Canadian International Trade Tribunal
Tribunal canadien du commerce extérieur

CANADIAN INTERNATIONAL TRADE TRIBUNAL

Dumping and Subsidizing

DETERMINATION AND REASONS

Preliminary injury inquiry
PI-2025-002

Steel Strapping

Determination issued
Thursday, July 10, 2025

Reasons issued
Friday, July 25, 2025

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IN THE MATTER OF a preliminary injury inquiry, pursuant to subsection 34(2) of the *Special Import Measures Act*, respecting:

STEEL STRAPPING

PRELIMINARY DETERMINATION OF INJURY

The Canadian International Trade Tribunal, pursuant to the provisions of subsection 34(2) of the *Special Import Measures Act* (SIMA), has conducted a preliminary injury inquiry into whether there is evidence that discloses a reasonable indication that the dumping of 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 50.8 mm (2") inclusive, and a nominal thickness of 0.38 mm (0.015") to 1.12 mm (0.044") inclusive (with all dimensions being plus or minus allowable tolerances), originating in or exported from the People's Republic of China (China), the Republic of Türkiye, the Republic of Korea, and the Socialist Republic of Vietnam, and the subsidizing of the above-mentioned goods, originating in or exported from China (the subject goods), have caused injury or retardation or are threatening to cause injury, as these words are defined in SIMA.

This preliminary injury inquiry follows the notification, on May 12, 2025, that the President of the Canada Border Services Agency had initiated investigations into the alleged injurious dumping and subsidizing of the subject goods.

Pursuant to subsection 37.1(1) of the *Special Import Measures Act*, the Canadian International Trade Tribunal determines that there is evidence disclosing a reasonable indication that the dumping and subsidizing of the subject goods are threatening to cause injury to the domestic industry.

Frédéric Seppey
Frédéric Seppey
Presiding Member

Susana May Yon Lee
Susana May Yon Lee
Member

Randolph W. Heggart
Randolph W. Heggart
Member

Tribunal Panel:	Frédéric Seppey, Presiding Member Susana May Yon Lee, Member Randolph W. Heggart, Member

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STATEMENT OF REASONS

INTRODUCTION

[1] On March 21, 2025, JEM Strapping Systems Inc. (JEM) filed a complaint with the Canada Border Services Agency (CBSA) alleging that certain steel strapping from the People's Republic of China (China), the Republic of Türkiye (Türkiye), the Republic of Korea (Korea), and the Socialist Republic of Vietnam (Vietnam) have been dumped into Canada and that steel strapping from China have been subsidized (together, the subject goods). JEM further claimed that the alleged dumping and subsidizing have caused injury or are threatening to cause injury to the domestic industry.

[2] The CBSA initiated an investigation on May 12, 2025, regarding the dumping and subsidizing of the subject goods pursuant to subsection 31(1) of the *Special Import Measures Act* (SIMA).[1]

[3] As a result of the CBSA's decision to initiate this investigation, the Canadian International Trade Tribunal began its preliminary injury inquiry pursuant to subsection 34(2) of SIMA on May 13, 2025, to determine whether the evidence discloses a reasonable indication that the alleged dumping and subsidizing of the subject goods have caused injury or are threatening to cause injury to the domestic industry.[2]

[4] The Tribunal received four notices of participation, including from JEM, the governments of Korea and of Türkiye, and the Korea Iron and Steel Association. However, no party filed submissions in support of, or opposition to, the complaint by JEM. Therefore, the Tribunal relied only on the complaint filed by JEM and the data and analyses prepared by the CBSA for the purposes of this preliminary injury inquiry.

[5] On July 10, 2025, the Tribunal determined pursuant to subsection 37.1(1) of SIMA that there is evidence that discloses a reasonable indication that the dumping and subsidizing of the subject goods are threatening to cause injury to the domestic industry. The reasons for that determination are set out below.

PRODUCT DEFINITION

[6] The CBSA defined the subject goods as follows:

> 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 50.8 mm (2") inclusive, and a nominal thickness of 0.38 mm (0.015") to 1.12 mm (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.

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1 Exhibit PI-2025-002-01, p. 1.

2 As a domestic industry is already established, the Tribunal need not consider the question of "retardation".

[7] The CBSA's statement of reasons also contains additional product information:[3]

> **ADDITIONAL PRODUCT INFORMATION**
>
> For greater certainty, subject goods do not overlap with goods subject to the cold-rolled steel (CRS) Order.
>
> 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.
>
> 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.
>
> 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.
>
> 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.

THE CBSA'S DECISION TO INVESTIGATE

[8] On May 12, 2025, the CBSA initiated an investigation respecting the alleged dumping and subsidizing of the subject goods pursuant to subsection 31(1) of SIMA. The CBSA caused the investigation to be initiated based on its opinion that there was evidence that the subject goods had been dumped and subsidized and evidence disclosing a reasonable indication that the dumping and subsidizing had caused, and was threatening to cause, injury to the domestic industry.[4]

[9] Using information from the period of January 1, 2024, to December 31, 2024, the CBSA estimated the margins of dumping for each of the subject countries (and an amount of subsidy for the subject goods from China) as follows:

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3 Exhibit PI-2025-002-05, p. 5.

4 *Ibid.*, p. 25, p. 27.

Country	CBSA estimated volume of imports (% of total imports, 2024)[5]	Margin of dumping (% of export price)[6]	Amount of subsidy (% of export price)[7]
China	4.1%	12%	6.5%
Korea	13%	19.2%	N/A
Türkiye	17.1%	4.1%	N/A
Vietnam	4.9%	10.5%	N/A

LEGISLATIVE FRAMEWORK

[10] The Tribunal's mandate in a preliminary injury inquiry is set out in subsection 34(2) of SIMA, which requires the Tribunal to determine "… whether the evidence discloses a reasonable indication that the dumping or subsidizing of the [subject] goods has caused injury or retardation or is threatening to cause injury".

Reasonable indication

[11] The term "reasonable indication" is not defined in SIMA, but it has been interpreted as meaning that the evidence does not have to be "conclusive, or probative on a balance of probabilities".[8] The reasonable indication standard that applies in a preliminary injury inquiry is lower than the standard that applies in a final injury inquiry under section 42 of SIMA.[9]

[12] The evidence at the preliminary phase of the proceedings tends to be significantly less detailed and comprehensive than the evidence in a final injury inquiry. Indeed, not all the evidence is available at this stage of the proceedings and what is available will generally be less detailed and comprehensive than the evidence in a final injury inquiry.[10] The evidence cannot be tested to the same extent as it is during a final injury inquiry.[11] At this stage of the process, the Tribunal's role is to assess whether there is sufficient evidence of injury or threat of injury caused by the subject goods for the CBSA to continue with its preliminary dumping and subsidy investigation. If the CBSA issues a preliminary determination of dumping or subsidy, the Tribunal will proceed to a final injury inquiry to determine whether the dumping and subsidizing of the subject goods have caused injury or are threatening to cause injury, which would justify the imposition of a trade remedy. Therefore, the standard of "reasonable indication" of injury or threat of injury does not require the extensive

5 Exhibit PI-2025-002-05, para. 33.
6 Exhibit PI-2025-002-05, para. 86.
7 Exhibit PI-2025-002-05, para. 105.
8 *Certain Carbon or Alloy Steel Wire* (19 June 2025), PI-2025-001 (CITT), para. 14; *Concrete Reinforcing Bar* (2 July 2024), PI-2024-002 (CITT), para. 10; *Ronald A. Chisholm Ltd. v. Deputy M.N.R.C.E.* (1986), 11 CER 309 (FCTD).
9 *Certain Carbon or Alloy Steel Wire* (19 June 2025), PI-2025-001 (CITT), para. 14.
10 *Corrosion-resistant Steel Sheet* (3 February 2025), PI-2024-003 (CITT), para. 28.
11 *Certain Renewable Diesel* (5 May 2025), PI-2024-004 (CITT), para. 13.

evidence needed to satisfy the higher threshold of reliability and cogency that the Tribunal needs in the context of a final injury inquiry.[12]

[13] Nonetheless, the outcome of preliminary injury inquiries must not be taken for granted.[13] Simple assertions are not sufficient.[14] Complaints, as well as the cases of parties opposed, must be supported by positive evidence that is both relevant and sufficient in that it addresses the requirements in SIMA and the relevant factors of the *Special Import Measures Regulations* (Regulations).[15] In previous cases, the Tribunal stated that the "reasonable indication" test is passed where, in light of the evidence presented, the allegations stand up to a somewhat probing examination, even if the theory of the case might not seem convincing or compelling.[16]

[14] In short, the evidence presented in a preliminary inquiry must be sufficiently convincing at this stage of the inquiry to allow the Tribunal to proceed to a final injury inquiry.[17]

Injury factors and framework issues

[15] In making its preliminary determination of injury, the Tribunal takes into account the injury and threat of injury factors that are prescribed in section 37.1 of the Regulations. These include the following:

- the import volumes of the dumped and subsidized goods and the effects of the dumped and subsidized goods on the price of like goods;
- the resulting economic impact of the dumped and subsidized goods on the state of the domestic industry; and
- if the Tribunal finds that injury or a threat of injury exists, whether a causal relationship exists between the dumping and subsidizing of the goods and the injury or threat of injury.

[16] However, before examining whether there is evidence of injury and threat of injury, the Tribunal must address a number of framework issues. Specifically, it must identify the domestically produced goods that are "like goods" in relation to the subject goods and determine whether there is more than one class of goods.

[17] The Tribunal must also identify the domestic industry that produces those like goods. This is required because subsection 2(1) of SIMA defines "injury" as "material injury to a domestic industry" and "domestic industry" as "… the domestic producers as a whole of the like goods or

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12 *Certain Carbon or Alloy Steel Wire* (19 June 2025), PI-2025-001 (CITT), para. 15.

13 *Certain Carbon or Alloy Steel Wire* (19 June 2025), PI-2025-001 (CITT), para. 16.

14 Article 5 of the World Trade Organization (WTO) Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 requires an investigating authority to examine the accuracy and adequacy of the evidence provided in a dumping complaint to determine whether there is sufficient evidence to justify the initiation of an investigation and to reject a complaint or to terminate an investigation as soon as an investigating authority is satisfied that there is not sufficient evidence of dumping or injury. Article 5 also specifies that simple assertions that are not substantiated with relevant evidence cannot be considered sufficient to meet the requirements of the article. Article 11 of the WTO Agreement on Subsidies and Countervailing Measures imposes the same requirements regarding subsidy investigations.

15 SOR/84-927.

16 *Certain Carbon or Alloy Steel Wire* (19 June 2025), PI-2025-001 (CITT), para. 16.

17 *Certain Renewable Diesel* (5 May 2025), PI-2024-004 (CITT), para. 14.

those domestic producers whose collective production of the like goods constitutes a major proportion of the total domestic production of the like goods…".

[18] The Tribunal must also determine whether it will make an assessment of the cumulative effects of the dumping of the subject goods from all four subject countries, and whether it will make an assessment of the cumulative effects of the alleged dumping and subsidizing of the subject goods from China (i.e., whether it will cross-cumulate the effects for the Chinese subject goods).

LIKE GOODS AND CLASSES OF GOODS

[19] Subsection 2(1) of SIMA defines "like goods", in relation to any other goods, as "(a) goods that are identical in all respects to the other goods, or (b) in the absence of any goods described in paragraph (a), goods the uses and other characteristics of which closely resemble those of the other goods."

[20] In identifying the like goods and determining whether there is more than one class of goods, the Tribunal typically considers a number of factors. These include the physical characteristics of the goods (such as composition and appearance) and their market characteristics (such as substitutability, pricing, distribution channels, end uses and whether the goods fulfill the same customer needs).[18]

[21] JEM submits that the subject goods are like goods in relation to steel strapping produced in Canada and that they both constitute a single class of goods.[19] The Tribunal notes that there is no evidence on the record suggesting that this is not the case in this preliminary injury inquiry. Therefore, for the purposes of this preliminary injury inquiry, the Tribunal will conduct its analysis on the basis that steel strapping, as defined in the product definition, produced in Canada are "like goods" in relation to the subject goods and that they constitute a single class of goods.

DOMESTIC INDUSTRY

[22] As indicated above, subsection 2(1) of SIMA defines "domestic industry" as "the domestic producers as a whole of the like goods or those domestic producers whose collective production of the like goods constitutes a major proportion of the total domestic production of the like goods…".

[23] JEM submits that it is the only known Canadian producer of steel strapping.[20] The CBSA also came to the conclusion that JEM is the only known producer in Canada.[21] The Tribunal accepts this fact in the absence of evidence to the contrary. Consequently, for the purposes of this preliminary injury inquiry, the Tribunal considers JEM to comprise the domestic industry.

CUMULATION AND CROSS-CUMULATION

[24] In the context of a final injury inquiry, subsection 42(3) of SIMA requires that the Tribunal make an assessment of the cumulative effect of the dumping or subsidizing of goods that are

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18 In addressing the issue of classes of goods, the Tribunal typically examines whether goods potentially included within separate classes of goods constitute "like goods" in relation to each other. If they do, they may be regarded as comprising one class of goods. See *Certain Carbon or Alloy Steel Wire* (19 June 2025), PI-2025-001 (CITT), para. 26.

19 Exhibit PI-2025-002-02.01, p. 16–17.

20 Exhibit PI-2025-002-02.01, p. 18.

21 Exhibit PI-2025-002-05, p. 7.

imported into Canada from more than one subject country if the Tribunal is satisfied that the following conditions are met:

> (1) the margin of dumping or the amount of subsidy in relation to the goods from each of those countries is not insignificant, and the volume of the goods imported into Canada from each of those countries is not negligible; and
>
> (2) such an assessment would be appropriate taking into account the conditions of competition between the goods from any of those countries and the goods from any other of those countries or the domestically produced like goods.

[25] Although there is no statutory requirement for the Tribunal to consider the issue of cumulation at the preliminary inquiry stage, the Tribunal has conventionally done so because the issue of cumulation has a bearing on the analysis of whether there is an evidentiary basis to support a preliminary finding of injury or threat of injury.[22]

[26] In this regard, the Tribunal has previously considered that it would be inconsistent not to cumulate the subject goods in a preliminary investigation where "the available evidence appears to justify cumulation".[23]

[27] The words "cross-cumulation" are not mentioned in SIMA, but the concept refers to the scenario where the Tribunal must consider whether to assess the cumulative effects of the allegedly dumped goods together with those of subject goods that are also allegedly subsidized (or that are allegedly both dumped and subsidized). In the initiation of this complaint, the CBSA is of the opinion that there is evidence of dumping and subsidizing of the subject goods from China, and dumping for those from Korea, Türkiye, and Vietnam. Accordingly, the Tribunal must consider whether to assess the cumulative effect of the allegedly dumped goods together (referred to as "cumulation") with the effect of the subject goods that are also allegedly subsidized (referred to as "cross-cumulation").[24]

[28] JEM does not appear to provide submissions or evidence in its complaint specifically addressing cumulation, nor whether the dumping from Korea, Türkiye, and Vietnam should be analyzed separately from the dumping and subsidizing by China at the preliminary inquiry stage.

[29] In the context of this preliminary injury inquiry, the Tribunal has decided that if the preconditions in subsection 42(3)(a) and (b) of SIMA are met, the Tribunal will make an assessment of the cumulative effect of the dumping of subject goods from all four subject countries, together with the cross-cumulative effect of the subsidizing of subject goods from China.[25]

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22 *Polyethylene Terephthalate* (20 May 2025), PI-2024-005 (CITT), para. 25.

23 See, for example, *Heavy Plate* (27 July 2020), PI-2020-001 (CITT), para. 51.

24 *Polyethylene Terephthalate* (20 May 2025), PI-2024-005 (CITT), para. 26.

25 The Tribunal notes that adopting a "cumulative analysis" approach at the preliminary injury inquiry stage does not restrict the Tribunal at the final injury inquiry stage from conducting separate injury analyses for each subject country (or some other configuration) rather than a cumulative analysis. See, for example, the case of *Certain Small Power Transformers*, PI-2021-001, paras. 46–51, and NQ-2021-003, paras. 58–99.

[30] Therefore, the Tribunal will consider whether the preconditions for a cumulated analysis of the dumping of the subject countries and cross-cumulation of the dumping and subsidizing of China is met for the purposes of this preliminary inquiry.

[31] The Tribunal generally assesses insignificance and negligibility based on the CBSA's estimated margins of dumping, amounts of subsidy and import volumes for its period of inquiry. In this case, the estimated margins of dumping for each of the subject countries and the estimated amount of subsidy for China are not insignificant, and the estimated import volume for each country is not negligible.[26]

[32] Regarding the conditions of competition, the Tribunal has previously made its assessment based on factors such as interchangeability, quality, pricing, distribution channels, modes of transportation, timing of arrivals and geographic dispersion.[27]

[33] The complaint by JEM, along with past Tribunal findings addressing cold-rolled steel products,[28] suggests that:

1. the subject goods *may* be a commodity product (subject to the below-mentioned caution);
2. the subject goods are interchangeable with each other and with the like goods;
3. the subject goods and the like goods compete directly in the same geographic markets; and
4. the subject goods and like goods are distributed through the same channels.

[34] In the absence of positive evidence to the contrary on the record, the Tribunal will perform a cumulative analysis of the effect of all the dumped goods, including China, which is also subjected to a subsidy investigation, for the purposes of the preliminary injury inquiry stage.[29] The Tribunal notes that a deeper analysis based on a more extensive evidentiary record at the final injury inquiry stage could lead to the re-evaluation of elements of this cumulation and cross-cumulation analysis. This could potentially result in a different conclusion being reached at that stage.

INJURY ANALYSIS

[35] The Tribunal must determine whether the evidence discloses a reasonable indication of injury, taking into account the factors prescribed in section 37.1 of the Regulations.

Period of analysis

[36] The Tribunal will examine the period from 2022 to 2024 for its injury analysis in this preliminary injury inquiry (the Period of Analysis or POA). The CBSA provided import volume

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26 Exhibit PI-2025-002-05. The terms "insignificant" and "negligible" are defined in subsection 2(1) of SIMA.

27 See, for example, *Flat Hot-rolled Carbon and Alloy Steel Sheet and Strip* (17 August 2001), NQ-2001-001 (CITT), p. 16; *Waterproof Footwear* (25 September 2009), NQ-2009-001 (CITT), footnote 28. The Tribunal has recognized that other factors may be considered and that no single factor may be determinative. See *Laminate Flooring* (16 June 2005), NQ-2004-006 (CITT), para. 80.

28 *Cold-rolled Steel* (21 December 2018), NQ-2018-002 (CITT), paras. 28–52; *Cold-rolled Steel* (19 September 2024), RR-2023-006 (CITT), paras. 25–31.

29 See, similarly, the Tribunal's determination in *Polyethylene Terephthalate* (20 May 2025), PI-2024-005 (CITT).

estimates for this period.[30] The Tribunal typically relies on the CBSA's estimates in a preliminary injury inquiry given that the CBSA has access to the best data at this stage.[31] The Tribunal will therefore rely upon the CBSA's import volume estimates for the purpose of this preliminary injury inquiry.

[37] Concerning the data provided by JEM, the Tribunal cannot fully assess the robustness of the volume-related assertions made in the complaint.[32] This is because they are based on Statistics Canada data that may not be fully accurate. Specifically, the data may not include all steel strapping meeting the produce definition exported to Canada from the subject country and may also include other non-subject goods. Furthermore, the Tribunal notes that a comparison between the CBSA's import estimates and the import figures provided by JEM seems to indicate that the latter may have significantly overestimated subject imports in 2022 and 2023, while underestimating non-subject imports in 2023 and 2024.[33]

Import volume of dumped and subsidized goods

[38] The CBSA import data shows an absolute decrease of subject imports year over year during the POA. Specifically, the data suggests that the volume of subject imports fell 37 percent between 2022 and 2024. Total imports of steel strapping, from all sources, decreased by 10 percent between 2022 and 2024.[34] The share of the subject imports with respect to total imports and total market decreased over the POA. [35]

[39] In relative terms, the ratio of subject imports relative to domestic production decreased over the POA, even though the ratio relative to sales from domestic production increased during the same period.[36] With regard to this latter ratio, the Tribunal notes that the market share of sales from domestic production decreased over the POA at an inverse rate to the increase in the market share of sales from non-subject imports.[37] The increase of subject goods relative to the sales of domestic production may reflect the competition of domestic sales and sales of non-subject imports in the market.

[40] The Tribunal notes that JEM has elected not to submit any argument that could explain how a volume effect has existed during the POA in the presence of constantly declining subject import volumes.

[41] After considering all of the above, the Tribunal finds that the evidence on the record does not reveal a reasonable indication of a significant increase in imports of subject goods.

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30 Exhibit PI-2025-002-03.07 (protected), p. 11.
31 See, for example, *Certain Mattresses* (25 April 2022), PI-2021-005 (CITT), para. 32; *Heavy Plate* (27 July 2020), PI-2020-001 (CITT), para. 26; *Certain Small Power Transformers* (14 June 2021), PI-2021-001 (CITT), para. 65.
32 Exhibit PI-2025-002-03.01 (protected), paras. 276–278.
33 Exhibit PI-2025-002-03.01 (protected), para. 281; Exhibit PI-2025-002-03.07 (protected), p. 11.
34 Exhibit PI-2025-002-03.07 (protected), p. 11.
35 Exhibit PI-2025-002-03.07 (protected), p. 11–12.
36 Exhibit PI-2025-002-03.01 (protected), p. 4844; Exhibit PI-2025-002-03.07 (protected), p. 11–12.
37 Exhibit PI-2025-002-03.07 (protected), p. 11.

Price effects of dumped and subsidized goods

[42] JEM alleged that "steel strapping is a commodity product that competes vigorously on price."[38] As such, the significant and regular undercutting of its prices by the subject goods, including in head-to-head competition for key accounts, has resulted in the domestic industry losing sales to the subject goods as well as significant price depression and suppression as it had to lower its prices to try to maintain key accounts.

[43] The Tribunal analysis of import data suggests that the market may not be dominated by the lowest-price supplier. For example, while the market share of non-subject steel strapping from the United States grew over the POA and now represents over half of the market, the United States goods were not the price leader in the Canadian market over the POA.[39]

[44] The Tribunal notes that these trends may call into question whether steel strapping is a "pure" commodity product.

[45] At the aggregate level, the CBSA's Facility Information Retrieval Management import data suggest that, during the POA, subject imports' average unit price was well below that of the domestic producers' average unit price. Further, the price undercutting ranged between approximately 40% and 65% depending on the country of origin and the period. In addition, the Tribunal notes that imports from all non-subject countries also undercut the prices of domestic producers throughout the POA, although to a lesser degree (within a range of 25% to 50%).[40]

[46] With respect to alleged price undercutting for certain key accounts, the Tribunal is not convinced that it can reach such a conclusion on the sole basis of the evidence presented in the complaint. As well, all allegations of lost sales but one have occurred in 2024 and do not include the exact source of the products ultimately purchased by customers.[41] Based on the CBSA's import data, the Tribunal notes the that subject countries' imports have declined in 2024. Therefore, the Tribunal is unable to definitively attribute losses in sales and market shares to dumped and subsidized products. The Tribunal invites participants in the final injury inquiry to present evidence that is as substantiated as possible with respect to lost sales allegations.

[47] Over the course of the POA, the market prices generally trended downwards by 17 percent from 2022 to 2024. The downward evolution of prices at the market level varied by all import sources. From 2022 to 2024, the prices of subject imports decreased by 18 percent, imports from the United States decreased by 21 percent and imports from other non-subject countries decreased by 25 percent. In each year of the POA, the price leaders remained the subject countries.[42]

[48] The Tribunal notes that the sole factor supporting a price depression effect is the "price lead" that subject imports have on the market. However, the Tribunal observes that, given the substantial growth in market shares of non-subject imports during the POA, and that the price decrease of non-subject imports was more significant than for subject imports during the same period, it is

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38 Exhibit PI-2025-002-02.01, para. 294.

39 Exhibit PI-2025-002-05, p. 9; Exhibit PI-2025-002-03.07 (protected), p. 11; Exhibit PI-2025-002-03.01 (protected), p. 128.

40 PI-2025-002-03.01 (protected), p. 4844–4846; PI-2025-002-03.07 (protected), p. 11.

41 Exhibit PI-2025-002-03.01 (protected), paras. 299–323.

42 PI-2025-002-03.01 (protected), p. 4844–4846; PI-2025-002-03.07 (protected), p. 11.

questionable whether the price depression effect noted in the complaint and in the CBSA's analysis can truly be correlated with the dumped or subsidized goods.

[49] In light of its analysis of the data on the record, the Tribunal considers that there is a reasonable indication that the subject goods have undercut the prices of domestically produced like goods. However, the Tribunal is not convinced that there is a reasonable indication of a price depression effect caused by the undercutting of the price of the subject goods.

[50] Finally, JEM failed to present any substantiated evidence that would indicate a price suppression effect associated with the dumped or subsidized goods. Failing a presentation of evidence by JEM, and the Tribunal having not found evidence of price suppression, the Tribunal finds that there is no reasonable indication of such an effect.

[51] The Tribunal therefore finds that the evidence does not reasonably indicate that the subject goods have caused adverse price effects over the POA.

Resultant impact on the domestic industry[43]

[52] As part of its analysis under paragraph 37.1(1)(c) of the Regulations, the Tribunal considered the impact of the subject goods on the state of the domestic industry and, in particular, all relevant economic factors and indices that have a bearing on the state of the domestic industry.

[53] The Tribunal must also determine whether the evidence discloses a reasonable indication of a causal link between the dumping and subsidizing of the subject goods and the injury on the basis of the volume, price effect and resulting impact on the domestic industry of the subject goods, and whether any factors other than the dumping and subsidizing have caused injury. The standard is whether there is a reasonable indication that the dumping and subsidizing of the subject goods have, *in and of themselves*, caused injury to the domestic industry.

[54] JEM alleged that the subject goods have caused material injury to the domestic industry through loss of market share and sales, and a reduction of profitability, capacity utilization, employment and return on investments.

[55] The Tribunal notes that several indicators of the domestic industry's performance are mixed between 2022 and 2024. For example, domestic sales from domestic production decreased over that period. However, it appears that the domestic industry was able to partially offset those losses with increased production for export sales in some years.

[56] With regard to lost market share, the correlation between the subject goods volumes and the domestic industry performance is also somewhat mixed. The Tribunal notes that the market share taken by the subject goods shrank from 2022 to 2024 in a total market that contracted over the same period, while the market share of imports from non-subject countries increased. However, the subject goods volumes increased relative to domestic sales from domestic production from 2022 to 2024. The loss of market share by the domestic industry appears to be closely correlated with the corresponding increase in market share for non-subject imports, especially from the United States. Therefore, it is not apparent that the evidence discloses a reasonable indication that the domestic

43 Pursuant to paragraph 37.1(1)(c) of the Regulations.

industry has lost market share due to the subject goods, which also lost market share at the same time to non-subject goods.

[57] With regard to lost sales, as mentioned above, the Tribunal is unable to ascertain, based on JEM's submissions, whether the sales and accounts specified by JEM were affected by the subject goods or non-subject goods competing in the market. In the absence of positive evidence indicating one source of impact over the other, the Tribunal is unable to draw a positive inference to material injury of the domestic industry.

[58] JEM submits that its profits are being seriously eroded and that trend has continued into 2024.[44] The Tribunal notes that the profitability of the domestic industry has seemingly declined from 2022 to 2024. However, the cause of that drop in profitability is less clear to the Tribunal.

[59] In particular, the Tribunal notes that the gross margin of the domestic production for domestic sales remained fairly stable through the POA.[45]

[60] Evidence provided by JEM indicates a drop in profit over the POA.[46] Unfortunately, JEM did not provide much explanation as to what led to such a decline and how it could be attributed in whole or in part to impact of the subject goods. The Tribunal's analysis and review of JEM's financial statements seem to suggest that other factors may have been responsible for this decline in profits.

[61] As such, the Tribunal finds that the financial challenges faced by JEM (and specifically the impact on profitability) may have been caused by a number of reasons. In the absence of positive evidence connecting or inferring the loss of profitability to a material impact of the subject goods, the Tribunal cannot proceed on the basis of an assumption that such a connection exists.

[62] With regard to capacity utilization, the Tribunal notes that, while it was low, it remained relatively stable within a few percentage points over the POA, unlike JEM's profits.

[63] Further to the conclusions reached above regarding the reasonable indication of import volumes and price effects, the Tribunal finds that the evidence on the record does not lead to a reasonable indication that the dumping and subsidizing of the subject goods have caused injury to the domestic industry materially and specifically impacting its performance over the POA.

THREAT OF INJURY ANALYSIS

[64] Having found that the evidence does not reasonably indicate that the dumping and subsidizing of the subject goods have caused material injury to the domestic industry, the Tribunal must now consider whether they are threatening to do so.

[65] The Tribunal is guided in its consideration of this question by subsection 37.1(2) of the Regulations, which prescribes factors to that the Tribunal may take into account for the purposes of its threat of injury analysis. The Tribunal may also have regard to the factors prescribed in subsection 37.1(3) in order to assess whether the requisite causal relationship exists between the dumping and subsidizing of the subject goods and any threat of injury.

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44 Exhibit PI-2025-002-03.01 (protected), p. 123.
45 Exhibit PI-2025-002-03.01 (protected), p. 4844–4846.
46 Exhibit PI-2025-002-02.01, p. 123; Exhibit PI-2025-002-03.01 (protected), p. 4846.

[66] Also relevant in the Tribunal's threat of injury analysis is subsection 2(1.5) of SIMA, which indicates that a threat of injury finding cannot be made unless the circumstances in which the dumping and subsidizing of the goods, as the case may be, would cause injury are clearly foreseen and imminent. Although this requirement applies to findings made in final injury inquiries, the Tribunal considers that, in the context of a preliminary injury inquiry, the evidence must at least disclose a reasonable indication that the aforementioned circumstances are clearly foreseen and imminent.

[67] As set out below, the Tribunal finds that there is evidence on the record which reasonably indicates that the dumping and subsidizing of the subject goods pose an imminent and foreseeable threat of injury to the domestic industry, and that there is a change in circumstances as compared to those conditions that existed during the POA to support such a threat of injury finding.[47]

[68] In assessing threat of injury, the Tribunal typically focuses on the next 12 or 18 months, and sometimes up to 24 months, beyond the date of its finding, depending on the circumstances of each case.[48] JEM did not provide submissions regarding the appropriate timeframe for the Tribunal's threat of injury analysis. The Tribunal does not discern in the evidence of the preliminary injury inquiry any circumstances that would require a period that deviates from the typical 12 or 18 months. As such, the Tribunal will analyze the next 12 to 18 months in assessing threat of injury.

[69] In reviewing the record before it in this preliminary inquiry, the Tribunal finds that the factors that are likely to impact the Canadian market for steel strapping in the next 12 to 18 months are the significant changes unfolding in the global market conditions, and their impact on the Canadian market.

[70] JEM presented credible evidence of its current financial vulnerability as the only Canadian producer of steel strapping.[49] In that context, new circumstances impacting the international trade of cold rolled steel are imminent and are threatening to cause injury to the domestic industry.

[71] In particular, the global excess production of cold-rolled steel, especially in China, Korea and Vietnam, which will continue to provide a significant cost advantage to any steel strapping producer using this input, not only in subject countries, but elsewhere.[50] More specifically, there is demonstrated significant steel strapping production capacity in subject countries, as evidenced by JEM.[51] That excess capacity in the subject countries coupled with the likely level of price undercutting by subject countries' imports will, if sustained, likely further erode, not only JEM's market shares, but crowd out other imports.[52]

[72] The crowding out of other imports is particularly relevant because of the current and future trade barriers developing in other countries, and particularly in the United States. In the Tribunal's

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47 See *Canadian Hardwood Plywood and Veneer Association v. Canada (Attorney General)*, 2023 FCA 154, para. 83, in which the FCA found that it "would be illogical for the circumstances of the POA (which were found not to cause injury) to threaten to cause injury in the future, absent some change in circumstances".

48 *Polyethylene Terephthalate Resin* (16 March 2018), NQ-2017-003 (CITT), para. 175; *Concrete Reinforcing Bar* (25 January 2021), PI 2020-005 (CITT), paras. 67–80.

49 Exhibit PI-2025-002-03.01 (protected), para. 342.

50 Exhibit PI-2025-002-03.01 (protected), paras. 343–346.

51 Exhibit PI-2025-002-03.01 (protected), Table 40, after para. 347.

52 Exhibit PI-2025-002-02.01, para. 348.

view, there is a material risk of significant diversion effects resulting from the imposition of those trade measures with the potential of unravelling the supply conditions on the Canadian market.[53]

[73] Therefore, in the Tribunal's view, the change in circumstances that underpin its preliminary finding of a reasonable indication of a threat of injury in this instance are two-fold. A price effect is threatening to materialize, which may take the form of price depression or suppression. This is due to the ongoing practice of significant price undercutting by exporters in subject countries when making offers to Canadian customers. Over a relatively short period of time, this may result in a substantial increase in exports from subject countries to Canada.

[74] The volume effect that is threatening to materialize is tied to the new pressures on the Canadian market created by the trade measures adopted by the United States on many countries, including subject countries, as evidenced by JEM.[54] These changes will likely result not only in subject countries' manufacturers facing enhanced restrictions in the United States and aggressively pursuing opportunities in Canada, but also the potential imposition of retaliatory tariffs by Canada in response to the United States increased tariffs may increase the reliance of Canadian purchasers on subject imports by the stemming of the flow into Canada of United States non-subject steel strapping imports. In the Tribunal's view, this volume effect along with the above-noted price effect is threatening to materially injure JEM in the near to medium term.

[75] As a result, the Tribunal concludes that there is a reasonable indication of threat of injury by the subject goods.

CONCLUSION

[76] For the reasons set out above, the Tribunal determines that there is evidence disclosing a reasonable indication that the dumping and subsidizing of the subject goods are threatening to cause injury to the domestic industry.

Frédéric Seppey

Frédéric Seppey
Presiding Member

Susana May Yon Lee

Susana May Yon Lee
Member

Randolph W. Heggart

Randolph W. Heggart
Member

53 Exhibit PI-2025-002-02.01, paras. 349–352.
54 *Ibid.*