Malaysian Iron & Steel Industry Federation
Co. Reg. No. 76350P GST Reg. No. 001781899264

MISIF Seeks Fair and Balanced Market Access for Malaysian Steel as Global Trade Measures Tighten

The Malaysian Iron and Steel Industry Federation (MISIF) expresses deep concern over the mounting trade barriers confronting Malaysian steel across several of its key export markets and calls for Malaysia's producers to be accorded fair and equitable treatment as governments tighten measures to address global steel overcapacity.

MISIF fully respects the European Union's right, under WTO rules, to protect its market through safeguard measures against the genuine and shared threat of global steel overcapacity. The European Union itself projects that global excess steelmaking capacity will rise from around 602 million tonnes in 2024 to 721 million tonnes by 2027, equivalent to roughly five times the EU's annual steel demand. MISIF's concern is not with the safeguard measure itself, but that Malaysia should not be penalised when it has done nothing wrong, having exported in moderate volumes and never been a source of the import surges these safeguards are designed to address.

MISIF further notes that the European Union's tariff-rate quota allocations are based on historical import data from 2022 to 2024, a period during which several Malaysian steel producers were still recovering from the severe operational and financial disruptions caused by the COVID-19 pandemic, while others were only beginning to enter the export market. Malaysia's lower export volumes during those years were therefore not reflective of its true industrial capability or long-term export potential. It is deeply concerning that future access to the European market is now constrained by an exceptional period of recovery rather than normal trading conditions. Malaysian producers have every legitimate right to participate in the European market, and quota arrangements should preserve that opportunity rather than inadvertently constraining future market access.

Under the European Union's new steel regulation, effective 1 July 2026, Malaysia has been allocated a country-specific quota in only one of 26 product categories - *Non-Alloy and Other Alloy Wire Rod*. For the remaining categories, Malaysian exporters are placed in a shared residual pool on a first-come, first-served basis and, as Malaysia does not yet hold a free trade agreement with the European Union, are excluded from the more favourable FTA allocations. Volumes above quota face a duty of 50%, double the previous rate. In MISIF's firm view, this outcome does not reflect fairness. Malaysia is left with limited access despite having exercised restraint and not contributing to import surges in the European market, while higher-volume exporters are allocated with dedicated quotas.

The European Union is not the only market where Malaysian steel is facing increasingly restrictive conditions. In the United States, Malaysian steel remains subject to a 50% Section 232 tariff, while only a limited number of U.S. free trade agreement partners are exempt. Malaysian steel exporters have also faced procedural and market-access hurdles in Mexico, where registration and classification requirements add complexity to entering the market despite the access the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is intended to provide.

"Malaysia has consistently advocated for fair, non-discriminatory, and mutually beneficial trade," said Mr Roshan M Abdullah, President of MISIF. "We have exported responsibly and in moderation, never contributing to the surpluses these measures target. It is therefore of real concern that our producers now find themselves among the most disadvantaged. Malaysia asks only that its steel be given fair and equitable access to the markets of its trading partners."

MISIF welcomes the Government's ongoing efforts to strengthen Malaysia's trade position and stands ready to support them in every way it can. In particular, MISIF is committed to contributing industry data, technical expertise and evidence-based recommendations to support Malaysia's interests in the Malaysia-European Union Free Trade Agreement (MEUFTA) negotiations, which have now concluded five chapters and are targeted for completion in 2027, as well as in any submission the Government may make during the European Commission's forthcoming review of its steel quota arrangements.

The iron and steel industry is a pillar of national economic security, sustaining hundreds of thousands of Malaysian jobs and a domestic supply chain built over decades. Malaysia has long been a fair and dependable partner to the world, and seeks only the same fairness in return. MISIF stands united with the Government in defending Malaysia's rightful place in global trade.

Statement by: **Malaysian Iron and Steel Industry Federation**
(马来西亚钢铁工业联合会)
28E & 30E, 5th Floor, Block 2, Worldwide Business Park
Jalan Tinju 13/50, Section 13,
40675 Shah Alam, Selangor, MALAYSIA
Tel: 603-5513 3970 Fax: 603-5513 3891
Email: enquiry@misif.org.my Homepage: www.misif.org.my

Date: **5 July 2026**