NON-CONFIDENTIAL

PETITION FOR AN APPLICATION FOR ANTI-DUMPING DUTIES

PRODUCT

COLD ROLLED STAINLESS STEEL

ORIGINATED IN / EXPORTED FROM

CHINA, HONG KONG, CHINESE TAIPEI, JAPAN, KOREA, FINLAND, VIETNAM, INDONESIA AND FRANCE

SUBMITTED BY

BAHRU STAINLESS SDN. BHD.
(811430-H)

NON-CONFIDENTIAL

A. GENERAL INFORMATION

PETITIONER: **BAHRU STAINLESS SDN BHD**

PRODUCT: **COLD-ROLLED STAINLESS STEEL PRODUCTS IN COILS OR IN SHEETS OR ANY OTHER FORM**

PRODUCT DETAILED DESCRIPTION:

COLD-ROLLED STAINLESS STEEL IN ANY FORM WITH THICKNESS OF 6.5 MM OR LESS AND WIDTH OF 1,600 MM OR LESS

HS CODE:	AHTN CODE:
7219.31 000;	**7219.31 0000**
7219.32 000	**7219.32 0000**
7219.33 000	**7219.33 0000**
7219.34 000	**7219.34 0000**
7219.35 000	**7219.35 0000**
7220.20 130	**7220.20 1000**
7220.20 190	**7220.20 9010**
7220.20 900	**7220.20 9090**

ORIGINATING IN: **CHINESE TAIPEI, CHINA, JAPAN, KOREA, FINLAND, VIETNAM, INDONESIA & FRANCE**

EXPORTED FROM: **HONG KONG, CHINESE TAIPEI, CHINA, JAPAN, KOREA, FINLAND, VIETNAM, INDONESIA & FRANCE**

PERIOD USED FOR THE PURPOSE OF THE PETITION:

Year 1	:	**JULY 2011 – JUNE 2012**
Year 2	:	**JULY 2012 – JUNE 2013**
Period of Investigation (POI)	:	**JULY 2013 – SEPTEMBER 2014** **Q1: JULY TO SEPTEMBER 2013** **Q2: OCTOBER TO DECEMBER 2013** **Q3: JANUARY TO MARCH 2014** **Q4: APRIL TO JUNE 2014** **Q5: JULY TO SEPTEMBER 2014**

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

PETITION SUBMITTED TO :

THE DIRECTOR
TRADE PRACTICES SECTION
MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY
14TH FLOOR, BLOCK 8
GOVERNMENT OFFICES COMPLEX
JALAN DUTA
50622 KUALA LUMPUR
MALAYSIA

FACSIMILE: 603-6201 6394

TABLE OF CONTENTS

SECTION A
COMPANY STRUCTURE AND OPERATIONS

A-1 Petitioner Contact Information

Company
Name: BAHRU STAINLESS SDN BHD
Address: PTD 4069 (PLO 108) JALAN RUMBIA 4
TANJUNG INDUSTRIAL COMPLEX, 81700 PASIR GUDANG
JOHOR MALAYSIA
Telephone: +60 019 779 5888

Factory
Name: BAHRU STAINLESS SDN BHD
Address: PTD 4069 (PLO 108) JALAN RUMBIA 4
TANJUNG INDUSTRIAL COMPLEX, 81700 PASIR GUDANG
JOHOR MALAYSIA

A-2 Lawyer of the petitioner

Appointed legal representative/consultant to assist in this proceeding, provide details of:
Name of legal representative/consultant: Jerry Yin
Name of contact person: Jerry Yin
Address: PTD 4069 (PLO 108) JALAN RUMBIA 4
TANJUNG INDUSTRIAL COMPLEX, 81700 PASIR GUDANG
JOHOR MALAYSIA

A-3 Corporate Information of the petitioner

Bahru Stainless Sdn. Bhd (811430-H) [BAHRU] as a legal name and form of the business.
BAHRU is a private company limited by shares.

The principal shareholders of the company, percentage of shareholding and the activities of these shareholders as provided in confidential petition.

Copies of the relevant documents to illustrate corporate information can be found in confidential petition.

BAHRU is the sole producer of cold rolled Stainless Steel in Malaysia.

SECTION B
PRODUCT DESCRIPTION

B-1 Product Specifications

BAHRU STAINLESS is a producer of cold-rolled stainless steel in coils or sheets or any other form. The full range of production of the company is described in the following section:

Stainless steel is essentially a low carbon steel (1.2% or less by weight) which contains chromium at 10.5% or more by weight. This addition of chromium gives the steel its unique stainless, corrosion resisting properties. The chromium content of the steel allows the formation of the corrosion-resisting chromium oxide film, which is slim as invisible, adherent on the steel surface. If damaged mechanically or chemically, this film is self-healing, providing that oxygen, even in very small amounts, is present. The corrosion resistance and other useful properties of the steel are enhanced by increased chromium content and the addition of other elements such as Molybdenum, Nickel and Nitrogen.

Domestically manufactured Like Products are the cold-rolled stainless steels in coils or in sheets containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Bahru Stainless Produces cold-rolled stainless steel in coils or sheets with thickness of 6.5mm or less that is annealed or otherwise heat treated and pickled or otherwise de-scaled to clean the stainless steel of excess residue. These products are further processed (to be cut or split) provided that the process does not change the specification features of the products.

BAHRU IS CURRENTLY PRODUCING Austenitic and Ferritic Stainless Steel in various Cold Roll Finishes (2B, 2D, 2BB, N4, SB-VF, HARD TEMPERED) and in gauge of 6.5 mm and below and width of 1600mm and below.

The full details of the products produced and exported by Bahru includes:

a. physical, technical and chemical characteristics;

PHYSICAL

Dimensions
From 0.2 mm to 6.5 mm gauge & from 30 mm to 1600 mm wide.

Surface Finish and Appearance
Market known materials as finish 2D (Annealed and pickled), 2B (Annealed, pickled and skin passed) , 2BB (bright cold rolled, annealed, pickled and skin passed) , N4 (2B or 2BB finish material grinding with 150-400 grid) , SB-VF (Scotch brite, polished material with special belt and scotch brite brush for satin finish) and Hard tempered materials.

CHEMICAL CHARACTERISTICS

Bahru Stainless offered different chemical characteristics depending on the final customer application.

Chemical Characteristics on Stainless Steel affect the amount of Carbon, Silicon, Manganese, Phosphorus, Sulphur, Chrome, Nickel, Molybdenum, Titanium, Niobium and Nitrogen.

By adjusting the chemical composition of these elements we achieve what is known as different grades being some of the most common AISI "304, 316, 430, 409".

For full detail of all produced steel types and range of chemical elements refer to Attachment 4 page 2 Table "Chemical Composition".

TECHNICAL CHARACTERISTICS

Bahru Stainless certifies its products under ASTM Standard affecting as main technical characteristics the surface appearance and defects and the tolerance in flatness, thickness, width and chemistry.

b. end use;

The usage application of stainless steel include household utensils (sink, interior pipe, hot water system, bath tub, boiler and others), automotive parts, building materials, kitchenware & tableware (pots, cooker, spoons and knives) water tanks, interior exterior design equipment for architecture, heavy oil burner, household electricity equipment as gas heater, washing machine, boiler, the computer parts.

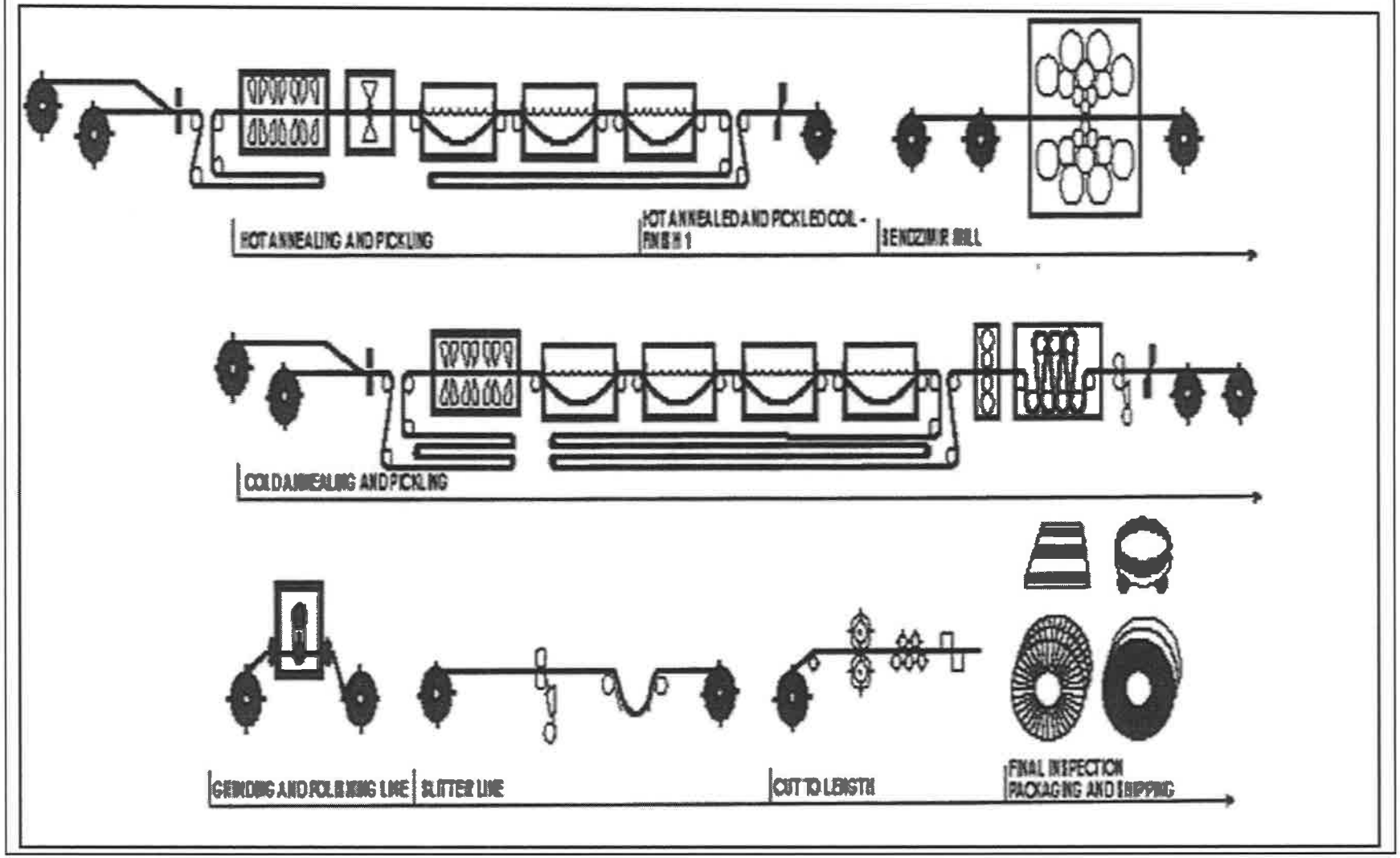
c. brand names;

All of BAHRU'S production is on commercial basis with BAHRU as manufacturer of the product. For similar products made by other manufacturers they can be compared through different international standard organizations, being the most common,

EUROPEAN STANDARD (EN), ASME, ASTM, JIS & AISI.

d. production process;

BAHRU STAINLESS CURRENT STAGES



e. Specifications

CLASSIFICATION		CODE		MECHANICAL PROPERTIES			
		AISI	EN	MIN. YIELD STRENGTH (MPA)	MIN. TENSILE STRENGTH (MPa)	MIN. ELONGA-TION (%)	MAX. HRB HARDNESS
SEMI - AUSTHENITIC		201	-	325	650	40	98
AUSTHENITIC	Cr-Ni	304	1.4301	205	515	40	92
		304L	1.4307	170	485	40	92
				170	485	40	92
		321	1.4541	205	515	40	95
	Cr-Ni-Mo	316L	1.4404	170	485	40	95
	HEAT RE-SISTANT	309S	1.4833	205	515	40	95
		310	1.4845	205	515	40	95
FERRITIC	STANDARD	409	1.4512	170	380	20	88
		429	-	205	450	22	89
		430	1.4016	205	450	22	89
		439	1.4510	205	415	22	89
		441	1.4509	250	430	18	88
		444	1.4521	275	415	20	96
	UTILITY	410S	-	205	415	22	89
	MOLY	436	1.4526	240	450	22	89

Chemical Properties

AISI	CHEMICAL COMPOSITION (%)								
	C	CR	Mo	Si	Mn	P	S	N	Ti RATIO
201	0.8 - 0.9	13.4 - 15.0	-	0.35 - 0.70	9.4 - 10.5	0.08	0.015	0.1 - 0.2	0
304	0.07	17.5 - 19.5	-	0.75	2.00	0.045	0.03	1.000	
304L	0.03	17.5 - 19.5	-	0.75	2.00	0.045	0.03	0.100	
321	0.08	17.5 - 19.0	-	0.75	2.00	0.045	0.03	0.100	
316L	0.08	16.0 - 18.0	2.00 - 3.00	0.75	2.00	0.045	0.03	0.100	
309S	0.08	22.0 - 24.0	-	0.75	2.00	0.045	0.03	-	
310	0.08	24.0 - 26.0	-	1.50	2.00	0.045	0.03	-	
409	0.03	10.5 - 11.7	-	1.00	1.00	0.04	0.02	-	Ti:6X(C+N)0.5
429	0.12	14 - 16	-	1.00	1.00	0.04	0.03	-	
430	0.12	16.0 - 18.0	-	1.00	1.00	0.04	0.03	-	
439	0.03	17.0 - 19.0	-	1.00	1.00	0.04	0.03	-	Ti:0.15+4(C+N)
441	0.03	17.5 - 18.5	-	1.00	1.00	0.04	0.015	-	
444	0.025	18.5 - 19.0	1.75 - 2.50	1.00	1.00	0.04	0.03	0.035	Ti+Nb:[0.2+4(C+N)]
410S	0.08	11.5 - 13.5	-	1.00	1.00	0.04	0.03	-	
436	0.12	16.0 - 18.0	0.75 - 1.25	1.00	1.00	0.04	0.03	-	

The full range of products of the subject merchandise against which action is sought is described in the following section,

a. The physical, technical and chemical characteristics of the Product under investigation;

Action is sought against Cold Rolled Stainless Steel in coils or sheets or any other form with thickness of 6.5mm or less and of a width of 1600 mm or less that is annealed/non-annealed or otherwise heat treated/not heat treated and pickled/not pickled or otherwise de-scaled to clean the stainless steel of excess residue.

Product under investigation described above are typically classified under codes,

HS CODE:	AHTN CODE:
7219.31 000;	**7219.31 0000**
7219.32 000	**7219.32 0000**
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Stainless steel is essentially a low carbon steel (1.2% or less by weight) which contains chromium at 10.5% or more by weight. This addition of chromium gives the steel its unique stainless, corrosion resisting properties. The chromium content of the steel allows the formation of the corrosion-resisting chromium oxide film, which is slim as invisible, adherent on the steel surface. If damaged mechanically or chemically, this film is self-healing, providing that oxygen, even in very small amounts, is present. The corrosion resistance and other useful properties of the steel are enhanced by increased chromium content and the addition of other elements such as Molybdenum, Nickel and Nitrogen.

The Subject Merchandise are the cold-rolled stainless steels in coils or in sheets containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Domestically manufactured like products and imported products under investigation have no difference.

b. The usage/application of cold rolled stainless steel includes;

1) Household Utensils
- Sinks
- Interior Pipe
- Hot Water System
- Bath Tub

- Boiler and others.

2) Household Electrical Equipment
- Washing machine
- Boiler
- Computer parts

3) Automotive Parts,
- Exhaust Pipe
- Fuel tanks
- Bus Structures

4) Building Materials,
- Pipe Lines
- Mash Wire
- Exterior Finish

5) Kitchenware & Tableware
- Pots
- Cooker
- Spoons
- Knives and others.

6) Architecture
- Water Tanks
- Interior Exterior Design Equipment
- Gas tanks

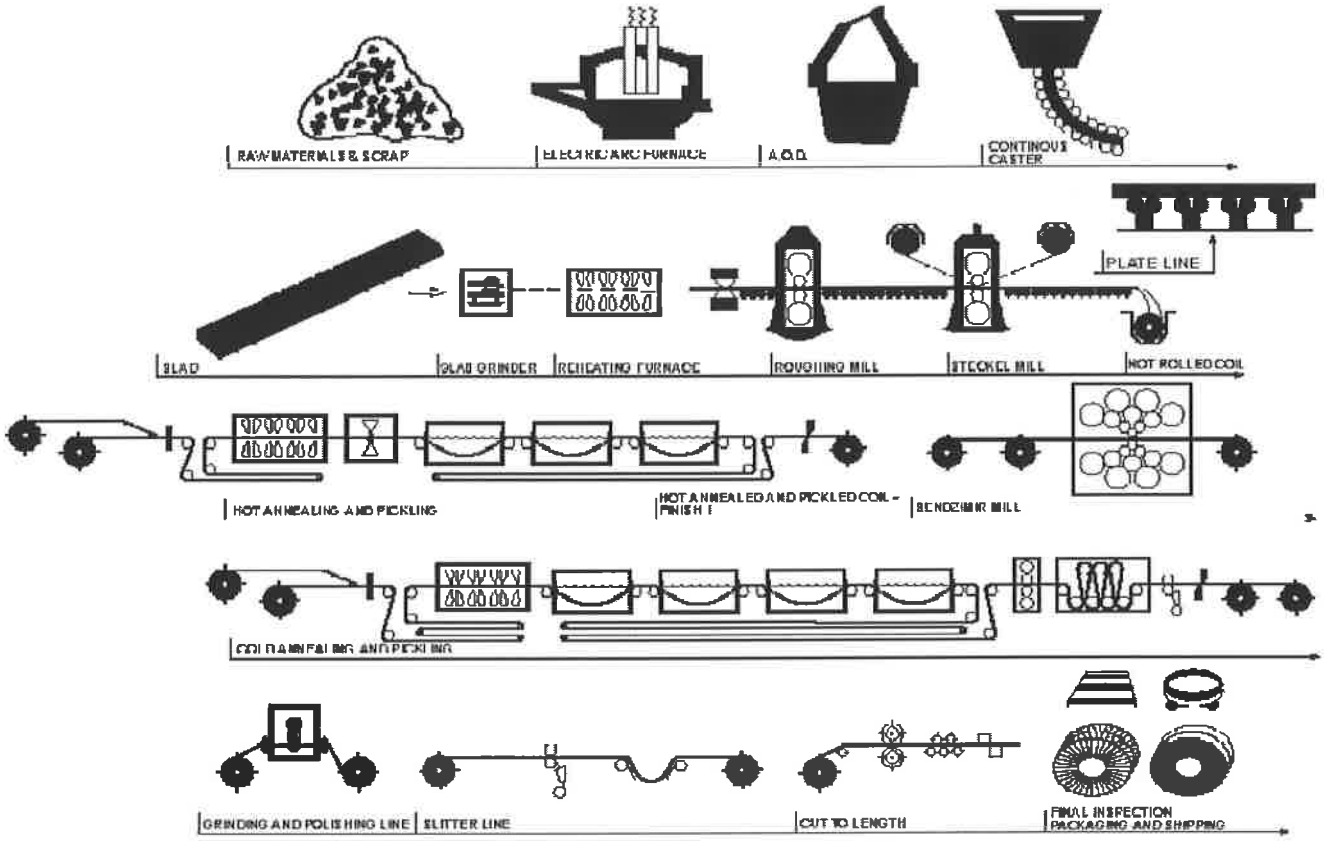
c. Brand names

All Subject Merchandise is commercialised under the different producers' names, this products through different international standard organizations, being the most common,

EUROPEAN STANDARD (EN), ASME, ASTM, JIS & AISI.

d. production process including flow chart;

The images below shows the Production Process Flow of cold Rolled Stainless Steel,



e. specification

CLASSIFICATION		CODE		MECHANICAL PROPERTIES			
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410S	0.08	11.5 - 13.5	-	1.00	1.00	0.04	0.03	-	
436	0.12	16.0 - 18.0	0.75 - 1.25	1.00	1.00	0.04	0.03	-	

Table D-1.6 shows the tariff classification and rate of duty applied to the subject merchandise.

Table D-1.6: Tariff Classification

HS Code/AHTN	Product Description	MFN Rate (%)	Preferential Rate (%) (1)
7219.31.000 / 7219.31.0000	Of a thickness of 4.75 mm or more	0%	0%
7219.32.000 / 7219.32.0000	Of a thickness of 3mm or more but less than 4.75 mm	0%	0%
7219.33.000 / 7219.33.0000	Of a thickness exceeding 1 mm but less than 3 mm	0%	0%
7219.34.000 / 7219.34.0000	Of a thickness of 0.5 mm or more but not exceeding 1 mm	0%	0%
7219.35.000 / 7219.35.0000	Of a thickness of less than 0.5 mm	0%	0%
7220.20.130 / 72.20.20.1000	Of a width not exceeding 400 mm	0%	0%
7220.20.190 / 7220.20.9010	Of a width More than 400 mm but less than 600 mm	0%	0%

(1) Note. Preferential rates are ASEAN-Korea, ASEAN-China, ATIGA, ASEAN-Japan

SECTION C
DUMPING

C-1 Source of Imports

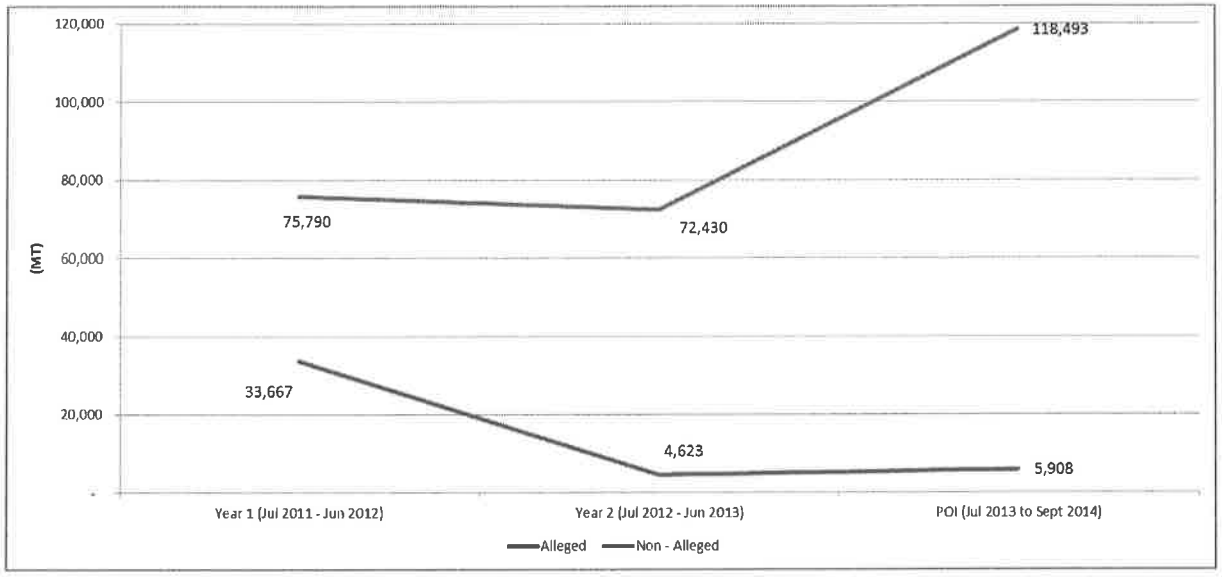
Table and figure below illustrate the surge on the volume of imports of the PUI into Malaysia.

	Year 1 (Jul 2011 - Jun 2012)		Year 2 (Jul 2012 - Jun 2013)		POI (Jul 2013 - Sep 2014)	
COUNTRY	VOLUME (MT)	VOLUME (%)	VOLUME (MT)	VOLUME (%)	VOLUME (MT)	VOLUME (%)
CHINA	11,797	10.8%	12,245	15.9%	41,455	33.3%
TAIWAN	33,682	30.8%	28,644	37.2%	34,431	27.7%
JAPAN	6,074	5.5%	6,091	7.9%	13,524	10.9%
HONG KONG	1,147	1.0%	339	0.4%	10,103	8.1%
KOREA	9,137	8.3%	9,214	12.0%	4,427	3.6%
FINLAND	9,226	8.4%	5,416	7.0%	4,029	3.2%
INDONESIA	1,395	1.3%	3,758	4.9%	3,709	3.0%
VIETNAM	3,235	3.0%	6,519	8.5%	3,583	2.9%
FRANCE	98	0.1%	204	0.3%	3,232	2.6%
TOTAL OF ALLEDGED COUNTRIES	**75,790**	**69.2%**	**72,430**	**94.0%**	**118,493**	**95.3%**
INDIA	30	0.0%	155	0.2%	1,693	1.4%
SINGAPORE	796	0.7%	647	0.8%	840	0.7%
SWEDEN	124	0.1%	252	0.3%	712	0.6%
THAILAND	364	0.3%	33	0.0%	704	0.6%
GERMANY	1,572	1.4%	949	1.2%	703	0.6%
UNITED STATES	3,812	3.5%	386	0.5%	527	0.4%
BRAZIL	2	0.0%	124	0.2%	291	0.2%
BELGIUM	75	0.1%	147	0.2%	172	0.1%
UNITED KINGDOM	87	0.1%	167	0.2%	112	0.1%
ITALY	58	0.1%	70	0.1%	83	0.1%
ÓTHER NON ALLEDGED COUNTRIES (1)	26,745	24.4%	1,693	2.2%	73	0.1%
TOTAL OF NON-ALLEDGED COUNTRIES	**33,667**	**30.8%**	**4,623**	**6.0%**	**5,908**	**4.7%**
TOTAL VOLUME OF IMPORTS	**109,458**	**100.0%**	**77,053**	**100.0%**	**124,401**	**100.0%**

Note. Source of information is the Department of statistics Malaysia (DOS).

(1) Other Non-alledged countries are South Africa, United Arab Emirates, Spain, Bahrain, Netherlands, Poland, Switzerland, Canada, Hungary, Australia, Norway, New Zealand, Philippines, Greece, Mexico, Czech Republic

Figure xx – Evolution of imports volume



Note. Source DOS

From the Petitioner's knowledge and research, all the alleged countries have the stainless steel manufacturing facilities to supply the Subject Merchandise and therefore originate from the alleged countries except for Hong Kong which does not have a stainless steel manufacturing base and therefore acts as an exporter of the Subject Merchandise, which could even come from the other alleged countries

The tables below shows a list of names, addresses and contact details of producers and importers of the PUI:

- producers of the products exported to Malaysia;

Country	Company Name (English)	English Address
CHINA	Tisco (Taiyuan Iron & Steel (group) Co., LTD	No.2, Jiancaoping, Taiyuan, Shangxi Province, China
CHINA	Ningbo Baoxin Stainless steel Co., LTD	Xiapu, Beilun economic development zone, Ningbo, China
CHINA	Baoshan Iron & Steel Co., LTD (Baosteel Co., LTD)	No. 885, Fujin road, Baoshan district, Shanghai
CHINA	Lianzong Stainless Steel Corporation	No. 1, Lianguang Road, Dongqu, Economic Development, Guangzhou, China
CHINA	Zhenshi Group Eastern Special Steel Co., LTD	Industrial Area, Xinfeng Town, Nanhu District, Jiaxing City, Zhejiang Province, China
CHINA	Zhangjiagang Pohang Stainless steel Co., LTD	Daxin Roverside, Road, Zhangjiagang City, Jiangsu Province, China
CHINA	Tsingshan Holding Group	No.1, Qingtao Road, Yongzhong Street, Longwan, Wenzhou, China
CHINA	Yantai Oriental Industry Group	No. 8, South of Beijing road, Economic Development, Yantai, China
CHINA	Jiangsu Daming Metal Product Co., LTD	No. 1518, Tongjiang, road, Wuxi, Jiangsu province, China
CHINA	Baoyu Group	20 th Floor, Zhuoyuan International Building, No.5 Jihua Road, Chanchend District, Foshan, Guangdong, Province, China

CHINA	Qiujin Group	No. 18, Furong Jiang Si Road, Xishan District, Wuxi, Jiangsu province, China
CHINA	Minmetals Steel Co., LTED	BLDG. 8/F, 5 Sanlihe road, Haidian district, Beijing, China
CHINA	Sinosteel Corporation	No.8, Haidian Street, Haidian district, Beijing, China
FINLAND	Outokumpu	Riihitontuntie 7, Espoo, Finland
INDONESIA	PT Jindal Stainless	Kawasan Industry Maspion, Maspion Unit-V, Desa Sukomylyo-Manyar, Gresik-61151, Surabaya Jawa Timur-Indonesia
JAPAN	Mitsubishi Metal Group	5-34-6 Shiba, Minato-ku, Tokyo 108-0014, Japan
JAPAN	JFE Steel Corporation	2-2-3, Uchisaiwaicho, Chiyoda-ku, Tokyo 100 - 0011
KOREA	Posco	1 Goedong-dong, Nam-gu, Pohang
KOREA	Daiyang Metal Co. Ltd	222, Kaechon-ri Sinam-Myun, Yesan-gun Chungnam 340-861, Korea
KOREA	Hyundai Bng Steel	5F, 6F, Sinan Bldg. 512, Teheran-ro, Gangnam-gu, Seoul, Korea (135-845)
KOREA	Posco Ast	# 603 Seonggok-dong, Danwon-Gu, Ansan-si, Gyeonggi-do, 425-833, Korea
KOREA	Hyundai Steel	The K-Twin Towers, B-dong 16th, 50, Jong-ro 1gil, Jongno-gu,Seoul 110-150,Korea
CHINESE TAIPEI	An Mar Stainless	No. 23, Kaifa 5th Rd, Rende District Tainan City
CHINESE TAIPEI	Chia Far Industrial	No. 15, Shiyi Rd, Yangmei City Taoyuan County
CHINESE TAIPEI	Chieh Ta metal	No. 229, Yanhe St, Yongkang District Tainan City
CHINESE TAIPEI	Chien Shing Stainless	No. 270, Wenxian 1st Rd, North District Tainan City
CHINESE TAIPEI	Chin Chuan Stainless Co	No. 270, Wenxian 1st Rd, North District Tainan City
CHINESE TAIPEI	Da Song Stainless	No.37, Gongyequ 22nd Rd., Nantun Dist., Taichung City
CHINESE TAIPEI	Well Harvest Metal	No. 756, Huacheng Rd, Xinzhuang District New Taipei City
CHINESE TAIPEI	Gang Jou Enterprise	No. 10, Lane 263, Yanhe St, Yongkang District Tainan City
CHINESE TAIPEI	Genn Hann Stainless	No. 7, Gongye Rd, Guantian District Tainan City
CHINESE TAIPEI	Hook Soon Corp	No.423, Zhongshan S. Rd., Yongkang Dist., Tainan City
CHINESE TAIPEI	Hsin Ben Far Stainless	No. 117, Dahe Rd, North District Tainan City
CHINESE TAIPEI	Hsin Kuang Steel	No. 6, Gongye 8th Rd, Guanyin Township Taoyuan County
CHINESE TAIPEI	Huang Chieh Metal	No. 18-1, Da'an Rd, Shulin District New Taipei City
CHINESE TAIPEI	Huang Ming Metal	No. 1, Lane 302,Xinshu Rd, Xinzhuang District New Taipei City
CHINESE TAIPEI	Huang Yu Metal	No. 16-5, Xinshu Rd, Xinzhuang District New Taipei City
CHINESE TAIPEI	Huang-Yi steel	No.173,Tongyi St, Taishan District New Taipei City
CHINESE TAIPEI	Hwa Yang Stainless	No.78-1, Dahu Rd., Guishan Township, Taoyuan County
CHINESE TAIPEI	Jie Jin material sciences technology	No. 35, Mindong Rd, Yongkang District Tainan City
CHINESE TAIPEI	Ju Feng special steel	No. 3, Alley 48, Lane 884, Sanfeng Rd, Fengyuan District Taichung City
CHINESE TAIPEI	Lien Kuo Metal Industrial	No. 19, Bao'an Rd, Yong'an District Kaohsiung City
CHINESE TAIPEI	Lih Chun Enterprise	No.7,Ziqiang 7th Rd, Zhongli City Taoyuan County
CHINESE TAIPEI	Lih He metal	No. 353-1, Zhongshan 1st Rd, Luzhou District New Taipei City
CHINESE TAIPEI	Lung An	No. 72, Jianguo 2nd Rd, Xinzhuang District New Taipei City
CHINESE TAIPEI	Po chwen metal	No. 15, Taiji Rd, Xiaogang District Kaohsiung City
CHINESE TAIPEI	Power steel co	No. 54, Daye South Rd, Xiaogang District Kaohsiung City

CHINESE TAIPEI	Ru Hung Metal	No. 7, Lane 349, Zhongzheng South Rd, Yongkang District Tainan City
CHINESE TAIPEI	Rung Feng Steel	No. 106, Jianguo 1st Rd, Xinzhuang District New Taipei City
CHINESE TAIPEI	Shen Fong Metal	No.169, Zhonglun, Anding Dist., Tainan City
CHINESE TAIPEI	Shin Huey Metal	No. 63, Meishan Rd, Niaosong District Kaohsiung City
CHINESE TAIPEI	Shing Shong Ta Metal	No. 36, Section 2, Guangfu Rd, Sanchong District New Taipei City
CHINESE TAIPEI	Shiuh Cherng enterprise	No. 46, Zhongheng St, Xiaogang District Kaohsiung City
VIETNAM	Posco VST CO LTD	Road 319B, Nhon Trach 1 IZ, Dong Nai Province, Vietnam
VIETNAM	Hoa Bihn Production and trading	No.644 - Nguyen Van Cu Street - Gia Lam - Hanoi, Vietnam
VIETNAM	Posco Vietnam Processing Center CO LTD	Road N2, Nhon Trach V IDZ, Dong Nai, Vietnam
VIETNAM	Italinox Vietnam CO. LTD	8 Floor, 85 Nguyen Du Building, Nguyen Du Road, Hai Ba Trung, Hanoi, Vietnam
VIETNAM	Kimvico JSC	117 Vo Van Bich, Hamlet 11, Tan Thanh Dong Commune, Cu Chi Dist,Hochiminh City,Vietnam
VIETNAM	Thien Quang Group Joint Stock Co	Trung Trac commune, Van Lam Province, Hung Yen, Vietnam
FRANCE	ArcelorMittal	6, rue André Campra, Immeuble Le Cézanne 93212 La Plaine Saint Denis

- Importers in Malaysia.

The list of importers is provided on the confidential submission.

The table below shows a list of countries which individually have less than 3% of total imports, and that they are collectively account for more than 7% of total imports of the subject merchandise.
Detail of countries below 3% of total imports of subject merchandise were action is sought (detail in volume and %) during POI,

	POI (Jul 2013 - Sep 2014)
COUNTRY	**Volume (MT)**
INDONESIA	3,709
VIETNAM	3,583
FRANCE	3,232
TOTAL OF ABOVE	10,524
TOTAL IMPORTS ON TO MALAYSIA	124,401
COUNTRY	**Imports in (%)**
INDONESIA	2.98%
VIETNAM	2.88%
FRANCE	2.60%
SUB-TOTAL OF ABOVE	8.46%
TOTAL IMPORTS INTO MALAYSIA	100.00%

Note. Source is DOS.

C-2 Export Price

This section illustrates the CIF export prices of the imported products during the period of investigation.

Based on official Department of Statistics, Malaysia data during POI using weighted average for the imported subject merchandise on to Malaysia in USD/Mt in CIF terms as follows:

COUNTRY	PRODUCT	POI (Jul 2013 - Sep 2014)	
		CIF Value (USD/MT)	CIF Value (MYR/MT)
CHINA	STAINLESS STEEL COLD ROLLED	***	***
FINLAND		***	***
FRANCE		***	***
HONG KONG		***	***
INDONESIA		***	***
JAPAN		***	***
KOREA		***	***
CHINESE TAIPEI		***	***
VIETNAM		***	***
Grand Total		***	***

Note. Source DOS

All details of transactions are given in confidential version.

For any ex Rates used to convert Ex-Rate is based on Bank Negara Malaysia official Ex Rate.

C-3 This section shows the Selling Price (Normal Value) in the Exporter's Domestic Market

Table E-3.1 shows the countries that Bahru has used the average market price sold by the exporter on the domestic market of the country of export.

Table E-3.1: Selling Price (Normal Value) – AVERAGE MARKET PRICE BY COUNTRY IN USD/MT

	COUNTRY	TOTAL AVERAGE VALUE (USD/MT)
UNIT SELLING PRICE IN THE EXPORTERS DOMESTIC MARKET (PRICE IS DELIVERED TO CUSTOMER IN DOMESTIC MARKET)	CHINA	***
	CHINESE TAIPEI	***
	JAPAN	***
	HONG KONG	***
	KOREA	***
	FINLAND	***
	VIETNAM	***
	INDONESIA	***
	FRANCE	***

Table E-3.1 is the Average Value of the domestic selling prices in each of the affected countries for the POI and the subject merchandise.

Normal Value Price Calculation was used to determine the Average Market Value for all countries. Normal value was determined by subtracting to the published domestic prices of the exporter the finance and transportation cost to obtain the Ex-Mill price on the exporter's country.

Normal Value

Published Domestic Price (Net Delivered to customer)

→ Subtract Finance Cost & Transportation Cost

↓

Adjusted Ex-Factory Prices

1. China
   Details provided on the confidential version.
   "Attachment 22 – China Market Prices" provided in confidential version.

2. Chinese Taipei
   Details provided on the confidential version.
   "Attachment 23 – Market Prices for Chinese Taipei" provided in confidential version.

3. JAPAN
   Details provided on the confidential version.
   "Attachment 50 – Japan Market Prices" provided in confidential version.

4. HONG KONG
   Details provided on the confidential version.
   "Attachment 35" provided in confidential version.

5. KOREA
   Details provided on the confidential version.
   Attachment 28b – Korea Market Prices" and Attachment 19a & 19b provided in the confidential version.

6. FINLAND
   Details provided on the confidential version.
   Attachment 33 – "Finland Market Price" provided in the confidential version.

7. INDONESIA
   Details provided on the confidential version.
   Attachment 51 - "Indonesia Market Prices" provided in the confidential version.

8. VIETNAM
   Details provided on the confidential version.
   "Attachment 44a – Vietnam Market Prices" provided in the confidential version.

9. FRANCE
   Details provided on the confidential version.
   "Attachment 45a – Market Prices for France" provided in the confidential version.

The exporter domestic market prices illustrated in this section (section E-3) is price delivered to customer.

Petitioner has deducted freight and finance to calculate a net Ex-Factory Price for each exporter on their domestic markets.

	COUNTRY	TOTAL AVERAGE VALUE ($/Mt)
TARIFF SELLING PRICE ($/MT) IN THE EXPORTERS DOMESTIC MARKET	CHINA	***
	CHINESE TAIPEI	***
	JAPAN	***
	HONG KONG	***
	KOREA	***
	FINLAND	***
	VIETNAM	***
	INDONESIA	***
	FRANCE	***

ADJUSTED EX FACTORY PRICE ($/MT)

COUNTRY	TOTAL AVERAGE VALUE ($/Mt)
CHINA	***
CHINESE TAIPEI	***
JAPAN	***
HONG KONG	***
KOREA	***
FINLAND	***
VIETNAM	***
INDONESIA	***
FRANCE	***

"Attachment 52–Exporters Price Adjustment to Ex-Mill Prices" provided in the confidential version of the petition.

C-4 Adjustments

EXPORT PRICE TO EX-FACTORY PRICE ADJUSTMENTS

To ensure a fair comparison on same basis for Export Price and Normal Value both prices have been calculated on same basis as Ex-Factory price in USD/mt.

As a summary for the Export price the following adjustments have been used to

convert Malaysia customs official statistics (CIF terms) to Ex-Factory terms,

COUNTRY	EXPORT PRICE CIF MALAYSIA (US$/MT) (1)	PORT OF ORIGIN COST AND LOCAL PORT COST ($/MT) (2)	FREIGHT ADJUST-MENT ($/MT) (3)	MALAYSIA PORT COST ($/MT) (4)	CONTRY OF ORIGIN IN-LAND TRANSPOR-TATION COST ($/MT) (5)	TRADE INSUR-ANCE COST ON EXPORTS ($/MT) (6)	FINANCE ADJUST-MENT ($/MT) (7)	EXPORT PRICE EX MILL (USS/MT)
CHINA	***	***	***	***	***	***	***	***
CHINESE TAIPEI	***	***	***	***	***	***	***	***
JAPAN	***	***	***	***	***	***	***	***
HONG KONG	***	***	***	***	***	***	***	***
KOREA	***	***	***	***	***	***	***	***
FINLAND	***	***	***	***	***	***	***	***
VIETNAM	***	***	***	***	***	***	***	***
INDONESIA	***	***	***	***	***	***	***	***
FRANCE	***	***	***	***	***	***	***	***

Note:
Exchange rate used in this calculation was taken from Bank Negara
Other details is provided in confidential version

C-5 Dumping Margin

On this section dumping margin for each exporter country is calculated based on the following formula,

Subtract the export price from the normal value for each grade, model or type of the products (after adjusting for any differences affecting price comparability).

$$\frac{\text{Normal Value - Export Price}}{\text{Export price}} \text{ X } 100\%$$

To estimate the dumping margin the petitioner has used normal Value and Export price as determine in previous questionnaire sections obtaining the following results,

Attachment 54 - "Dumping Margin Calculation"

COUNTRY	AVERAGE NORMAL VALUE EX WORKS (U$/MT)	EXPORT PRICE EX WORKS (US$/MT)	DUMPING MARGIN (%)
CHINA	***	***	22%
CHINESE TAIPEI	***	***	19%
JAPAN	***	***	6%
HONG KONG	***	***	286%
KOREA	***	***	20%
FINLAND	***	***	22%
INDONESIA	***	***	25%
VIETNAM	***	***	27%
FRANCE	***	***	63%

SECTION D
MATERIAL INJURY (OPERATION)

D-1 Production and Capacity

The table below shows for the petitioner it's production capacity, actual production and capacity utilisation of the product produced

Table F-1.1: Capacity Utilisation

Description	July 2011 to June 2012 (MT) (YEAR 1)	July 2012 to June 2013 (MT) (YEAR 2)	POI – July 2013 to September 2014 (MT)
A. Production capacity in units (COLD ROLLED PRODUCTION IN MT PER ANNUM)	100	137	217
B. Actual production in units (COLD ROLLED PRODUCTION IN MT PER ANNUM)	100	396	578
C. Capacity utilisation (%) (B/A) x 100	100	291	267

Description	POI (July 2013 – September 2014)				
	Q1 (Jul 2013 – Sept 2013)	Q2 (Oct 2013 – Dec 2013)	Q3 (Jan 2014 – Mar 2014)	Q4 (Apr 2014 – Jun 2014)	Q5 (Jul 2014 – Sept 2014)
A. Production capacity in units (COLD ROLLED PRODUCTION IN MT PER ANNUM)	100	100	100	100	100
B. Actual production in units (COLD ROLLED PRODUCTION IN MT PER ANNUM)	100	83	75	149	166
C. Capacity utilisation (%) (B/A) x 100	100	83	75	149	166

BAHRU STAINLESS cold rolled capacity is determined by the theoretical capacity of it's installed cold rolling lines (ZM Cold Rolling Lines.)

BAHRU capacity increased during the Year 1, Year 2 and POI.

The utilization rate is determined by comparing the production achieved by the company against the theoretical capacity of production for a given period of time.

Overall the capacity utilisation increased from Year 1 to Year 2 but dropped during POI. However the production increased during Year 1, Year 2 and POI.

D-2 Inventories

Table F-2.1, it shows the volume of inventories of the product produced in Malaysia (Bahru)

Table F-2.1: Inventories

Description	July 2011 to June 2012 (MT) (YEAR 1)	July 2012 to June 2013 (MT) (YEAR 2)	POI – July 2013 to September 2014 (MT)
	Volume	Volume	Volume
Opening inventories	100	344	645
Add: Purchases	-	-	-
Add: Production	100	354	516
Less: Sales	100	421	672
Captive use*	-	-	-
Other movements *(explain)*	100	-9	-181
Closing inventories	100	188	130

Description	POI (July 2013 – September 2014)				
	Q1 (Jul 2013 – Sept 2013)	Q2 (Oct 2013 – Dec 2013)	Q3 (Jan 2014 – Mar 2014)	Q4 (Apr 2014 – Jun 2014)	Q5 (Jul 2014 – Sept 2014)
	Volume	Volume	Volume	Volume	Volume
Opening inventories	100	83	64	32	40
Add: Purchases	-	-	-	-	-
Add: Production	100	83	75	149	166
Less: Sales	-	83	82	138	147
Captive use*	-	-	-	-	-
Other movements *(explain)*	100	(25)	89	297	290
Closing inventories	100	77	39	49	84

** Captive use = internal consumption*

The petitioner decreased the level of raw material monthly purchases during the POI to reduce where possible the inventory due to the uncertain and depressed market situation due to the presence of the dumped import.

D-3 Employment and Wages

Table F-3.1 it shows the number of people employed in your company.

Table F-3.1: Employment

Description	July 2011 to June 2012 (YEAR 1)	July 2012 to June 2013 (YEAR 2)	POI – July 2013 to September 2014
Total personnel employed	100	139	146
A. Personnel employed in the production process of the PUI	100	150	152
B. Personnel employed in sales, general and administration of the PUI	100	103	122
C. Total personnel employed in the PUI (A + B)	100	139	146

Description	Q1 (Jul 2013 – Sept 2013) (RM)	Q2 (Oct 2013 – Dec 2013) (RM)	Q3 (Jan 2014 – Mar 2014) (RM)	Q4 (Apr 2014 – Jun 2014) (RM)	Q5 (Jul 2014 – Sept 2014) (RM)
Total personnel employed	100	95	94	98	103
A. Personnel employed in the production process of the PUI	100	94	93	97	101
B. Personnel employed in sales, general and administration of the PUI	100	97	95	103	110
C. Total personnel employed in the PUI (A + B)	100	95	94	98	103

The total number of employees increased from *** to *** employees in Year 1 to Year 2 by ***% and increased further by ***% during POI. The increase in employee numbers is due to the installation and running of the additional rolling line.

No workers of Bahru have been temporarily out of work and also neither of the workers has been introduced to reduce working hours because of the lack of production rate.

BAHRU has absorbed all idle time and have not introduced shift reduction.

Due to poor sales with the presence of the dumped imports, BAHRU was not able to work at full capacity.

Table F-3.4, it shows the wages of the total personnel employed in producing the product.

Table F-3.4: Wages

Description	July 2011 to June 2012 (RM) (YEAR 1)	Jan 2013 to June 2013 (RM) (YEAR 2)	POI – July 2013 to September 2014 (RM)
A. Wages	100	156	197
B. Cost of social benefits	100	184	258
C. Total labour costs (A+B)	100	157	200

Description	POI (July 2013 – September 2014)				
	Q1 (Jul 2013 – Sept 2013) (RM)	Q2 (Oct 2013 – Dec 2013) (RM)	Q3 (Jan 2014 – Mar 2014) (RM)	Q4 (Apr 2014 – Jun 2014) (RM)	Q5 (Jul 2014 – Sept 2014) (RM)
A. Wages	100	97	138	97	100
B. Cost of social benefits	100	99	132	107	109
C. Total labour costs (A+B)	100	97	137	98	101

The total wages increased from RM *** to RM ***from year 1 to year 2 and they increased again from RM *** to RM *** from Year 2 to POI. The increase is due to higher number of employees in line with the expansion of rolling lines.

BAHRU considers necessity to take care of employees as long term employees. Therefore no basic pay reduction has been introduced.
Part of the monthly salaries of production employees is related to the production monthly output. With higher level of production employees will then benefit of higher production incentives and a higher pay level.
Due to the dumping of products from the alleged countries in the Malaysian market the output level of the factory is low in terms of capacity utilization and therefore the production incentive a component of the salary of the operators linked to the production level of the company is also low.

Currently BAHRU is absorbing most of the loss in wasted time due to the low production level and is not reducing workforce amount or basic pay.

D-4 Productivity

Table F-4.1, clearly shows that BAHRU has been affected by the allegedly dumped imports.

Table F-4.1: Productivity

Description	July 2011 to June 2012 (YEAR 1)	July 2012 to June 2013 (YEAR 2)	POI – July 2013 to September 2014
A. Production (MT)	100	354	516
B. Machines Running Hours	100	323	485
C. Productivity (A/B)	100	110	106

Description	POI (July 2013 – September 2014)				
	Q1 (Jul 2013 – Sept 2013)	Q2 (Oct 2013 – Dec 2013)	Q3 (Jan 2014 – Mar 2014)	Q4 (Apr 2014 – Jun 2014)	Q5 (Jul 2014 – Sept 2014)
A. Production (MT)	100	83	75	149	166
B. Machines Running Hours	100	100	78	141	136
C. Productivity (A/B)	100	84	97	106	123

Since Year 1, BAHRU's productivity has been affected as it has been at a level of *** Mt/h to *** Mt/h compared to an achievable productivity of ***Mt/h. The low productivity is due to the drop in capacity utilization leading idle time of the machines. This has been due to the presence of the dumped imports from the alleged countries.

SECTION E
MATERIAL INJURY (SALES)

BAHRU sells to end users, distributors and retailers in Malaysia. The basis of categorization is based on BAHRU's understanding of the nature of the customer's business (e.g., an end user consumes the stainless steel, a distributor sells to retailers and retailers sell to end users).

The terms of sale and pricing policies do not differ between classes of customer. The terms of sale and pricing policies depend on each customer's individual business negotiations with BAHRU. Finally, all sales to Malaysia take place in the manner described in the next section.

BAHRU follows a standard door to door sales procedure which is applied to all customers (end-users, distributors, related companies. etc).

BAHRU sells part of its products to *** a related company that has one Service Center and one warehouse.

E-1 Sales Turnover

Table G-1.1 shows the details of total sales turnover (after all discounts and free of taxes) of BAHRU.

Table G-1.1: Turnover

DESCRIPTION	JULY 2011 TO JUNE 2012 (RM) (YEAR 1)	JULY 2012 TO JUNE 2013 (RM) (YEAR 2)	POI-JULY 2013 TO SEPT 2014 (RM)
Total turnover (all products)	100	316	487
Turnover of product (produced)	100	366	588

Table G-1.1: Turnover (POI by Quarterly)

DESCRIPTION	Q1 JUL 2013 - SEPT 2013 (RM)	Q2 OCT 2013 - DEC 2013 (RM)	Q3 JAN 2014 - MAR 2014 (RM)	Q4 JUL 2014 - SEPT 2014 (RM)	Q5 JUL 2014 - SEPT 2014 (RM)	TOTAL (RM)
Total turnover (all products)	100	100	85	144	165	595
Turnover of product (produced)	100	82	83	143	168	577

BAHRU has increased its turnover and level of sales during the POI when compared to previous years.

It is to be noted that Year 1 and Year 2 correspond with the start-up of production and sales of the company and by POI it is already in full production capability to meet the full requirements of the domestic market.

However the level of sales did not increase to an expected level due to the alleged dumped products preventing the company to sell higher volumes and at fair prices.

In a normal situation the local producers are expected to have a fair market share of the domestic market (Eg Acerinox in Spain holds *** of Spain Market) which is not the case of BAHRU which during POI was only able to achieve *** of the market share and thus depriving BAHRU of a fair capacity utilization *** which is much below the breakeven point due to the presence of dumped imports from the alleged countries.

E-2 Sales Volume and Value

Table G-2.1, shows information on Net Volumes (after all returns and cancelled sales) and Values (after all discounts and free of taxes) of;

a. Sales of product produced by BAHRU to unrelated parties.

Table G-2.1(a): Sales of Product (unrelated parties)

FROM ABOVE TOTAL SALES DETAIL OF SALES TO UNRELATED PARTIES	JULY 2011 TO JUNE 2012 (YEAR 1)		JUL 2012 TO JUNE 2013 (YEAR 2)		POI -JULY 2013 TO SEPT 2014	
	VOLUME (MT)	VALUE (RM)	VOLUME (MT)	VALUE (RM)	VOLUME (MT)	VALUE (RM)
Sales in Malaysia	100	100	591	498	2,405	1,924
Sales in other countries	100	100	636	571	762	689
Total Sales	100	100	630	560	975	870

Breakdown of Sales of Product (unrelated parties) for the POI

FROM ABOVE TOTAL SALES DETAIL TO UN-RELATED PARTIES	Q1 - JULY 2013 TO SEPT 2013		Q2 - OCT 2013 TO DEC 2013		Q3 - JAN 2014 TO MAR 2014	
	VOLUME (MT)	VALUE (RM)	VOLUME (MT)	VALUE (RM)	VOLUME (MT)	VALUE (RM)
Sales in Malaysia	100	100	115	120	77	80
Sales in other countries	100	100	69	68	82	83
Total Sales	100	100	82	81	81	82

FROM ABOVE TOTAL SALES DETAIL TO UNRELATED PARTIES	Q4 - APR 2014 TO JUN 2014		Q5 - JUL 2014 TO SEPT 2014	
	VOLUME (MT)	VALUE (RM)	VOLUME (MT)	VALUE (RM)
Sales in Malaysia	146	155	194	236
Sales in other countries	127	130	113	126
Total Sales	132	137	135	155

SECTION F
MATERIAL INJURY (PROFITABILITY, RETURN AND CASH FLOW)

F-1 Profitability

On the next section the petitioner shows it's profitability through the sales transactions to unrelated parties, related parties for the PUI as well as for the whole company.

Table H-1.1.1: Profitability – PUI to unrelated customers

	Year 1	Year 2	POI
Net Profit / (Loss)	(100)	(136)	(1,148)

BAHRU registered losses in year 1 amounting to RM *** which deteriorated to RM *** million in year 2 and further deteriorated to about *** times the losses in year 1 to RM *** million during POI due to the dumped imports from the alleged countries. These losses are attributed solely due to the dumped imports from the alleged countries and not any other causes as explained in paragraph 1 of Section I.

F-2 Return on Total Assets

Table H-2.1 illustrates the return on total assets employed for the company

Table H-2.1: Return on Total Assets

Description	**July 2011 - June 2012 (YEAR 1)**	**July 2012 - June 2013 (YEAR 2)**	**POI - July 2013 - Sept 2014**
Return on total assets	(100)	(227)	(244)

BAHRU had negative return on assets in year 1 of *** which further deteriorated to -*** in year 2 and deteriorated even more by four times the amount of year 1 during POI to *** due to the dumped imports from the alleged countries. BAHRU has suffered in terms of return on assets.

F-3 Investments

In Table H-3.1 below, it shows the investments made by BAHRU.

Table H.3.1: Investments

Description	July 2011 - June 2012 (RM) (YEAR 1)	July 2012 - June 2013 (RM) (YEAR 2)	POI - July 2013 - Sept 2014 (RM)
Total Company Investments	100	148	69

All investments for the period are investments in new production facilities (no investment is made as replacements.)

F-4 Return on Investment

Table H-4.1 shows the return on investment for the product.

Table H-4.1: Return on Investment

Description	July 2011 - June 2012 (YEAR 1)	July 2012 - June 2013 (YEAR 2)	POI - July 2013 - Sept 2014
Return on investment	(100)	(433)	(590)

Despite BAHRU having made greenfield investment expecting at least a fair return on the investments made as shown above BAHRU in fact had negative return on investments in Year 1 of *** which further deteriorated to *** in Year 2 and deteriorated even more to nearly *** the amount of in Year 1 during POI to *** due to the dumped imports from the alleged countries. BAHRU has suffered in terms of return on investment.

F-5 Cash Flow

In Table H-5.1, it shows the cash flows arising from BAHRU's activities in the production and sale of the products

Table H-5.1: Cash Flow Statement

Cash Flow Statement	July 2011 - June 2012 (RM)	July 2012 - June 2013 (RM)	POI - July 2013 - Sept 2014 (RM)
Net cash provided/(used) by operating activities	(100)	(60)	(638)

BAHRU suffered in terms of cash flow during year 1 and year 2 and during POI.

F-6 Minimum Profit Required

BAHRU has to sustain a minimum of ***% to breakeven the companies expenses.

F-7 Ability to Raise Capital

Provided in confidential version of the petition.

SECTION G
CAUSAL LINK

No other factors different to the dumped products are cause of injury as per below explanation,

Exports is not a cause to injury

For BAHRU exports is not a cause of injury as it was able to increase it's exports volume from *** MT in Year 1 to *** MT in Year 2 and a very marginal decline of ***% to *** MT in POI

Technology is not a cause to injury

Technology used by BAHRU is the state of art in the stainless steel manufacturing industry where BAHRU's equipment design pools from the rest of the ACERINOX group experience making Stainless Steel in 3 continents in the past 45 years and possesses the latest available technology in Cold rolling , annealing and pickling.

BAHRU has state of the art technology of the highest quality available in the market which is considered better than the technology used by the most competitive Japanese, European and American manufacturers.

Quality is not a cause to injury

Level of quality in BHARU stainless is comparable to the rest of ACERI NOX group.
To achieve high level of quality not only BHARU has the newest and most competitive equipment in the market but also taken the following steps to ensure high quality:

- BAHRU operations personnel have been trained in the other factories of Acerinox Group.
- There is currently a permanent technical assistance contract with other factories of the group bringing experts continuously to work with BAHRU personnel training and improving their skills.
- Production and technical procedures have been implemented based on Acerinox group standards including quality inspection and quality standards for saleable production.

BAHRU's quality is well accepted in the market and there has been hardly any complains that needs mention with less than 1% claims due to quality from our customers.

Volume and price of other non-alleged countries are not a cause of injury

The non-alleged countries' volume went down from 33,667 MT in Year 1 to 4,623 MT in year 2 and had a marginal increase of only 103 MT during POI in annualized terms which could not have caused material injury to BAHRU.

Below is an explanation of how the dumped imports have affected BAHRU's sales volume and market share.

The volume of imports in MT of subject merchandise on to Malaysia market has been as follows,

	Year 1 (Jul 2011 - Jun 2012)		Year 2 (Jul 2012 - Jun 2013)		POI (Jul 2013 to Sept 2014)	
	Volume (MT)	%	Volume (MT)	%	Volume (MT)	%
Alleged	75,790	***	72,430	***	118,493	***
Non - Alleged	33,667	***	4,623	***	5,908	***

VOLUME EFECT

VOLUME (MT)	Y1	Y2	POI
ALLEDGED	100	96	156
NON - ALLEDGED	100	14	18
PETITIONER DOMESTIC SALES	100	243	582

Article 3.3 of the WTO Antidumping Agreement allows, where the imports of a product from more than one country are simultaneously subject to antidumping investigation, for the cumulative assessment of the effects of such imports provided it is established imports from each country satisfies requirements as defined in Article 5.8 of the WTO AD Agreement, which is the case in this petition submission. Further accumulative assessment is appropriate in this particular investigation in light of the conditions of competition between the imported products and the conditions of competition between imported products and the like product produced by BAHRU.

Despite BAHRU having increased its sales it is to be noted that BAHRU had to sell below CTMS in order to maintain its sales which even then suffered in terms of capacity utilization registering at a low ***% during POI.

It is also further to be noted that BAHRU even with the increase sales suffered in terms of profitability registering negative profitability for year 1, year 2 and POI.

The dumped imports affects BAHRU's profits and profitability not only in volume, it also affect prices. This has to be considered on the dumped imports as well,

The application of Article 3.3 of the WTO Antidumping Agreement which has been explained above as appropriate under the volume effect is also appropriate to be applied when considering price effects.

Despite BAHRU having increased its sales it is to be noted that BAHRU had to sell below CTMS in order to maintain its sales but could not increase its domestic price as to a fair value due to the price undercutting effect of the combined alleged imports.

It can be clearly seen due to this price undercutting effects of the imports on the prices of the product under investigation, the prices in the domestic market have been depressed over Year 1, Year 2 and POI. Additionally as shown earlier, BAHRU had taken a number of actions to improve its CTMS but is unable to enjoy the benefits of such improvements due to the price undercutting by the imports from the alleged countries which has led to price depression and finally price suppression on BAHRU's domestic selling price.

The negative volume explained in Paragraph 2 and price effects as above has negatively impacted BAHRU's profitability as explain under section H-1.

The presence of the dumped imports from the alleged countries has forced BAHRU to sell below CTMS for Year 1, Year 2 and POI as shown in the confidential version of the petition.

It has also been established and fully substantiated in paragraph 2 of this Section that the dumped imports not only have depressed the domestic market selling price but also are selling even below BAHRU's domestic selling price's. It must be reinforced that the prices of the imports from the alleged countries have been clearly established to be selling at dumped prices as provided under Section E.

BAHRU's selling price and CTMS in USD/MT against alleged countries import price is provided on the confidential version of the petition.

The application of Article 3.3 of the WTO Antidumping Agreement which has been explained above as appropriate under the volume effect is also appropriate to be applied when considering price effects.

Despite BAHRU having increased its sales it is to be noted that BAHRU had to sell below CTMS in order to maintain its sales but could not increase its domestic price as to a fair value due to the price undercutting effect of the combined alleged imports.

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Dumped imports has affected the other economic factors which include the return on investment in an industry, cash flow, the number of persons employed and their wages, the ability to raise capital, and the level of investment in the industry as explained in Section H, where by BAHRU has been materially injured on ROI, Wages, and ability to raise capital. If this situation continues BAHRU may have to consider delay future investments which would be detrimental to the development of a fully integrated stainless steel industry in Malaysia.

BAHRU has been materially injured by the dumped imports from the alleged countries and further established in Paragraph 1 of this section that the material injury suffered by BAHRU cannot be due to other factors.

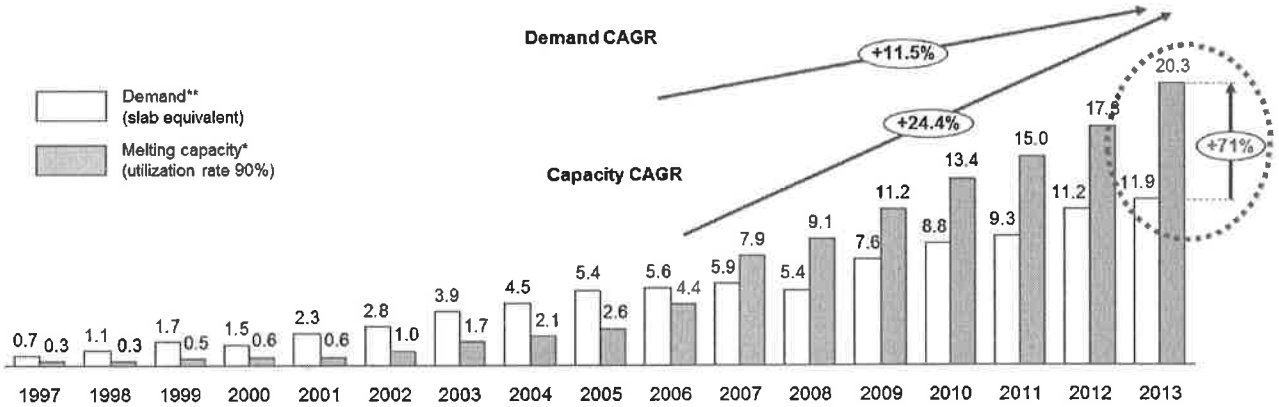
In conclusion, under the current market conditions, due to the dumped imports from the alleged countries it will not be possible to develop a market oriented production of Stainless Steel in Malaysia.

SECTION H
PUBLIC INTEREST

H-1 Malaysian Market

Currently all ASEAN Stainless Steel market including Malaysia as well as the rest of the regions of the world consuming Stainless Steel are affected by a major underlying problem which is the economically unjustified increase of Stainless steel production capacity in P.R of China that gives rise to serious structural imbalances in the Chinese market and in the rest of ASIA region (Please refer to the graph below showing China demand vs effective capacity produced by specialist stainless steel publication CRU)

Chinese demand versus effective capacity, Mt



Comments

- China has become self-sufficient since around 2007
- But capacity has expanded about twice faster than demand, generating important overcapacity since 2008, about 70% higher than demand in 2013

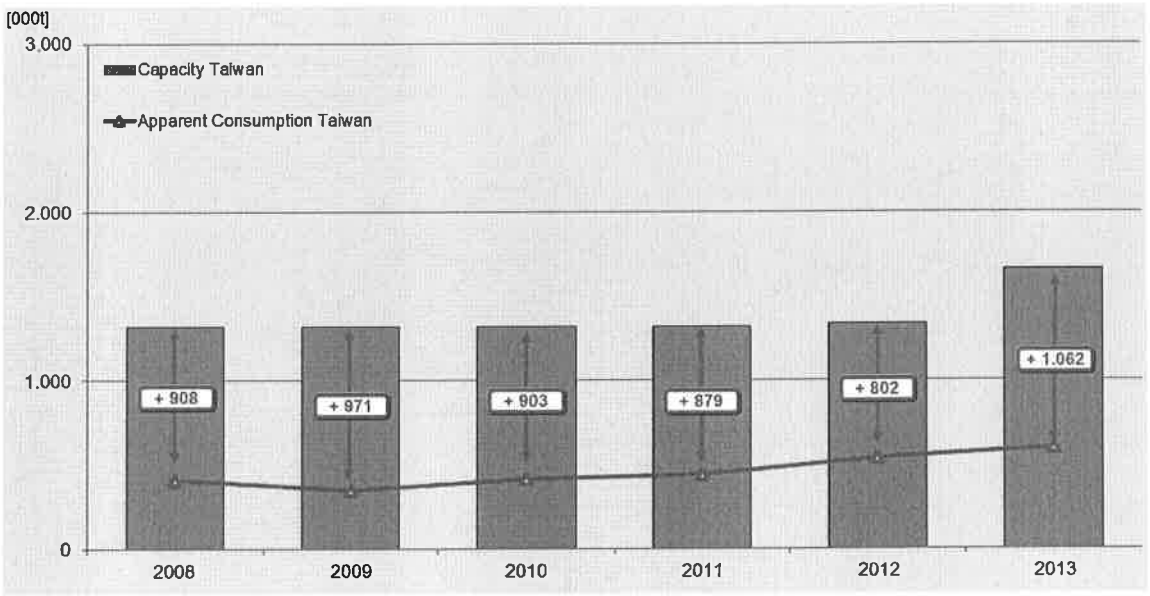
* Effective capacity (assuming utilization rate of 90%)

Through central state planning and support, the government of China created one of the largest SS industries in the world.

The Chinese domestic market cannot absorb the increase of production nor will the Chinese exporters be able to place this increased production in third countries markets other than Malaysia and other unprotected economies.

Since the rest of the markets have already enough capacity by themselves and many regional markets (Chinese Taipei, Japan, Korea, India, Vietnam, Thailand, recently Indonesia has initiated an investigation, India) and non regional markets (USA, European Union – current investigation, Rusia, Brazil) have imposed trade defence measures against China, Chinese Taipei and in many cases Korea and Japan.

China, Chinese Taipei, Korea and Japan all have structural overcapacity with local SSCR capacity surpassing domestic demand and in general with no other options but to continue exporting SSCR notably targeting Malaysia. These countries are already export-oriented and necessarily will become more so as the domestic productions clearly outstrip domestic demand. From CRU publication attached below a chart of the structural overcapacity of CR SS in Chinese Taipei:



Malaysia Stainless Steel market is currently growing at *** per year in it's consumption. A local producer will fuel growth with faster delivery of SSCR goods, technical support and assistance to customers, finance of stock for the regional industry and reduction on raw material prices volatility.
Above can only be achieved through fair competition as no local producer can compete against dumped goods due to the current structural problems in the region.

With the overall global overcapacity and dumping as the only means to getting read of the excess production, these SSCR has found it's way in to an open Malaysian market with 0% MFN duty.

It is not the competition that BAHRU is against but the unfair prices through dumping that has created an uneven playing field that makes it difficult for BAHRU to remain profitable.

H-2 Effect of Continued Imports

Stainless steel cold rolled flat products are used by a vast number of consuming industries (Please see picture below).

ASEAN countries and Malaysia production base is essential to supply a whole chain of downstream activities and ensure the R & D, service and technical support that

are necessary for Malaysia industries to maintain a competitive edge in the global market.

During the last three years BAHRU has started it's operations, improved and developed fully it's investment and it's a very competitive mill with state of the art equipment, technical capabilities and human capital and it's able to deliver it's products at the highest quality standards required by the market.

With this background, with an attractive Malaysia market inundated by dumping by various alleged countries BAHRU will not be able to compete against this unfair competition.

Based on the foregoing it would not be against public interest to institute antidumping measures to create a level playing field for Malaysia SS ecosystem.