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Ottawa, December 22, 2025

#### **The Honourable Mélanie Joly, P.C., M.P.**

Minister of Industry and Minister responsible for Economic Development  
Canada for the Regions of Quebec  
Government of Canada

#### **Subject: If downstream steel production collapses, demand for Canadian primary steel will follow**

Madam Minister,

Given your central role in the development and competitiveness of Canadian industry, as well as in the protection of our manufacturing value chains, we wish to draw your attention to a structural issue related to trade measures affecting steel, and more specifically downstream steel products used in buildings and infrastructure.

Following the government announcements of July 2025, the measures of November 26, 2025, and the Order in Council coming into force on December 26, 2025, we clearly recognize the Government of Canada's intention to correct trade distortions and to impose a 25% tariff on all finished steel products entering the country. This decision represents an important step that will help curb trade diversion and the massive importation of undervalued products, particularly from China.

That said, despite this significant progress, the work remains incomplete. A uniform approach, while necessary in the short term, will need to be refined quickly in a more targeted and surgical manner, as certain categories of downstream steel products:

- are subject to structural dumping that will require duties higher than 25% to be truly deterrent;
- while others, for which Canada does not yet have sufficient production capacity, will need to be subject to adjustments, targeted exemptions or transitional mechanisms, in order to avoid shortages and uncontrolled cost increases on construction sites.

#### **A persistent vulnerability in steel products used in buildings**

Many steel-based products that are essential to residential, commercial, institutional and industrial buildings remain particularly exposed. These include, among others:

- steel fasteners (bolts, screws, nuts, anchors, rivets);
- structural and semi-structural components;
- finished metal construction products;
- assembly, support, reinforcement and installation components essential to construction sites.

Even with the entry into force of the December 26, 2025 Order in Council, these products remain vulnerable to circumvention strategies, particularly through minimal processing abroad, allowing them to enter Canada at artificially low prices.

### **The fastener sector: an emblematic case of a systemic problem**

The Canadian steel fastener sector clearly illustrates the perverse effects of this situation. These products constitute the fundamental mechanical link in any built structure.

However, Canadian fastener manufacturers have been facing intense pressure for several years from low-priced imports, primarily originating from countries other than the United States. These imports now represent between 70% and 83% of the Canadian market, leading to:

- the closure of production lines;
- a reduction in national manufacturing capacity;
- the forced conversion of manufacturers toward importing finished products;
- and the outright disappearance of certain players.

We are thinking in particular of Canadian companies such as Duchesne, Ancrage Cobra (Quebec), Tree Island Steel, Leland Industries (Alberta), Infasco (Manitoba), Bailey Metal, Falcon Fasteners, Formnet (Ontario), Pacific Bolt (British Columbia), among many others.

This reality goes far beyond the fastener sector alone. It affects the entire range of downstream steel products used in buildings, thereby weakening the entire steel value chain in Canada — including, ultimately, demand for Canadian-produced primary steel.

The risks therefore extend to dozens of major manufacturing companies representing hundreds of thousands of jobs, such as Canam, Vicwest, Stelpro, Innovair Solutions, Vulcraft Canada (Quebec), Imperial Manufacturing Group (New Brunswick), DCM Metal, Ideal Roofing, Havelock Metal, Steel Tile, Corwin Metal (Ontario), Westman (Alberta), among others.

### **A concrete economic risk as of January 2026**

Madam Minister, the situation is now urgent. Recent U.S. measures, combined with chain reactions in global markets, heighten the risk that Canada will become a fallback market for downstream steel products that are not adequately covered or insufficiently calibrated.

We are already observing a massive influx of products from China: lower-priced products, often of inferior quality, whose dumping effects directly threaten our industrial base, our manufacturing autonomy and, ultimately, our economic sovereignty.

Without rapid and targeted adjustments to the Canadian approach, the industry anticipates:

- significant layoffs as early as January 2026;
- closures of Canadian companies, often irreversible;
- a lasting loss of manufacturing capacity and industrial know-how.

**The need for a value-chain and differentiated approach**

In this context, we respectfully ask that you intervene with the Prime Minister, as well as with your colleagues, the Honourable Dominic LeBlanc and the Honourable François-Philippe Champagne, in order to:

1. promote a comprehensive value-chain approach, integrating both primary steel producers and downstream steel product manufacturers;
2. rapidly undertake a detailed analysis by product category, allowing tariff levels to be adjusted beyond 25% where required;
3. provide targeted and temporary mechanisms for categories where Canadian production capacity remains insufficient;
4. prevent Canada from becoming a diversion market for minimally processed steel products;
5. sustainably protect employment, investment and production capacity throughout the Canadian steel value chain.

In short, the protection of Canada's steel industry can only be fully effective if it applies to the entire value chain, from primary production to the finished products used in our buildings and infrastructure — and not solely to large producers of raw steel.

We thank you for the attention given to this critical situation and remain available for any discussion aimed at quickly identifying concrete and balanced solutions.

Yours sincerely,



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