



Canadian International
Trade Tribunal

Tribunal canadien du
commerce extérieur

CANADIAN
INTERNATIONAL
TRADE TRIBUNAL

Dumping and Subsidizing

DETERMINATION AND REASONS

Preliminary injury inquiry
PI-2025-001

Certain Carbon or Alloy Steel Wire

*Determination issued
Thursday, June 19, 2025*

*Reasons issued
Wednesday, July 9, 2025*

TABLE OF CONTENTS

PRELIMINARY DETERMINATION OF INJURY	i
STATEMENT OF REASONS	1
INTRODUCTION	1
PRODUCT DEFINITION	2
THE CBSA’S DECISION TO INVESTIGATE.....	2
LEGISLATIVE FRAMEWORK.....	3
Reasonable indication	3
Injury factors and framework issues	4
LIKE GOODS AND CLASSES OF GOODS	5
DOMESTIC INDUSTRY	7
CUMULATION	8
INJURY ANALYSIS	14
Period of analysis	14
Import volume of subject goods	14
Price effects of the subject goods	15
Resultant impact on the domestic industry	17
THREAT OF INJURY	21
CONCLUSION	21

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

CERTAIN CARBON OR ALLOY STEEL WIRE

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 carbon or alloy steel wire, of round or other solid cross section, in nominal sizes up to and including 24.13 mm (0.950 inches) in diameter, whether or not coated or plated with zinc, zinc-aluminum alloy, or any other coating, including other base metals or polyvinyl chloride or other plastics, originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye, and the Socialist Republic of Vietnam (the subject goods), excluding the following:

- stainless steel wire (i.e., alloy steel wire containing, by weight, 1.2 percent or less carbon and 10.5 percent or more chromium, with or without other elements);
- wire of high-speed steel; and
- welding wire of any type

has caused injury or retardation or is threatening to cause injury, as these words are defined in SIMA.

This preliminary injury inquiry follows the notification, on April 22, 2025, that the President of the Canada Border Services Agency had initiated an investigation into the alleged injurious dumping of the subject goods.

Pursuant to subsection 37.1(1) of SIMA, the Tribunal determines that there is evidence that discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry.

Bree Jamieson-Holloway

Bree Jamieson-Holloway
Presiding Member

Susan Beaubien

Susan Beaubien
Member

Georges Bujold

Georges Bujold
Member

The statement of reasons will be issued within 15 days.

Tribunal Panel:

Bree Jamieson-Holloway, Presiding Member
Susan Beaubien, Member
Georges Bujold, Member

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Rahma Faisal

Matthew Kronby
Jesse Goldman
Danielle Chu
Chelsea Rubin
Zach Rudge
Valeska Rebello

Importers/Exporters/Others

Pioneer International
Suzhou Hongbao Co., Ltd.
Techvance Industries Sdn Bhd
Chin Herr Industries (M) Sdn Bhd
Wei Dat Steel Wire Sdn Bhd
Hoa Phat Steel Wire Company Limited
Moreda Riviere Trefilerías
Dollarama S.E.C./L.P. by its General Partner,
Dollarama G.P. Inc.

Domtar
Fapricela – Indústria de Trefilaria, S.A.
Ibermetais – Indústria de Trefilagem, S.A.

Structa Wire Corp.

Foreign Governments

Delegation of the European Union to Canada

Government of India
Ministry of Investment, Trade and Industry,
Government of Malaysia

Government of Spain, Embassy of Spain to
Canada

Ministry of Trade of the Republic of Türkiye

Unions

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STATEMENT OF REASONS

INTRODUCTION

[1] On February 28, 2025, Sivaco Wire Group 2004 L.P. (Sivaco) and ArcelorMittal Long Products Canada G.P. (AMLPC) (collectively the complainants) filed a complaint with the Canada Border Services Agency (CBSA) alleging that the dumping of certain carbon or alloy steel wire originating in or exported from the People's Republic of China (China), the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India (India), the Italian Republic (Italy), the Federation of Malaysia (Malaysia), the Portuguese Republic (Portugal), the Kingdom of Spain (Spain), the Kingdom of Thailand (Thailand), the Republic of Türkiye (Türkiye), and the Socialist Republic of Vietnam (Vietnam) (the subject goods) has caused injury or is threatening to cause injury to the domestic industry.

[2] The complaint is supported by two additional domestic producers (the supporting producers), including Tree Island Steel Ltd. (Tree Island). The remaining domestic producer's identity and status as a supporting party to the complaint has been designated as confidential.¹

[3] On April 22, 2025, the CBSA initiated an investigation respecting the dumping of the subject goods pursuant to subsection 31(1) of the *Special Import Measures Act* (SIMA).²

[4] 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 April 23, 2025, to determine whether the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury or is threatening to cause injury to the domestic industry.³

[5] The Tribunal received notices of participation from 22 parties, including the complainants and Tree Island, government entities, labour unions, importers and foreign producers, many of which did not file submissions.

[6] The Tribunal received submissions from the following six parties opposed to the complaint: Domtar, importer; Dollarama S.E.C./L.P. (Dollarama), importer;⁴ Moreda Riviere Trefilerías (MRT), foreign producer; Hoa Phat Steel Wire Company Limited (Hoa Phat), foreign producer; Chin Herr Industries (M) Sdn Bhd (Chin Herr), foreign producer; and Wei Dat Steel Wire Sdn Bhd, foreign producer.

[7] Reply submissions were filed by the complainants, Tree Island, and the United Steelworkers, a labour union representing some of the workers employed by the complainants.

¹ Exhibit PI-2025-001-02.01, p. 47; Exhibit PI-2025-001-03.01 (protected), p. 46. The identity of the additional domestic producer supporting the complaint, as identified in the complaint, is part of the CBSA record transferred to the Tribunal for the purposes of this preliminary injury inquiry and has been designated as confidential. However, this producer is not a party to this proceeding.

² Exhibit PI-2025-001-01.

³ As a domestic industry is already established, the Tribunal need not consider the question of retardation.

⁴ The Tribunal notes that the submissions were made on behalf of Dollarama by its general partner, Dollarama G.P. Inc.

[8] On June 19, 2025, pursuant to subsection 37.1(1) of SIMA, the Tribunal determined that there is evidence that discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry. The reasons for that determination are set out below.

PRODUCT DEFINITION

[9] The CBSA defined the subject goods as follows:⁵

Carbon or alloy steel wire, of round or other solid cross section, in nominal sizes up to and including 24.13 mm (0.950 inches) in diameter, whether or not coated or plated with zinc, zinc-aluminum alloy, or any other coating, including other base metals or polyvinyl chloride or other plastics, originating in or exported from the People's Republic of China, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei), the Republic of India, the Italian Republic, the Federation of Malaysia, the Portuguese Republic, the Kingdom of Spain, the Kingdom of Thailand, the Republic of Türkiye, and the Socialist Republic of Vietnam, excluding the following:

- stainless steel wire (i.e., alloy steel wire containing, by weight, 1.2 % or less carbon and 10.5 % or more chromium, with or without other elements);
- wire of high-speed steel; and
- welding wire of any type.

[10] The CBSA's statement of reasons also contains detailed additional product information, including information pertaining to applicable standards, chemical composition, terminology used to describe the diameter, heat-treatment processes and coating, packaging, shipment and end-use applications.⁶

THE CBSA'S DECISION TO INVESTIGATE

[11] On April 22, 2025, the CBSA initiated an investigation respecting the dumping 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 evidence disclosing a reasonable indication that the dumping had caused, and was threatening to cause, injury to the domestic industry.

[12] Using information from the period of January 1, 2024, to December 31, 2024, the CBSA estimated the margins of dumping and volumes of dumped goods for each of the subject countries as follows:

Country	Margin of Dumping (% of export price)	Volume of Dumped Imports (% of total imports)
China	6.5%	51.07%
Türkiye	19.4%	8.42%
Total	N/A	59.49%

⁵ Exhibit PI-2025-001-05, p. 6.

⁶ *Ibid.*, p. 8–9.

Chinese Taipei	6.8%	0.61%
India	33.6%	1.12%
Italy	40.8%	1.33%
Malaysia	18.6%	0.47%
Portugal	68.0%	1.78%
Spain	50.7%	1.73%
Thailand	25.4%	0.49%
Vietnam	5.1%	0.10%
Total	N/A	7.63%

LEGISLATIVE FRAMEWORK

[13] 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

[14] The term “reasonable indication” is not defined in SIMA but has been interpreted to mean that the evidence need not be “conclusive, or probative on a balance of probabilities”.⁷ The reasonable indication standard is lower than the standard that applies in a final injury inquiry under section 42 of SIMA.⁸

[15] 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. Not all the evidence is available at the preliminary phase, and the evidence cannot be tested to the same extent as it would be during a final injury inquiry. 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 an investigation. If so, the Tribunal will proceed to a final injury inquiry to determine whether the dumping of the subject goods has caused injury or is 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 evidence needed to satisfy the higher threshold of reliability and cogency that the Tribunal needs in the context of a final injury inquiry.⁹

⁷ *Ronald A. Chisholm Ltd. v. Deputy M.N.R.C.E.* (1986), 11 CER 309 (FCTD).

⁸ *Certain Fabricated Industrial Steel Components* (10 November 2016), PI-2016-003 (CITT), para. 13.

⁹ *Certain Upholstered Domestic Seating* (19 February 2021), PI-2020-007 (CITT) [UDS PI], para. 15.

[16] Nonetheless, the outcome of preliminary injury inquiries must not be taken for granted.¹⁰ Simple assertions are not sufficient.¹¹ 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).¹² 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.¹³

[17] Chin Herr, Wei Dat and Hoa Phat submitted that, among other things, the Tribunal created new standards for dealing with complaints which are less than persuasive.¹⁴

[18] The Tribunal recently addressed similar arguments in *Certain Wire Rod* where it held as follows:¹⁵

The principles which underlie the applicable standard in preliminary injury inquiries, as set out above, are well established in Tribunal jurisprudence. ... The evidentiary threshold in a preliminary injury inquiry has been carefully crafted to ensure that it conforms to the requirements of SIMA and [World Trade Organization] agreements, and the Tribunal must therefore examine the evidence on the record using that standard, having regard to the specific circumstances of each case.

[19] Accordingly, the Tribunal is of the view that its well-established interpretation of the evidentiary threshold applied in preliminary injury inquiries is appropriate and need not be revisited.

Injury factors and framework issues

[20] 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 goods and the effects of the dumped goods on the price of like goods;
- the resulting economic impact of the dumped goods on the state of the domestic industry;
- and

¹⁰ *Concrete Reinforcing Bar* (12 August 2014), PI-2014-001 (CITT), paras. 18–19.

¹¹ 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.

¹² SOR/84-927.

¹³ *UDS PI*, para. 16.

¹⁴ These parties also make arguments pertaining to the evidentiary standard in preliminary injury inquiries relying on Member Downey’s dissent in *Liquid Dielectric Transformers* (22 June 2012), PI-2012-001 (CITT).

¹⁵ *Certain Wire Rod* (7 May 2024), PI-2023-002 (CITT), paras. 20–21.

- if the Tribunal finds that injury or a threat of injury exists, whether a causal relationship exists between the dumping of the goods and the injury or threat of injury.

[21] 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.

[22] 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 those domestic producers whose collective production of the like goods constitutes a major proportion of the total domestic production of the like goods...”.

[23] Given that the subject goods in this case originate in or are exported from more than one country, the Tribunal must also determine whether it will cumulatively assess the effect of the dumping of the subject goods from all the subject countries (i.e., whether it will conduct a single injury analysis or a separate analysis for one or more of the 10 subject countries).

LIKE GOODS AND CLASSES OF GOODS

[24] 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.”

[25] 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).

[26] 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 will be regarded as comprising one class of goods.¹⁶ In considering this issue, the Tribunal typically looks at the same factors for determining like goods under subsection 2(1) of SIMA, as described above.

[27] The complainants submitted that domestically produced steel wire, defined in the same manner as the subject goods, constitutes like goods in relation to the subject goods. Furthermore, the complainants argued that the subject goods constitute a single class of goods. They contend that subject goods and like goods have similar physical characteristics, method of manufacturing and market characteristics and that, as such, subject goods are directly competitive to like goods.

[28] The opposing parties did not dispute that domestically produced steel wire of the same description as the subject goods constitutes like goods in relation to the subject goods. Accordingly, and in light of the evidence on record, the Tribunal finds that steel wire produced in Canada that is of

¹⁶ *Aluminum Extrusions* (17 March 2009), NQ-2008-003 (CITT), para. 115.

the same description as the subject goods is like goods for the purpose of this preliminary injury inquiry.

[29] With respect to the issue of classes of goods, Dollarama submitted that the Tribunal should conduct its analysis on the basis that there are two classes of goods: steel wire for commercial distribution or industrial manufacturing (Industrial Wire) and steel wire packaged for retail sale to individual consumers for domestic use (Retail Wire).

[30] Dollarama argued that Industrial Wire and Retail Wire are not “like goods” in relation to each other, as they are not identical and do not share market characteristics such as substitutability, pricing, distribution channels, end uses or customer needs.¹⁷ Moreover, in its view, the domestic industry does not appear to produce Retail Wire. In Dollarama’s view, there is no evidence that the domestic industry is injured by the importation of Retail Wire from subject countries.¹⁸

[31] With respect to pricing characteristics, Dollarama argues that Industrial Wire is a commodity, whereas Retail Wire pricing is based on the function and marketability of the retail product. In terms of end uses, it was submitted that Retail Wire is used for domestic purposes, such as household gardening and crafts. In contrast, as indicated in the complaint, Industrial Wire is sold to “[e]nd users, such as OEMs [original equipment manufacturers]” which “will use the wire as an input into their production of downstream wire products” or “[d]istributors, such as steel service centers”. In terms of points of sale, packaging or marketing methods, Industrial Wire is packaged and shipped in steel tubular carriers, spools or reels, or (if sold in straight lengths) shipped in tubes or “in bulk” in quantities likely to be measured in metric tons, whereas Retail Wire is sold at consumer retail outlets in retail-ready packages with quantities typically measured in grams per unit.¹⁹

[32] In their reply submissions, the complainants submitted that the issue raised by Dollarama should be addressed at the final injury inquiry as there is insufficient evidence before the Tribunal to address the complexity of this issue at the preliminary injury inquiry stage. Further, they argued that Dollarama has failed to properly define “Retail Wire”,²⁰ noting, for example, the absence of discussion regarding its physical or chemical characteristics.

[33] The complainants also raised the issue as to whether Retail Wire, in whole or in part, is covered by the product definition. However, they did not elaborate on those arguments.²¹ In Sivaco’s submission, it argued that Dollarama’s request would be better suited for a product exclusion request at the final injury inquiry stage and even suggested that the domestic industry may consider providing consent for any retail wire that was truly in scope.²²

[34] With respect to classes of goods, the Tribunal has previously found that (1) the fact that certain goods may not be fully substitutable for some end uses is not, in and of itself, a sufficient basis for determining that multiple classes of goods exist, and (2) goods can belong to the same class

¹⁷ Exhibit PI-2025-001-08.05, p. 6.

¹⁸ *Ibid.*, p. 4, 26; Exhibit PI-2025-001-09.05 (protected), p. 4, 26.

¹⁹ Exhibit PI-2025-001-08.05, p. 6; Exhibit PI-2025-001-09.05 (protected), p. 6–8.

²⁰ Exhibit PI-2025-001-10.01, p. 41–42; Exhibit PI-2025-001-11.02, p. 7.

²¹ In particular, AMLPC alleges that it is unclear from the little evidence that Dollarama submitted whether “Retail Wire” as defined by Dollarama is covered by the product definition. For its part, Sivaco notes that some, but not all, examples of “Retail Wire” provided by Dollarama are downstream products that appear to be out of scope.

²² Exhibit PI-2025-001-10.01, p. 44–46.

of goods even if they come in numerous varieties.²³ Further, the Tribunal has, in the past, found that goods that fall on a continuum, with no dividing line that would clearly separate two classes of goods, form a single class of goods.²⁴

[35] The Tribunal has reviewed the complaint as well as the submissions and evidence filed by the parties. It is unable to conclude, at this preliminary stage, that there are two classes of goods based on the existing record. Accordingly, for the purposes of determining whether there is a reasonable indication of injury, the Tribunal will conduct its analysis based on a single class of goods.

[36] However, the Tribunal is of the view that the arguments made in support of two separate classes of goods merit further consideration. Should the CBSA make a preliminary determination of dumping, the Tribunal will collect further evidence and ask for additional submissions from parties during a final injury inquiry under section 42 of SIMA in order to come to a definitive conclusion on the issue of separate classes of goods. In the Tribunal's view, this issue will need to be fully addressed during any final injury inquiry under section 42 of SIMA.

[37] With respect to Sivaco's reply submissions that Dollarama's contention that there are two classes would be better framed as a request for the exclusion of Retail Wire in a final injury inquiry, the Tribunal observes that Dollarama, or any other party, would be entitled to file any product exclusion request as they see fit in the course of a final injury inquiry.

DOMESTIC INDUSTRY

[38] 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...".

[39] The Tribunal must therefore determine whether the evidence discloses a reasonable indication of injury, or a threat of injury, to the domestic producers as a whole or to those domestic producers whose collective production represents a major proportion of the total domestic production of like goods. The term "major proportion" is not defined in SIMA. However, it has been interpreted to mean an important, serious or significant proportion of total domestic production of like goods and not necessarily a majority.²⁵

[40] In addition to themselves and Tree Island, the complainants have identified the following six companies which were understood to be domestic producers: Indwisco Ltd., Davis Wire Industries Ltd., Centennial Wire Products Ltd., Premier Wire Inc., Laurel Steel Inc. and Numesh Inc.²⁶

[41] Based on confidential estimates of the percentages of total domestic production of the like goods accounted for by the complainants and the supporting producers, the complainants argued that the threshold for a major proportion of the domestic industry is met.²⁷ According to the complainants,

²³ *Certain Wire Rod* (4 October 2024), NQ-2024-001 (CITT), para. 31; *Carbon Steel Welded Pipe* (20 August 2008), NQ-2008-001 (CITT), para. 45.

²⁴ *Certain Grinding Media* (27 August 2021), NQ-2021-001 (CITT), para. 83; *Decorative and Other Non-structural Plywood* (19 February 2021), NQ-2020-002 (CITT), para. 74.

²⁵ *Japan Electrical Manufacturers Assoc. v. Canada (Anti-Dumping Tribunal)*, [1982] 2 FC 816 (FCA).

²⁶ Exhibit PI-2025-001-02.01, p. 53.

²⁷ *Ibid.*, p. 55.

the Tribunal can therefore conclude that the domestic industry is comprised of the four supporting producers.

[42] While the complaint included actual production data for the four supporting producers, only the complainants and Tree Island provided actual sales, pricing and financial data. These data are typically necessary for the Tribunal to assess any reasonable indication of price effects that may be caused by the subject goods and their impact on financial performance, a key indicator of injury.

[43] The Tribunal has therefore calculated its own estimates of the percentages of total domestic production accounted for by the three producers that provided comprehensive information, using the data and estimates provided in the complaint with certain adjustments to account for confidential information on the CBSA's administrative record.²⁸

[44] In light of those confidential estimates, the Tribunal finds that Sivaco, AMLPC and Tree Island's collective production of the like goods constitutes a major proportion of the total domestic production of the like goods. Accordingly, for the purposes of this preliminary injury inquiry, the Tribunal will define the domestic industry as comprised of Sivaco, AMLPC and Tree Island.

[45] If the CBSA makes a preliminary determination of dumping, the Tribunal will collect data from other domestic producers during the final injury inquiry and, therefore, the composition of the domestic industry may be revisited.

CUMULATION

[46] In the context of a final injury inquiry, subsection 42(3) of SIMA requires the Tribunal to assess the cumulative effect of the dumping of goods that are imported into Canada from more than one subject country if it is satisfied that the following conditions are met:

- (i) the margin of dumping in relation to the goods from each of those countries is not insignificant and the volume of the goods imported from each of those countries is not negligible;²⁹ and
- (ii) 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.

[47] Relying on subsection 34(2), paragraph 35(1)(b) and paragraph 35(3)(a) of SIMA, MRT, Chin Herr, Wei Dat, and Hoa Phat argue that there is no legal requirement to make a cumulative assessment of the effects of imports from all named sources at the preliminary injury inquiry stage. In this regard, they assert that paragraph 35(1)(b) of SIMA specifically permits the Tribunal to arrive at conclusions in respect of "some or all of the goods".³⁰

²⁸ Exhibit PI-2025-001-03.18 (protected), p. 13.

²⁹ "insignificant" and "negligible" are defined in subsection 2(1) of SIMA.

³⁰ Section 35(1) of SIMA reads as follows:

35 (1) The President shall act under subsection (2) and the Tribunal shall act under subsection (3) if, at any time before the President makes a preliminary determination under subsection 38(1) in respect of goods that are the subject of the investigation,

[48] While subsection 42(3) of SIMA applies to final injury inquiries, the Tribunal's longstanding practice has been to adopt the same framework in preliminary injury inquiries.³¹ 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",³² as the issue of cumulation has a bearing on the analysis of whether there is a reasonable evidentiary basis to support a preliminary finding of injury or threat of injury.³³

[49] The Tribunal takes note of subsection 34(2), paragraph 35(1)(b) and paragraph 35(3)(a) of SIMA but finds that these provisions do not preclude it from adopting in a preliminary inquiry the same test for cumulation as in a final injury inquiry and to calibrate that test to account for the lower evidentiary threshold that applies at this early stage. In the final analysis, the Tribunal is not persuaded that the circumstances of this case warrant a departure from its longstanding practice.

Insignificance and negligibility

[50] Pursuant to subsection 2(1) of SIMA, a margin of dumping that is less than 2% of the export price of the goods is defined as insignificant.

[51] "Negligible" is defined at subsection 2(1) of SIMA as follows:

negligible means, in respect of the volume of goods of a country, less than 3% of the total volume of goods that are released into Canada from all countries and that are of the same description as the goods. However, if the total volume of goods of three or more countries — each of whose exports of goods into Canada is less than 3% of the total volume of goods that are released into Canada from all countries and that are of the same description — is more than 7% of the total volume of goods that are released into Canada from all countries and that are of the same description, the volume of goods of any of those countries is not negligible.

[52] The Tribunal routinely assesses insignificance and negligibility based on the CBSA's estimated margins of dumping and import volumes during the CBSA's period of investigation for dumping. As set out in paragraph 12 above, the import volumes for both China and Türkiye individually account for more than 3% of the total volume of goods that are released into Canada from all countries and that are of the same description as the goods. While the percentage of total imports for the remaining eight countries individually accounts for less than 3% of total import volumes, they cumulatively account for 7.63% of total imports, thereby exceeding the 7% threshold set out in the definition of "negligible" under subsection 2(1) of SIMA.

-
- (a) the President is satisfied in respect of **some or all of those goods** that the actual and potential volume of goods of a country or countries is negligible; or
- (b) the Tribunal comes to the conclusion in respect of some or all of those goods that the evidence does not disclose a reasonable indication that the dumping or subsidizing of the goods has caused injury or retardation or is threatening to cause injury.

[Bold added for emphasis]

³¹ *Galvanized Steel Wire* (22 March 2013), PI-2012-005 (CITT), para. 40; *Corrosion-resistant Steel Sheet* (2 February 2001), PI-2000-005 (CITT), p. 4, 5.

³² See, for example, *Heavy Plate* (27 July 2020), PI-2020-001 (CITT), para. 51.

³³ *Certain Small Power Transformers* (14 June 2021), PI-2021-001 (CITT), para. 46.

[53] Accordingly, the threshold for negligibility is met in the present case based on the CBSA's estimates. In addition, the estimated margin of dumping for each country is not insignificant (i.e., it is not less than 2% of the export price of the goods).

[54] With respect to negligibly, MRT, Chin Herr, Wei Dat and Hoa Phat argue that the Tribunal is not required to accept the CBSA's estimates of volumes of importation without question. They appear to suggest that, in the context of this preliminary injury inquiry, the Tribunal should have collected its own data to determine negligibility as it routinely does in the context of final injury inquiries. These parties point to multiple assumptions, including adjustments to data made by the CBSA to produce its preliminary estimates. They note that very small adjustments to the data would bring the volumes of imports from Chinese Taipei, Malaysia, Thailand, Vietnam, India, Italy, Portugal and Spain below the negligibility threshold.

[55] For its part, Dollarama argues that the first condition of section 42(3) is not met for subject imports from China because the margin of dumping is insignificant. Dollarama invites the Tribunal to take judicial notice of the Order Amending the China Surtax Order (2024) (Surtax Order)³⁴ imposed under subsection 53(2) of the *Customs Tariff* which introduced a 25% surtax on imports of steel and aluminum products, including subject steel wire, from China, effective October 22, 2024. Dollarama submits that the Surtax Order eliminates the margin of dumping of 6.5% for the subject goods exported from China, as estimated by the CBSA, and, accordingly, the margin of dumping for these goods is, in reality, insignificant.

[56] The Tribunal will first address the arguments made by MRT, Chin Herr, Wei Dat and Hoa Phat. As noted above, in a preliminary injury inquiry, the Tribunal routinely assesses insignificance and negligibility based on the CBSA's estimated margins of dumping and import volumes for its period of investigation.³⁵ These parties opposed have not identified any precedent where the Tribunal had engaged in data collection at the preliminary injury inquiry stage.

[57] In the context of a final injury inquiry, if the Tribunal determines that the volume of dumped goods from a country is negligible, it will be required to terminate its inquiry in respect of those goods.³⁶ By contrast, the Tribunal is not required to make determinations regarding the volumes of importations at the preliminary injury inquiry stage, nor is it statutorily empowered to terminate an inquiry at the preliminary injury stage if the negligibility threshold is not met.³⁷

[58] In any event, considering the tight legislative timelines that govern preliminary injury inquiries, administrative feasibility is a matter that the Tribunal must consider. In the Tribunal's opinion, it would be impractical and thus unreasonable to require that it collect data pertaining to volumes of importation at this stage. In fact, the Tribunal generally does not engage in any data collection during a preliminary injury inquiry for these very reasons.

³⁴ *Order Amending the China Surtax Order* (2024), SOR/2024-202.

³⁵ *Concrete Reinforcing Bar* (2 July 2024), PI-2024-002 (CITT) [*Rebar PI*], para. 28; *Certain Wire Rod* (7 May 2024), PI-2023-002 (CITT), para. 44; *UDS PI*, para. 49; *Concrete Reinforcing Bar* (23 November 2020), PI-2020-004 (CITT), para. 41; *Corrosion-resistant Steel Sheet* (24 September 2018), PI-2018-005 (CITT), para. 23; *Cold-rolled Steel* (24 July 2018), PI-2018-002 (CITT), paras. 53–54.

³⁶ Pursuant to subsection 42(4.1) of SIMA.

³⁷ Sections 31 to 37.1 of SIMA

[59] The Tribunal has also not been presented with persuasive arguments to suggest that the methodology used by the CBSA was flawed or otherwise unreliable. The Tribunal therefore finds it appropriate to rely on the CBSA's estimate for assessing negligibility in the present proceedings.

[60] With respect to the arguments presented by Dollarama, the Tribunal does not agree that the implementation of the surtax eliminates the margin of dumping estimated by the CBSA.³⁸ In this regard, and as argued by Sivaco in its reply submissions, surtaxes do not legally reduce or eliminate the margin of dumping because they are deducted from, or otherwise not included in, the export price of goods as determined pursuant to paragraphs 24(a) and (b) of SIMA, which, in most cases, govern the determination of the export price of goods.³⁹ In any event, the calculation of the margins of dumping falls under the exclusive jurisdiction of the CBSA. The Tribunal therefore does not have authority to calculate or to revise the margins of dumping as calculated by the CBSA.

[61] In light of the foregoing, the Tribunal finds that the first condition of subsection 42(3) of SIMA has been met albeit narrowly. This issue will be revisited in the context of an eventual final injury inquiry.⁴⁰

Conditions of competition

[62] The Tribunal will now turn to the second condition that is prescribed under subsection 42(3) of SIMA and assess whether cumulation is appropriate considering the conditions of competition. 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.⁴¹ The Tribunal may also consider other factors in

³⁸ The Tribunal takes judicial notice of the implementation of the surtax, since it is so notorious and indisputable that it does not require proof. See, in that regard, *Canada (Citizenship and Immigration) v. Ishaq*, 2015 FCA 151 (CanLII), para. 20.

³⁹ Section 24 of SIMA reads, in relevant part, as follows:

24 The export price of goods sold to an importer in Canada, notwithstanding any invoice or affidavit to the contrary, is an amount equal to the lesser of

(a) the exporter's sale price for the goods, adjusted by deducting therefrom

...

(ii) any duty or tax imposed on the goods by or pursuant to a law of Canada or of a province, to the extent that the duty or tax is paid by or on behalf or at the request of the exporter, and

...

(b) the price at which the importer has purchased or agreed to purchase the goods, adjusted by deducting therefrom all costs, charges, expenses, duties and taxes described in subparagraphs (a)(i) to (iii).

⁴⁰ At that stage, as discussed above, should the negligibility threshold not be met for all of those eight countries (i.e., should the volumes of imports from those eight countries, collectively, not exceed 7% of the total volume of goods that are released into Canada from all countries and that are of the same description), the Tribunal would be required, under subsection 42(4.1) of SIMA, to terminate the inquiry with respect to those countries.

⁴¹ See, for example, *Certain Small Power Transformers* (24 December 2021), NQ-2021-003 (CITT) [*Certain Small Power Transformers NQ*], para. 78; *Concrete Reinforcing Bar* (12 August 2014), PI-2014-001 (CITT), para. 48; *Rebar PI*, para. 29.

deciding whether the exports of a particular country should be cumulated, and no single factor is determinative.⁴²

[63] According to the complainants, the same conditions of competition between the subject goods and the like goods exist, which call for a cumulated analysis. The complainants argue that like goods and subject goods, regardless of their source, are interchangeable and compete against each other throughout Canada based on price due to their commodity nature, have the same channels of distribution (both end users and distributors), are seen across Canada in all markets and have the same physical characteristics and the same methods of manufacturing. It is further submitted that there is nothing on the record to suggest that the mode of transportation, timing of arrival or geographic dispersion affects the conditions of competition in Canada.

[64] Dollarama argues that the Surtax Order alters the conditions of competition for subject imports from China and, accordingly, it is not appropriate to conduct a cumulated analysis with respect to these imports. Dollarama notably relies on the Tribunal's decision in *Hot-rolled Carbon Steel Plate*, where it stated that "[t]he safeguard regime does de jure set different conditions of competition. The Tribunal must assess the significance of those differences based on the evidence before it."⁴³

[65] In their reply submissions, Sivaco and Tree Island noted that the surtax was followed by the *China Surtax Remission Order*,⁴⁴ rendering a significant portion of the subject imports from China exempt from the surtax. They further submitted that Dollarama provided no supporting evidence for its assertion that the surtax alters the conditions of competition. In fact, as is discussed further below, Sivaco noted that China continued to undercut domestically produced like goods in 2024, and Sivaco argues that evidence shows that undercutting would have occurred even with a 25% surtax in effect throughout the period of analysis. The domestic producers also stress that the surtax was implemented in October 2024 and, accordingly, it was only in place during a small fraction of the period of investigation.

[66] For its part, MRT submits that the second condition for cumulation has not been met for Spanish imports because there is insufficient evidence that the conditions of competition for Spanish imports were not different than those of other sources. MRT asserts that it is the only exporter of subject goods from Spain. Moreover, its imports only represented a subset of the subject goods, and this subset is limited to a particular end use.⁴⁵ MRT also notes that the pattern of import volumes from Spain is different than the volumes from China and Türkiye. While imports from Spain declined steadily since 2022, imports from China and Türkiye, taken together, increased every year.

[67] In its reply submissions, Sivaco argued that evidence on the Tribunal's record contradicts MRT's assertions. Statistics Canada importation data suggest that Spanish imports compete on a broad spectrum of wire products falling within the product definition. In addition, MRT may not be the only Spanish exporter of subject goods. Sivaco also contends, relying on Statistics Canada

⁴² *Certain Wire Rod* (18 October 2024), NQ-2024-001 (CITT), para. 66. In *Certain Small Power Transformers NQ*, the Tribunal interpreted paragraph 42(3)(b) of SIMA and found that its wording implies that other relevant factors in addition to "conditions of competition", at the discretion of the Tribunal, may also be considered, if needed, to arrive at a decision as to whether cumulation is "appropriate" (see para. 65).

⁴³ *Hot-rolled Carbon Steel Plate* (13 March 2020), RR-2019-001 (CITT), note 33.

⁴⁴ *China Surtax Remission Order* (2024), SOR/2025-12.

⁴⁵ This argument and a related argument pertaining to account-specific injury allegations were further developed on the protected record.

importation data, that the subset of products that MRT says it imports into Canada fall within the scope of a major group of wire imports that substantially compete with both the subject imports from subject countries other than Spain and like goods produced domestically.

[68] Sivaco further alleges that there is evidence showing that MRT's loss of sales in Canada is attributable to competing imports of steel wire from other countries.⁴⁶ This reflects direct competition between Spanish subject imports and other subject imports.

[69] The Tribunal will begin its analysis by considering whether and how the Surtax Order alters the conditions of competition for subject imports from China. The Tribunal notes the limited duration of the Surtax Order, considering the overall period of analysis. In any event, the evidence suggests that subject importations from China would have undercut domestically produced like goods even if a 25% surtax had been present throughout the period of analysis. Moreover, the Tribunal takes judicial notice of the *China Surtax Remission Order* and observes that it may well render a significant proportion of the subject goods exempt from the Surtax Order.

[70] In any event, importantly, the Tribunal cannot ignore the evidence filed by the complainants regarding interchangeability, quality, distribution channels, modes of transportation, timing of arrivals and geographic dispersion of the like goods and subject goods from various subject countries, including China. This evidence indicates that subject goods are commodity products, they are interchangeable with domestically produced like goods, and they compete with one another in the Canadian market based on price.⁴⁷

[71] On balance, even if the Surtax Order were to affect the prices of the subject imports from China, the Tribunal is not persuaded that this alone would necessarily have a significant impact on how Chinese importations compete in the marketplace so as to render cumulation inappropriate in light of the totality of the evidence. Accordingly, the Tribunal is of the view that it is appropriate to conduct a cumulated analysis with respect to subject goods from China.

[72] The Tribunal will next consider the arguments and evidence with respect to importations from Spain. In this regard, the Tribunal similarly takes note of the evidence filed by the complainants regarding interchangeability, quality, distribution channels, modes of transportation, timing of arrivals and geographic dispersion of the like goods and subject goods, including the importations from Spain. The domestic industry argues that the pattern of import volumes from Spain indicates that the decreases in volumes of imports from Spain were due to sales lost to other imports. In the Tribunal's view, this corroborates evidence filed by the complainants suggesting that the subject imports from Spain compete with other subject imports. The Tribunal further notes that the evidence, on balance, suggests that MRT's products compete with both the subject imports from other countries and the domestically produced like goods.

[73] In sum, the Tribunal finds that the evidence is sufficient to reasonably indicate that the subject goods compete under similar conditions among themselves and with the like goods. The Tribunal is not persuaded that any other factor alters the conditions of competition so as to render

⁴⁶ In particular, Sivaco refers to the affidavit of Mr. Arbona of MRT who indicated that, in the last few years, MRT's sales to the Canadian market have declined, as it is not competitive with exports from other countries. Exhibit PI-2025-001-08.04, p. 92; Exhibit PI-2025-001-11.01, p. 16 (protected).

⁴⁷ Exhibit PI-2025-001-02.01, p. 3026, 3028, 3031–3032, 3132, 3160.

cumulation inappropriate or dictates that the conduct of a separate injury analysis for any of the subject countries is necessary, in the context of this preliminary injury inquiry.

[74] In light of the foregoing, the Tribunal is satisfied that an assessment of the cumulative effect of the dumping of the subject goods from all 10 subject countries is appropriate in the circumstances.⁴⁸

INJURY ANALYSIS

Period of analysis

[75] The complainants submit that it would be appropriate for the Tribunal to consider data for the past four years (2021–2024) for the purposes of its analysis. The complaint includes importation data from all sources as well as sales, pricing and financial data for the domestic industry as described above for this period.

[76] The CBSA’s analysis similarly covers the period from 2021 to 2024. The four-year import information estimated by the CBSA was shared with the complainants and is used in the version of the complaint that ultimately led to the initiation of the investigation. Therefore, there is no discrepancy between the two data sets, and the Tribunal need not consider whose data is more accurate.

[77] Accordingly, for the purposes of this preliminary injury inquiry, the Tribunal will rely on the best data available to the Tribunal at this stage, which, in this case, are data pertaining to the four-year period set out above.

Import volume of subject goods

[78] The Tribunal must consider whether the evidence reasonably indicates that the volume of the subject imports increased significantly in both absolute terms and relative to domestic production and sales of domestic production.

[79] The complainants argued that the absolute volume of the subject imports increased by 18% between 2021 and 2024, with an even more significant increase of 21% between 2023 and 2024. They also submitted that the volume of subject imports increased relative to domestic production and sales of domestic production over those periods.

[80] Dollarama argued that the increase in the volume of subject goods relative to domestic production between 2021 and 2024 was “marginal”.

[81] Hoa Phat, Chin Herr, Wei Dat and MRT, exporters from Vietnam, Malaysia, and Spain, respectively, all focused their arguments on a single country of export. They argued that exports from these countries all decreased between 2021 and 2024, and that subject goods from China followed a

⁴⁸ The Tribunal therefore considered volumes and prices of subject imports from all subject countries on a cumulative basis. Therefore, submissions made by MRT, Chin Her, Wei Dat, Hoa Phat and Dollarama that pertained to the discrete price effects and impact of imports from individual subject countries (i.e., Spain, Malaysia, Vietnam and China on a decumulated basis) were considered legally irrelevant for the reasons discussed in paragraph 82 below.

different pattern than those from the other subject countries. They further argued that imports from Vietnam and Malaysia occurred in small or “minuscule” amounts.

[82] In light of the Tribunal’s decision to cumulate the subject goods for the purposes of this preliminary injury inquiry, the increase or decrease in volumes of subject imports for individual countries do not have legal relevance in assessing whether there is a reasonable indication of an increase in volume of the subject imports.⁴⁹ The data on the volume of imports for all 10 subject countries must be considered together, that is, on a cumulative basis in a single analysis.

[83] The CBSA prepared the data pertaining to the volume of subject imports.⁵⁰ On a cumulated basis, the volume of subject imports fluctuated between 2021 and 2024, increasing in 2022 and 2024, but declining in 2023 to below 2021 volumes. While the absolute volume of the subject imports increased over the period of 2021 to 2024, production and domestic sales volumes by the domestic industry declined, resulting in an increase in the volume of subject imports relative to domestic production and sales of domestic production.⁵¹

[84] Based on the evidence before it, the Tribunal finds that, on a cumulated basis, there is a reasonable indication of a significant increase in both the absolute and relative volume of the subject imports.

Price effects of the subject goods

[85] The Tribunal must also consider whether the evidence reasonably indicates that the subject goods have had significant adverse price effects on the like goods.

[86] The complainants allege that subject goods have caused injury by undercutting domestic industry prices and thus causing lost sales, price depression and price suppression.

Price undercutting

[87] The complainants argued that the subject goods undercut domestic industry prices on a consistent and significant basis between 2021 and 2024, with significant undercutting occurring from 2022 onwards in particular.

[88] In support of these arguments, the complainants compared the domestic industry’s price to the price of subject goods (using CBSA import data) in each year from 2021 to 2024.⁵² They also

⁴⁹ *Concrete Reinforcing Bar* (4 June 2021), NQ-2020-004 (CITT), note 42.

⁵⁰ The complaint (Exhibit PI-2025-001-02.01, p. 98–99) indicates at para. 127 that the CBSA has generated import data that have been further refined to further exclude any non-subject goods. These data generated by the CBSA have been included in the complaint. Therefore, the import data in the complaint match the import data in the CBSA’s statement of reasons at Exhibit PI-2025-001-05, p. 13.

⁵¹ Imports relative to domestic production and sales of domestic production are calculated using production and domestic sales of the domestic industry as defined above. Exhibit PI-2025-001-05, p. 13; Exhibit PI-2025-001-03.01 (protected), p. 3345–3347.

⁵² Exhibit PI-2025-001-02.01, p. 103–105; Exhibit PI-2025-001-03.01 (protected), p. 102–104, 3346. Discussion of average unit values in the “Price effects of the subject goods” section of this statement of reasons refers to the data in these exhibits.

provided several examples of account-specific price undercutting to corroborate the undercutting calculated using the average unit values of the cumulated subject goods.⁵³

[89] MRT argued that the average unit values could not be used as a reasonable indication of price undercutting or depression due to the broad range of differently priced goods used to calculate average unit values.⁵⁴ Sivaco replied that, in the past, the Tribunal has indicated that product mix is an issue in many SIMA cases⁵⁵ but noted that the Tribunal routinely relies on these data for the purposes of preliminary injury inquiries when they are corroborated by other evidence such as account-specific allegations. AMLPC also reiterated that the complaint contains multiple account-specific injury allegations in addition to average pricing data.

[90] Dollarama argued that the current 25% surtax on Chinese imports of the subject goods imposed under subsection 53(2) of the *Customs Tariff* was not accounted for when assessing the price differentials between subject goods and domestically produced like goods and that doing so would alter the apparent undercutting in account-specific injury allegations concerning China.

[91] AMLPC replied that the domestic industry, in its allegations regarding China, provided several examples showing price undercutting exceeding 25%. It also replied that, even if the 25% surtax has offset the decline in Chinese prices since 2021, those prices still undercut those of the domestic industry. Tree Island indicated that Dollarama's arguments are more appropriate to the threat of injury, as the surtax was only introduced in October 2024. As discussed above, certain parties also made arguments pertaining to the *China Surtax Remission Order*.

[92] Although Domtar did not address the pricing factors to be considered by the Tribunal, it did indicate that it experienced repeated price increases by a reseller of domestically produced wire. As a result, Domtar sought out international sources due to a lack of alternative domestic supply.

[93] The Tribunal finds that the current product definition is very broad. Therefore, there appear to be product mix issues that would need to be further examined during an eventual injury inquiry. As noted by Sivaco, however, in a preliminary injury inquiry, the Tribunal often relies on average unit values submitted by the complainant and provided by the CBSA to assess whether there is a reasonable indication of injury. If there is such an indication, the Tribunal can further explore price effects through the use of benchmark products, sales to common accounts, and an examination of witnesses in a final injury inquiry.

⁵³ Summarized in para. 141 and Table 24 of the complaint, see Exhibit PI-2025-001-03.01 (protected), p. 105, 123–128; Exhibit PI-2025-001-03.01 (protected), p. 3041–3048, 3171–3175, 3314–3326.

⁵⁴ Dollarama took issue with the exclusion of Harmonized System codes likely to contain retail packaged wire in the complainant's calculations of average unit values of imports for its dumping calculations. It argued that this artificially lowered the average unit values and that the volumes of such goods are not insignificant. The Tribunal notes that this argument relates specifically to the products used to calculate normal values in the complaint and that the data on average unit values above are for all imports as provided by the CBSA and in the complaint, not just for the benchmark products used by the complainants for its dumping arguments. Sivaco points this out as well in its reply submission.

⁵⁵ Sivaco referred to *Certain Upholstered Domestic Seating* (19 February 2021), PI-2020-007 (CITT), para. 60.

[94] Moreover, with respect to arguments made by Dollarama, the Tribunal is of the view that the cumulated average selling price of the subject goods would still have undercut the price of the like goods in the presence of a 25% surtax. In any event, the surtax was only introduced in October 2024 and, therefore, any effects of this surtax were limited in duration.

[95] In light of the foregoing, the Tribunal finds that the undercutting analysis presented in the complaint as well as the supporting account-specific injury allegations provide a reasonable indication that, on a cumulated basis, the subject goods significantly undercut the like goods between 2021 and 2024.

Price depression

[96] The domestic industry's average selling price increased in 2022 but then declined in both 2023 and 2024. The complainants submit that this occurred because prices of subject goods declined by 7% between 2021 and 2023 and a further 10% in 2024. Although prices of the non-subject imports did not undercut the like goods, they too experienced declines in 2023 and 2024. The complainants also provided numerous examples of price undercutting across several accounts, where they allege that they had to reduce pricing or lose sales as a result of the pricing of subject goods.

[97] The Tribunal observes that average unit values of the like goods, the cumulated subject goods and the non-subject goods all experienced similar trends between 2021 and 2024, with significant price increases in 2022, then declines in 2023 and 2024.

[98] The Tribunal finds that the data indicate a reasonable indication of price depression caused by the subject goods. The Tribunal notes that there is a lower evidentiary threshold in a preliminary injury inquiry, and it will consider the extent to which the decline in prices of like goods was due to other factors affecting the price of wire from all sources in the Canadian market in an eventual final injury inquiry.

Price suppression

[99] The complainants submitted that the domestic industry experienced price suppression between 2021 and 2024 and that this suppression resulted in reduced profitability.

[100] The Tribunal has decided to exercise judicial economy on the issue of price suppression as it is of the view that the price effects and resulting reduced profitability argued by the domestic industry are more likely attributed to price depression, as prices were declining in 2023 and 2024.

Resultant impact on the domestic industry

[101] As part of its injury analysis, the Tribunal must consider 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.⁵⁶ This includes impacts on workers employed in the domestic industry.⁵⁷

[102] In a preliminary injury inquiry, the Tribunal must determine whether the evidence discloses a reasonable indication of a causal link between the dumping of the subject goods and the injury. The standard is whether there is a reasonable indication that the dumping of the subject goods has, *in and of itself*, caused injury.⁵⁸

[103] While subsection 2(1) of SIMA defines “injury” as “material injury to the domestic industry”, the word “material” itself is not defined. In the past, the Tribunal has considered this to mean something that is more than *de minimis* but not necessarily serious injury.⁵⁹ Ultimately, the Tribunal determines the materiality of any injury on a case-by-case basis, having regard to the extent (i.e., severity), timing and duration of the injury.⁶⁰

[104] The complainants alleged that, as a result of the increased volumes of subject goods in the Canadian market and their price effects, the domestic industry suffered material injury through decreases in market share, sales volumes, production, capacity utilization rate and profitability. They have described resulting adverse impacts on employment, investments and the ability to raise capital.

[105] Overall, domestic production, including for export sales and for further processing, as well as domestic sales showed declining trends over the period of analysis.⁶¹ As a result, the capacity utilization rate similarly declined over the period of analysis. Evidence further indicates that the domestic industry lost domestic sales and market share year over year during the period of analysis and that this loss of market share was met with nearly corresponding increases in the subject goods’ market share.⁶²

[106] In terms of financial performance, the evidence shows that the domestic industry experienced a marked increase in several profitability metrics between 2021 and 2022, corresponding with the significant increase in unit value and market prices noted above.⁶³ In this regard, there is evidence of rising North American market prices in 2022 due to supply disruptions caused by the Russia-Ukraine

⁵⁶ Such factors and indices at paragraph 37.1(1)(c) of the Regulations include the following:

(i) any actual or potential decline in output, sales, market share, profits, productivity, return on investments or the utilization of industrial capacity, (i.1) any actual or potential negative effects on employment levels or the terms and conditions of employment of the persons employed in the domestic industry, including their wages, hours worked, pension plans, benefits or worker training and safety, (ii) any actual or potential negative effects on cash flow, inventories, employment, wages, growth or the ability to raise capital, (ii.1) the magnitude of the margin of dumping or amount of subsidy in respect of the dumped or subsidized goods...

⁵⁷ See subsection 2(11) of SIMA.

⁵⁸ *Gypsum Board* (5 August 2016), PI-2016-001 (CITT), para. 44; *Galvanized Steel Wire* (22 March 2013), PI-2012-005 (CITT), para. 75.

⁵⁹ *ABS Resin* (15 October 1986), CIT-3-86; *Unitized Wall Modules* (12 November 2013), NQ-2013-002 (CITT), para. 58.

⁶⁰ *Concrete Reinforcing Bar* (3 May 2017), NQ-2016-003 (CITT), para. 184. See also *Certain Hot-rolled Carbon Steel Plate* (27 October 1997), NQ-97-001 (CITT), p. 13, where the Tribunal suggested that the concept of materiality could entail both temporal and quantitative dimensions.

⁶¹ Exhibit PI-2025-001-03.01 (protected), p. 3347.

⁶² *Ibid.*, p. 3329–3332; Exhibit PI-2025-001-03-01 (protected), p. 3345–3349.

⁶³ Exhibit PI-2025-001-03.01 (protected), p. 3345.

conflict.⁶⁴ The complainants explained that they increased pricing to keep pace with their increasing costs during that period.⁶⁵

[107] However, the complainants submitted, and the evidence indicates, that these price increases were met with decreases in sales volumes.⁶⁶ As discussed above, evidence on the Tribunal's record shows that, despite rising market prices in 2022, the prices of subject goods continued to undercut the prices of domestically produced like goods that year. In addition, the evidence reasonably suggests that the subject goods' market share increased at the expense of the domestic industry's market share that year.

[108] Notwithstanding, the domestic industry's financial performance began to deteriorate in 2023 and continued to deteriorate, in a steeper manner, through 2024.⁶⁷ This was happening alongside increases in the market share of subject goods at the expense of the domestic industry, as well as continued price effects. As noted above, the complainants also reported several account-specific instances of sales that were purportedly lost against subject goods due to their low prices.⁶⁸

[109] Accordingly, the Tribunal is of the view that the evidence provides a reasonable indication that the presence of the subject goods in the market had a significant negative impact on the financial performance of the domestic industry, which has been material in terms of extent and duration.

[110] The complaint also included submissions with respect to the adverse impact of the subject goods on employment and on investments, which was corroborated by confidential evidence.⁶⁹

[111] The Tribunal has reviewed Domtar's submissions that domestic producers of steel wire do not provide goods with the specifications, quality or in the format necessary to meet Domtar's manufacturing requirements.⁷⁰ However, the Tribunal finds that these issues can best be dealt with as product exclusion requests during an eventual injury inquiry and that there are no exceptional circumstances that would warrant such consideration at this time.⁷¹ Parties were also notified at the outset that the Tribunal does not consider product exclusion requests during a preliminary injury inquiry.

[112] Domtar further argues that the subject goods it imports enhance supply stability and supports the competitiveness of downstream Canadian industries like the pulp and paper industry. Domtar's submissions therefore touch upon public interest considerations. Such considerations can only be addressed in the context of a public interest inquiry conducted pursuant to section 45 of SIMA, which may only take place after the Tribunal has made a finding of injury or threat of injury following a

⁶⁴ Exhibit PI-2025-001-02.01, p. 3031; Exhibit PI-2025-001-03.01 (protected), p. 114–115.

⁶⁵ Exhibit PI-2025-001-03.01 (protected), p. 113.

⁶⁶ *Ibid.*, p. 113, 3345.

⁶⁷ *Ibid.*, p. 3345.

⁶⁸ Although these allegations will warrant more scrutiny in the event of a final injury inquiry should the CBSA make a preliminary determination of dumping, they appear to be credible, bearing in mind the lower evidentiary threshold applicable at the preliminary inquiry stage.

⁶⁹ Exhibit PI-2025-001-02.01, p. 117–121, 3140–3141, 3052–3054, 3139; Exhibit PI-2025-001-03.01 (protected), p. 116–121, 3049–3051, 3178–3180, 3272.

⁷⁰ Exhibit PI-2025-001-08.07, p. 1.

⁷¹ *Certain Upholstered Domestic Seating* (19 February 2021), PI-2020-007 (CITT), para. 25, and see concurring opinion at paras. 85–88, stating that “as a matter of law, the Tribunal does not have the discretionary power to grant product exclusion requests at this stage”.

final injury inquiry conducted pursuant to section 42. The Tribunal has previously found that the broader impact of the application of anti-dumping or countervailing duties on Canadian consumers and downstream producers is not a factor that the Tribunal should consider in inquiries pursuant to section 42 of SIMA, and this would be equally applicable to preliminary injury inquiries.⁷²

[113] Having considered the totality of the evidence on record, the Tribunal finds that the evidence provides a reasonable indication that the domestic industry experienced material injury.

Causation and other factors

[114] Parties opposed to the complaint raised several arguments that pertain to the causal link, or absence thereof, between the dumping of the subject goods and the injury. Those included arguments that various non-dumping factors, such as the domestic industry's declining export sales, were a cause of injury to the domestic industry. In this regard, certain parties opposed submitted that declining export sales would impact the throughput on the mill, raising costs for wire produced or sold for consumption in Canada.

[115] The parties opposed also made arguments concerning the effect of imports from the United States, requirements and differences in terms of product quality, and the inverse relationship between domestic production and imports of subject goods for certain individual countries. These may be characterized as pertaining to the existence (or severance) of the causal link for these countries when considered on a decumulated basis.⁷³

[116] The Tribunal considered these other factors and is of the view that several of them could have contributed to the decline in performance of the domestic industry. However, the Tribunal notes that SIMA does not require that the dumping of the subject goods be the only cause of injury. The Tribunal has consistently held that what matters is that the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury or is threatening to cause injury, that is, the dumping of the subject goods must constitute a cause of material injury or threat of material injury.⁷⁴

[117] For the purposes of this preliminary injury inquiry, for the reasons set out above, the Tribunal finds that the evidence on record, taken as a whole, sufficiently demonstrates a reasonable indication of a causal relationship between the dumping of the subject goods and the injury suffered by the domestic industry. Evidence suggesting that other factors might have had an adverse impact on the domestic industry is insufficient to negate the Tribunal's conclusion of injury, bearing in mind the lower evidentiary threshold that applies at this stage.⁷⁵ During an eventual final injury under

⁷² See *Silicon Metal* (19 November 2013), NQ-2013-003 (CITT), paras. 60–64, where the Tribunal noted that, subsequent to an inquiry under section 42 of SIMA, the Tribunal may initiate a separate inquiry under section 45 if it is of the opinion that the imposition of anti-dumping or countervailing duties, in whole or in part, might not be in the public interest; See also *Silicon Metal* (22 August 2019), RR-2018-003 (CITT), paras. 59–60.

⁷³ The inverse relationship argument was articulated more specifically by MRT (see Exhibit PI-2025-001-8.04, p. 14). As noted above, Chin Herr, Wei Dat and Hoa Phat made arguments pertaining to declining exports for individual countries.

⁷⁴ See, e.g., *Silicon Metal* (21 June 2013), PI-2013-001 (CITT), para. 78.

⁷⁵ The Tribunal has previously held that this lower standard also applies to its evaluation of causation and materiality at the preliminary injury inquiry stage. See, e.g., *Corrosion-resistant Steel Sheet* (3 February 2025), PI-2024-003 (CITT), para. 78.

section 42 of SIMA, the Tribunal will further consider the impact of those other factors in the broader context afforded by that scope of inquiry.

THREAT OF INJURY

[118] In light of the finding that there is a reasonable indication that the dumping of the subject goods has caused injury, the Tribunal will exercise judicial economy and not consider whether there is also a reasonable indication that the dumping of the subject goods is threatening to cause injury.

CONCLUSION

[119] On the basis of the foregoing analysis, the Tribunal determines that the evidence discloses a reasonable indication that the dumping of the subject goods has caused injury to the domestic industry.

Bree Jamieson-Holloway

Bree Jamieson-Holloway
Presiding Member

Susan D. Beaubien

Susan D. Beaubien
Member

Georges Bujold

Georges Bujold
Member