



Recent Developments in the Canadian Steel Industry

OECD STEEL COMMITTEE MEETING

PARIS, FRANCE

MARCH 25 & 26, 2019

Canadian Steel Market at a Glance

CONSUMPTION IS UP: 2018 Apparent Domestic Consumption (ADC) of 17.8MMT. Up 17% YOY.

DOMESTIC SHARE SLIGHTLY DOWN: During this period, down 1% from 42% to 41%.

NAFTA DOWN / OFFSHORE UP: U.S. & Mexico share fell 2%. Offshore rose 3%.

EXPORTS TO NAFTA DOWN: YOY (2017-2018) Canadian exports dropped 2%

IMPORTS FROM NAFTA UP: YOY (2017-2018) NAFTA imports to Canada rose 12%

NON-NAFTA IMPORTS UP IN ALL CATEGORIES: YOY (2017-2018)

- Flat Products – up 14%; Long Products – up 27%; Pipe & Tube – up 41%.

CAPACITY UTILIZATION (Est.): 73%

Recent Trade Remedy Cases

Ongoing use of trade remedies (CVD/AD), for example:

1. Cold Rolled (China, Korea, Vietnam)
 - Hearing in November 2018; Positive Finding Issued in December, 2018.
2. Sucker Rods (China)
 - Hearing in November 2018; Positive Finding issued in December, 2018.
3. Corrosion (China, Korea, India, Taiwan)
 - Hearing in January 2019; Positive Finding Issued on February 21, 2019.
4. Welded Pipe (Pakistan, Philippines, Turkey, Vietnam)
 - Hearing in January 2019; Positive Finding Issued on February 15, 2019.

Safeguards Update

Provisional safeguard measures for 7 product categories announced in October remain in place until May 13, 2019.

CITT hearings took place in January, 2019.

Government decision on whether to put final provisions in place is expected in May.

Enforcement

New investments made to further strengthen Canada's trade enforcement.

New officers to investigate trade –related complaints with expanded powers and flexibilities.

Updated marking regime aligning with the U.S. and expanding steel products requiring country of origin.