



MEDIA RELEASE

Response to Article Published by The Edge dated 29 October 2018

The Ministry of International Trade and Industry (MITI) takes note of the article on 'CRC Players Losing Patience with Government Inaction' in The Edge, 29 October 2018.

The Ministry has engaged with cold rollers several times since April 2017 to address their concerns especially on the surge of imports of cold roll coils and have taken several actions to address the concerns. For instance, the Government has suspended the ATIGA preferential for all CRC imports from Vietnam and conducted retroactive checks, based on the allegation by the cold rollers that CRC imported from Vietnam are not meeting the origin criteria. MITI has also met the industry players several times recently to discuss on ways to address these concerns.

MITI would like to highlight that trade remedies are instruments to defend the interest of the domestic industry from unfair trade practices. In this regard, the Government may initiate an investigation or a review to determine the existence, degree and effect of any alleged dumping upon the submission of a written petition by the domestic industry producing the like product. There are timelines to be followed based on existing laws and regulations. All anti-dumping and review investigations has to be carried out within 270 days and 180 days respectively.

Since 2006, Malaysia has initiated 7 anti-dumping investigations on iron and steel products namely steel wire rod, tin plate, hot rolled coils, cold rolled coils, pre-painted color coated steel coils, cold rolled stainless steel and galvanised iron, whereby 6 of this measures are still in force.

To encourage more local purchase of CRC, MITI had also facilitated a discussion between the CRC producers and the galvanisers/coaters in March 2018 to find a way forward for all parties, where the users gave the commitment to support the CRC producers and buy more locally. Nevertheless, the final decision on purchase of any product is a business decision where the Government cannot intervene.



On import duty exemption approvals, all applications are deliberated thoroughly in a Special Committee chaired by MITI. Major domestic producers are well-represented in the Committee to confirm local availability. Import duty exemption is granted only after industry representatives in the Special Committee confirm that:

- I. the grades and specifications are not produced locally;
- II. raw materials to produce finished products which have nil duty; and
- III. raw materials not produced locally in Sabah and Sarawak.

Duty exemptions are not being given to traders, selected importers or those not even involved in manufacturing as claimed by the CRC players.

The issuance of Approved Permit for HS7225, which covers CRCs, is automatic and solely for monitoring and data collection purposes. The Government is in the midst of developing Malaysian Standards on HS7225 to ensure quality and safe imports into Malaysia.

The Government remains cognisant that the industry is facing various challenges over the years to remain competitive and relevant, due to factors such as influx of imports, overcapacity and import substitutions. In addressing these issues and challenges, the Government has made various policy adjustments to facilitate the industry, as part of the 'shared responsibility' approach we have undertaken since June 2012. MITI will continue to monitor current development and undertake necessary actions in accordance with the national laws and legislations, including responding to any dumping activities carried out by companies in countries impacted by the recent increase in the US and EU tariffs on steel products

The Government has always treated the industry's interest with utmost priority and attentiveness. Consolidated proposals or feedback based on consultation among the iron and steel industry are welcomed through the existing mechanism under the Malaysia Steel Council (MSC) chaired by YB MITI Minister. During the recent MSC Meeting held on 22 October 2018, the Iron & Steel industry was urged



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

to work together to develop a White Paper on Way Forward for the Iron & Steel Industry. Industry inputs and collaboration is needed for the Government to formulate a holistic iron and steel policy that addresses every level of the value chain.

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Ministry of International Trade and Industry (MITI)

About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

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