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Safeguard Investigation On Imports Of Slag Wool, Rock Wool And Similar Mineral Wools Into Indonesia

(A) Introduction

On 25.7.2023, the Indonesian Trade Safeguard Committee (“ITSC”) initiated a safeguard investigation on the imports of Slag Wool, Rock Wool, and Similar Mineral Wool (including Mixtures thereof), in the Bulk Form, Sheets or Roll (“Product”) into Indonesia. The Product is commonly classified under the HS Code **6806.10.00**. The investigation was requested by an Indonesian producer, PT Nichias Rockwool Indonesia (“PT NRI”) and the period of investigation is 2020 to 2022.

(B) Basis of the Investigation

In requesting the investigation, PT NRI alleged that there was a surge in the imports of the Product into Indonesia. This has purportedly caused PT NRI to suffer serious loss or the threat of serious loss.

The ITSC agreed with PT NRI that there was evidence of a surge in imports of the Product into Indonesia and additionally, found initial indications that serious losses or the threat of serious losses were experienced by PT NRI. Therefore, the ITSC initiated a safeguard investigation.

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(C) Why Malaysian Manufacturers of the Product may be Affected?

Based on the data obtained by the ITSC, Malaysia is the primary country contributing to the rise in imports of the Product into Indonesia. They allege that Malaysia takes up to 59.3% of the import market share.

Further, the ITSC claimed that from 2020 to 2022, there has been an increase of 63% in the number of imports. Pertinently, imports into Indonesia expanded 33% from 2020 to 2021, and a further 101% from 2021 to 2022.

(D) Remark & Important Deadlines

In any case, in light of the above investigation, the Malaysian slag and rock wool industry as well as manufacturers must immediately assess among others, the following:

- i. Whether it manufactures the Product subject to investigation;
- ii. Whether it exports the Product to Indonesia;
- iii. What is the export volume and value to Indonesia;
- iv. What is the market share of Malaysian manufacturers' Product in Indonesia; and
- v. Whether there are any other factors that could contribute to the injury allegedly suffered by PT NRI.

Any exporters or associations in Malaysia interested to participate in the investigation must register their interest on or before **9.8.2023**. The ITSC will then request the necessary information and documents from the manufacturers.

If you have any queries, please contact associate **Chua Chun Yang** (cyc@lh-ag.com) or his team Partner, **Jason Tan Jia Xin** (tjx@lh-ag.com).