

#### QUESTIONNAIRE FOR DOMESTIC PRODUCERS

## APPLICATION FOR ADMINISTRATIVE REVIEW (SUNSET) IN RELATION TO THE IMPENDING TERMINATION OF ANTI-DUMPING DUTIES

### Applicant(s) submitting an application must ensure that:

- submission to be bound and tagged accordingly;
- each page to be labelled either "confidential" or "non-confidential";
- 5 copies of confidential version to be provided;
- 3 copies of non-confidential version to be provided;
- the *non-confidential* version must fully summarise the content and significance of the confidential information; and
- the declaration is to be completed.

MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY MALAYSIA

#### INTRODUCTION

APPLICANT(S)

: MYCRON STEEL CRC SDN. BHD.

PRODUCT(S)

Cold rolled coils of alloy or non-alloy steel of a thickness between 0.20 millimetres to 2.60 millimetres and width between 700 millimetres to 1,300 millimetres excluding tin mill black plate and subject merchandise imported for the purpose of automotive endusage of all grades and specifications.

H.S. CODE (2012): **7209.15 000, 7209.16 000, 7209.17 000, 7209.18 290, 7209.18 900, 7225.50 000** 

AHTN (2012)

: 7209.15 0000, 7209.16 0000, 7209.17 0000, 7209.18 9920,

7209.18 9990, 7225.50 1000, 7225.50 9000

H.S. CODE (2017): **7209.15 0000, 7209.16 1000, 7209.16 9000, 7209.17 1000, 7209.17 9000, 7209.18 9900, 7225.50 1000,** 

7225.50 9000

<u>Note</u>: The HS Code and AHTN Codes are given for information only and these classifications of the subject merchandise have no binding effect.

#### ORIGINATING IN:

#### **EXPORTED FROM:**

THE PEOPLE'S REPUBLIC OF CHINA ("CHINA"), THE REPUBLIC OF KOREA ("KOREA"), AND THE SOCIALIST REPUBLIC OF VIET NAM ("VIET NAM")

PERIOD OF INJURY DETERMINATION ("POID"):

 Year 1
 : 1 Oct 2015 – 30 Sept 2016

 Year 2
 : 1 Oct 2016 – 30 Sept 2017

 Year 3
 : 1 Oct 2017 – 30 Sept 2018

 Year 4
 : 1 Oct 2018 – 30 Sept 2019

 Period of Review (POR)
 : 1 Oct 2019 – 30 Sept 2020

For the purpose of this questionnaire submission:

Year 1 : 1 Oct 2015 – 30 Sept 2016 Year 2 : 1 Oct 2016 – 30 Sept 2017 Year 3 : 1 Oct 2017 – 30 Sept 2018 Year 4 : 1 Oct 2018 – 30 Sept 2019 Period of Review (POR) : 1 Oct 2019 – 30 Sept 2020

#### STATUTORY REFERENCE:

Countervailing and Anti-Dumping Duties Act 1993 Countervailing and Anti-Dumping Duties Regulations 1994 Article VI of the General Agreement on Tariffs and Trade 1994

#### OFFICIALS IN CHARGE:

Name <u>Tel. Number</u> <u>Email</u>

Raja Noor Diana Raja Hishan Shah +603-62084660

Zuriana Ibrahim +603-62084635 alltps@miti.gov.my

Ennie Salina Roseli +603-62084639

## PLEASE RETURN THE COMPLETE RESPONSE TO THE QUESTIONNAIRE TO:

THE DIRECTOR
TRADE PRACTICES SECTION
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY
LEVEL 9, MENARA MITI
NO. 7, JALAN SULTAN HAJI AHMAD SHAH
50480 KUALA

#### **GENERAL INSTRUCTIONS**

### A. Filing of an Application

- Please answer questions in the order as presented in the questionnaire.
   Please ensure that the information submitted conforms to the requested format and is clearly labelled.
- 2. Your reply to this questionnaire may be subjected to verification. Therefore, all worksheets including the source documents used in answering the questionnaire must be retained for verification during the on-the-spot investigation.
- 3. Please identify the source documents for the verification and be prepared to substantiate all information submitted.
- 4. Please reply to the questionnaire as accurately and completely as possible and attach supporting documents. You may supplement your response with additional data not covered by the questionnaire if you believe it is necessary to support your case. If a question does not apply to your company, please write "not applicable" and where relevant, state the reason.
- 5. All documents and source materials submitted other than in Bahasa Malaysia and the English language must be accompanied by an English translation. Failure to provide an English translation may result in the information provided being disregarded.
- 6. For the purpose of replying to this questionnaire, please use the amounts as recorded in your accounting records.
- 7. Please identify clearly all units of measurement and currencies used in tables and calculations. Apply the same measurements consistently throughout your questionnaire response. You must indicate the source(s) from where the statistical figures are obtained.
- 8. If you intend to have another party acting on your behalf, please ensure that the Investigating Authority (IA) receives a properly documented power of attorney.

- 9. Please note that interested parties providing confidential response to the questionnaire are required to furnish non-confidential summaries thereof. In this context, you should be aware that:
  - the non-confidential summaries shall be in sufficient detail to permit a
    reasonable understanding of the substance of the information submitted in
    confidence. In exceptional circumstances, a party may
    indicate that such information is not susceptible of summary and a statement
    of the reasons why summarization is not possible must be provided (Please
    refer to Appendix 1 on how to complete the non-confidential version); and
  - the non-confidential summaries shall be in sufficient detail to permit a
    reasonable understanding of the substance of the information submitted in
    confidence. In exceptional circumstances, a party may
    indicate that such information is not susceptible of summary and a statement
    of the reasons why summarization is not possible must be provided (Please
    refer to Appendix 1 on how to complete the non-confidential version); and
  - if it is considered that a request for confidentiality is not warranted and if the supplier of the information is either unwilling to make the information available or to authorise its disclosure in generalised or summary form, such information may be disregarded.
- 10. You are required to submit:
  - five (5) copies of the confidential version; and
  - three (3) copies of the non-confidential version.

Clearly mark each version as either "CONFIDENTIAL" or "NON-CONFIDENTIAL".

11. All information provided to the IA in confidence will be treated accordingly. Your non-confidential version of the submission would be placed in the public file for public viewing.

### B. <u>Submission of computerised information</u>

- It is essential that information be submitted in electronic form (softcopy) in portable data storage. If your company is not in a position to submit the requested computerised data, please contact the officials in charge. A lack of computerised response may be considered as non-cooperation unless you show that presenting the response as requested would result in an unreasonable extra burden or cost.
- 2. All data storage medium should be clearly labelled with your company's name and file names.
- 3. The data files have to be compatible to the MS-Excel and MS-Word format.
- 4. Please provide the requested files with the structure and column headings as proposed in the respective sections. The order and title of each of the field names, and formula used in the computer spreadsheets should be maintained.

# MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY MALAYSIA

### **DECLARATION**

## MALAYSIAN PRODUCER'S SUBMISSION TO AN ADMINISTRATIVE REVIEW (SUNSET) IN RELATION TO THE IMPENDING TERMINATION OF ANTI-DUMPING DUTIES

Mycron Steel CRC Sdn Bhd

| questionnaire and, I | the product under investigation and have completed having made due inquiry, certify that the information lete and correct to the best of my knowledge and be | n contained in this |
|----------------------|--|---------------------|
|                      | stand that the information submitted may be sulally alaysian Anti-Dumping Investigating Authority.   | bject to audit and  |
|                      |  |                     |
| Signature :          |  |                     |
| Name :               | Fanny Tan Boon Sim   | CIEEL CRC           |
| Designation :        | Chief Operations Officer   | ZO ZZ               |
| Date :               | 09 <sup>th</sup> March 2021  |                     |
|                      |  |                     |

## SECTION A COMPANY STRUCTURE AND OPERATIONS

#### A-1 Contact Information

#### Company

Name : Mycron Steel CRC Sdn Bhd

Address: Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam

Selangor

**Telephone**: 03 55106608 **Facsimile**: 03 55103720

Email : crc@mycronsteel.com
Web page : www.mycronsteel.com

**Factory** 

Name : Mycron Steel CRC Sdn Bhd

Address: Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam

Selangor

**Telephone**: 03 55106608 **Facsimile**: 03 55103720

Contact person

Name : Ms Fanny Tan Boon Sim

Position/Designation: Chief Operations Officer

Address: Lot 717, Jalan Sungai Rasau, Seksyen 16, 40200 Shah Alam

Selangor

**Telephone**: 03 55106608 **Facsimile**: 03 55103720

**Email**: fannytan@mycronsteel.com

A-2 Legal Representative/Consultant

Name of legal representative/consultant: Lee Hishammuddin Allen & Gledhill

Name of contact person: Mr. Jason Tan

Address: Level 6, Menara 1 Dutamas, Solaris Dutamas,

No. 1, Jalan Dutamas, 50480 Kuala Lumpur

 Telephone
 : 03-62085888

 Facsimile
 : 03-62010122

 Email
 : tix@lh-ag.com

#### A-3 Corporate Information (including related parties)

1. Indicate the legal name and form (e.g. company, partnership or sole proprietorship) of your business. If you trade in a name other than this legal name, indicate the name(s) used.

Company Name : Mycron Steel CRC Sdn Bhd ("Mycron")

Registration No. : 198901000186 (177492-W)

Date of incorporation : 6<sup>th</sup> January 1989

2. List the principal shareholders of your company and indicate the percentage of shareholding and the activities of these shareholders. For this purpose, use Table A-3.2.

Table A-3.2: Shareholdings

| Name of shareholder                | Activity of shareholder                    | Percentage of share holding |  |
|------------------------------------|--|-----------------------------|--|
| Melewar Industrial<br>Group Berhad | Property investment and investment holding | ***%                        |  |
| *Private & Institution             | Investment                                 | ***%                        |  |

#### Refer Appendix A – Shareholdings for Private and Institution

#### 3. Provide:

a. A diagram outlining the overall organisational structure of your company(s).

#### Appendix B - Overall Organisational Structure.

b. A detailed diagram which shows all units within your company involved in the production, sale, R&D, distribution and supply of the product in the Malaysian and export market during the investigation period.

#### Appendix C - Internal Organisational Structure.

c. Copies of legal documents (e.g. Forms 13, 24, 48, 49, etc.) to substantiate your explanation. A copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

## Appendix D - Form 9, Form 13, Form 24 & Particulars of Directors.

4. List the names, addresses, email and telephone numbers of all subsidiaries or other related companies in all countries that are involved with the production, sale, R&D, distribution and supply of the product under review (PUR) in Malaysian market and export market during the investigation period. Specify the activities of each related company and percentage of shares owned. For this purpose use Table A-3.4.

Table A-3.4: Listing of Related Companies

| Name, address, email and telephone of related company in all countries | List of<br>activities | Tick if<br>manufacturer<br>of the<br>product<br>under<br>investigation | Tick if supplier of input used in the manufacturing of the product under investigation | Tick if<br>importer of<br>the product<br>under<br>investigation | Percentage of your company's shareholding in related company | Percentage<br>of related<br>company's<br>shareholding<br>in your<br>company |
|--|-----------------------|--|--|---|--|---|
|  |                       | <b>√</b>   |  | <b>√</b>  | :  |   |
| ***  | ***                   |  |  |   | NA   | NA  |

\*Note: Melewar Steel Tube Sdn. Bhd. is a sister company that buys CRC from Mycron and rolls it into pipes and sells in the domestic market.

 If your company has contractual links/agreement with other company(s) in Malaysia or other countries (in particular, alleged country(s) in this proceeding), for the production (e.g. subcontracting), supply and sale of the product or other licensing, technical patent or compensatory agreements, explain the nature of the agreement and indicate clearly the country where the company is located.

#### **Not Applicable**

2. Provide a diagram outlining the overall organisational structure of all related companies.

#### Not Applicable

3. Provide details of any other area of activity where your company has other commercial relationships with the alleged country(s) in this proceeding (e.g. production facilities, joint ventures).

#### Not Applicable

## SECTION B CURRENT ANTI-DUMPING MEASURE

Please provide details of the current anti-dumping measure(s) on the subject merchandise in relation with this application

#### **B-1** Tariff Classification

Describe the tariff classification and product description of the subject merchandise.

| HS/AHTN<br>Codes                             | Product<br>Description  | MFN<br>Rate<br>(%) | Preferential<br>Rate (%)<br>ATIGA | Preferential<br>Rate (%)<br>China<br>(ACFTA) | Preferential<br>Rate (%)<br>Korea<br>(AKFTA) | Preferential<br>Rate (%)<br>Japan<br>(AJCEP/<br>MJEPA) |
|--|---|--------------------|-----------------------------------|--|--|--|
| 7209.15.000,<br>7209.15.0000                 | Flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, cold-rolled (cold-reduced), not clad, plated or coated, in coils, not further worked than cold-rolled (cold-reduced): Of a thickness of 3mm or more                     | 15                 | 0                                 | 10   | 15   | AJCEP – 0<br>MJEPA- 4.6                                |
| 7209.16.000,<br>7209.16.1000<br>7209.16.9000 | Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold- reduced), not clad, plated or coated, in coils, not further worked than cold- rolled (cold- reduced): Of a thickness exceeding1mm but less than 3mm | 15                 | 0                                 | 10   | 15   | AJCEP - 0<br>MJEPA-4.6                                 |

| 7209.17.000,<br>7209.17.1000<br>7209.17.9000 | Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated, in coils, not further worked than cold-rolled (cold-reduced): Of a thickness of 0.5mm or more but not exceeding 1mm | 15 | 0 | 10 | 15 | AJCEP – 0<br>MJEPA-4.6 |
|--|--|----|---|----|----|------------------------|
| 7209.18.9900                                 | Flat-rolled products of iron or non-alloy steel, of a width of 600mm or more, cold-rolled (cold- reduced), not clad, plated or coated, in coils, not further worked than cold- rolled (cold- reduced): Other   | 15 | 0 | 10 | 5  | AJCEP – 0<br>MJEPA-4.6 |
| 7225.50.000<br>7225.50.1000<br>7225.50.9000  | Flat-rolled products of alloy steel of a thickness width of 600mm or moreOther, not further worked than cold-rolled (cold-reduced):Of high speed steelOther  | 0  | 0 | 0  | 0  | AJCEP – 0<br>MJEPA - 0 |

#### B-2 The countries and companies specified

Describe the countries and companies covered by the measure(s).

| Countries                                | Producers/Exporters                                 | Dumping Margin |
|--|---|----------------|
| (i) People's Republic of<br>China        | Bengang Steel Plates Co.,<br>Ltd.                   | 42.08%         |
|  | BX Steel POSCO Cold<br>Rolled Sheet Co., Ltd.       | 35.89%         |
|  | Jiangsu Shagang<br>International Trade Co., Ltd.    | 42.08%         |
|  | Others  | 42.08%         |
| (ii) Republic of Korea                   | Hyundai Steel Company 11.55%                        |                |
|  | POSCO   | Nil            |
|  | Others  | 21.64%         |
| (iii) Socialist Republic of<br>Viet Nam* | China Steel Sumikin Viet<br>Nam Joint Stock Company | 33.70%         |
|  | POSCO-Viet Nam Co., Ltd.                            | 7.42%          |
|  | Others  | 33.70%         |

<sup>\*</sup>Based on the Notice of Affirmative Final Administrative Review Determination published on 22.1.2021.

#### B-3 Date of publication of the measure

Provide the information on the notification by the Government in relation to the current anti-dumping measure:

(a) The Notice of Affirmative Final Determination of an Anti-Dumping Duty Investigation with regard to the Imports of Cold Rolled Coils of Alloy and Non-Alloy Steel Originating or Exported from the People's Republic of China, Republic of Korea and Socialist Republic of Viet Nam as published in the Federal Gazette: P.U. (B) 229 dated 23 May 2016

Period of Imposition of Original Anti-dumping Duties:

24 May 2016 to 23 May 2021

(b) The Notice of Affirmative Final Administrative Review Determination of an Anti-dumping Duty with regard to the Imports of Cold Rolled Coils of Alloy and Non-Alloy Steel Originating or Exported from the People's Republic of China, Republic of Korea and Socialist Republic of Viet Nam was published in the Federal Government Gazette: P.U. (B) 243 dated 8 May 2019

Period of Imposition of Original Anti-dumping Duties:

8 May 2019 to 23 May 2021

(c) The Notice of Affirmative Final Administrative Review Determination of an Anti-dumping Duty with regard to the Imports of Cold Rolled Coils of Alloy and Non-Alloy Steel Originating or Exported from the Socialist Republic of Viet Nam was published in the Federal Government Gazette P.U. (B) 46 dated 22.1.2021.

Period of Imposition of Original Anti-dumping Duties:

24 January 2021 to 23 May 2021

#### **B-4** Interested Parties

Provide the names, addresses and contact details of:

- Other domestic producers of the like product in Malaysia;
- producers of the products exported to Malaysia;
- exporters to Malaysia; and
- importers in Malaysia.

## NON-CONFIDENTIAL Domestic Producer:

|   | Name of company             | Address/ Telephone/Fax  | Association<br>Member                                 | Email                    |
|---|-----------------------------|---|---|--------------------------|
| 1 | Mycron Steel<br>CRC Sdn Bhd | Lot 717, Jln Sungai<br>Rasau, Seksyen 16,<br>P.O. Box 7168, 40706<br>Shah Alam,<br>Selangor, Malaysia | Malaysian Iron<br>and Steel<br>Industry<br>Federation | fannytan@mycronsteel.com |
| 2 | CSC Steel Sdn<br>Bhd        | 180, Kawasan Industri<br>Ayer Keroh, 75450 Ayer<br>Keroh, Melaka, Malaysia                            | Malaysian Iron<br>and Steel<br>Industry<br>Federation | info@cscmalaysia.com     |

### **Importers:**

Information is provided in confidential submission

### **CRC Foreign Producers:**

Information is provided in confidential submission

### **CRC Foreign Traders**:

Information is provided in confidential submission

## SECTION C REASON FOR CONTINUATION OF ANTI-DUMPING DUTIES

Please provide detailed statement stating the reason for seeking continuation of the current anti-dumping measure. The application must be substantiated with documentary evidence accordingly.

#### C-1 Proposed Period of Review (POR)

1. For the purpose of this application, please provide data for the last five (5) years:

 Year 1
 : 1 October 2015 – 30 September 2016

 Year 2
 : 1 October 2016 – 30 September 2017

 Year 3
 : 1 October 2017 – 30 September 2018

 Year 4
 : 1 October 2018 – 30 September 2019

 Period of Review
 : 1 October 2019 – 30 September 2020

#### C-2 Likelihood of continuation or recurrence of dumping

- 1. Please provide the necessary explanation in addressing the likelihood of continuation or recurrence of dumping if the anti-dumping duties are lifted. The applicant may include the following information:
  - a. anti-dumping actions by other countries;
  - b. relevant evidence as to the current normal values in the exporting country;

## Based on the data obtained from Metal Bulletin, the normal value for China is:

| Country | Month         | Normal Value |
|---------|---------------|--------------|
| China   | February 2020 | RM ***/MT    |
|         |               |              |

As it is not possible to obtain any information in relation to the Viet Nam and Korea's domestic price/normal value of the PUI, the normal value for there two countries were constructed:

| Country  | Month    | Constructed Value |
|----------|----------|-------------------|
| Viet Nam | Feb 2020 | RM ***/MT         |
| Korea    | Feb 2020 | RM ***/MT         |

#### **Dumping Margin Calculations**

Based on these data, it is submitted that the PUR from China, Viet Nam, and Korea ("Subject Countries") were dumped in Malaysia at prices with estimated dumping margins ranging from 19.19% for China, 52.79% for Viet Nam, and 51.93% for Korea. The details are as follows:

#### China

| Month (2020) | Normal Value (RM/MT) | Export Price (Ex<br>Works) (RM/MT) | Dumping Margin (%) |
|--------------|----------------------|------------------------------------|--------------------|
| February     | RM ***               | RM ***                             | 19.19%             |

#### **Viet Nam**

| Month (2020) | Normal Value (RM/MT) | Export Price (Ex<br>Works) (RM/MT) | Dumping Margin (%) |
|--------------|----------------------|------------------------------------|--------------------|
| February     | RM ***               | RM ***                             | 52.79%             |

#### Korea

| Month (2020) | Normal Value (RM/MT) | Export Price (Ex<br>Works) (RM/MT) | Dumping Margin (%) |
|--------------|----------------------|------------------------------------|--------------------|
| February     | RM ***               | RM ***                             | 51.93%             |

Export Price CIF (RM/MT) are based on the official Department of Statistics' data. Adjustments where relevant have been made to arrive at Export Price (Ex Works) for comparison.

c. whether exports have continued following imposition of the measure and estimates of export price;

Despite the imposition of anti-dumping measures, the imports from the Subject Countries continued on a gradual increase up to Year 4. Although the imports from the Subject Countries decreased in POR, it is observed that this is due to the global lockdown brought about by the Covid-19 pandemic. The Covid-19 pandemic is an unprecedented event whereby great numbers of factories were forced to shut down and global supply chain were disrupted; coupled with increasing trade tensions and already slowing global economy, global trade essentially ceased to function.

As early as April 2020, it was reported that China's factory output in February 2020 dropped more than 10%<sup>1</sup>. At the same time, the World Trade Organisation also estimated global trade to fall between 13% and 32% in 2020 and all regions to suffer double-digit declines in exports and imports (Asia was projected to have -36.2% change in trade volume)<sup>2</sup>. In March 2020, Malaysia was forced to impose a strict lockdown for three months and by August 2020, Malaysia's year-to-date total imports contracted by 7.3%<sup>3</sup>.

In another report by the World Bank Group, trade volumes were reported to see a sharp reduction whereby container throughput data showed strong downturns

<sup>2</sup> World Trade Organization: Trade set to plunge as COVID-19 pandemic upends global economy; https://www.wto.org/english/news\_e/pres20\_e/pr855\_e.pdf

<sup>3</sup> MATRADE: Trade Performance: August 2020 and January – August 2020;

<sup>&</sup>lt;sup>1</sup> CNBC Article: 7 charts show how the coronavirus pandemic has hit the global economy; https://www.cnbc.com/2020/04/24/coronavirus-pandemics-impact-on-the-global-economy-in-7-charts.html

https://www.matrade.gov.my/en/malaysian-exporters/services-for-exporters/trade-market-information/trade-statistics/181-malaysian-exporters/trade-performance-2020/5184-trade-performance-august-2020-and-january-august-2020

in China and shipping terminals in China showed a year-on-year decline of 9%. High-frequency shipping data showed major reductions in capacity on main trade lines, indicating further reductions in container throughput. Specifically, the five countries with the largest number of reported Covid-19 cases (including China and Korea) likely experienced double-digit percentage declines in both exports and imports during January-February 2020<sup>4</sup>.

In essence, all these reports point to the same inference: China, which accounts for 28% of global manufacturing output in 2018<sup>5</sup>, was the first to be affected by the Covid-19 virus and face the brunt of the economic effects while the country shut down its economy to combat the virus. The outbreak started in China during December 2019 and the country imposed its lockdown on 23 January 2020 for more than 2 months<sup>6</sup>. Accordingly, the ripple effects of China's demise, due to China's central role in the global supply chain, spread to the world and these are reflected in the Subject Countries export data for POR.

As a result of the draconian measures taken by governments across the globe to combat the pandemic, numerous blast furnaces were forced to be idled and coupled with the impact from the workforce movement control translated into a shrinkage in POR's statistical import data from the subject countries (China, Vietnam & Korea) simultaneously.

Therefore, the data for POR is clearly an anomaly/outlier and is unreliable as it covers the exact period of the lockdown imposed globally. As such, the following data for Year 1 to Year 4 would better reflect import trends under normal trading circumstances and would go on to show that the Subject Countries will continue to export at increased volumes despite AD measures imposed currently.

Having said that, cue China's rapid economic rebound from the initial virus impact, the Asian giant continued to grow its steel output after quickly bringing the virus under control, virtually driving global steel market single-handedly to what it used to be. It is seen that global trade has slowly recovered and resume to normal levels where manufacturers, especially in China, are returning to normal production capacity<sup>7</sup>. In that regard, dumped imports from the Subject Countries will continue if the current AD measures are not maintained.

<sup>&</sup>lt;sup>4</sup> World Bank Group: COVID-19 Trade Watch, April 16 2020; http://documents1.worldbank.org/curated/en/705561587137482489/pdf/COVID-19-Trade-Watch-April-16-2020.pdf

<sup>&</sup>lt;sup>5</sup> United Nations Statistics Division; <a href="https://unstats.un.org/unsd/snaama/">https://unstats.un.org/unsd/snaama/</a>

<sup>6</sup> https://www.nytimes.com/2020/04/07/world/asia/wuhan-coronavirus.html

<sup>&</sup>lt;sup>7</sup> https://www.industryweek.com/the-economy/competitiveness/article/21958699/chinas-manufacturing-sector-shows-signs-of-recovery

| Import Volume Trend                               |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|
| Country   | Y1      | Y2      | Y3      | Y4      | POR     |
| VIET NAM (MT)                                     | 73,441  | 131,276 | 113,663 | 150,194 | 94,528  |
| % Change  |         | 78.75%  | 13.42%  | 32.14%  | -37.06% |
| CHINA (MT)  | 87,747  | 85,064  | 111,001 | 104,750 | 20,865  |
| % Change  |         | -3.06%  | 30.49%  | -5.63%  | -80.08% |
| KOREA (MT)  | 182,072 | 186,069 | 181,262 | 191,981 | 162,629 |
|   |         | 2.20%   | -2.58%  | 5.91%   | -15.29% |
| Subject Countries (China, Korea, & Viet Nam) (MT) | 343,260 | 402,409 | 405,926 | 446,925 | 278,022 |
| % Change  |         | 17.23%  | 0.87%   | 10.10%  | -37.79% |

Source: DOS, Malaysia

Based on the above data for Year 1 to Year 4, it is evident that imports from the Subject Countries showed a significant increase, especially from Year 3 to Year 4 despite the imposition of the current AD measure. Hence, there is a high likelihood that these imports will continue to increase, flood the domestic market, and cause material injury to recur, especially if the AD measure is terminated.

The average yearly Export Price (CIF) of the PUR, as obtained from the Department of Statistics, are as follows:

| Country          | Y1       | Y2       | Y3       | Y4       | POR      |
|------------------|----------|----------|----------|----------|----------|
| China (RM/MT)    | 1,856.49 | 2,346.39 | 2,683.25 | 2,633.85 | 2,750.49 |
| Viet Nam (RM/MT) | 2,145.44 | 2,475.38 | 2,770.37 | 2,749.26 | 2,634.65 |
| Korea (RM/MT)    | 2,128.55 | 2,639.57 | 2,784.47 | 2,889.64 | 2,721.66 |

Source: DOS, Malaysia

d. whether the exporter has retained distribution links in Malaysia;

Based on the steady import volume presence and the sharp increase seen from Year 3 to Year 4, it can be safely concluded that the exporters from the Subject Countries have retained distribution links in Malaysia.

 e. whether the exporter retains an excess capacity that may be directed to Malaysia.

Evidence of Excess Capacity in Malaysia and the proximity in which the excess can easily find its way into the Malaysian market, is supported by import volume trend as shown earlier:

#### Excess Capacity in China

| Description  | 2016       | 2017       | 2018       | 2019       |
|--|------------|------------|------------|------------|
| PRC: Apparent Steel Consumption (ASC) of CRC (MT)                  | 37,898,100 | 31,970,100 | 28,833,100 | 31,221,400 |
| PRC: Total Domestic Production for Cold Rolled Coil (MT) per annum | 38,589,000 | 32,773,000 | 30,034,000 | 32,516,000 |
| Excess Capacity (MT)   | 690,900    | 802,900    | 1,200,900  | 1,294,600  |
| % of Excess Capacity over ASC                                      | 1.8%       | 2.5%       | 4.2%       | 4.1%       |
| Exports (MT)   | 1,351,500  | 1,447,600  | 1,781,500  | 1,854,900  |
| % of Exports over Total Production                                 | 3.5%       | 4.4%       | 5.9%       | 5.7%       |

Sources: www.chyxx.com
Please see Appendix C-2.5

It was reported that the production capacity utilisation for CRC in China was an average of 76% in 2019. Even so, China still has excess production after deducting its export volume, which is also observed to be an increasing trend. In that regard, China clearly possess capacity to produce CRC in excess of its domestic market's demand and export these excess productions to other countries. South East Asia is identified as one of the main export areas due to the close proximity between these two regions.

#### Excess Capacity in Viet Nam

| Description   | 2016      | 2017      | 2018      | 2019      |
|---|-----------|-----------|-----------|-----------|
| Viet Nam: Apparent Steel Consumption (ASC) CRC (MT)                       | 3,304,000 | 3,637,000 | 3,536,000 | 3,343,000 |
| Viet Nam: Total Domestic Production<br>Capacity for Cold Rolled Coil (MT) |           |           |           | 3,010,000 |
| per annum   | 8,195,000 | 8,195,000 | 8,195,000 | 8,195,000 |
| Excess Capacity (MT)  | 4,891,000 | 4,558,000 | 4,659,000 | 4,852,000 |
| % of Excess Capacity over ASC   | 148.03%   | 125.32%   | 131.76%   | 145.13%   |

Sources: South East Asia Iron and Steel Institute (SEAISI) Statistical Yearbook 2020

#### Excess Capacity in Korea

| Description  | 2016       | 2017       | 2018       | 2019       |
|--|------------|------------|------------|------------|
| Korea: Apparent Steel Consumption (ASC) CRC (MT)                       | 17,881,122 | 17,697,489 | 17,645,875 | 17,244,049 |
| Korea: Total Domestic Production<br>Capacity for Cold Rolled Coil (MT) |            | , ,        |            |            |
| per annum  | 24,105,000 | 24,105,000 | 24,105,000 | 24,105,000 |
| Excess Capacity (MT)   | 6,223,878  | 6,407,511  | 6,459,125  | 6,860,951  |
| % of Excess Capacity over ASC  | 34.81%     | 36.21%     | 36.6%      | 39.79%     |

Sources: South East Asia Iron and Steel Institute (SEAISI) Statistical Yearbook 2020

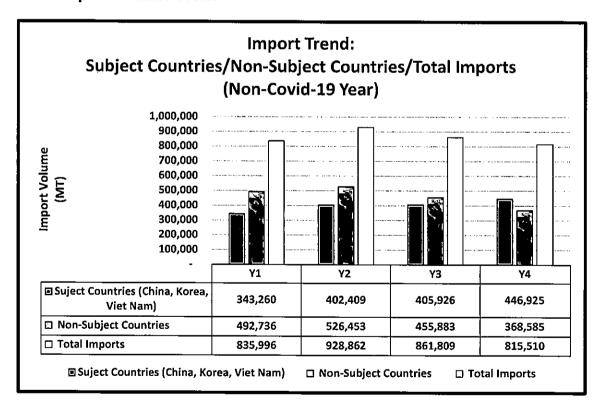
Based on the excess capacity information for Viet Nam and Korea as extracted from the SEASI Statistical Yearbook 2020, it can be seen that the domestic production of CRC in these two countries far exceed its domestic market's demand. This will in turn drive these excess productions to be exported to other South East Asia countries. Other than the close proximity between Malaysia and Viet Nam and Korea, if the current anti-dumping measures are terminated, Malaysia would surely be a main target of these exports.

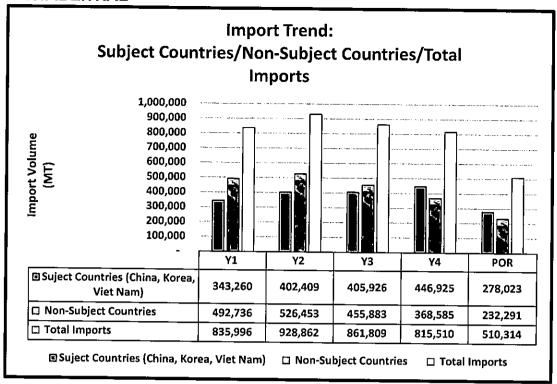
#### C-3 Likelihood of continuation or recurrence of material injury

- Please provide the explanation that in the absence of the current measure, the dumped imports would cause, or likely to cause material injury to the Malaysian industry producing the like product. When addressing this statement, the applicant should provide the following information:
  - a. Imports trend and market share analysis;

The import trend is reflected below to support the claim of continued increase in imports from the Subject Countries despite being imposed with anti-dumping duties, and the likelihood for the continued/recurrence of material injury if the measure is terminated

### **Total Import Volume Trend**





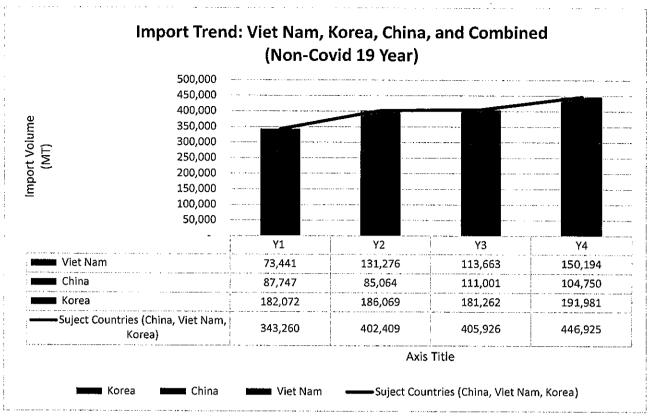
Notwithstanding the AD measures imposed, import volume has been consistent at high levels throughout the five years, save for a decrease in POR which is largely contributed by the global lockdown due to the Covid-19 pandemic as explained above. From Year 1 to Year 3, imports from the Subject Countries were lower than imports from Non-Subject Countries but this changed as imports from the Subject Countries took a higher percentage from Year 4 onwards. This can be further seen in the breakdown as follows:

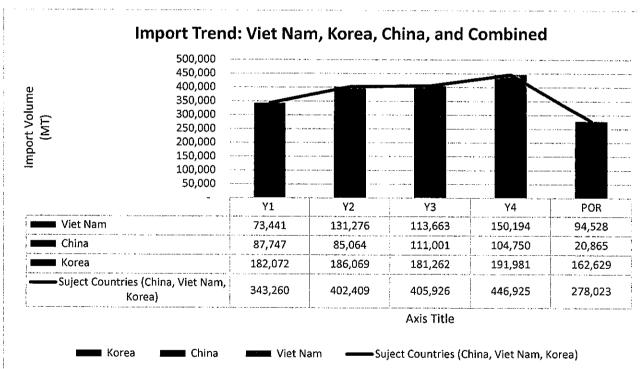
## Percentage of Imports from Subject Countries to Total Import Volume

|   | Y1     | Y2     | Y3     | Y4     | POR    |
|---|--------|--------|--------|--------|--------|
| % of Subject<br>Countries of<br>Total Imports | 41.06% | 43.32% | 47.10% | 54.80% | 54.48% |

Hence, it is clear that the percentage of total imports from the Subject Countries had been on a constant rise (reflected in the data for Year 1 to Year 4), supporting the claim of increased likelihood of increased imports from the Subject Countries if the current AD measure is terminated.

## NON-CONFIDENTIAL Import Trend of Subject Countries





Individual and cumulative imports from the Subject Countries have seen a steady increase from Year 1 to Year 4 (which is reflective of actual import trend under normal trade circumstances) despite the imposition of the AD measure. This signify a greater injury to the domestic CRC manufacturers should the existing AD measure be terminated. The dip in POR is largely contributed by the global lockdown brought about by the Covid-19 pandemic as explained above, hence it should be deemed as an

outlier. Notwithstanding this, the imports from the Subject Countries still sits at more than 50% out of the total imports in POR, showing that imports from the Subject Countries have the capability to increase its presence in the Malaysian market at any time, especially once the economy recovers from the repercussions of the pandemic.

This supports the claim that if AD duties are terminated, there is a high likelihood of imports continuing to enter into the Malaysian market at high/increased volumes, and thus leading to a continuation or recurrence of material injury to the Malaysian domestic industry.

#### **Market Share of Imports**

The apparent PUR consumption ("ASC") and market share of imports of the Subject Countries and the Petitioner are as follows:

| Estimation of Apparent Consumption              |                |                |                |                |             |
|---|----------------|----------------|----------------|----------------|-------------|
|   | Year 1<br>(MT) | Year 2<br>(MT) | Year 3<br>(MT) | Year 4<br>(MT) | POR<br>(MT) |
| A. Total Estimated Domestic Industry Production | 100            | 91             | 94             | 84             | 73          |
| B. Import Volume*                               | 100            | 111            | 103            | 98             | 61          |
| C. Export Volume*                               | 100            | 65             | 58             | 68             | 38          |
| D. Apparent Consumption (A+B-C)                 | 100            | 106            | 103            | 94             | 67          |

<sup>\*</sup>Source: DOS, Malaysia

Basis of Apparent Consumption: The total domestic industry production is estimated by multiplying the total production capacity of the domestic industry with the capacity utilisation of the Petitioner for each year.

#### Market Share of Imports to Petitioner's Sale

## The market of imports from the Subject Countries and the Petitioner's sales is provided as follows:

| Market Share                        |         |         |         |         |         |
|-------------------------------------|---------|---------|---------|---------|---------|
|                                     | Year 1  | Year 2  | Year 3  | Year 4  | POR     |
| A. Apparent PUR Consumption (ASC)   | 100     | 106     | 103     | 94      | 68      |
| % Change                            | •       | ***     | ***     | ***     | ***     |
| B. Petitioner's Sales<br>(Domestic) | 100     | 93      | 93      | 82      | 75      |
| % Change                            | -       | ***     | ***     | ***     | ***     |
| Market Share                        | 100     | 88      | 90      | 88      | 111     |
| C. Subject Countries<br>Imports     | 343,260 | 402,409 | 405,926 | 446,925 | 278,022 |
| % Change                            | -       | 17.23%  | 0.87%   | 10.10%  | -37.79% |
| Market Share                        | 100     | 110     | 115     | 138     | 120     |
| D. Non-Subject Countries Imports    | 492,736 | 526,453 | 455,883 | 368,585 | 232,291 |
| % Change                            |         | 6.84%   | -13.40% | -19.15% | -36.98% |
| Market Share                        | 100     | 101     | 90      | 80      | 70      |

Based on the above table, the ASC increased from Year 1 to Year 2 (\*\*\*%) but started its steady decline from Year 3 onwards. However, the Petitioner's domestic sales suffered grave injury where its sales declined in Year 2 despite the increase in ASC. From Year 3 onwards, the Petitioner's domestic sales continued its downward trend where it suffered greater level of losses in Year 4 (\*\*\*%) as compared to the dip in ASC (\*\*\*%).

Except for POR which has been argued above to be an outlier/anomaly, the imports from the Subject Countries faced an opposite trend where it saw significant and steady increase in terms of import volume (343,260MT to 446,925MT) and market share (\*\*\*% to \*\*\*%) from Year 1 to Year 4. The import volume of the Non-Subject Countries, together with their market share, observed significant decreased from Year 3 onwards.

Based on these data, it is clear that the domestic industry has suffered greatly from the dumped imports. While ASC and the Petitioner's domestic sales decreased in Year 3 and Year 4, the imports and market share of the dumped imports from the Subject Countries showed significant increase in the same period notwithstanding the existing AD measure in place.

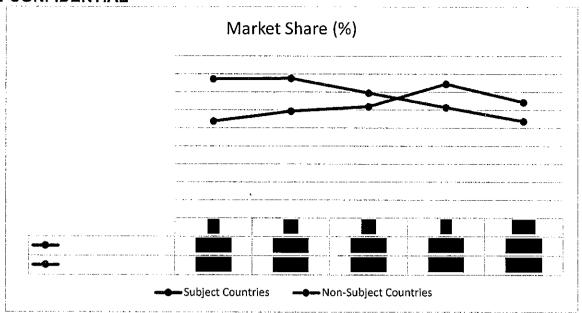
This supports the claim that if the current AD measure is to be terminated, the imports from the Subject Countries will most likely continue to surge at greater levels and lead to greater continuation and recurrence of material injury to the domestic industry.

c. Performance of the domestic industry shall be addressed in Section D to Section G of the questionnaire; and

#### Summary of the material injury suffered by the Petitioner is enumerated below:

- Production
- Capacity Utilisation
- Domestic Sales Volume
- Total Sales Turnover
- Price Effects:
  - Price Undercutting
  - Price Depression
- Employment
- Wages
- Productivity
- Cash Flow
- ROA
- ROI
  - d. The applicant may include other factors in addressing the likelihood of continuation or recurrence of material injury.

The following chart shows the comparison between the market share of imports from the Subject Countries and the imports from the Non-Subject Countries:



As seen from the table above, the market share of the imports from the Non-Subject Countries shows a steady decrease from Year 2 onwards while imports from the Subject Countries increased steadily from Year 2 to Year 4, where it gained a much higher market share in Year 4, i.e. the year in which the Petitioner suffered the greatest in terms of profitability.

Therefore, the opposite trend seen between the imports from the Subject Countries and the imports from the Non-Subject Countries supports the claim that the injury suffered is largely due to the influx of imports from the Subject Countries, where a significant dumping margin is also shown.

At this juncture, the Petitioner wishes to highlight that the Petitioner is the sole Bumiputera-owned company in the mid-stream level of the steel industry. The Petitioner's workforce also comprises of 100% Malaysians and if the Petitioner continue to suffer from the continuous dumping, our identity as a fully Malaysian/Bumiputera-owned company will be lost and the layoff of our employees will lead to a greater unemployment rate in the country.

The Petitioner's industry is very capital intensive and the Petitioner requires support and financial assistance from financial institutions to sustain the business, especially in this challenging economy. However, the Petitioner's financial performance suffered a grave blow from the dumped imports, which has led to more difficulties in obtaining financial assistance from banks. As we speak, most banks have raised their concerns and scepticism on our financial performance before providing credit lines to us. In this regard, the Petitioner humbly implores the IA to review the evidence available and continue the AD measures currently imposed at the appropriate AD rate.

The Petitioner submits that, based on the evidence that is available to it and presented in this Petition, if the AD measure is terminated, there is likelihood that dumping from the Subject Countries will continue and this will likely lead to the continuation/recurrence of material injury. Therefore, the Petitioner is proposing for the existing AD duties to be re-valued for import (export value) – domestic data (normal

value) of the participating foreign producers imposed with AD duties for the period October 2019 to September 2020; and AD duties to continue to be imposed to prevent the recurrence of material injury.

## SECTION D OPERATION

#### **D-1** Production and Capacity

1. Complete and explain information concerning the production capacity, actual production and capacity utilisation of the PUR produced by your company in Table D-1.1:

Table D-1.1: Capacity Utilisation

| Description                                | Year 1<br>(Oct'15 to<br>Sept'16) | Year 2<br>(Oct'16 to<br>Sept'17) | Year 3<br>(Oct'17<br>to<br>Sept'18) | Year 4<br>(Oct'18 to<br>Sept'19) | POR<br>(Oct'19<br>to<br>Sept'20) |
|--|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| A. Production capacity in units (MT)       | 100                              | 100                              | 100                                 | 100                              | 100                              |
| B. Actual production in units (MT)         | 100                              | 92                               | 94                                  | 84                               | 73                               |
| C. Capacity utilisation (%)<br>(B/A) x 100 | 100                              | 92                               | 94                                  | 84                               | 73                               |

Source: Petitioner

The Petitioner suffered material injury in terms of capacity utilisation throughout the POID as it continuously dropped until an unhealthy level of \*\*\*% in POR due to the increasing imports from the Subject Countries throughout the POID (save for POR due to the Covid-19 pandemic). It is postulated that this trend is likely to continue and cause material injury to recur if the AD measure is terminated

2. State basis of determination of your capacity (e.g. number of shifts, working days per year, idle time of machinery for maintenance, changes in the production process).

Capacity is derived from our cold rolling line max capacity in which it can produced up to \*\*\*MT per annum on the average thickness of 1.0mm.

| Production Time           | CRM                       |           | · <u> </u> |
|---------------------------|---------------------------|-----------|------------|
|                           |                           |           |            |
|                           | -                         | Machinery |            |
|                           |                           | Rated     | 350 days   |
|                           | Explanation               | Hours     | Hours      |
| Total hours per year      | 365 days X 24hr           | ***       | ***        |
| Planned Major             |                           |           | ***        |
| Maintenance shutdown      | 7 X 24hr                  | A         | _          |
| Planned weekly/monthly    |                           |           | ***        |
| service/maintenance       | 12times X 8hrs            | - B       |            |
| Planned necessary         | 350 days                  |           | ***        |
| stoppages                 | 3 shifts /day             |           |            |
|                           | 10 min/change             | ***       |            |
|                           | Workroll- 0.33hr/400 ton  |           |            |
|                           | Intermediate roll -       |           |            |
|                           | 0.66hr/3000ton            |           |            |
|                           | Back up Roll- 2hr/7000ton |           |            |
| Roll Change               |                           |           | ***        |
|                           |                           |           |            |
| change wood               | 0.5hr/3000ton             |           | ***        |
| service coolant noozle    | 8hr/5000ton               |           | ***        |
| _                         |                           |           |            |
| Skin Pass Utilise         | 85 t/hr                   |           | <u> </u>   |
| skin pass preparation     | 4hr/sk                    |           |            |
| cd preparation            | 2hr/cd                    |           |            |
|                           |                           |           |            |
| QC check / inspection /   |                           |           |            |
| dump up coolant require   | Ex: dumpout 1/y           |           |            |
| time                      | Inspection time need      |           | ***        |
| Coolant - Dump out        | 24hr/yr                   |           |            |
| MAIII at a a min m        |                           |           |            |
| Mill cleaning             | 48hr/yr                   |           | ***        |
| Break down                | Past 6months Ave 48hr/M   |           | ***        |
| Available production time |                           |           | ***        |
| Yearly production         | -                         |           | ***        |
| Per month/12              |                           |           | ***        |
| Per day/30                |                           |           | ***        |

Source: Petitioner

3. If your company produces other products on the same production equipment and machinery used for the production of PUR, list the products and explain the basis for the allocation.

### **Not Applicable**

4. Provide full details of future plans to commence production or increase capacity in the Malaysian market for PUR.

Mycron's 18ha plant in Shah Alam has sufficient space for future plans if the plant is running out of capacity. A typical upgrading/additional of our production equipment takes between 8 to 14 months only. Ongoing and future projects is explained in the Confidential Version of the Questionnaires.

\*\*Project A had been completed and Project B is underway and was scheduled to be completed by mid- 2021. However, with the unfairly dumped imports, these scheduled projects may be delayed or put on hold as the dumped/increased imports are already having negative impact on the return on investments.

#### D-2 Purchased of PUR

 Complete and explain Table D-2.1 showing the total quantity (after all returns and cancelled purchase) and value (after all discounts and free of taxes) of purchases for each grades/type/model of the PUR purchased by your company.

#### **Not Applicable**

2. If your company purchased any of products under investigation which did not originate in Malaysia, give your main reasons.

#### **Not Applicable**

#### **D-3** Inventories

1. Complete and explain Table D-3.1 showing the volumes and values of stocks of the PUR produced in Malaysia. Indicate the basis on which you value your inventories.

**Table D-3.1: Inventories** 

| Description         | Y1<br>(Oct'15-<br>Sept'16)<br>(MT) | Y2<br>(Oct'16-<br>Sept'17)<br>(MT) | Y3<br>(Oct'17-<br>Sept'18)<br>(MT) | Y4<br>(Oct'18-<br>Sept'19)<br>(MT) | POR<br>(Oct'19-<br>Sept'20)<br>(MT) |
|---------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
|                     |                                    |                                    | (,                                 |                                    |                                     |
| Opening inventories | 100                                | 139                                | 125                                | 180                                | 222                                 |
| Add:<br>Purchases   |                                    |                                    |                                    |                                    |                                     |
| Add:<br>Production  | 100                                | 92                                 | 95                                 | 84                                 | 73                                  |
| Less: Sales         | 100                                | 93                                 | 93                                 | 83                                 | 76                                  |
| Captive use*        |                                    |                                    |                                    |                                    |                                     |
| Other movements **  | 100                                | 34                                 | 151                                | 151                                | 151                                 |
| Closing inventories | 100                                | 90                                 | 130                                | 160                                | 121                                 |

Source: Petitioner

<sup>\*\*</sup> Adjustment, Down/Regrade, Issue/Rec for Repro, Reprocessing loss, Good Returned and Issue for own use.

With the continued dumping by imports from the Subject Countries, the Petitioner is unable to maintain healthy inventory levels between \*\*\* to \*\*\* MT during the entire POI for dumping. The Petitioner was only able to maintain inventory levels below \*\*\* MT in Year 1 and Year 2, and that itself had exceeded the healthy threshold of \*\*\* to \*\*\* MT. This situation worsen in subsequent years as the inventory levels of the Petitioner continue to rise substantially.

#### D-4 Employment and Wages

1. Complete and explain Table D-4.1 showing the number of people employed in your company.

Table D-4.1: Employment

| Description  | Year 1<br>(Oct 2015 –<br>Sep 2016) | Year 2<br>(Oct 2016 –<br>Sep 2017) | Year 3<br>(Oct 2017 –<br>Sep 2018) | Year 4<br>(Oct 2018 –<br>Sep 2019) | POR<br>(Oct 2019 –<br>Sep 2020) |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| Personnel employed in the production process of the PUR            | 100                                | 110                                | 113                                | 114                                | 110                             |
| Personnel employed in sales, general and administration of the PUR | 100                                | 105                                | 114                                | 102                                | 95                              |
| Total personnel<br>employed in the PUR<br>(A + B)                  | 100                                | 109                                | 113                                | 111                                | 107                             |

Source: Petitioner

The increase in staff intake from Year 1 to Year 3 was due to the formation of an engineering team to increase efficiency, reliability, and monitor ongoing additional planned activities. The increase was also part of the cost saving initiatives to improve efficiency which is reflected in increase in productivity in Year 3 (please see under Productivity below D-4). Subsequently in Year 4 and POR, due to the presence of dumped import, there is a decrease of staff. Mycron unable to replace the personnel that had resigned because of lower capacity utilization.

- 2. If it is not possible to attribute the number of persons employed directly to the PUR, allocation should be made. Explain basis of the allocation.
- 3. Explain if:
  - a. workers have been temporarily out of work; or
  - b. your company had to introduce reduced working hours.

Worker numbers started to reduce from Year 4 onwards. In terms of reduced working hours, this is not applicable due to the nature of the industry's operations.

4. Complete and explain Table D-4.4 showing the employment costs of the total personnel employed in the PUR.

Table D-4.4: Wages

| Description                      | Year 1<br>(Oct 2015 –<br>Sep 2016) | Year 2<br>(Oct 2016 –<br>Sep 2017) | Year 3<br>(Oct 2017 –<br>Sep 2018) | Year 4<br>(Oct 2018 –<br>Sep 2019) | POR<br>(Oct 2019 –<br>Sep 2020) |
|----------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|
| A. Wages                         | 100                                | 119                                | 136                                | 123                                | 134                             |
| B. Social Benefits               | 100                                | 118                                | 135                                | 124                                | 134                             |
| C. Total Labour<br>Costs (A + B) | 100                                | 119                                | 136                                | 123                                | 134                             |

Source: Petitioner

5. Have the alleged dumped imports had an effect on the level of wages for those employed in the production of the PUR and other employees in your company? If not, what are the main determinants in deciding the level of pay and wage increase for the product area.

The increase in wages were due to the recruitment of qualified engineers and personnel to increase the Petitioner's efficiency and production reliability. This investment saw results as productivity increased in Year 3. However, due to the effects of the dumped imports, the Petitioner suffered in terms of its sales and profitability while having to maintain the higher cost of wages as the Petitioner was unable to compete with the price of the dumped imports.

## NON-CONFIDENTIAL D-5 Productivity

1. Complete and explain Table D-5.1 how your company has been affected by the allegedly dumped imports.

Table D-5.1: Productivity

| Description                                    | Year 1<br>(Oct'15 to<br>Sept'16) | Year 2<br>(Oct'16 to<br>Sept'17) | Year 3<br>(Oct'17 to<br>Sept'18) | Year 4<br>(Oct'18 to<br>Sept'19) | POR<br>(Oct'19 to<br>Sept'20) |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|-------------------------------|
| A. Production<br>(MT)                          | 100                              | 92                               | 94                               | 84                               | 73                            |
| B. Machines<br>running hours of<br>PUI (hours) | 100                              | 102                              | 103                              | 97                               | 108                           |
| C. Productivity<br>(A/B)<br>(MT/HR)            | 100                              | 90                               | 92                               | 86                               | 67                            |

Source: Petitioner

2. Has the productivity of the company been affected by the allegedly dumped imports? If so, explain and justify your claim.

The Petitioner's productivity was dampened and saw a decreasing trend throughout the POID, save for a slight increase in Year 3. This was due to the lower capacity utilization where the Petitioner unable to get the expected level of orders to fill the production capacity as they can't compete with the dumped price from the foresaid countries. This trend is likely to continue and cause material injury to recur if the AD measure is removed and the Petitioner will continued to suffered in terms of productivity.

## SECTION E SALES

This section is intended to enable MITI to review the evolution of sales volumes, values and average prices for the Malaysian domestic industry.

#### E-1 Distribution Channel of Sales

1. Provide flow chart and explain your company's distribution system in Malaysia and describe the different sales channels up to first independent customer.

Information is provided in confidential submission.

#### E-2 Sales Turnover

1. Complete and explain Table E-2.1 details of total sales turnover (after all discounts and free of taxes) of your company.

Table E-2.1: Sales Turnover

| Description                         | (C  | ear 1<br>Oct'15<br>to<br>ept'16) | Year 2<br>(Oct'16<br>to<br>Sept'17) |       | Year 3<br>(Oct'17<br>to<br>Sept'18) |       | Year 4<br>(Oct'18<br>to<br>Sept'19) |       | POR<br>(Oct'19<br>to<br>Sept'20) |       |
|-------------------------------------|-----|----------------------------------|-------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|----------------------------------|-------|
|                                     | MT  | Value                            | MT                                  | Value | МТ                                  | Value | MT                                  | Value | МТ                               | Value |
|                                     |     | (RM)                             |                                     | (RM)  |                                     | (RM)  |                                     | (RM)  | 1                                | (RM)  |
| Total<br>turnover (all<br>products) | 100 | 100                              | 91                                  | 114   | 90                                  | 129   | 79                                  | 109   | 74                               | 92    |
| Turnover of PUR (produced)          | 100 | 100                              | 93                                  | 116   | 93                                  | 133   | 83                                  | 114   | 76                               | 93    |
| Turnover of PUR (purchased)         | NA  | NA                               | NA                                  | NA    | NA                                  | NA    | NA                                  | NA    | NA                               | NA    |
| Other product (P&O)                 | 100 | 100                              | 69                                  | 89    | 53                                  | 75    | 36                                  | 50    | 54                               | 67    |

Source: Petitioner

#### E-3 Sales Volume and Value

- By using format in Table E-3.1, provide separate tables of information on net volumes (after all returns and cancelled sales) and values (after all discounts and free of taxes) of:
  - a. Sales of PUR produced by your company to unrelated parties.
  - b. Sales of PUR produced by your company to related parties.
  - c. Resales of purchased PUR to unrelated parties. (Not Applicable)
  - d. Resales of purchased PUR to related parties. (Not Applicable)

Table E-3.1: Sales of PUR

## <u>Unrelated</u>

| Description                    | Year 1<br>(Oct'15 to Sept'16) |       | Year 2<br>(Oct'16 to Sept'17) |       |       | ear 3<br>to Sept'18) |     | ear 4<br>to Sept'19) | POR<br>(Oct'19 to Sept'20) |       |
|--------------------------------|-------------------------------|-------|-------------------------------|-------|-------|----------------------|-----|----------------------|----------------------------|-------|
|                                | MT                            | Value | MT                            | Value | MT    | Value                | МТ  | Value                | МТ                         | Value |
|                                |                               | (RM)  | 1 101 1                       | (RM)  | 191 1 | (RM)                 |     | (RM)                 |                            | (RM)  |
| Sales in<br>Domestic<br>market | 100                           | 100   | 93                            | 116   | 93    | 133                  | 81  | 112                  | 75                         | 93    |
| Sales in<br>Other<br>countries | 100                           | 100   | 13                            | 13    | 155   | 191                  | 189 | 209                  | 193                        | 188   |
| Total sales                    | 100                           | 100   | 93                            | 116   | 93    | 133                  | 81  | 112                  | 75                         | 93    |

Source: Petitioner

### <u>Related</u>

| Description              | Year 1<br>(Oct'15 to<br>Sept'16) |       | Year 2<br>(Oct'16 to<br>Sept'17) |       | Year 3<br>(Oct'17 to<br>Sept'18) |       | Year 4<br>(Oct'18 to<br>Sept'19) |       | POR<br>(Oct'19 to<br>Sept'20) |       |
|--------------------------|----------------------------------|-------|----------------------------------|-------|----------------------------------|-------|----------------------------------|-------|-------------------------------|-------|
|                          | BAT                              | Value | NAT                              | Value | MT                               | Value | .at                              | Value |                               | Value |
|                          | MT                               | (RM)  | MT                               | (RM)  |                                  | (RM)  | MT                               | (RM)  | МТ                            | (RM)  |
| Sales in Domestic market | 100                              | 100   | 103                              | 127   | 92                               | 129   | 113                              | 150   | 85                            | 100   |
| Sales in Other countries |                                  |       |                                  |       |                                  |       |                                  |       |                               |       |
| Total sales              | 100                              | 100   | 103                              | 127   | 92                               | 129   | 113                              | 150   | 85                            | 100   |

Source: Petitioner

## **All Parties**

|                                | Year 1<br>(Oct'15 to Sept'16) |               | Year 2<br>(Oct'16 to Sept'17) |       |     | ear 3<br>to Sept'18) |     | ear 4<br>to Sept'19) | POR<br>(Oct'19 to Sept'20) |       |
|--------------------------------|-------------------------------|---------------|-------------------------------|-------|-----|----------------------|-----|----------------------|----------------------------|-------|
| Description                    | MT -                          | Value<br>(RM) |                               | Value | МТ  | Value<br>(RM)        | МТ  | Value                | МТ                         | Value |
|                                |                               |               | MT                            | (RM)  |     |                      |     | (RM)                 |                            | (RM)  |
| Sales in<br>Domestic<br>market | 100                           | 100           | 93                            | 117   | 93  | 133                  | 83  | 114                  | 75                         | 93    |
| Sales in<br>Other<br>countries | 100                           | 100           | 13                            | 13    | 155 | 191                  | 189 | 209                  | 193                        | 188   |
| Total sales                    | 100                           | 100           | 93                            | 34    | 93  | 133                  | 83  | 114                  | 76                         | 93    |

Source: Petitioner

An analysis of the Petitioner's domestic sales is provided in the table below:

#### Petitioner's Domestic Sales

|                             | Year 1<br>(MT) | Year 2<br>(MT) | Year 3<br>(MT) | Year 4<br>(MT) | POR<br>(MT) |
|-----------------------------|----------------|----------------|----------------|----------------|-------------|
| Petitioner's Domestic Sales | 100            | 93             | 93             | 83             | 75          |
| % Change                    |                | ***            | ***            | ***            | ***         |

Based on the table above, the Petitioner's domestic sales decreased throughout the five-year period of injury review. The largest drop in the Petitioner's domestic sales is seen in Year 4 and POR where the sales dropped from \*\*\*MT in Year 3 to \*\*\*MT (\*\*\*%) and from \*\*\*MT in Year 4 to \*\*\*MT in POR (\*\*\*%).

However, this trend is in direct opposite with the trend of total imports from the Subject Countries – as the Petitioner's domestic sales decreased from Year 3 to Year 4, the total imports from the Subject Countries increased in the same period to even surpass the total imports from the other Non-Subject Countries. This further supports the claim that imports from the Subject Countries is a major factor in causing material injury to the domestic industry and this trend would likely continue if the AD measure is not maintained.

#### E-4 Sales Price

 If prices for the PUR produced in Malaysia are based on price lists, provide the price lists applicable during the investigation period. Explain how these price lists are used to establish the final sales price to the individual customers.

Mycron does not have pricelist and establishes sales price based on the table in the Confidential version of the Questionnaire and do not use all grades as basis.

\*\*The spread is determined by market/buyers and in Mycron's case, the prices quoted by suppliers of dumped imports puts price pressure to reduce Mycron's margin that is due to Mycron under fair competition, which Mycron now has to forgo to make sales. Sales Team can only indicate the required margins when computing the spreads/ offer to customers.

If price lists are not used as a basis, explain how and on which basis prices
are fixed during sales negotiations. If a standard contract is used, provide
a copy.

Refer to the information contained in the Confidential Version of the Questionnaire.

After having arrived at base price, Mycron has to take into consideration a number of factors such as quantity ordered, specifications and grades, market price offered by competitors especially the price of imports which is difficult to match especially

during POR. The information is provided in the appendix to the Confidential version of the Questionnaire.

If you have made purchases of the PUR which originate in third countries, explain:

- a. How resale prices are set for these products.
- b. How and where these prices fit into the price structure of the products produced by your company.

Mycron does not purchase PUR from third countries.

3. Based on format as per Table E-4.4, provide information on transaction-by-transaction basis relating to sales of PUR (produced and sold by your company) to customers on Malaysian market during the investigation period. For this purpose use format as per Table E-4.4: in Appendix 2 which is provided in excel format in the CD.

The information is provided in the appendix to the Confidential version of the Questionnaires

Table E-4.4: Sales Listing

| Field name    | Field description              | Explanation   |  |  |
|---------------|--------------------------------|---|--|--|
| NO            | Sequence number                | Identify each transaction, or line item, in the sales listing, by sequence number (i.e. the first transaction is "1", the second is "2", and so on) |  |  |
| CODE          | Company internal coding system | Indicate the code used for the product in your records  |  |  |
| INV-NO        | Invoice number                 | Indicate the invoice number   |  |  |
| INV-DT        | Invoice date                   | Indicate the invoice date of the transaction  |  |  |
| CUST-<br>NAME | Customer name                  | Names of your customers.  |  |  |
| CUST-NO       | Customer number                | Indicate the customer number used in your records   |  |  |
| CUST- REL     | Customer relation              | Code "U" for unrelated customer and code "R" for related customer.  |  |  |
| LEV           | Customer level of trade        | Use code "1" for end-users, "2" for retailers, "3" for distributors, "4" for others (specify the level)   |  |  |
| PDT-<br>GRADE | Product Grades/types           | Grades or types of PUR.   |  |  |
| PDT-CODE      | Product sales code             | Code used for the PUR in your records.  |  |  |
| QTY           | Quantity of sales              | Provide quantity (specify the unit of measurement) of product sold  |  |  |
| GR-VAL        | Gross invoice value            | Provide the gross invoice value, net of taxes, of product sold  |  |  |
| DISC          | Discounts                      | Indicate the discounts deducted on the invoice  |  |  |

| Field name | Field description | Explanation                                       |
|------------|-------------------|---|
| NT-VAL     | Net invoice value | Provide the net invoice value after the discounts |

| PAY-TM | Payment terms  | Indicate the payment terms agreed with the customer (e.g. 30, 60, 90 days, etc.)   |
|--------|----------------|--|
| DEL-TM | Delivery terms | Indicate the agreed terms of delivery (e.g. FOB, C&F, CIF, etc.)   |
| DEL-CS | Delivery costs | Indicate the transport costs either as actual costs or as a function of the invoice value (%) or volume (costs per unit) |
| СОММ   | Commissions    | Indicate any cash discounts, volume discounts, commissions, etc.   |

4. Provide details as per Table E-4.5 showing credit notes relating to sales of PUR (produced and sold by your company) to customers on Malaysian market during the investigation period on transaction-by-transaction basis. For this purpose use format as per Table E-4.5 in **Appendix 3** which is provided in excel format in softcopy.

The information is provided in the appendix to the Confidential version of the Questionnaire.

Table E-4.5: Credit Notes

| Field name | Field description              | Explanation   |
|------------|--------------------------------|---|
| NO         | Sequence number                | Identify each transaction, or line item, in the sales listing, by sequence number (i.e. the first transaction is "1", the second is "2", and so on) |
| CODE       | Company internal coding system | As in Table D-4.4: Sales Listing  |
| CRD-NO     | Credit note number             | Indicate the number of the credit note  |
| CRD-DT     | Date of credit note            | Indicate the date of the credit note issued   |
| INV-NO     | Related invoice number         | Ensure that this corresponds where appropriate to the number given in Table D-4.4: Sales Listing  |
| INV-DT     | Related Invoice date           | Ensure that this corresponds where appropriate to the date given in Table D-4.4: Sales Listing  |
| CUST-NO    | Customer number                | As in Table D-4.4: Sales Listing  |
| QTY        | Quantity credited              | Provide quantity (specify the unit of measurement) of product credited  |
| VAL        | Value credited                 | Provide the value of product credited   |

### SECTION F COSTS

#### G-1 Accounting System and Policies

 Indicate accounting period or financial year of your company. If any changes have occurred with respect to the accounting period or accounting practices over the last five years, explain the changes in detail and supply supporting documents.

Financial year of the company is 1 July to 30 June.

2. Attach audited accounts, i.e. balance sheet, profit and loss statement, notes to the accounts and auditor's opinion, for the three most recent completed financial years as available.

The relevant documentation is provided as an appendix to the Confidential version of the Questionnaire.

3. If your company sells via a related company, provide the accounts of that company. If your company is part of a group of companies, also supply the consolidated accounts of the group for the three most recent completed financial years as available.

The relevant documentation is provided as an appendix to the Confidential version of the Questionnaire.

4. For the investigation period, provide manufacturing and/or income statements of the division or section/s of your business which is responsible for the production and sale of the PUR. If it is not possible, please provide the lowest financial breakdown for products that include the PUR.

The relevant information is provided in the confidential version of the Questionnaire.

5. Indicate the address where the accounting records concerning the activities of the company are located. If they are maintained in different locations, indicate which record is kept at which location.

The relevant information is provided in the confidential version of the Questionnaire.

Describe the cost accounting system used by your company to record the
production costs of the PUR and state whether standard costs or actual
costs were used in reporting per unit costs including the allocations of the
variances. Give details of the frequency of standard cost revisions.

The relevant information is provided in the confidential version of the Questionnaire.

7. Describe methods used in your general accounting system. For example:

a. How do you value stock?

The relevant information is provided in the confidential version of the Questionnaire.

b. How do you deal with incidental revenue?

The relevant information is provided in the confidential version of the Questionnaire.

c. What methods do you use to allocate costs from general cost categories to a specific product?

The relevant information is provided in the confidential version of the Questionnaire.

d. How do you determine depreciation and useful life of fixed assets?

The relevant information is provided in the confidential version of the Questionnaire.

e. If standard costing is used rather than actual costs, describe methods used to determine standards, the frequency of revisions and the treatment of variances

The relevant information is provided in the confidential version of the Questionnaire.

f. How do you deal with costs and revenue of any by-product?

The relevant information is provided in the confidential version of the Questionnaire.

#### F-2 Cost to Make and Sell

1. Provide (in the format shown at Table F-2.1) the actual unit cost to make and sell for each model/type of the product. Shown the period for which the calculations are valid and, where possible, any supporting documentation and worksheets supporting your calculation. It is necessary to shown all the costs associated with the manufacture and sale of the products. If possible, please provide thumb-drive containing the information required encoded in Excel formats.

#### Table F-2.1 – Cost To Make and Sell per Unit

Provide data for each grades/type/model of the PUR on quarterly basis for the five years (including of POR).

#### The following table above shows a clear trend in the Petitioner's CTMS, i.e.:

|                   | Year 1 | Year 2 | Year 3 | Year 4 | POR |
|-------------------|--------|--------|--------|--------|-----|
| Unit CTMS (RM/MT) | 100    | 137    | 158    | 156    | 139 |
| % Change          |        | ***    | ***    | ***    | *** |

The unit CTMS increased from Year 1 to Year 3 but started its declining trend in Year 4 and POR. When viewed together with its declining sales in Year 4 and POR, this indicates the Petitioner's inability to sell the PUR at fair price in the domestic market due to the suppressive effect of the imports' prices from the Subject Countries.

It is highlighted that the imports from the Subject Countries surpassed the imports from the Non-Subject Countries from Year 4 onwards, showing another indication that if the current AD measure is terminated, the current high import levels of the PUR is likely to continue its increase.

### SECTION G PROFITABILITY, RETURN AND CASH FLOW

#### G-1 Profitability

 Prepare separate tables for information on sales transactions to both unrelated and related parties in Malaysia using the format in Table G-1.1 and provide explanation.

#### Table G-1.1: Profitability

The profitability (unrelated party) is summarised as follows:

#### Net Profit (Loss)

| Description | Domestic (RM) | Export (RM) | Total |  |
|-------------|---------------|-------------|-------|--|
| Year 1      | 100           | 100         | 100   |  |
| Year 2      | 37            | 4           | 37    |  |
| Year 3      | 2             | -43         | 2     |  |
| Year 4      | -46           | -108        | -46   |  |
| POR         | -41           | -138        | -41   |  |

Based on above table, it is evidently clear that the Petitioner's profitability was on a steep declining trend from Year 1 onwards, whereby the greatest loss suffered was in Year 4. The injury suffered in terms of profitability is contrasted with the import levels of the Subject Countries, which is seen to be on an increasing trend from Year 1 to Year 4, with Year 4 recording the highest level of imports, i.e. the year in which the Petitioner suffered the most in terms of profitability.

If not for the Covid-19 pandemic and the global lockdown that ensued, imports from the Subject Countries would have continued its ascending trend and cause further material injury to the Malaysian domestic industry. In that regard, if the current AD measure is terminated, there is a high likelihood that imports from the Subject Countries will continue and material injury suffered will recur.

# Price Trend (RM/MT) (Unrelated Parties

| Sale) |  |
|-------|--|
|-------|--|

| Description                                     | Year 1   | Year 2   | Year 3   | Year 4   | POR      |
|---|----------|----------|----------|----------|----------|
| Cumulative Unit Sales Price (Subject Countries) | 2,062.62 | 2,524.03 | 2,752.84 | 2,782.51 | 2,694.24 |
| Petitioner's Av. Dom<br>Unit Price              | 100      | 125      | 143      | 138      | 124      |
| PU: Petitioner vs<br>Subject Countries          | (100)    | (321)    | (788)    | (327)    | 316      |

# NON-CONFIDENTIAL Price Trend (RM/MT) (All Parties Sale)

| Description   | Year 1   | Year 2   | Year 3   | Year 4   | POR      |
|---|----------|----------|----------|----------|----------|
| Cumulative Unit Sales<br>Price (Subject<br>Countries) | 2,062.62 | 2,524.03 | 2,752.84 | 2,782.51 | 2,694.24 |
| Petitioner's Av. Dom<br>Unit Price                    | 100      | 125      | 143      | 138      | 124      |
| PU: Petitioner vs<br>Subject Countries                | (100)    | (281)    | (664)    | (285)    | 258      |

From the above, it can be seen that the price of the imports from the Subject Countries was price undercutting from Year 1 to Year 4, with imports from China showing the highest price undercutting. Further. The Petitioner's unit price was also depressed from Year 3 to Year 4 and continued to be depressed from RM \*\*\*/MT in Year 4 to RM \*\*\*/MT in POR. These price undercutting and price depression is thus also expected to lead to high likelihood of continued/recurrence of injury to the domestic industry if the AD measure is terminated.

#### G-2 Return on Total Assets

 Complete and explain Table G-2.1 for the return on total assets employed in the production of PUR. If you cannot complete the table at this level, for example because certain assets are used in the production of other products, you should base your answer on the next appropriate level of your business, explaining what impact this has on the level and trend of the return identified.

The Petitioner's return on assets was on a declining trend throughout the five-year period whereby it reached a negative value from Year 4 onwards. If the AD measure is terminated, there is high likelihood of further injury and it can be expected that the negative ROA will continue and worsen; the likelihood of further material injury to the domestic industry is also high if the AD Measure is terminated.

Table G-2.1: Return on Total Assets

#### **Unrelated**

|                                       | YEAR 1                           | YEAR 2                           | YEAR 3                           | YEAR 4                           | POR                              |
|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Description                           | (1 OCT<br>2015 – 30<br>SEP 2016) | (1 OCT<br>2016 – 30<br>SEP 2017) | (1 OCT<br>2017 – 30<br>SEP 2018) | (1 OCT<br>2018 – 30<br>SEP 2019) | (1 OCT<br>2019 - 30<br>SEP 2020) |
| A. Net Income/(Loss)* (RM)            | ***                              | ***                              | ***                              | ***                              | ***                              |
| B. Total assets* (RM)                 | ***                              | ***                              | ***                              | ***                              | ***                              |
| C. Return on total assets (A/B) x 100 | 100                              | 39                               | 2                                | (45)                             | (47)                             |

Source: Petitioner

## NON-CONFIDENTIAL Related

| Description                     | YEAR 1    | YEAR 2    | YEAR 3    | YEAR 4    | POR       |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                 | (1 OCT    |
| Description                     | 2015 – 30 | 2016 – 30 | 2017 - 30 | 2018 – 30 | 2019 – 30 |
|                                 | SEP 2016) | SEP 2017) | SEP 2018) | SEP 2019) | SEP 2020) |
| A. Net Income/(Loss)* (RM)      | ***       | ***       | ***       | ***       | ***       |
| B. Total assets* (RM)           | ***       | ***       | ***       | ***       | ***       |
| C. Return on total assets (A/B) | 100       | 3         | 0         | (67)      | (22)      |
| x 100                           | 100       | 3         |           | (67)      | (33)      |

Source: Petitioner

#### G-3 Cash Flow

1. Complete and explain Table G-3.1 for the cash flows arising from your company's activities in the production and sale of the PUR. If you are unable to complete the table at this detailed level, please base your answer on the nearest appropriate level of your company's overall business, identifying what business sector you have chosen and any impact this has on cash flows identified.

Table G-3.1: Cash Flow Statement for the Product

#### **Unrelated**

| -  | YEAR 1                           | YEAR 2                           | YEAR 3                           | YEAR 4                           | POR                              |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash Flow Statement  | (1 OCT 2015<br>- 30 SEP<br>2016) | (1 OCT<br>2016 – 30<br>SEP 2017) | (1 OCT 2017<br>- 30 SEP<br>2018) | (1 OCT 2018<br>- 30 SEP<br>2019) | (1 OCT 2019<br>- 30 SEP<br>2020) |
|  | (RM)                             | (RM)                             | (RM)                             | (RM)                             | (RM)                             |
| Profit before tax  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Adjustment to reconcile net income to net cash provided by operating activities: | -                                | -                                |                                  |                                  |                                  |
| Depreciation and amortization  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Loss/(gain) on disposal of property, plant & equipment                           | ***                              | ***                              | ***                              | ***                              | ***                              |
|  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Others   |                                  |                                  |                                  |                                  |                                  |
|  | -                                | -                                |                                  |                                  |                                  |
| Changes in other accounts affecting operation:                                   | -                                | _                                |                                  |                                  |                                  |
| (Increase)/ decrease in inventories  | ***                              | ***                              | ***                              | ***                              | ***                              |
| (Increase)/ decrease in group companies  | ***                              | ***                              | ***                              | ***                              | ***                              |
| (Increase)/ decrease in receivables  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Increase/ (decrease) in account payable  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Cash generated from/(used by) operations   | ***                              | ***                              | ***                              | ***                              | ***                              |
| Tax refunded / (paid)  | ***                              | ***                              | ***                              | ***                              | ***                              |
| <del>-</del>   | <u> </u>                         |                                  | <u> </u>                         |                                  |                                  |

<sup>\*</sup> Net income = Net profit after interest

<sup>\*</sup>Total Asset = Net Book Value of Non-Current Assets + Current Asset

| operating activities 100   09   (21)   51   114 | Net cash provided/(used) by operating activities | 100 | 69 | (21) | 51 | 114 |
|---|--|-----|----|------|----|-----|
|---|--|-----|----|------|----|-----|

Source: Petitioner

#### **Related**

|  | YEAR 1                           | YEAR 2                           | YEAR 3                           | YEAR 4                           | POR                              |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Cash Flow Statement  | (1 OCT<br>2015 – 30<br>SEP 2016) | (1 OCT<br>2016 – 30<br>SEP 2017) | (1 OCT<br>2017 – 30<br>SEP 2018) | (1 OCT<br>2018 – 30<br>SEP 2019) | (1 OCT<br>2019 – 30<br>SEP 2020) |
|  | (RM)                             | (RM)                             | (RM)                             | (RM)                             | (RM)                             |
| Profit before tax  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Adjustment to reconcile net income to net cash provided by operating activities: |                                  |                                  | -                                | -                                | _                                |
| Depreciation and amortization  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Loss/(gain) on disposal of property, plant & equipment                           | ***                              | ***                              | ***                              | ***                              | ***                              |
| Others   | ***                              | ***                              | ***                              | ***                              | ***                              |
|  | _                                | -                                | _                                | -                                | _                                |
| Changes in other accounts affecting operation:                                   | _                                | -                                | -                                | _                                | _                                |
| (Increase)/ decrease in inventories  | ***                              | ***                              | ***                              | ***                              | ***                              |
| (Increase)/ decrease in group companies  | ***                              | ***                              | ***                              | ***                              | ***                              |
| (Increase)/ decrease in receivables  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Increase/ (decrease) in account payable  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Cash generated from/(used by) operations   | ***                              | ***                              | ***                              | ***                              | ***                              |
| Tax refunded / (paid)  | ***                              | ***                              | ***                              | ***                              | ***                              |
| Net cash provided/(used) by operating activities                                 | 100                              | 75                               | 1                                | (4)                              | 107                              |

Source: Petitioner

The cash flow situation shows that the situation is volatile and can change easily as noted in Year 3 where the cash flow is recorded as negative and that is also with the presence of AD measure in place. what more if the AD measure is terminated. Thus, there is clear indication that there is likelihood of injury in terms of cash flow, supported by continued price undercutting through dumping.

### NON-CONFIDENTIAL G-4 Investments

1. Complete and explain Table G-4.1 showing investments made by your company. Figures should be provided for the net investment made each year and an estimate of the allocation to the product. Please indicate whether the investments are replacement or new investments.

Table G-4.1: Investments

| -                                    | YEAR 1      | YEAR 2      | YEAR 3     | YEAR 4      | POR         |
|--------------------------------------|-------------|-------------|------------|-------------|-------------|
|                                      | (1 OCT 2015 | (1 OCT 2016 | (1 JULY    | (1 JUL 2019 | (1 JUL 2020 |
| Description                          | - 30 SEP    | - 30 SEP    | 2018 - 30  | - 30 SEP    | _ 30 SEP    |
|                                      | 2016)       | 2017)       | SEPT 2018) | 2019)       | 2020)       |
|                                      | (RM)        | (RM)        | (RM)       | (RM)        | (RM)        |
| Total Company Investments            |             |             |            |             |             |
| Total investment for the product (if |             |             |            |             |             |
| any) of which:                       |             |             |            |             |             |
| Capital:                             |             |             |            |             |             |
| Land                                 | ***         | ***         | ***        | ***         | ***         |
| Buildings                            | ***         | ***         | ***        | ***         | ***         |
| Machinery & equipment                | ***         | ***         | ***        | ***         | ***         |
| Furniture, fixtures and office       | ***         | ***         | ***        | ***         | ***         |
| equipment                            |             |             |            |             |             |
| Motor Vehicle                        | ***         | ***         | ***        | ***         | ***         |
| Construction in progress             | ***         | ***         | ***        | ***         | ***         |
| Software                             | ***         | ***         | ***        | ***         | ***         |
|                                      | ***         | ***         | ***        | ***         | ***         |
| Non Capital:                         |             |             |            |             |             |
| R&D                                  | _           |             |            |             |             |
| Others                               | -           |             |            |             |             |
| Total investment                     | 100         | 98          | 99         | 97          | 103         |

Source: Petitioner

#### G-5 Return on Investment

1. Complete and explain Table G-5.1 for the return on investment for the product.

Table G-5.1: Return on Investment

#### Unrelated

| Description   | (1 OCT<br>2015 – 30<br>SEP 2016) | (1 OCT 2016<br>- 30 SEP<br>2017) | (1 OCT 2017<br>- 30 SEP<br>2018) | (1 OCT 2019<br>- 30 SEP<br>2020) | (1 JUL 2020<br>- 30 SEP<br>2020) |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   | (YEAR 1)                         | (YEAR 2)                         | (YEAR 3)                         | (YEAR 4)                         | (POR)                            |
| A. Cost of investment (Cost of Fixed Assets) (RM)     | ***                              | ***                              | ***                              | ***                              | ***                              |
| B. Gain/(Loss) from investment (Net income/loss) (RM) | ***                              | ***                              | ***                              | ***                              | ***                              |
| C. Return on investment (B/A) x 100                   | 100                              | 38                               | 2                                | (47)                             | (40)                             |

Source: Petitioner

#### Related

| Description   | (1 OCT<br>2015 – 30<br>SEP 2016) | (1 OCT<br>2016 – 30<br>SEP 2017) | (1 OCT<br>2017 – 30<br>SEP 2018) | (1 OCT<br>2019 – 30<br>SEP 2020) | (1 JUL 2020<br>- 30 SEP<br>2020) |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|   | (YEAR 1)                         | (YEAR 2)                         | (YEAR 3)                         | (YEAR 4)                         | (POR)                            |
| A. Cost of investment (Cost of Fixed Assets) (RM)     | ***                              | ***                              | ***                              | ***                              | ***                              |
| B. Gain/(Loss) from investment (Net income/loss) (RM) | ***                              | ***                              | ***                              | ***                              | ***                              |
| C. Return on investment (B/A) x 100                   | 100                              | 40                               | 0                                | (60)                             | (40)                             |

Source: Petitioner

The Petitioner's return on investment was also on a steep declining trend whereby it was at negative levels in Year 4 and POR. The Petitioner is unable to plan for any meaningful investments as it is anticipated that the material injury suffered due to the dumped imports will recur if the AD measure is terminated.

#### G-6 Minimum Profit Required

1. Please indicate what level of profit, before tax you consider necessary for the product, bearing in mind that it should be sufficient to allow for a normal return, investments and other necessary expenses. Express the level of profit as a percentage of turnover or on any other basis if considered more appropriate. Explain how you arrived to the level of profit stated.

The relevant information is provided in the confidential version of the Questionnaire.

#### G-7 Ability to Raise Capital

1. Has your ability to raise capital (new loans/share issues) been adversely affected by the allegedly dumped imports? If so, please give details and what affect this had on your activities in the area of the product concerned, e.g. curtailment or postponement of new investments, cutbacks in research and development.

The relevant information is provided in the confidential version of the Questionnaire.

### SECTION H PUBLIC INTEREST

You may wish to provide comments on the Malaysian market, trends generally and/or any other factors you consider relevant to the claims of material injury.

It should be noted that any comments you make at this point must be supported by factual and documentary evidence at the time of submission and also available in a non-confidential form if they are to be taken into account by MITI.

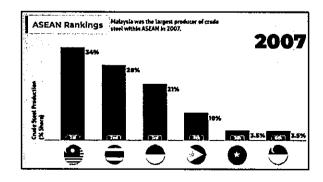
#### H-1 Malaysian Market

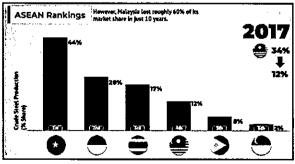
 Provide a general outline and trend of the Malaysian market from your perspective and provide comments on any other factors that you believe affect the Malaysian industry such as supply and demand, prices, the relative importance of imports, etc

Based on MISIF's 13<sup>th</sup> Report on Status and Outlook of The Malaysian Iron and Steel Industry (2018/2019), it is recorded as there are five manufacturers producing cold rolled coils in Malaysia, namely CSC Steel Sdn. Bhd. (CSC) based in Ayer Kroh Malacca, Eonmetall Industries Sdn. Bhd. based in Prai, Penang, Megasteel Sdn. Bhd. based in Banting, Selangor, Mycron Steel CRC Sdn. Bhd. based in Klang, Selangor and YKGI Holdings Berhad with the total installed capacity of 2,510,000 MT per year.

The above are just documentary information but the reality in Malaysia, based on industry sources, only CSC and Mycron are currently in production. The Malaysian domestic steel manufacturers are losing their market share as a result of fierce competition, especially from external rivalry who constantly dump their CRC into our region. Mycron Steel Sdn Bhd & CSC Corporation Bhd being the only two core suppliers in the flat steel sector has suffered significant margin and volume erosion as described above.

According to MISIF 13th Report on Status and Outlook of the Malaysian Iron and Steel Industry 2018/19, pp. 97-197, the production of crude steel and finished steel in Malaysia has experienced a decline over the past years and thus translating to a CAGR of -9.0%. Malaysia has reportedly lost 60% of its market share and socioeconomic leadership to ASEAN country over the past decade as shown in Figure 2 and 3 (MISIF, 2018).





This is the sad state of the CRC industry in Malaysia – faced with constant unfairly dumped imports including circumvention of existing anti-dumping duties that the local industry is continually faced with and is also currently struggling with, which has seen the demise of the local producers one-by-one, with the recent example of YKGI & FIW. One of the alarming concerns reside in national security. If all the local producers are wiped out due to the inability to compete with cheap dumped imported materials, the Malaysian steel market will eventually fallout and be controlled by foreign mills who can then dictate higher prices due to lack of local competitions.

Although there is currently an AD measure on China, Korea and Vietnam, the effectiveness of these AD duties are not there as seen from the continued imports by these countries and the deteriorating state of the domestic industry due to these imports.

Furthermore, circumvention of the AD duties is done by cleverly declaring goods outside the scope of the AD measure – thus undermining the efficacy of the AD measure in place in tackling these unfair trade practices. Thankfully, the IA had recently accepted the domestic industry's application and imposed AD measure for CRC of width > 1,300mm to close these loopholes. Prior to this, the Government of Malaysia was losing collection of revenues due to these loopholes being taken advantage by various importers. This Questionnaire is thus submitted to prevent the domestic industry from suffering further material injury exacerbated by the dumped imports and to further review the efficacy of the existing AD duty rates. It is hoped that this Questionnaire will help maintain and improve the efficacy of the existing AD measure in curbing these dumped imports from the Subject Countries with appropriate AD duty rates. Thereby, providing a fair level playing field for the domestic CRC manufactures.

The importance of CRC production in Malaysia is indeed very critical and cannot be understated as it plays an important intermediate source of inputs to the very many types of strategic end use including but not limited to steel drum manufacturing, pipe manufacturing, coaters, electrical and electronic industry and the automotive industry.

Without the presence of this intermediary CRC production in Malaysia, in the long-term the downstream industries will become totally dependent on imported material and will lose their competitiveness.

Mycron now feels the absence of HRC production in Malaysia which is affecting CRC production and sales in Malaysia, what more CRC sold in the Malaysian market at dumped prices. Thus, the call for fully integrated iron & steel production is very important and hopefully the IA will look into this predicament by providing the required support, especially in the form of appropriate trade measures where it merits to prevent the systematic demise of the iron & steel industry in Malaysia.

Strategically, it would be difficult for Malaysia to move up the value chain, if integrated iron & steel production is absent. Malaysia was the first country in ASEAN to have a fully integrated iron & steel production but with the demise of HRC production in Malaysia, CRC production also seems to follow suit. If no appropriate remedial action is taken, the vision of Malaysia becoming an industrialized country without the presence of the strategic iron & steel industry in Malaysia cannot be realized.

The main producers of iron & steel production in ASEAN, Vietnam, Thailand and Indonesia all have and working towards fully integrated iron & steel production at least starting with HRC production and downwards – through appropriate support from their governments. Malaysia has lost its HRC production. We do not want to CRC production to be next in line and wiped out from Malaysia. We need to acknowledge the importance of this industry to ensure the presence of a fully integrated production in Malaysia for the long-term benefit of Malaysia.

The importance of a domestic industry for CRC production is further accentuated in current times when due to the Covid-19 pandemic, globalization has faced a halt and countries are still closing off their borders. Although Malaysia is still reeling back from the effects of the pandemic and is in a recovery state, it is expected that operations in the Subject Countries will return to normal levels and the excess production will easily be redirected to Malaysia as one of the ASEAN country in the region, what more if the current AD measure is terminated. If any, this pandemic only emphasizes the importance of a strong and resilient domestic industry to ensure that the country does not lose its supply source and will not be subject to the whim and fancy of other countries.

The Petitioner strongly believes that the deteriorating state of the Petitioner is reflective of the other industry players in Malaysia, a claim fully supported by the exit of two large well established domestic steek producers in Malaysia, YKGI and FIW Steel.

It has to be emphasized that this has happened even with the presence of the AD measure, where the imports from the Subject Countries have increased with prices dropping and price undercutting during the five-year period of trend evaluation. The production is already reducing, and sales volumes are also reducing and this has resulted in the Petitioner facing dire consequences due to the dumped imports, especially in its negative profitability. In this respect, the situation would be more critical if the AD measure is not continued as the domestic industry would face the full brunt of the dumped imports.

In this regard, the Petitioner is requesting the AD measure be continued with the review of the dumping margins and more importantly, to more appropriate levels and proper AD duties rate for the participating foreign producers/exporters to effectively curb the unfair trade practices by the Subject Countries. With an effective AD duties rate imposed, the Petitioner believes that it would be able to counteract the increasing dumped imports and this would allow the domestic industry to regain the domestic market share and recover from the injuries suffered. Further, the Petitioner has clearly established factually the grounds for an administrative review that:

- The termination of the AD measure would likely lead to a continuation or recurrence of dumping and injury to the Petitioner and the Malaysian Industry;
- If the current AD measure is terminated, the Petitioner has established that the current import level of the PUR is likely to continue to increase;
- Even with the AD measure in place the industry has seen well established domestic producers exiting the Malaysian market, and removing the AD measure will have a further negative impact to the Malaysian Industry and would likely lead

to a continuation or recurrence of injury to the Malaysian Industry and would likely see more producers having to exit the market; and

• It has already been established in the original investigation that the imposition of the AD measure is of public interest and the request for the continued imposition of the AD measure would therefore be of public interest too.

#### **CHECKLIST**

The purpose of the following checklist is to ensure that you have answered all questions in section A to section H, and to permit a quick survey on information, which may be missing. Tick the box where complete information is submitted or where information has not sufficiently been provided:

| Section    |  | Tick if complete information is submitted | Tick if information is not or insufficiently submitted |
|------------|--|---|--|
| Section A: | Company Structure                                  | ✓   |  |
| Section B: | Current Anti-Dumping Measure                       | ✓   |  |
| Section C: | Reason for Continuation of Anti-<br>Dumping Duties | ✓   |  |
| Section D: | Operation  | ✓   |  |
| Section E: | Sales  | ✓   |  |
| Section F: | Cost   | ✓   | -  |
| Section G: | Profitability, Return And Cash Flow                | ✓   |  |
| Section H: | Public Interest                                    | ✓   |  |

#### **Guidelines to Complete the Non-Confidential Version**

- 1. All non- confidential submission will be made available in public file for viewing only.
- 2. When completing the non-confidential submission you should bear in mind that all exporters, importers, Malaysian domestic producers and other interested parties will have access to it. The non-confidential submission should be sufficiently details to permit a reasonable understanding of the substance of the information submitted in confidence.
- 3. In order to assist you in completing the non-confidential submission we advise you to:
  - a. Use the completed confidential questionnaire response as a basis. Identify all information in the confidential response, which you consider is not confidential, and copy it to the non-confidential version.
  - b. After this, check once more whether the information you did not copy to the non-confidential response is really confidential. If you still consider it to be confidential, summarise the confidential information in non-confidential form. If, in exceptional circumstances, it is not possible to even summarise the confidential information, give reasons, why summarisation is not possible.
  - c. If the authorities find that a request for confidentiality is not warranted and if the supplier of the information is either unwilling to make the information public or to authorise its disclosure in generalised or summary form, the authorities may disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.
- 4. Example on how to summarise confidential information:
  - a. When the information concerns numbers for various years, you can use indices.

Example of confidential information:

| Year 1    | Year 2    | POR       |
|-----------|-----------|-----------|
| RM 20,000 | RM 30,000 | RM 40,000 |

The non-confidential summary could be:

| Year 1 | Year 2 | POR |
|--------|--------|-----|
| 100    | 150    | 200 |

b. When the information concerns a single number, you can apply a % change to it.

Example of confidential figure:

"Cost of production is RM 300 per tonne."

The non-confidential summary could be:

"Cost of production is RM330 per tonne" (+ footnote saying: actual number have been amended by a margin of maximum  $\pm$  10%, to protect confidentiality")

c. When the confidential information concerns text, you can either summarise it or eliminate the names of parties by indicating their function.

Example of confidential information:

"TRADING COMPANY Ltd, stated that the prices of imports were 20% lower."

The non-confidential summary could read:

"(one of the customers), stated that the prices of imports were 20% lower."

### Table E-4.4: Sales Listing (The format is provided in the CD)

|  | ON        | Sequence number    |
|--|-----------|--------------------|
|  | CODE      | Company internal   |
|  | ON-ANI    | Invoice            |
|  | TG-VNI    | Invoice            |
|  | CUST-NAME | Customer name      |
|  | ON-1SNO   | Customer           |
|  | CUST- REL | Customer relation  |
|  | ΛΞΊ       | Customer level     |
|  | PDT-GRADE | Product            |
|  | PDT-CODE  | Product sales code |
|  | QTY       | Quantity of        |
|  | GR-VAL    | Gross invoice      |
|  | DISC      | Discounts          |
|  | NT-VAL    | Net invoice        |
|  | PAY-TM    | Payment            |
|  | DEL-TM    | Delivery           |
|  | SD-T3O    | Delivery           |
|  | COMM      | Commissions        |

### Table E-4.5: Credit Notes (The format is provided in the CD)

| Sequence<br>number | Company<br>internal<br>coding<br>system | Credit<br>note<br>number | Date of credit note | Invoice<br>number | Invoice<br>date | Customer<br>number | Quantity of sales | Value<br>credited |
|--------------------|---|--------------------------|---------------------|-------------------|-----------------|--------------------|-------------------|-------------------|
| NO                 | CODE                                    | CRD-NO                   | CRD-DT              | INV-NO            | INV-DT          | CUST-NO            | QTY               | VAL               |
|                    |   |                          |                     |                   |                 |                    |                   |                   |
|                    |   |                          | ,                   |                   |                 |                    |                   |                   |
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