



29 September 2016

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Committee on Safeguards

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**NOTIFICATION UNDER ARTICLE 12.4 OF THE AGREEMENT ON SAFEGUARDS
BEFORE TAKING A PROVISIONAL SAFEGUARD MEASURE
REFERRED TO IN ARTICLE 6**

**NOTIFICATION PURSUANT TO ARTICLE 9, FOOTNOTE 2
OF THE AGREEMENT ON SAFEGUARDS**

MALAYSIA

(Steel Wire Rod and Deformed Bar in Coil)

The following communication, dated 28 September 2016, is being circulated at the request of the delegation of Malaysia.

(In continuation to documents G/SG/N/6/MYS/5 dated 2 June 2016)

1. Background

On 29 May 2016, Malaysia initiated a safeguard investigation on Steel Wire Rod and Deformed Bar in Coil (hereinafter referred to as "products under investigation") imported from various countries.

2. Products under investigation and tariff classification

Products under investigation are hot-rolled alloyed or non-alloy wire rods and Deformed-Bar-In-Coil in regularly or in irregularly wound coils (excluding carbon content \geq 0.60% and diameter greater than 16.0 mm). The products are classified under the Harmonised System Code (H.S. Code) Number 7213.10 000, 7213.91 000, 7213.99 000 and 7227.90 000 and ASEAN Harmonised Tariff Nomenclature (AHTN) 7213.10 00 00, 7213.91 10 00, 7213.91 20 00, 7213.91 90 00, 7213.99 10 00, 7213.99 20 00, 7213.99 90 00 and 7227.90 00 00. The H.S. Code and AHTN Number are only for information and shall have no binding effect on the classification of the products.

3. Evidence of Serious Injury caused by increased imports

There is evidence of increase in imports in both absolute and relative terms. The imports of the product concerned increased in imports of the product concerned to Malaysia by 35.98% from 786,608MT in Year 1 to 1,069,630MT in Year 2 and continued to increase by 23.07% in Year 3. The imports have increased sharply by 67.35% from Year 1 to Year 3. In relative term, it is observed that the proportion of total imports in relation to domestic production continually increased from 83.16% in Year 1 to 122.16% in Year 2 and further increased to 290.94% during Year 3 (Year 1: 1 October 2012 – 30 September 2013; Year 2: 1 October 2013 – 30 September 2014; Year 3: 1 October 2014 – 30 September 2015).

The increase in imports has caused serious injury to the Domestic Industry in terms of market share, decline in domestic sales, low production and capacity utilisation, decline profitability, decline in cash flow and reduction in employment and wages.

4. Proposed provisional safeguard measure

A provisional safeguard duty was imposed at the rate of 13.90% of CIF price effective from 27 September 2016. However, the product concerned which imported for the purpose of automotive, electrical & electronic, oil & gas and earth quake resilience construction industry end usage of all grades and specifications are exempted from the provisional safeguard duty. The imports from developing countries except the People's Republic of China, Republic of Korea and Singapore are not subjected to the provisional safeguard duty.

5. Expected duration of the provisional safeguard measure

The provisional safeguard duty will remain in force for a period not exceeding two hundred (200) days from the date of enforcement of the provisional safeguard measure.

6. Further information

Information on the decision of the imposition of the provisional safeguard duty on the products under investigation is accessible at the website of the Ministry of International Trade and Industry (www.miti.gov.my). Further information and comments should be sent to:

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