

# Customs e-Alert

11 JANUARY 2019

## Anti-Dumping Duty Probe Into Cold-Rolled Coils

On 9.11.2018, the Malaysian government initiated an administrative review of anti-dumping duties in respect of the importation of cold-rolled coils of alloy and non-alloy steel (**Cold Rolled Coils**). The review was in respect of Cold Rolled Coils originating or exported from China, South Korea and Vietnam. The *Gazette* order authorising this administrative review may be viewed at:

[http://www.federalgazette.agc.gov.my/output/pub\\_20181109\\_PUB%20626.pdf](http://www.federalgazette.agc.gov.my/output/pub_20181109_PUB%20626.pdf)

An investigation, which was triggered by a petition filed by CSC Steel Sdn Bhd, was carried out pursuant to Section 28(1)(a) of the Countervailing and Anti-Dumping Act 1993 and Regulation 34 of the Countervailing and Anti-Dumping Regulations 1994. Upon reviewing the petition, it was found that there was sufficient evidence to warrant an administrative review.

### Affirmative Final Determination

The petition was filed on the premise that CSC Steel Sdn Bhd had information that the dumping margin has changed substantially. To recap, Malaysia had previously imposed anti-dumping duties on the importation of Cold Rolled Coils pursuant to the notice of affirmative final determination [PU(B) 229/2016] at the following rates:

1.	People's Republic of China	Bengang Steel Plates Co, Ltd	5.61%
		Jiangsu Shagang International Trade Co, Ltd	13.44%
		Others	23.78%
2.	Republic of South Korea	POSCO	3.78%
		Hyundai Steel Company	11.55%

#### Contact persons:



**Datuk D. P. Naban**  
 Senior Partner  
 Tax, SST & Customs Practice  
 T: +603 6208 5858  
 E: dpn@lh-ag.com



**S. Saravana Kumar**  
 Partner  
 Tax, SST & Customs Practice  
 T: +603 6208 5813  
 E: sks@lh-ag.com

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		Others	21.64%
3.	Socialist Republic of Vietnam	China Steel Sumikin Viet Nam Joint Stock Company	13.68%
		POSCO-VIETNAM Co, Ltd	3.06%
		Others	13.68%.

The affirmative final determination was imposed after the Malaysian government found that the manufacturers from certain countries had exported Cold-Rolled Coils to the country at a price lower than what was transacted in their home countries. This effectively constitutes “dumping”, whereby the export price is lower than the price at which these goods were sold in their domestic market. Additionally, CSC Steel Sdn Bhd managed to establish that it had suffered material injury as a direct result of such dumping. It is a prerequisite in an anti-dumping investigation that there is a direct link between the dumping activity and the material injury suffered by the domestic industry.

### Increased Dumping Margin

However, based on recent information, it was discovered that the dumping margin in relation to the importation of Cold-Rolled Coils had increased substantially when compared to the margin stated above. In essence, the dumping margin is computed based on a comparison of the export price and the normal value sold in that country. It is on this basis that CSC Steel Sdn Bhd filed for the second administrative review of the previously imposed anti-dumping duty.

The second administrative review led the manufacturers from the various countries listed above to submit their response to questionnaires primarily relating to the dumping margin. Other interested parties, such as Malaysian importers of Cold Rolled Coils, as well as the governments of China, South Korea and Vietnam, also have a right to respond to the questionnaires. The Malaysian government will then carry out a verification

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## Lee Hishammuddin Allen & Gledhill

Level 6, Menara 1 Dutamas  
Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
Malaysia  
Tel: +603 6208 5888  
Fax: +603 6201 0122  
Email: [tax@lh-ag.com](mailto:tax@lh-ag.com)

exercise in respect of the responses received to determine whether the dumping margin has indeed changed.

The Tax, SST & Customs Practice of Lee Hishammuddin Allen & Gledhill represented CSC Steel Sdn Bhd in this administrative review. Please contact our tax partners **Datuk D P Naban** or **S Saravana Kumar** at [tax@lh-ag.com](mailto:tax@lh-ag.com) if you have any further queries in respect of anti-dumping and safeguard duties.

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#### Contact persons:

##### **Datuk D. P. Naban**

Senior Partner  
Tax, SST & Customs Practice  
T: +603 6208 5858  
E: [dpn@lh-ag.com](mailto:dpn@lh-ag.com)

##### **S. Saravana Kumar**

Partner  
Tax, SST & Customs Practice  
T: +603 6208 5813  
E: [sks@lh-ag.com](mailto:sks@lh-ag.com)

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