



Updates on the Iron & Steel Import Policy & Procedures



5 February 2013



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA



Outline of Presentation

- Iron and Steel Industry in Malaysia
- Malaysia Steel Council (MSC)
- Updates on the Iron & Steel Import Policy & Procedures
- Trade Measures
- Malaysia Steel Institute (MSI)



Iron & Steel Industry in Malaysia

- **Malaysia's steel industry contributes approximately 4% to the GDP & provide employment to 150,000 workers.**
- **A fully developed steel industry can contribute up to 6.5% to the Malaysian economy with 225,000 jobs created by 2020.**



Iron and Steel Industry in Malaysia (cont')

- Malaysia's steel demand is currently 4th largest in ASEAN - expected 4% annual growth until 2020.
- MITI has engaged the Boston Consulting Group (BCG) to conduct a study on *enhancing the competitiveness of the iron and steel industry in Malaysia.*



Iron and Steel Industry in Malaysia (cont')

- **The concept of “shared responsibility” between the industry and the Government has been agreed. This has been endorsed by the Economic Council (EC) chaired by YAB Prime Minister.**
- **The EC also endorsed the establishment of the Malaysia Steel Council (MSC). The Council is chaired by YB Minister MITI and the Council is supported by a Technical Committee and 5 Working Groups.**



Malaysia Steel Council (MSC)

- The MSC oversees the development, competitiveness and sustainability of the iron and steel industry in Malaysia.
- The MSC also oversees the implementation of the industry's:
 - restructuring plan;
 - access to key inputs;
 - capabilities enhancement;
 - strengthening of the mandatory standard & improve the importation process; and
 - awareness on trade measures.



Updates on the Iron & Steel Import Policy & Procedures

The current policy on the imports of iron and steel products is as follows:

1. IMPORT DUTY EXEMPTION

- Effective from 1 February 2013, the imports of 18 grades of Hot-Rolled Coils (HRC) for local market will not be considered for import duty exemption.



Updates on the Iron & Steel Import Policy & Procedures (cont')



These 18 grades are:

JIS G 3132 SPHT 1	JIS G 3132 SPHT 2	JIS G 3132 SPHT 3
JIS G 3132 SPHT 4	JIS G 3101 SS 400	JIS G 3101 SS 490
JIS G 3101 SS 540	JIS G 3106 SM 490	BS EN 10025 S355JR
BS EN 10025 S355J0	BS EN 10025 S355J2	BS EN 10111 DD 11
AS/NZS 1594 HA 350	AS/NZS 1594 HA 250	JIS G 3131 SPHC Cheq
JIS G 3101 SS400 Cheq	ASTM A 36 Cheq	BS EN 10025 S 275 JR Cheq



Updates on the Iron & Steel Import Policy & Procedures (cont')

Notwithstanding this, the existing policy on import duty exemption shall continue to apply as follows:

- i. raw materials used for the production of finished goods for export market, irrespective of local availability;**
- ii. products for which grades and specifications are not produced locally for local market; and**
- iii. products used as raw material to produce nil duty finished goods.**



Updates on the Iron & Steel Import Policy & Procedures (cont')

2. TEMPORARY CERTIFICATE OF APPROVAL (TCOA)

- With effect from 21 February 2013, the Government will stop issuing TCOA for the importation of iron and steel products. A fast track clearance facility will be provided to existing TCOA users for 6 months.
- After the grace period of 6 months, all companies will need to apply for Certificate of Approval using the streamlined methods by SIRIM/CIDB. These methods and its application processes will be further elaborated by SIRIM/CIDB.



Trade Measures

ANTI-DUMPING (AD)

- **Malaysia initiated AD investigations on steel wire rods originating from Taiwan, Korea, China, Indonesia and Turkey.**
- **Effective 19 October 2012, preliminary AD duties of between 5.56% and 36.32% has been imposed on steel wire rods.**



Malaysia Steel Institute (MSI)

ESTABLISHMENT OF THE MSI

- The MSI is to be expected to be formed and come into operation by Q1 2013.
- The functions of MSI include human capital development, R&D, formulation of standards and testing laboratory, and monitor quality performance.
- The MSI is private sector driven.



Conclusion

- In the formulation of the policy, the Government has been in close consultation with key industrial associations representing both upstream and downstream.
- The Government welcomes suggestions and proposals to further enhance the competitiveness the iron and steel industry.



Diolch Kiitos Sheun umesc. Kasih Mamnoon Todah
 Shnorhakalutun Shokriya Mamnoon
 Gamsahapnida Te°ekür Dekuju/Dekujeme Hvala Ngiyabonga Dziękuje Shokrun
 Dank Waad Kop Salamat Merci Gra or Mul Ači
 Dakujem Daw Dhanyavaadalu Takk Cam Dziękuje Shokrun Spaas Mul
 krap Dhanyavad Khopjai Dankie Dhanyavaad Xie
 Tack Thank You kun Arigatou Faleminderit
 Grazzi raibh Gracias Nandree Blagodariya Gomapsupnida Euxaristo Kun Shukriya Or Dhonnobaad
 Fyrir Terima Danke dank Enkosi Hain Dhan daa

