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Notice of initiation of a re-investigation: Oil country tubular goods (OCTG 2024 RI)

Ottawa, June 27, 2024

The Canada Border Services Agency (CBSA) has today initiated a reinvestigation to update the normal values and export prices, in accordance with the *Special Import Measures Act* (SIMA), respecting certain oil country tubular goods originating in or exported from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), India, Indonesia, South Korea, Thailand, Türkiye and Vietnam. (**OCTG II**)

The CBSA will also update the surrogate normal values of certain seamless carbon or alloy steel oil and gas well casing and certain oil country tubular goods originating in or exported from China. (**SC and OCTG I**)

The re-investigation is part of the CBSA's enforcement of the following Canadian International Trade Tribunal (CITT) orders issued on:

- November 28, 2018, in Expiry Review No. RR-2017-006 (SC)
- December 10, 2020, in Expiry Review No. RR-2019-005 (OCTG I) and
- December 30, 2020, in Expiry Review No. RR-2019-006 (OCTG II)

The product definition and the applicable tariff classification numbers of the goods subject to the CITT's orders can be found on the CBSA's Measures in Force. Normal values established during this re-investigation will be effective for the subject goods released from the CBSA on or after the date of the conclusion of the re-investigation. Normal values determined on the basis of the re-investigation will be applied to any entries of subject goods under appeal that have yet to be re-determined at the time of the conclusion of this re-investigation.

Exporters that wish to participate in this re-investigation are required to provide a complete and accurate response to the CBSA's request for information (RFI) by August 6, 2024. An exporter will be considered cooperative if the requested information is submitted on time and the exporter permits verification of the data. A complete listing of dates of interest is available on the <u>re-investigation schedule</u>.

The CBSA will update surrogate normal values for certain seamless carbon or alloy steel oil and gas well casing and certain oil country tubular goods originating in or exported from China (SC and OCTG I). On May 25, 2020, the CBSA reaffirmed its opinion that the conditions of section 20 of SIMA exist in China with respect to the oil country tubular goods industry sector. Section 20 of SIMA is applicable where, in the opinion of the CBSA, domestic prices are substantially determined by the government and there is sufficient reason to believe that they are not substantially the same as they would be if they were determined in a competitive market.

During the last re-investigation concerning SC and OCTG I concluded in March 2023, the CBSA invited interested parties to provide comments and representations regarding the application of section 20 of SIMA. Based on the information available to the re-investigation, the CBSA remains of the opinion that the conditions of section 20 are present in the oil country tubular good industry sector in China. As a result, normal values for Chinese exporters were determined under section 20 of SIMA based on

pricing and cost data from producers in a surrogate country, and under subsection 29(1) of SIMA, based on published pricing data available through a trade publication, pursuant to a ministerial specification.

For the purposes of this re-investigation, the CBSA will not conduct a section 20 inquiry and Chinese exporters are not requested to respond to the CBSA's dumping RFI. However, the CBSA invites all interested parties to provide comments and representations regarding the application of section 20 of SIMA for this re-investigation. Any relevant information provided will be considered by the CBSA for the purpose of updating normal values.

Where an exporter of subject goods does not provide sufficient information to determine specific normal values or does not permit verification of information submitted, anti-dumping duties will be assessed at a rate of 37.4%, in accordance with a ministerial specification pursuant to section 29 of SIMA, expressed as a percentage of the export price of the subject goods imported into Canada.

Exporters that are not the manufacturer of the subject goods (e.g. trading companies, vendors, etc.) will receive their own normal values only to the extent that their suppliers/manufacturers provide sufficient information to permit the determination of normal values and export prices.

Please note, that for the current re-investigation, the CBSA is contacting all known and potential exporters. Any importers or exporters who wish to provide a response to the RFI are advised to contact the officer identified below to obtain a copy of the RFI. It is suggested that importers contact their exporter(s) to determine if the exporter(s) intend to co-operate with the CBSA in this re-investigation.

Responses to the importer RFI are due by July 18, 2024. Importers are cautioned that new normal values, when issued, may be higher than those currently in effect and that this could result in additional assessments of anti-dumping duties. Importers are also cautioned that unless an exporter co-operates in this re-investigation and receives specific normal values at its conclusion, subsequent imports of subject goods from that exporter will be assessed anti-dumping duties based on the ministerial specification indicated above.

All parties are cautioned that where there are increases in domestic prices, and/or costs, the export price for sales to Canada should be increased 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. If exporters did not properly notify the CBSA of any such changes, did not adjust export prices accordingly, or did not provide the information required to make any necessary adjustments to normal values and export prices, retroactive assessments of anti-dumping duty may be warranted.

Contact us

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