

# Trade & Customs e-Alert

8 FEB 2018

## Imposition of Anti-Dumping Duties on Importation of Cold-Rolled Stainless Steel

Through the *Gazette* Order PU(A) 23 dated 8 February 2018, the Malaysian government imposed definitive anti-dumping duties on the importation of cold-rolled stainless steel in coils, sheets or other form (collectively, cold rolled stainless steel) from China, South Korea, Chinese Taipei and Thailand.

The anti-dumping duties were imposed pursuant to a petition filed by the local manufacturers of cold rolled stainless steel in Malaysia.

### *Law on anti-dumping in general*

In essence, the domestic industry of any product manufactured in Malaysia may file a petition to the Ministry of International Trade & Industry (MITI) in applying for anti-dumping duties to be imposed on all imports. If MITI finds sufficient evidence to warrant anti-dumping measures, it will first initiate an investigation into the petition.

MITI will then conduct verifications with the petitioner as well as the foreign exporters that responded to the petition. This is to ascertain whether there was dumping by the foreign exporters. This will aid MITI in coming to preliminary and final determinations on whether anti-dumping duties should be imposed.

### *Conditions to impose anti-dumping measures*

The requirements for anti-dumping measures pursuant to sections 2 (1), 15, 16, 18 and 22A of the Countervailing and Anti-Dumping Duties Act 1993 are:

- (i) The subject merchandise in the domestic market experienced dumping, i.e. the importation of the merchandise into Malaysia at less than its normal value as sold in the domestic market of the exporting country.

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- (ii) The process of dumping had caused injury to the domestic industry.
- (iii) There is a causal relationship between the subject merchandise and the injury suffered by the domestic industry.

### *Affirmative anti-dumping duties on cold rolled stainless steel*

In the petition filed by the cold rolled stainless steel industry, the Malaysian government found that foreign exporters from China, South Korea, Chinese Taipei and Thailand had dumped their products to Malaysia. As a result, the local manufacturers suffered material injury in terms of their production, sales volume, profitability, capacity utilisation and return on investment due to the dumping activities carried out by the foreign exporters.

The anti-dumping duties range from 3% to 22% for the various companies in the aforementioned jurisdictions that responded to the petition. For the companies that did not respond to the petition, they are subjected to the standard rate of duties affixed to each jurisdiction as follows:

China: 24%  
 South Korea: 7%  
 Chinese Taipei: 14%  
 Thailand: 111%

The anti-dumping duties will be in effect from 8 February 2018 to 7 February 2023.

The Tax, GST & Customs Practice of Lee Hishammuddin Allen & Gledhill represented the local manufacturers of cold rolled stainless steel in applying for the anti-dumping duties.

Please contact us at [tax@lh-ag.com](mailto:tax@lh-ag.com) if you have any queries.

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