries and improvements as part of the plan to increase manufacturing core competitiveness, including in the steel sector.²⁵

[56] The China Iron and Steel Association (CISA), a key industry association in China that works closely with the Government of China, has explicitly described itself as “guided by the Party’s lines” and that it “participates in making the industrial development planning, and relevant policies, laws and regulations”.²⁶ In October 2024, CISA urged steel mills “to be disciplined in restraining production” after the Government of China stimulus led to increased steel prices.²⁷

[57] Based on evidence available on the record, as it relates specifically to the Chinese steel industry, Chinese steelmakers are highly encouraged to follow government directives or they may face negative consequences from local and state governments.

[58] As shown by the above policies, the Government of China intervenes in the steel industry, including the flat-rolled steel sector, by increasing mergers and acquisitions to create larger and more efficient steel companies to guide the growth of the industry. The Government of China also exerts control on steel capacity and supply, which may impact the price of steel in China.

[59] Based on the substantial amount of information on the record of previous findings related to steel products, including the flat-rolled steel sector, and evidence discussed above, the CBSA finds that the Government of China actively releases plans, directives, policies, and guidelines for its domestic steel producers to follow in order to control its steel industry, including steel strapping producers.

²⁴ CNN Business, ‘Without an inch of steel.’ Soaring metal prices spell trouble for China’s recovery. 19 May 2021.

²⁵ Exhibit 2 (NC) – Steel Strapping Complaint, para. 230 and Public Exhibit 39, China Market Subsidization Articles, Outline of the People’s Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035, March 12, 2021 (English), PDF p. 427-428.

²⁶ Exhibit 228 (PRO) – Final determinations – Section 20 report – China, Attachment 1, China Iron and Steel Association, *About Us*.

²⁷ Bloomberg. *China Steel Group Calls for Supply Restraint After Price Rally*. 24 October 2024.

[60] The CBSA finds that the Government of China's control over steel capacity and supply results in distorted selling prices of these goods. The steel plans and directives in place provide further support for the conclusion that the government may substantially determine prices in China's flat-rolled steel sector.

Government of China's Ownership and Control of Steel Manufacturers

[61] Many of the largest steel manufacturers in China are State-Owned Enterprises (SOEs).

Table 5: Top 10 Steel Producers in China in 2024 by Volume

Company	2024 Production (Million tonnes)²⁸	State-Owned
China Baowu Group	130.09	Yes
Ansteel Group	59.55	Yes
HBIS Group	42.28	Yes
Shagang Group	40.22	No
Jianlong Group	39.37	No
Shougang Group	31.57	Yes
Delong Steel	29.33	No
Hunan Steel Group	24.9	Yes
Jingye Group	22.72	No
Shandong Steel Group	19.45	Yes
Total Production of Top 10 Steel Producers in China	439.48	
Total Production of Top Six State-Owned Steel Producers	307.84	
Total Steel Production in China 2024 ²⁹	1,005.10	
Top Six State-Owned Steel Producers as a % of Total China Steel Production in 2024	30.63 %	

[62] As shown in the table above, six of the top ten steel producers in China are state-owned. China Baowu Group, AnSteel Group, and Shougang Group are owned by China's State-owned Assets Supervision and Administration Commission (SASAC), HBIS Group is wholly owned by the Hebei provincial government, Hunan Steel Group is jointly organized by Hunan province's three major iron and steel enterprises, and Shandong Steel Group is a state-owned enterprise owned jointly by the Shandong provincial government and China Baowu Group.³⁰

²⁸ Exhibit 228 (PRO) – Final determinations – Section 20 report – China, Attachment 2 World Steel, *Top Steel-Producing Companies in 2024/2023*.

²⁹ Exhibit 228 (PRO) – Final determinations – Section 20 report – China, Attachment 3, World Steel, *2025 World Steel in Figures*, pg. 9.

³⁰ Exhibit 2 (NC) – Steel Strapping Complaint, para. 94.

[63] In addition, other prominent Chinese steel manufacturers have indirect ties to the government or are subject to substantial government intervention. Many of these steel producers have been found to be state-owned or state-controlled³¹ and are located adjacent to most of China's steel strapping producers. For example, Tangsteel, a subsidiary of HBIS Group, is located within 75 km of two steel strapping producers near Tangshan, China.³² This creates an environment where cold-rolled steel produced by state-owned and state-controlled steel producers is easily accessible to steel strapping producers in China.

[64] The CBSA notes that China's focus on the acquisition of steel manufacturers in recent years have led to even more steel production falling under Government of China ownership as it pursues its goal of consolidating over 60 percent of China's steel capacity in the hands of three to five large, globally competitive enterprises by 2025.³³

[65] Without responses to the government section 20 RFI, the CBSA was not able to determine the extent of the state-ownership and control in the steel strapping industry as this information is not publicly available. Notwithstanding this, the significant presence of state-owned and state-controlled enterprises in the steel and flat-rolled steel sector indicates that the sale of steel products are based on non-market factors, such as meeting the Government of China's policy objectives to lower domestic steel prices in China³⁴. As a result, the domestic selling prices of steel strapping in China are not substantially the same as they would be if they were determined in a competitive market. The significant presence of SOEs in the steel industry supports the final determination of section 20 conditions existing in the flat-rolled steel sector in China.

Government of China's Provision of Subsidies to Steel Strapping Manufacturers

[66] The recent subsidy notification, submitted by the Government of China, was criticized by the World Trade Organization Secretariat as lacking transparency.³⁵ Nevertheless, the available evidence indicates that steel strapping manufacturers have received or are eligible to receive benefits and support from the Government of China.

[67] The complainant provided information on the subsidization of the Chinese steel industry and argued that this subsidization influences the price of steel products, including steel strapping.³⁶ The CBSA's analysis revealed that the alleged subsidy programs constitute potential financial contributions by the Government of China that may have conferred benefits to producers and exporters of steel strapping.

³¹ Exhibit 2 (NC) – Steel Strapping Complaint, para. 95.

³² Exhibit 2 (NC) – Steel Strapping Complaint, para. 98.

³³ Exhibit 2 (NC) – Steel Strapping Complaint, para. 95.

³⁴ CNN Business, 'Without an inch of steel.' Soaring metal prices spell trouble for China's recovery. 19 May 2021.

³⁵ Exhibit 157 (NC) – Articles, reports, and CBSA research, WTO, 8th Trade Policy Review: China, Report by the Secretariat, WT/TPR/S/415.

³⁶ Exhibit 2 (NC) – Steel Strapping Complaint, para. 106.

[68] Subsidization of steel production effectively enables the Government of China to influence the price of downstream products such as steel strapping, as producers can purchase input materials at less than fair market value and lower their cost of production. In short, these subsidies may distort the domestic selling price of steel strapping in China. The widespread presence of subsidies in the steel industry, including steel strapping, supports the final determination of section 20 conditions existing in the flat-rolled steel sector in China.

Government of China's Intervention in the Cost of Production of Steel

[69] The Government of China has taken several measures that control costs with respect to raw materials for steelmaking. By intervening in upstream raw material inputs, the Government of China can substantially determine the prices of downstream products.

[70] Based on evidence available on the record, and as described below, the Government of China maintains controls on raw materials for flat-rolled steel products, including steel scrap, iron ore, and cold-rolled steel.

[71] In 2021, amid concerns over tax evasion, the Government of China eliminated the VAT rebate for export that was available to exporters of certain steel goods including cold-rolled steel. At the same time, the Government of China eliminated import duties on scrap and billet, allowing for an even greater supply of cheaper scrap steel in China.³⁷ These measures contributed to an increased steel supply in the Chinese domestic market causing downward pressure on domestic prices.³⁸

[72] Further, the Government of China places price ceilings on the cost of electricity that is sold from coal-fired power generators. This has a significant impact, as coal accounts for 60 percent of China's total energy generation and supply and the steel industry is one of the largest industrial consumers.³⁹

[73] The evidence available on the record suggests the Chinese domestic price of steel strapping is influenced by the Government of China as the government also influences the price of cold-rolled steel, the primary input of steel strapping. Benchmark comparisons of cold-rolled steel prices in China against global markets indicate that the Chinese domestic prices for cold-rolled steel was, on average, 55% lower than the cold-rolled steel prices in the US⁴⁰ and 38% lower than the average global prices of cold-rolled steel⁴¹.

³⁷ Exhibit 157 (NC) – Articles, reports, and CBSA research, S&P Global Commodity Insights. *China Removes VAT Rebate on Steel Exports, Cuts Tax on Raw Material Imports to Zero*.

³⁸ Exhibit 102 (PRO) and 103 (NC) – Additional information submitted by counsel for the Vietnam Steel Association (VSA) regarding flat-rolled steel pricing data (refers to Exhibits 091-092).

³⁹ Exhibit 157 (NC) – Articles, reports, and CBSA research, Integral. *China Raises Cap on Electricity Price: What Has Changed and Possible Impact for Business*. Integral.

⁴⁰ Exhibit 209 (NC) – Attachment 9, Steel Benchmark Global HRC Prices.

⁴¹ Exhibit 2 (NC) – Steel Strapping Complaint, para. 123, Figure 6, and Public Exhibit 41, Comtrade Import and Export Data for CRS.

[74] The CBSA finds that, as a result of these measures, the Government of China's intervention in the cost of production of steel creates an environment where domestic prices of steel are artificially low, benefitting the producers of steel strapping. As a result, the domestic selling prices of steel strapping in China are not substantially the same as they would be if they were determined in a competitive market.

Summary of Government Control Analysis

[75] The CBSA has previously found that the Government of China's measures, policies, and vested interest in the steel industry, through government ownership and controls, substantially determine the prices of steel and flat-rolled steel in the domestic industry and that these prices are substantially different than if they were determined in a competitive market.

[76] Specifically, the CBSA has previously issued opinions in respect of four steel products in the flat-rolled steel sector, namely, steel plates, hot-rolled steel sheets, cold-rolled steel sheets, and corrosion-resistant steel sheets.

[77] The Government of China exerts control on the steel industry in general but also on the flat-rolled steel sector specifically through various plans, directives and other policy documents that impact steel strapping producers. In making corporate decisions, Chinese steel strapping producers are highly encouraged to adhere to the Government of China's macro-economic policies including measures related to steel production capacity. As a result, corporate decisions based on market dynamics of supply and demand compete with the Government of China's directives and mandates.

[78] The Government of China has significant ownership and control of Chinese steel manufacturers, including cold-rolled steel manufacturers. As discussed in the preceding sections, the collective effects of the Government of China's measures, policies, and directives applies downward pressures to the domestic prices of steel. To remain competitive, private steel manufacturers are pressured to lower their prices to compete with the state-owned and state-controlled enterprises.

[79] Furthermore, the subsidization of the steel industry in general, and the flat-rolled steel sector in particular, suggests the Government of China's intent to exert control to maintain domestic prices at a certain level. These subsidies allow steel manufacturers to sell their products at prices below fair market value to producers of steel strapping, who in turn, are able to sell their products at distorted prices. This contributes to section 20 conditions in the flat-rolled steel sector.

[80] Through various actions and measures, the Government of China also influences the prices of the inputs of steel strapping, including steel scrap, iron ore, and cold-rolled steel, as well as energy inputs.

[81] Overall, the cumulative impact of the Government of China's policies and actions indicate that the Government of China indirectly influences prices in the flat-rolled steel sector in China.

Price Analysis

[82] Chinese domestic prices of steel strapping are not publicly available. For the purposes of the final determination, four exporters, including two from China, provided domestic sales databases.

[83] As mentioned in the preceding section, the CBSA has determined that the Government of China also influences the prices of the inputs of steel strapping, including cold-rolled steel. As such, the CBSA conducted a pricing analysis of cold-rolled steel, comparing domestic prices in China to markets around the world using publicly available data⁴² and pricing information provided by steel strapping producers in South Korea and Vietnam that provided complete responses to the dumping RFI. The CBSA's analysis showed that Chinese cold-rolled steel prices were not substantially the same as those determined in competitive markets, namely, the U.S., South Korea, and Vietnam.

[84] In addition, the CBSA compared Chinese domestic steel strapping prices with that of other subject countries, using data from exporters that provided complete responses to the CBSA's dumping RFI and SRFIs. As the CBSA did not receive complete responses from any exporters in Türkiye, the CBSA's analysis focused on comparing steel strapping prices in China, South Korea, and Vietnam. The comparison showed that Chinese domestic prices of steel strapping were substantially different than those determined in competitive markets, namely, South Korea and Vietnam.

[85] Based on the price analyses of cold-rolled steel and steep strapping in China and around the world, the Chinese prices are substantially different than they would be in a competitive market.

Results of the section 20 Inquiry of China

[86] Based on the CBSA's analysis, the scope of the Government of China's macroeconomic policies and initiatives provides a compelling factual basis to conclude there is government influence over the Chinese flat-rolled steel sector. In addition, the domestic prices of steel strapping in China are substantially different from what would be expected in a competitive market.

[146] For the purpose of the final determination, the CBSA has formed the opinion that the conditions of paragraph 20(1)(a) of SIMA exist in the flat-rolled steel sector in China:

- Domestic prices in the flat-rolled steel sector in China are substantially determined by the Government of China; and
- There is sufficient reason to believe that the domestic prices are not substantially the same as they would be in a competitive market.

⁴² Exhibit 102 (PRO) and 103 (NC) – Additional information submitted by counsel for the Vietnam Steel Association (VSA) regarding flat-rolled steel pricing data (refers to Exhibits 091-092).

Vietnam

[87] At the initiation of the investigations, the CBSA had sufficient evidence, supplied by the complainant and from its own research, to support the initiation of a section 20 inquiry to examine the extent of the Government of Vietnam's involvement in pricing in the flat-rolled steel sector, which includes steel strapping. The information indicated that the cumulative impact of the Government of Vietnam's policies and actions provided a reasonable indication that the Government of Vietnam may indirectly influence prices in the flat-rolled steel sector in Vietnam. Consequently, the CBSA sent section 20 RFIs to the Government of Vietnam and all known producers and exporters of steel strapping in Vietnam to obtain information on the extent to which the Government of Vietnam is involved in the determination of domestic prices in the flat-rolled steel industry sector.

[88] An on-site verification was conducted by the CBSA to verify the information provided by the Government of Vietnam in its responses to the RFI and SRFI and to collect additional information and documentation.⁴³

[89] The CBSA received and reviewed the response to the section 20 RFI submitted by one Vietnamese exporter, Sam Hwan Vina Co., Ltd.,⁴⁴ the response to the section 20 RFI and one SRFI submitted by the Government of Vietnam,⁴⁵ and the flat-rolled steel pricing data submitted by the Vietnam Steel Association.⁴⁶

[90] As described above, the CBSA considers steel strapping to be a part of the flat-rolled steel sector. As such, for the purposes of the section 20 inquiry, the flat-rolled steel sector in Vietnam is the sector under review.

Results of the section 20 Inquiry of Vietnam

[91] Evidence reviewed by the CBSA concerning the Government of Vietnam's relevant legislation and administrative instruments, as well as state ownership of flat-rolled steel producers, did not support the assertion that the Government of Vietnam substantially determines domestic prices in the flat-rolled steel sector in Vietnam. Further, the results of the pricing analyses conducted by the CBSA did not indicate that the prices of hot-rolled steel, full-hard coil, cold rolled steel, or steel strapping were not substantially the same as they would be if they were determined in a competitive market.

⁴³ Exhibit 196 (NC) – Verification report - Government of Vietnam

⁴⁴ Exhibits 63 (PRO) and 64 (NC) – Response to request for information (RFI) - Section 20 from Sam Hwan Vina Co., Ltd.

⁴⁵ Exhibits 39 (PRO) and 40 (NC) – Response to request for information (RFI) - Section 20 from the Government of Vietnam; Exhibits 110 (PRO) and 111 (NC) – Response to supplemental request for information (SRFI) #1 - Section 20 from the Government of Vietnam.

⁴⁶ Exhibits 91 (PRO) and 92 (NC) – Information submitted by counsel for Vietnam Steel Association (VSA) regarding flat-rolled steel pricing data; Exhibits 102 (PRO) and 103 (NC) – Additional information submitted by counsel for Vietnam Steel Association (VSA) regarding flat-rolled steel pricing data (refers to exhibits 091-092)

[92] Based on the information on the administrative record, the CBSA has not found that the Government of Vietnam has substantially determined prices in the flat-rolled steel sector in Vietnam or that those prices were not substantially the same as those determined in a competitive market. As such, the CBSA has not formed the opinion that the conditions of section 20 prevailed in the flat-rolled steel sector in Vietnam during the POI.

RESULTS OF THE DUMPING INVESTIGATION

COOPERATIVE EXPORTERS

[93] For the exporters from South Korea and Vietnam who submitted complete responses to the dumping RFI, normal values were either determined using the methodology of section 15 of SIMA based on domestic selling prices of like goods, or paragraph 19(b) of SIMA, based on the aggregate of cost of production, a reasonable amount for administrative, selling and all other costs, and a reasonable amount for profits. The costs of production were calculated pursuant to paragraph 11(1)(a) of *Special Import Measures Regulation* (SIMR), based on the costs associated with the production of the subject goods. The amounts for profit were determined in accordance with paragraph 11(1)(b)(ii) of the SIMR.

[94] For the cooperative exporters from South Korea and Vietnam, Sam Hwan Steel Co., Ltd. and Sam Hwan Vina Co., Ltd. respectively, the costs of production were adjusted pursuant to subsection 11.2(1) of SIMR, to account for the supply of raw materials from their associated suppliers.

[95] The CBSA verified the information submitted by Sam Hwan Steel Co., Ltd., Sam Hwan Vina Co., Ltd., and their related suppliers through on-site verifications in September and October 2025.⁴⁷

[96] At the initiation of the section 20 inquiry of China's flat-rolled steel sector, the CBSA identified the U.S. and South Korea as the most appropriate surrogate countries for China. These countries were selected as both countries have significant domestic production of steel strapping; produce a wide range of steel strapping including categories of steel strapping that are produced by the Chinese exporters; and are competing under fair market conditions. Surrogate RFIs were sent to all known producers of steel strapping in the U.S. As South Korea is a country subject the dumping investigation, exporters in South Korea were sent the dumping RFI instead of the surrogate RFI. No vendors located in the U.S. responded to the Surrogate RFI.

⁴⁷ Exhibit 196 (NC) - Verification report - Sam Hwan Vina Co., Ltd.; Exhibit 197 (NC) - Verification report - "Supplier A" for Sam Hwan Steel Co., Ltd. and Sam Hwan Vina Co., Ltd.; Exhibit 202 (NC) - Verification report - Sam Hwan Steel Co., Ltd. (SHS); Exhibit 203 (NC) - Verification report - "Supplier B" for Sam Hwan Steel Co., Ltd. and Sam Hwan Vina Co., Ltd.

[97] In addition, as part of the section 20 inquiry, the RFIs sent to importers requested information on resales in Canada of steel strapping imported from sources other than China, South Korea, Türkiye, and Vietnam. The CBSA received one complete response to the importer RFI; however, the importer did not purchase like goods from non-named countries.

[98] For the exporters from China who submitted complete responses to the dumping RFI, and were determined to be the exporter for SIMA purposes, normal values were determined pursuant to a ministerial specification in accordance with subsection 29(1) of SIMA, following a methodology similar to that of section 20 of SIMA, based on information provided by exporters from South Korea and Vietnam who submitted complete responses to the dumping RFI. Vietnam is considered an appropriate surrogate country for China for the purposes of the final determination as it has significant domestic production of steel strapping, and evidence on the record suggest that the domestic steel strapping market in Vietnam operates under fair market conditions.

[99] The following table summarizes the cooperative exporters' determination of margins of dumping.

Table 6: Summary of Margins of Dumping for Cooperative Exporters

Country	Exporter	Domestic Sales	Normal Values (SIMA Section)	Profit (SIMR Section)	Margin of Dumping (% of Export Price)
China	Juhong Packing Materials Jiangsu Co., Ltd	Yes	29 (Section 20 methodology)	N/A	7.0 %
	Qinhuangdao Jiashilun Packaging Materials Co., Ltd.	Yes	29 (Section 20 methodology)	N/A	37.5 %
South Korea	Sam Hwan Steel Co., Ltd.	Yes	15 & 19(b)	11(1)(b)(ii)	0 %
Vietnam	Sam Hwan Vina Co., Ltd.	Yes	15 & 19(b)	11(1)(b)(ii)	0 %

[100] During the POI, all of the subject goods exported to Canada by the cooperative exporters were sold to unrelated importers. Export prices were determined using the methodology of section 24 of SIMA, as described in the “*Export Price*” section above.

ALL OTHER EXPORTERS

[101] In establishing the methodology for determining the normal values and export prices for all other exporters, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the preliminary determination, information submitted by parties who responded to the dumping RFI, and CBSA customs entry documentation.

[102] The CBSA decided that the normal values and export prices determined for the exporters from the subject countries whose submissions were complete, rather than the information provided in the complaint or estimated at the preliminary determination, would be used to establish normal values for all other exporters since it is more relevant and reflects the trading practices of an exporter of subject goods during the POI.

China, South Korea, and Vietnam

[103] Based on the facts available, for all other exporters that did not provide a complete response to the dumping RFI, normal values of subject goods originating in or exported from China, South Korea, and Vietnam were determined based on the highest amount by which a normal value exceeded the export price (expressed as a percentage of the export price), on an individual transaction basis for a cooperative exporter in the same country during the POI.

[104] This methodology relies on information related to goods that originated in each subject country and provides an incentive for exporters to participate by ensuring that exporters who have provided the necessary information requested in a dumping investigation will have a more favourable outcome than those who did not participate. The transactions were examined to ensure that no anomalies were considered, such as very low volumes and values, effects of seasonality, or other business factors. No such anomalies were identified.

[105] The CBSA considered that the information submitted on the CBSA customs entry documentation was the best information on which to determine the export price of the goods as it reflects actual import data.

Türkiye

[106] The CBSA did not receive any complete dumping RFI responses from exporters of steel strapping located in Türkiye. As such, in establishing the methodology for determining the normal values and export prices for all other exporters from Türkiye, the CBSA considered all of the information on the administrative record, including the complaint filed by the domestic industry, the CBSA's estimates at the initiation of the investigation, information submitted by parties who responded to the dumping RFI, and CBSA customs entry documentation.

[107] The CBSA decided that normal values and export prices for all other exporters from Türkiye would be determined based on information from the exporters in the subject countries that provided complete RFI responses. The CBSA finds this information to be more relevant and reflective of the trading practices of exporters in Turkey than the information provided in the complaint or estimated at initiation.

[108] The CBSA examined the difference between the normal value and the export price for each individual transaction of the cooperative exporters from other subject countries and considered that the highest amount (expressed as a percentage of the export price), was an appropriate basis for determining the margin of dumping. This methodology relies on information related to goods that originated in the other subject countries and in general, provides an incentive for exporters to participate by ensuring that exporters who have provided the necessary information requested in a dumping investigation will have a more favourable outcome than those who have not participated.

[109] As a result, based on the facts available, for all exporters that did not provide a complete response to the dumping RFI, normal values of subject goods originating in or exported from Türkiye were determined based on the highest amount by which a normal value exceeded the export price, on an individual transaction basis for the cooperative exporters from other subject countries during the POI. The transactions were examined to ensure that no anomalies were considered, such as very low volume and value, effects of seasonality or other business factors. No such anomalies were identified.

[110] Using the above methodologies, for the final determination, the margin of dumping for all other exporters is as follows:

Table 7: Summary of Margins of Dumping for All Other Exporters

Country	All Other Exporters Margin of Dumping (% of Export Price)
China	47.9 %
South Korea	25.1 %
Türkiye	47.9 %
Vietnam	25.3 %

SUMMARY OF FINAL RESULTS – DUMPING

[111] A summary of the final results of the dumping investigation respecting all subject goods released into Canada during the POI are as follows:

Table 8: Summary of Final Results – Dumping
Period of Investigation (April 1, 2024 to March 31, 2025)

Country of Origin or Export	Margin of Dumping (% of Export Price)	% of Total Imports (by volume)
China		8.1 %
Juhong Packing Materials Jiangsu Co., Ltd	7.0 %	3.2 %
Qinhuangdao Jiashilun Packaging Materials Co., Ltd.	37.5 %	0.8 %
All other exporters	47.9%	4.1 %
South Korea		9.8 %
Sam Hwan Steel Co., Ltd.	0 %	7.2 %
All other exporters	25.1 %	2.7 %
Türkiye		14.9 %
All exporters	47.9 %	14.9 %
Vietnam		25.5 %
Sam Hwan Vina Co., Ltd.	0 %	24.2 %
All other exporters	25.3 %	1.3 %
All other countries	N/A	41.7 %
Total		100 %

[112] In order to make a final determination of dumping, the CBSA must be satisfied that:

- i) the subject goods have been dumped; and,
- ii) that the margin of dumping of a particular exporter is not insignificant.

[113] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of any goods of an exporter if it is satisfied that the goods have not been dumped or the margin of dumping of the goods of that exporter is insignificant, meaning a margin of dumping that is less than 2% of the export price of the goods.

[114] As indicated above, steel strapping exported to Canada from South Korea and Vietnam by Sam Hwan Steel Co., Ltd. and Sam Hwan Vina Co., Ltd. respectively, were not dumped. Therefore, the CBSA is required to terminate the dumping investigation with respect to these goods pursuant to paragraph 41(1)(a) of SIMA.

[115] The margins of dumping of steel strapping determined for all other exporters of subject goods originating in or exported from the subject countries are greater than the threshold of 2% and are therefore not considered insignificant. As a result, the legislative requirements are satisfied for making a final determination of dumping respecting steel strapping originating in or exported from China, South Korea, Türkiye, and Vietnam

[116] A summary of the margins of dumping by exporter is presented in **Appendix 1**.

SUBSIDY INVESTIGATION

[117] In accordance with section 2 of SIMA, a subsidy exists where there is a financial contribution by a government of a country other than Canada that confers a benefit on persons engaged in the production, manufacture, growth, processing, purchase, distribution, transportation, sale, export or import of goods. A subsidy also exists in respect of any form of income or price support within the meaning of Article XVI of the General Agreement on Tariffs and Trade, 1994, being part of Annex 1A to the World Trade Organization (WTO) Agreement that confers a benefit.

[118] Pursuant to subsection 2(1.6) of SIMA, a financial contribution exists where:

- a. practices of the government involve the direct transfer of funds or liabilities or the contingent transfer of funds or liabilities;
- b. amounts that would otherwise be owing and due to the government are exempted or deducted or amounts that are owing and due to the government are forgiven or not collected;
- c. the government provides goods or services, other than general governmental infrastructure, or purchases goods; or
- d. the government permits or directs a non-governmental body to do anything referred to in any of paragraphs (a) to (c) above where the right or obligation to do the thing is normally vested in the government and the manner in which the non-governmental body does the thing does not differ in a meaningful way from the manner in which the government would do it.

[119] A state-owned enterprise (SOE) may be considered to constitute “government” for the purposes of subsection 2(1.6) of SIMA if it possesses, exercises, or is vested with, governmental authority. Without limiting the generality of the foregoing, the CBSA may consider the following factors as indicative of whether the SOE meets this standard: 1) the SOE is granted or vested with authority by statute; 2) the SOE is performing a government function; 3) the SOE is meaningfully controlled by the government; or 4) some combination thereof.

[120] If a subsidy is found to exist, it may be subject to countervailing measures if it is specific. A subsidy is considered to be specific when it is limited, in law or in fact, to a particular enterprise or is a prohibited subsidy. An “enterprise” is defined under SIMA as also including a “group of enterprises, an industry and a group of industries”. Any subsidy which is contingent, in whole or in part, on export performance or on the use of goods that are produced or that originate in the country of export is considered to be a prohibited subsidy and is, therefore, specific according to subsection 2(7.2) of SIMA for the purposes of a subsidy investigation.

[121] In accordance with subsection 2(7.3) of SIMA, notwithstanding that a subsidy is not specific in law, a subsidy may also be considered specific in fact, having regard as to whether:

- there is exclusive use of the subsidy by a limited number of enterprises;
- there is predominant use of the subsidy by a particular enterprise;
- disproportionately large amounts of the subsidy are granted to a limited number of enterprises; and
- the manner in which discretion is exercised by the granting authority indicates that the subsidy is not generally available.

[122] For purposes of a subsidy investigation, the CBSA refers to a subsidy that has been found to be specific as an “actionable subsidy”, meaning that it is countervailable.

RESULTS OF THE SUBSIDY INVESTIGATION

[123] At the initiation of the subsidy investigation, the CBSA sent subsidy RFIs to the Government of China, as well as to all known exporters/producers of steel strapping in China.

[124] The Government of China was also requested to forward the subsidy RFI to all subordinate levels of government that had jurisdiction over the exporters. The exporters/producers were requested to forward a portion of the subsidy RFI to their input suppliers, who were asked to respond to questions pertaining to their legal characterization as SOEs.

[125] The Government of China and the exporters/producers were also notified that failure to submit all required information and documentation, including non-confidential versions, failure to comply with all instructions contained in the subsidy RFI, failure to permit verification of any information or failure to provide documentation requested during the verification visits may result in the amount of subsidy and the assessment of countervailing duties on subject goods being based on facts available to the CBSA. Further, they were notified that a determination on the basis of facts available could be less favourable than if complete, verifiable information was made available.

GOVERNMENT OF CHINA

[126] The determination of subsidy amounts are based primarily on the information provided by the government authorities concerning the nature of the subsidy programs and the benefits provided to producers or exporters.

[127] At the initiation of the subsidy investigation, the CBSA requested information on 32 subsidy programs that could potentially confer benefits to producers/exporters of steel strapping in China. For the full list of programs, refer to the Initiation [Statement of Reasons](#).

[128] The Government of China did not respond to the CBSA's Government subsidy RFI, which limited the CBSA's ability to determine the amount of subsidy in the prescribed manner as the required information relating to financial contribution, benefit and specificity was not provided. It also limited the CBSA's ability to determine whether producers, or other suppliers of goods and services are public bodies.

[129] Due to a lack of cooperation from the Government of China:

- the CBSA cannot determine if any of the alleged programs identified by the CBSA are specific, a condition that is necessary in determining that a program constitutes an actionable subsidy under SIMA;
- the CBSA cannot verify the legal basis and eligibility criteria for any of the alleged programs as the Government of China did not provide copies of the required legislation, regulations and notices concerning the alleged programs; and/or
- the CBSA cannot verify the actual amount of subsidies/benefits provided by the Government of China for the programs used and provided by the cooperative exporters.

[130] As such, the CBSA is unable to determine an amount of subsidy for all cooperative exporters pursuant to subsection 30.4(1). Accordingly, subsidy amounts for all exporters were determined pursuant to subsection 30.4(2) of SIMA, based on a ministerial specification.

ALL EXPORTERS – CHINA

[131] The CBSA received two responses to the exporter subsidy RFI from exporters of steel strapping located in China. However, as noted above, the Government of China did not provide a response to the government subsidy RFI.

[132] The Government of China's lack of response prevents the CBSA from being able to calculate exporter-specific subsidy rates. In the absence of the required information, the CBSA must rely on the best information available to determine the amount of subsidy. For the purposes of the final determination, this consists of the information in the complaint.

[133] In establishing the methodology for determining the amount of subsidy for all exporters from China, the CBSA considered all of the information on the administrative record, including the exporters' RFI submissions, the complaint filed by the domestic industry, and the CBSA's estimates at the preliminary determination. Due to the absence of a sufficient response from the Government of China, for all exporters, the amount of subsidy of subject goods originating in or exported from China was based on the CBSA's estimate of the amount of subsidy at the initiation of the investigation.

[134] Using the above methodology, for the final determination of subsidy, the amount of subsidy for all exporters in China is 6.5%, expressed as a percentage of the export price.

SUMMARY OF FINAL RESULTS – SUBSIDY

[135] A summary of the final results of the subsidy investigation respecting all subject goods released into Canada during the POI follows:

Table 9: Summary of Final Results – Subsidy
Period of Investigation (April 1, 2024 to March 31, 2025)

Exporter	Amount of Subsidy (% of Export Price)	% of Total Imports (by Volume)
China		8.1 %
Juhong Packing Materials Jiangsu Co., Ltd	6.5%	3.2 %
Qinhuangdao Jiashilun Packaging Materials Co., Ltd.	6.5%	0.8 %
All other exporters	6.5%	4.1 %
All other countries	N/A	91.9 %
Total		100 %

[136] In order to make a final determination of subsidizing, the CBSA must be satisfied that:

- i) the subject goods have been subsidized; and that
- ii) the amount of subsidy of a particular exporter is not insignificant.

[137] Under paragraph 41(1)(a) of SIMA, the CBSA is required to terminate an investigation in respect of any goods of an exporter if the CBSA is satisfied that the goods have not been subsidized or the amount of subsidy on the goods of that exporter is insignificant.

[138] Pursuant to subsection 2(1) of SIMA, an amount of subsidy of less than 1% of the export price of the goods, for a developed country, is defined as insignificant.

[139] The amount of subsidy determined for all exporters of steel strapping originating in or exported from China is greater than the 1% threshold and is therefore not considered insignificant. As a result, the legislative requirements are satisfied for making a final determination of subsidy respecting steel strapping originating in or exported from China.

[140] A summary of the results of the subsidy investigation respecting the subject goods released into Canada during the subsidy POI are presented in **Appendix 1**.

DECISIONS

[141] On December 15, 2025, pursuant to paragraph 41(1)(a) of SIMA, the CBSA terminated the dumping investigation with respect of steel strapping exported to Canada from South Korea, by Sam Hwan Steel Co., Ltd., and from Vietnam, by Sam Hwan Vina Co., Ltd.

[142] On the same date, pursuant to paragraph 41(1)(b) of SIMA, the CBSA made final determinations respecting the dumping of steel strapping originating in or exported from China, South Korea, Türkiye, and Vietnam, with respect to exporters for which the investigation has not been terminated, and subsidizing of steel strapping originating in or exported from China.

FUTURE ACTION

[143] The provisional period began on September 16, 2025, and will end on the date the CITT issues its finding. The CITT is expected to issue its decision by January 16, 2026. Provisional duties will continue to be imposed on the subject goods from China, South Korea, Türkiye, and Vietnam until the CITT renders its decision. However, provisional duties will no longer be imposed on imports of subject goods from exporters for which the dumping investigation has been terminated. For further details on the application of provisional duty, refer to the [*Statement of Reasons*](#) issued for the preliminary determination.

[144] If the CITT finds that the dumped and subsidized goods have not caused injury and do not threaten to cause injury, all proceedings will be terminated. In this situation, all provisional duty paid or security posted by importers will be returned.

[145] If the CITT finds that the dumped and subsidized goods have caused injury, the anti-dumping duty and/or countervailing payable on subject goods released by the CBSA during the provisional period will be finalized pursuant to section 55 of SIMA. Imports released by the CBSA after the date of the CITT's finding will be subject to anti-dumping duty equal to the margin of dumping and countervailing duty equal to the amount of subsidy.

[146] The importer in Canada shall pay all applicable duties. If the importers of such goods do not indicate the required SIMA code or do not correctly describe the goods in the customs documents, an administrative monetary penalty could be imposed. The provisions of the Customs Act apply with respect to the payment, collection or refund of any duty collected under SIMA. As a result, failure to pay duty within the prescribed time will result in the application of interest.

RETROACTIVE DUTY ON MASSIVE IMPORTATIONS

[147] Under certain circumstances, anti-dumping and/or countervailing duty can be imposed retroactively on subject goods imported into Canada. When the CITT conducts its inquiry on material injury to the Canadian industry, it may consider if dumped and/or subsidized goods that were imported close to or after the initiation of the investigations constitute massive importations over a relatively short period of time and have caused injury to the Canadian industry. Should the CITT issue a finding that there were recent massive importations of dumped and/or subsidized goods that caused injury, imports of subject goods released by the CBSA in the 90 days preceding the day of the preliminary determinations could be subject to anti-dumping and/or countervailing duty.

[148] In respect of importations of subsidized goods that have caused injury, this provision is only applicable where the CBSA has determined that the whole or any part of the subsidy on the goods is a prohibited subsidy. In such a case, the amount of countervailing duty applied on a retroactive basis will equal the amount of subsidy on the goods that is a prohibited subsidy. An export subsidy is a prohibited subsidy according to subsection 2(1) of SIMA.

PUBLICATION

[149] A notice of these final determinations of dumping and subsidizing will be published in the Canada Gazette pursuant to paragraph 41(3)(a) of SIMA.

[150] A notice of the termination of the dumping investigation with respect to steel strapping exported to Canada from South Korea, by Sam Hwan Steel Co., Ltd., and from Vietnam, by Sam Hwan Vina Co., Ltd., will be published in the Canada Gazette pursuant to paragraph 41(4)(a) of SIMA.

INFORMATION

[151] This *Statement of Reasons* is available through the CBSA's website at the address below. For further information, please contact the email address identified below:

Email: simaregistry-depotlmsi@cbsa-asfc.gc.ca

Website: www.cbsa-asfc.gc.ca/sima-lmsi

A handwritten signature in black ink, appearing to read 'S. Borg', with a large loop at the end.

Sean Borg
a/Executive Director
Trade and Anti-dumping Programs Directorate

ATTACHMENTS

Appendix 1: Summary of Margins of Dumping and Amount of Subsidy
Appendix 2: Dumping and Subsidy Representations

**APPENDIX 1 – SUMMARY OF MARGINS OF DUMPING AND
AMOUNT OF SUBSIDY**

Country of Origin or Export / Exporter	Margin of Dumping (% of Export Price)	Amount of Subsidy (% of Export Price)
China		
Juhong Packing Materials Jiangsu Co., Ltd	7.0 %	6.5 %
Qinhuangdao Jiashilun Packaging Materials Co., Ltd.	37.5 %	6.5 %
All other exporters	47.9 %	6.5 %
South Korea		
Sam Hwan Steel Co., Ltd.	0 %	N/A
All other exporters	25.1 %	N/A
Türkiye		
All exporters	47.9 %	N/A
Vietnam		
Sam Hwan Vina Co., Ltd.	0 %	N/A
All other exporters	25.3 %	N/A

Note: The margins of dumping and amounts of subsidy reported in this table were determined by the CBSA for the purposes of the final decisions. These margins and amounts may not reflect the amount of anti-dumping or countervailing duties to be levied on future importations of dumped or subsidized goods. In the event of an injury finding by CITT, normal values and amounts of subsidy for future shipments to Canada will be provided to the exporters who provided sufficient information in their response to the CBSA RFIs, as appropriate. These normal values and amounts of subsidy would come into effect the day after an injury finding. Information regarding normal values of the subject goods and amounts of subsidy should be obtained from the exporters. Imports from any other exporters will be subject to an anti-dumping duty rate and a countervailing duty rate, as applicable, in accordance with a ministerial specification and in an amount equal to the margin of dumping or the amount of subsidy found for “all other exporters” at the final determinations.

Section 10 of SIMA directs that where the whole (or a portion of the) margin of dumping is attributable to an export subsidy, that portion of the margin of dumping shall not be leviable, collectable and payable as anti-dumping duty.

Normally, normal values will not be applied retroactively. However, normal values may be applied retroactively in cases where the exporter does not adjust export prices to account for increases in domestic prices and/or costs. Therefore, where substantial changes occur in prices, market conditions, costs associated with production and sales of the goods, the onus is on the concerned parties to increase the export price accordingly to ensure that any sale made to Canada is not only above the normal value but at or above selling prices and full costs and profit of the goods in the exporter’s domestic market.

Please consult the [SIMA Self-Assessment Guide](#) for more detailed information explaining how to determine the amount of SIMA duties owing.

APPENDIX 2 – DUMPING AND SUBSIDY REPRESENTATIONS

During the investigations, representations were received on behalf of the following parties:

- the Government of Vietnam;⁴⁸
- JEM Strapping Systems Inc. (hereinafter, “the complainant”);⁴⁹
- the Vietnam Steel Association (“VSA”);⁵⁰
- Sam Hwan Vina Co., Ltd. (“SHV”);⁵¹
- Juhong Packing Materials Jiangsu Co., Ltd. (“Juhong”);⁵² and
- Qinhuangdao Jiashilun Packaging Materials Co., Ltd. (“Jiashilun”)⁵³.

Following the closing of the record on October 27, 2025, case arguments and reply submissions were received on behalf of the following parties:

- the Government of Vietnam;⁵⁴
- Sam Hwan Steel Co., Ltd. (“SHS”), SHV, and “Supplier A” and “Supplier B” for Sam Hwan Steel Co., Ltd. and Sam Hwan Vina Co., Ltd. (“Supplier A” and “Supplier B”, respectively);⁵⁵
- the VSA;⁵⁶ and
- the complainant.⁵⁷

Certain details provided in case briefs and reply submissions were designated as confidential information by the submitting counsel. This has restricted the ability of the CBSA to discuss all issues raised in these submissions. The material issues raised by the parties are summarized as follows:

⁴⁸ Exhibits 87 (PRO) and 88 (NC) – Comments submitted by the Government of Vietnam regarding the application of section 20; Exhibit 143 (NC) – Comments submitted by the Government of Vietnam regarding exhibit 107

⁴⁹ Exhibits 106 (PRO) and 107 (NC) – Comments submitted by counsel for the complainant regarding responses to requests for information (RFI) - Section 20; Exhibits 108 (PRO) and 109 (NC); 118 (PRO) and 119 (NC); 133 (PRO) and 134 (NC); 137 (PRO) and 138 (NC); and 141 (PRO) and 142 (NC) - Comments submitted by counsel for the complainant regarding exhibits 079-080 and 097-098; 044-045 and 047-048; 052-053, 081-082, and 116-117; 089-090 and 120-121; and 054-055 and 112-113, respectively; Exhibits 139 (PRO) and 140 (NC) - Comments submitted by counsel for the complainant regarding the relationship between SHS, SHV, and their suppliers; Exhibits 172 (PRO) and 173 (NC) - Comments submitted by counsel for the complainant regarding exporter verifications

⁵⁰ Exhibits 145 (PRO) and 146 (NC) – Comments submitted by counsel for the VSA regarding exhibits 106-107

⁵¹ Exhibits 150 (PRO) and 151 (NC) – Comments submitted by counsel for SHV regarding exhibits 106-107

⁵² Exhibits 210 (PRO) and 211 (NC) – Close of record – attachments from Juhong Packing Materials Jiangsu Co., Ltd. and Changzhou Hongkai Import and Export Trade Co., Ltd.

⁵³ Exhibits 212 (PRO) and 213 (NC) – Close of record – attachments from Qinhuangdao Jiashilun Packaging Materials Co., Ltd.

⁵⁴ Exhibits 214 (NC) and 221 (NC) – Case brief and reply submission filed on behalf of the Government of Vietnam

⁵⁵ Exhibits 215 (PRO), 216 (NC), 224 (PRO), and 225 (NC) – Case brief and reply submission filed on behalf of SHS, SHV, Supplier A, and Supplier B

⁵⁶ Exhibits 217 (PRO) and 218 (NC) – Case brief filed on behalf of the VSA

⁵⁷ Exhibits 219 (PRO), 220 (NC), 222 (PRO), and 223 (NC) – Case brief and reply submission filed on behalf of the complainant

DUMPING REPRESENTATIONS

Allegations of Section 20 Conditions in Vietnam

Counsel for the complainant, in its case brief, argued that at the CBSA should find that section 20 conditions exist in Vietnam's flat-rolled steel sector. Counsel pointed out that Vietnam is a prescribed country under the SIMR.

Counsel for the VSA argued that CBSA's conclusions regarding its analysis of section 20 conditions in Vietnam, as set out in the preliminary determination of the dumping investigation, are correct. Counsel further argued that based on the record, there is no evidence that prices of flat-rolled steel in Vietnam are not what they would be in a competitive market, nor is there any evidence that the Government of Vietnam controls or directs prices for flat-rolled steel.

The Government of Vietnam submitted that its responses and evidence filed has been verified and that there are no price controls on flat-rolled steel in Vietnam.

In their reply submission, counsel for the complainant emphasized that pricing comparisons presented by counsel for VSA in its case brief were flawed and that appropriate pricing comparisons support the conclusion that non-market conditions exist in Vietnam's flat-rolled steel sector.

The Government of Vietnam, in its reply submission, emphasized that the flat-roll steel industry and market in Vietnam are open to competition from around the world, and there are no price controls on any type of steel at any level of government.

Counsel for the VSA, in its reply submission, reiterated that price controls do not exist. It argued that Vietnam's use of trade-remedy measures to defend against dumped imports is intended to raise prices, but this does not constitute the type of price control contemplated under section 20 of SIMA.

Counsel for SHV, in its case brief and reply submission, submitted that additional pricing information has been submitted by SHV and its supplier, and that evidence on the record indicated that section 20 conditions do not exist in the flat-rolled steel sector in Vietnam.

CBSA's Response

The CBSA considered the case arguments and reply submissions provided by counsel, as well as any representations filed during the investigation before the close of record. The CBSA did not form an opinion that section 20 conditions exist in the flat-rolled steel sector in Vietnam during the period of analysis. More information concerning the results of the section 20 inquiry can be found in the Analysis of Section 20 Conditions section of this document.

Allegations of Section 20 Conditions in China

During the final phase of the investigation, counsel for the complainant submitted additional documents, as well as case arguments that further support their allegations that the conditions described in section 20 of SIMA exist in the flat-rolled steel sector in China.

Counsel for the complainant argued that Vietnam should not be used as a surrogate country in the calculation of normal values for China pursuant to section 20 of SIMA since it is a prescribed country, and that domestic selling prices are distorted by dumped Chinese steel into Vietnam. They proposed that the CBSA use data from either South Korea, Türkiye, or the United States as surrogate countries based on data submitted to the administrative record.

No reply submissions were received from the Government of China.

CBSA's Response

The CBSA considered the case arguments and reply submissions provided by counsel, as well as any representations filed during the investigation before the close of record. After thoroughly reviewing the information on the administrative record, the CBSA has formed an opinion that section 20 conditions exist in the flat-rolled steel sector in China. Furthermore, the CBSA has determined that the information submitted by exporters in South Korea and Vietnam was deemed appropriate as surrogate data for the final calculations of normal values for exporters in China.

Related/Associated Party Transactions

Counsel for the complainant, in its case brief, argued that at the CBSA should treat SHS, SHV and certain suppliers as associated persons in accordance with SIMA. Further, counsel argued that SIMA subparagraph 15(a)(i) and SIMR subsection 11.2(1) should apply.

Counsel for the complainant, in its reply submission, reiterates that the 5% related persons threshold under SIMA is met, and SHS, SHV and certain suppliers should be treated as associated persons when determining normal values.

Counsel for SHS and SHV submitted that they accept some associations but reject the complainant's claim that some entities are associated through indirect ownership. Further, the counsel contended that prices of full hard coil purchased by SHS and SHV were not distorted.

CBSA's Response

The CBSA considered the case arguments and reply submissions provided by counsel, as well as any representations filed during the investigation before the close of record. Associated or related party transactions do not necessarily result in prices that are inappropriate or unreliable for SIMA purposes. The CBSA conducted its own analysis, and subparagraph 15(a)(i) of SIMA and subsection 11.2(1) of SIMR were applied in determining normal values, where applicable.

SUBSIDY REPRESENTATIONS

Lack of response from the Government of China

Counsel for Juhong and Jiashilun argued that, as fully cooperative exporters, both companies should receive individual subsidy rates, which would be in line with previous CBSA proceedings. Counsel also indicated that no response from the Government of China cannot justify the same subsidy rate for cooperative exporters as “all other exporters” who did not cooperate.

CBSA’s Response

The CBSA reviewed and considered the submissions on the administrative record. The *Results of the Subsidy Investigation* section of this document details the reasons for which the CBSA is unable to determine an amount of subsidy for cooperative exporters pursuant to subsection 30.4(1) of SIMA.