(COMPANY NUMBER 76350P)

Berita MISIF

A Quarterly Newsletter of Malaysian Iron & Steel Industry Federation

MISIF Holds 37th AGM

MISIF held its 37th Annual General Meeting on 17 May 2017 in the MISIF Training Room, Shah Alam, Selangor. A total of 29 companies were represented at the meeting.

MISIF President, Dato' Soh Thian Lai in his Chairman's address lamented that 2016 had been another very difficult year as the industry continued to suffer from flat domestic consumption, increasing imports, decreasing export and increasing cost of doing business. In view of the current market scenario, Dato' Soh informed that MISIF would focus on the enhanced usage of locally manufactured products and the need for industry players to consolidate to sustain their survival and competitiveness in the years ahead.

The Chairman highlighted that MISIF would continue to engage with the authorities and management of mega projects such as PETRONAS RAPID in Pengerang, Melaka Gateway, Malaysia High Speed Rail and East Coast Rail Line for opportunities in the supply of local materials and for Malaysia to be self-dependent to avoid issues of short supply when dependent on imports.

The Chairman informed that MISIF had proposed to the Government for the domestic industry to consolidate to remain competitive domestically and globally. The Ministry of International Trade & Industry (MITI) had tasked Malaysia Steel Institute (MSI) as facilitator to encourage consolidation within the domestic industry and to lead the industry to greater efficiencies and economies of scale. MSI had since formulated a 5 year consolidation plan which had been divided into a 3 phase programme till 2020.

Though the China Factor remained a global concern, he expected the worst to be over because of China's commitment in cutting down overcapacity and other related measures had somewhat allay some of the concerns.

In his concluding remarks, the Chairman noted that during these increasingly difficult times, members had remained very supportive of MISIF programmes and activities. The Federation managed to achieve a commendable surplus for the third year running, although there was a slight decline in membership in tandem with the adverse economic and financial situation.

Following Dato' Soh's address, the meeting approved Minutes of the last Annual General Meeting held on 15 June 2016. The Report of the Council and Statement of Accounts for the year ended 31 December 2016 was approved as correct records. The meeting also agreed on the re-appointment of Messrs Goonting & Chew as Auditors of the Company at a fee agreed upon with the Council and to hold office until the conclusion of the next Annual General Meeting.

In this Issue

MISIF Holds 37th AGM	1
SEAISI Conference & Exhibition	2
MOF 2018 Budget Dialogue Session	2
Dialogue on Natural Gas Hike	2
Outreach Programme on Duty Drawback	2
Branch AGMS	3
MISIF Council Member	3
MISIF Organizes Stainless Steel Workshops	3
VSA Visits Malaysia	3
Baosteel Visits MISIF	3
MISIF to hold Golf Tournament	4
Forthcoming MISIF Events	4
Definitive Safeguard Duties on Rebar and SWR & DBIC	4
AD Investigation of CRSS	4
Brazil AD Investigation	4

Berita MISIF Committee/Editorial Committee

Chairman: Mr. Pongsak Padungkarn
Secretariat: Mr. Frankie Wee, Ms. Ng Mor Kiang

Published by:
Malaysian Iron & Steel Industry Federation
No 28 & 30E, 5th Floor, Block 2, Worldwide Business Park
Jalan Tinju 13/50, Section 13, 40675 Shah Alam, Selangor, Malaysia
Phone: 603-55133970 Fax: 603-55133891
Website: www.misif.org.my Email: enquiry@misif.org.my

Artwork and Design by MISIF
Any materials extracted from Berita MISIF to be quoted or reprinted should contain an acknowledgement to MISIF or its acknowledged source.

SEAISI Conference & Exhibition

The 2017 South East Asia Iron and Steel Institute (SEAISI) Conference & Exhibition was held from 22-25 May 2017 in Resorts World Sentosa, Singapore. The theme of the conference was "Realising the Value within ASEAN Steel Industry through Technology Development, Capacity Optimisation and Digitisation". The event was well attended by some 500 delegates from 30 countries across the globe.

The opening ceremony was officiated by Dr. John Keung, CEO of Building and Construction Authority (BCA) Singapore, who gave an address on "Construction Productivity in Singapore – Changing the Way We Build".

During the conference, MISIF President Dato' Soh Thian Lai joined four other distinguished personalities in the CEO panel discussion moderated by Mr. Ashish Anupam, Chairman of SEAISI. The four were Mr. Peeyush Gupta (Director, Tata Steel Limited and Vice President (Marketing & Sales), Tata Steel India), Mr. Yoichi Furuta (Managing Executive Officer, South East Asia & India, Nippon Steel & Sumitomo Metal Corporation), Mr. Kwak Jeong-Shik (Executive Vice President and Head of External Relations, POSCO) and Mr. Win Viriyaprapaikit (President & Group CEO of Sahaviriya Steel Industrial Public Company Limited). Mr. Frankie Wee, MISIF CEO, presented the country report for Malaysia at the conference.

Prior to the conference, MISIF representatives attended back-to-back meetings of the ASEAN Iron and Steel Council (AISC) and SEAISI in Singapore (20-21 May 2017).

MOF 2018 Budget Dialogue Session

MISIF attended the Ministry of Finance 2018 Budget Dialogue Session held on 15 June 2017.

MISIF submitted a Memorandum for the occasion which covered several subject-matters, including:

Dato' Soh Thian Lai at the MOF dialogue session.

- Usage of local products and materials in Government-related projects;
- The One-Belt-One-Road (OBOR) initiative by China;
- Application of Industrial Building System (IBS) in Government and private projects;
- Industry 4.0 – proposal for Government to set up RM1 billion transformation fund to implement all action plans for industries;
- Skilled workforce;
- Energy cost;
- Consolidation efforts in the domestic iron and steel industry.

Dialogue on Natural Gas Hike

The revision in the base tariffs for natural gas for the Peninsular Malaysia's non-power sector effective 1 January 2017 highlighted that the Government had prescribed the incentive based regulation framework which sets the base tariffs for a regulatory period of three years and allows changes in the gas costs to be passed through via the gas cost pass through mechanism every six months. This overall and unprecedented steep increase in natural gas price would invariably impose more pressure on production cost and affect the viability and competitiveness of the domestic iron and steel industry.

The steel industry had been facing numerous persistent challenges the last few years. The continued rising costs of production including electricity and gas prices and depreciation of the Malaysian Ringgit had posed serious threat and implications on the cash flow situation of affected companies.

Ir. Roslee bin Esman, Director, Gas Development and Regulation of Energy Commission chairing the session with PETRONAS. Besides EC and MISIF, the session was also attended by representatives from Gas Malaysia, PETRONAS, MITI, MSI and MIDA.

In view of that, MISIF held a meeting with the Energy Commission on 5 May 2017 and with PETRONAS on 1 June 2017 to discuss the way forward on the energy tariff structure/mechanism and natural gas price to assist the iron and steel industry.

Outreach Programme on Duty Drawback

The Ministry of International Trade and Industry (MITI) in cooperation with the Royal Malaysian Customs Department (RMCD), and Malaysia Steel Institute (MSI) organized an outreach programme for the importation of iron & steel products using duty drawback facility on 24 May 2017 in Menara MITI, Kuala Lumpur.

The objective of the outreach programme was to explain the process and procedures of using the duty drawback facility for imported raw materials to produce finished products for local manufacturing warehouse (LMW) and Free Industrial Zone (FIZ) market.

The implementation date of duty drawback facility for LMW and FIZ was expected to be on 1 July 2017.

Participants at the outreach programme.

Branch AGMS

The MISIF regional branch committees conducted their respective annual general meetings as follows:

- Southern region - 9 March 2017 ;
- Central region - 12 April 2017;
- Sarawak branch - 28 April 2017;
- Northern region - 5 May 2017.

MISIF Council Member

Mr. Frank Tan Shau Ming, Director of Huatraco Scaffold Sdn Bhd, has been appointed as MISIF Council Member with effect from 12 April 2017 for the remaining 2015-2018 term of the Council. Mr. Frank Tan replaces Mr. Low Choong Sing who has retired from Huatraco Scaffold Sdn Bhd.

MISIF Organizes Stainless Steel Workshops

MISIF with the support of Nickel Institute (NI) and International Molybdenum Association (IMOA) organized two back-to-back workshops on "Stainless Steel for Food and Hygienic Service: Specifications And Use" and "Quality Welding Stainless Steel" on 25 April 2017 and 26 April 2017 respectively. Both workshops were held in the Concord Hotel, Shah Alam, Selangor and conducted by Dr. Graham A. Sussex, Technical Specialist from NI and Australian Stainless Steel Development Association of Melbourne, Australia.

The first workshop was aimed to provide participants a better understanding on the physical and mechanical properties of stainless steel, the performance attributes of stainless steel and its application.

The second workshop on "Quality Welding Stainless Steel" covered the fundamental metallurgical principles of welding of all grades of stainless steel with the aim of understanding the weldability issues, applications and limitations, as well as directions for welding techniques to avoid failure in practical welding operations.

VSA Visits Malaysia

MISIF hosted an 18-member delegation from Vietnam Steel Association (VSA) to Malaysia from the 23-27 May 2017.

The VSA delegation comprised of steel producers and traders and was led by Mr. Chu Duc Khai. Vice Chairman and General Secretary of Vietnam Steel Association.

The objective of the mission was to exchange information on the steel industry of both countries and to form closer working relationship between MISIF and VSA.

As part of the programme of the visit, a meeting between MISIF and VSA was held on 26 May 2017 in the MISIF Training Room, Shah Alam, Selangor. MISIF also organized plant visits to Ann Joo Steel Berhad and YKGI Holdings Berhad for the delegates.

Baosteel Visits MISIF

A 6-member delegation from Baosteel Engineering paid a courtesy call on MISIF on 25 April 2017. Mr. Jiang Licheng, President of Baosteel Engineering Group led the delegation while MISIF was headed by its President, Dato' Soh Thian Lai.

Both sides had a cordial discussion and appreciate each other's functions and activities following their respective presentations.

Mr. Chu Duc Khai presenting a memento to Dato' Soh Thian Lai. Looking on is Dato' Lim Hong Thye.

Dato' Soh Thian Lai and Mr. Jiang Licheng (to Dato's left) and members of Baosteel and MISIF.

A total of 26 participants attended the first workshop on "Stainless Steel for Food and Hygienic Service: Specifications and Use" while the second workshop on "Quality Welding Stainless Steel" attracted 31 participants.

MISIF to hold Golf Tournament

MISIF is organizing the MISIF Golf Invitational Challenge 2017 on 17 August 2017 in Bukit Kemuning Golf & Country Resort, Bukit Kemuning, Shah Alam, Selangor.

En. Azlan Abdullah, MISIF Deputy President I heads the Organizing Committee which is working on putting an enjoyable game for golf enthusiasts from MISIF members, their business associates, Government Ministries and agencies and other industry stakeholders..

The Golf Invitational Challenge is now open for registration and those interested to participate are encouraged to register by 7 August 2017 with the MISIF Secretariat.

Forthcoming MISIF Events

Training Course on "Corrosion of Metals and Coatings"
Date: 27 & 28 September 2017
Venue: MISIF Training Room, Shah Alam, Selangor
Trainers: Dr. Sheikh Abdul Rezan B. Sheikh Abdul Hamid & Dr. Mohd Nazri Bin Idris (Universiti Sains Malaysia)
MISIF Trade Forum on the Malaysian Iron & Steel Industry
Date: 26 October 2017
Venue: Sunway Resort Hotel & Spa,Petaling Jaya, Selangor
MISIF 2017 Steel Industry Annual Dinner
Date: 26 October 2017
Venue: Sunway Resort Hotel & Spa,Petaling Jaya, Selangor

Definitive Safeguard Duties on Rebar and SWR & DBIC

The Government of Malaysia informed that they had initiated two safeguard investigations on imports of steel concrete reinforcing bar (rebar) and steel wire rods (SWR) and deformed bar in coils (DBIC) on 28 May 2016 and 29 May 2016 respectively based on petitions filed by Malaysia Steel Association (MSA) on behalf of the domestic industry.

The petition alleged that the increased importation of both products into Malaysia had seriously injured the domestic industry. The Government assessed the issues and concerns submitted by all interested parties in accordance with the Safeguards Act 2006 and Safeguards Regulations 2007. In accordance with Section 25, Safeguards Act 2006, the Government made a final determination to impose definitive safeguard duties for the period of three years as follows:

- **Rebar**

Duration	**Definitive Safeguard Duty**
14 April 2017 – 13 April 2018	13.42%
14 April 2018 – 13 April 2019	12.27%
14 April 2019 – 13 April 2020	11.10%

- **SWR & DBIC**

Duration	**Definitive Safeguard Duty**
15 April 2017 – 14 April 2018	13.90%
15 April 2018 – 14 April 2019	12.90%
15 April 2019 – 14 April 2020	11.90%

For SWR & DBIC, the definitive safeguard duties would exclude:

- products with carbon content of 0.60% or more, or diameter greater than 16.0 millimetres;
- products imported for the end-usage purposes of automotive, electrical and electronic, oil and gas; and
- DBIC imported for the end-usage purposes of earthquake proof construction industries of all grades and specifications.

AD Investigation of CRSS

The Government of Malaysia informed that they received a petition from a domestic producer (Bahru Stainless Sdn Bhd) requesting anti-dumping investigation on imports of cold rolled stainless steel (CRSS). The petitioner alleged that imports of CRSS originating in, or exported from, the People's Republic of China, Republic of Korea, Chinese Taipei, and Kingdom of Thailand were being dumped into Malaysia at a price much lower than their domestic price.

The Government had considered the evidence of dumping, injury and causal link and decided to initiate a preliminary investigation on imports of CRSS from the alleged markets. In accordance with the Countervailing and Anti-Dumping Duties Act 1993 and its related regulations, a preliminary determination would be made within 120 days from the date of initiation. If the preliminary determination is affirmative, the Government would impose an anti-dumping duty at the rate that was necessary to prevent further injury.

Further enquiries concerning this investigation could be directed to the Trade Practices Section of MITI. alltps@miti.gov.my.

Brazil AD Investigation

The Government of Brazil on 24 April 2017 had initiated anti-dumping investigation concerning imports of austenitic stainless steel pipes with seam (HS code 7306.40.11 00, 7306.40.19 00, 7306.40.20 00, 7306.40.30 00, 7306.40.90 00, 7306.90.11 00, 7306.90.19 00, 7306.90.91 00, 7306.90.92 00, 7306.90.93 00 and 7306.90.99 00), originating or exported from Malaysia and other countries.

In connection to the above, the MISIF Stainless Steel Group headed by Mr. Mark Lim held a meeting with the Trade Practices Section of MITI on 29 May 2017 to further deliberate on this Brazilian investigation case as well as arising issues on the same matter.

Genuine manufacturing companies having interest in the Brazilian market were advised to participate in the investigation and respond to the questionnaire.