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Update on Anti-Dumping and International Trade Investigations

While countries across the globe are slowly adapting to the “new normal”, global trade continues its rebound from the collapse induced by the COVID-19 pandemic last year as nations endeavour to recoup the losses suffered. In the process, it is expected that some exporters may resort to unfair trade practices, including dumping goods to other countries at much lower prices.



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Preliminary determination on PC Strand

An example of this occurrence was found by the investigating authority (**IA**) of the Ministry of International Trade and Industry (**MITI**) when a Notice of Affirmative Preliminary Determination (**NOPD**) of an anti-dumping (**AD**) investigation was issued on 27 August 2021 with regard to the imports of stranded steel wires for prestressing concrete (**PC Strand**) originating from the People's Republic of China (**PRC**). Based on the NOPD, the IA has found the existence of a dumping margin where PC Strand exported from PRC is being sold at a price lower than its domestic price in PRC, which has caused injury to be suffered by the domestic producers of PC Strand in Malaysia.



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Following from this affirmative preliminary determination, all imports of PC Strand into Malaysia from the PRC will be subject to provisional anti-dumping duties as follows:

Country	Producers or Exporters	Dumping margin (%)
PRC	Silvery Dragon Prestressed Materials Co, Ltd Tianjin	4.46
	Tianjin Dalu Steel Strand For Prestressed Co, Ltd	9.41
	Others	21.72

The IA will have 120 days from the date of publication of the NOPD to continue its investigation into the imports of PC Strand from the PRC and make a final determination on the existence of dumping, the injury suffered by the domestic industry, and the final dumping margin and duties. During this period, the IA will conduct verification visits (either physically or virtually, as the IA deems proper) on data submitted by other interested parties to ensure the accuracy and relevance of the information.

Final determination on pre-painted, painted or colour coated steel coils

Earlier this year, the IA also completed an AD administrative review on behalf of the government of Malaysia against the pre-painted, painted or colour coated steel coils (**PPGI/PPGL**) originating from the PRC and the Socialist Republic of Vietnam (**Vietnam**). Based on the Notice of Affirmative Final Determination (**NOFD**) issued on 16 July 2021, it was found that dumping practices by exporters of PPGI/PPGL from the PRC and Vietnam continued and existing AD duties are to be continued to offset these unfair trade practices. Termination of the AD duties at this juncture will likely lead to the continuation or recurrence of dumping and injury to the domestic industry.

Jason Tan and **Steward Lee** from our Tax, Customs & Trade Practice represented the domestic industry in the above investigations.

Investigations initiated against Malaysia

While the IA has been vigilant in conducting investigations against dumped imports from other countries, other countries have also initiated investigations against exports from Malaysia as follows:

Government of Turkey — Rubber tyres

On 10 September 2021, the government of Turkey initiated an anti-circumvention investigation against certain pneumatic tyres of rubber originating or exported from Malaysia. It was claimed that existing AD measures imposed by the Turkish government against imports of tyres from the PRC have been rendered ineffective by imports from Malaysia, i.e. the existence of circumvention.

In furtherance of this, any interested parties that may be affected by the outcome of this investigation must notify the Turkish government within 37 days from the date of notification of the initiation of the investigation.

Vietnam — Office desks and chairs

On 1 September 2021, the Ministry of Industry and Trade (**MOIT**)

of the Vietnamese government officially initiated an AD investigation against certain desks and chairs originating or exported from Malaysia and the PRC. The tables and chairs under investigation are categorised under the HS codes: 9401.30.00; 9401.40.00; 9401.61.00; 9401.69.90; 9401.71.00; 9401.79.90; 9401.80.00; 9401.90.40; 9401.90.92; 9401.90.99; 9403.30.00; 9403.60.90; 9403.90.90.

The proposed dumping margin proposed by the Vietnamese petitioners are as follows:

Country	Dumping margin	
	Office desks (%)	Chairs (%)
PRC	35.2	21.4
Malaysia	32.4	24.9

Interested parties have 60 working days from the date of initiation to register their interest to participate in the investigation by sending a registered letter to the IA of the MOIT, i.e. by 23 November 2021.

Conclusion

Based on the above, Malaysian exporters who may be affected by the outcome of the investigations initiated by the Turkish and Vietnamese governments are advised to obtain legal advice on their rights and remedies in the investigation and register their interest at the earliest opportunity. Similarly, domestic manufacturers of goods who have suffered injury from the importation of cheap goods into Malaysia are also advised to obtain counsel to understand the trade remedies available to protect their interest.

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If you have any queries pertaining to anti-dumping or international trade, please contact the author or team partners, [Dato' Nitin Nadkarni](#) and [Jason Tan Jia Xin](#), at tax@lh-ag.com

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