

# New Zealand Customs Instructions: Non-Confidential

## Reassessed Rates: Galvanised Wire from Malaysia

Date: 15 November 2005

Information in these Instructions relating to anti-dumping duties which is considered to be **confidential** in terms of Sections 9(2)(b)(ii) and 9(2)(a)(i) of the Official Information Act has been deleted.

Suppliers/Exporters hold confidential reference prices that relate to them and may provide this information to importers upon request.

### 1. Introduction

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1. The reassessed anti-dumping duties contained in these instructions are payable on and from 16 November 2005. **These instructions replace Instruction TR800/D/03/7 dated 30 April 2004.**
2. If the amount of any anti-dumping duty paid by importers after initiation of the reassessment (10 March 2005), pursuant to Instruction TR800/D/03/7, exceeds the amount of the reassessed duty as calculated using this Instruction, the amount of the excess may be refunded. Importers are not, however, required to pay additional duty if the reassessed duty is higher than anti-dumping duty paid after initiation of the reassessment.

### 2. Goods Subject to Anti-Dumping Duties

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#### 2.1 Description

3. The goods subject to anti-dumping duty (the subject goods) are:

Galvanised steel wire of high, medium and low tensile strength between (and including) 2mm and 4.5mm in diameter

#### 2.2 Country of Origin

4. The country of origin of the subject goods is Malaysia.

#### 2.3 Malaysian Suppliers/Exporters

- SMI Wire Sdn Bhd
- Southern Wire Industries (Malaysia) Sdn Bhd

- RCI Wire Sdn Bhd (**Exempt from anti-dumping duty**)

## 3. Anti-Dumping Duties

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### 3.1 Description

5. Following the reassessment, reference price mechanisms in the form of Normal Value (Value for Duty Equivalent) amounts (NV(VFDE)'s) will continue to be used to assess the level of anti-dumping duty payable for imports of subject goods from the suppliers above.
6. Reference prices have been reassessed in the case of Southern Wire and new reference prices established in the case of SMI Wire. RCI wire remains exempt from anti-dumping duty. A residual or "other exporters" *ad valorem* rate applies to any other exporters/suppliers of the subject goods from Malaysia. This applies only up to a capped amount.
7. As a result of the reassessment there are now separate reference prices for different categories as well as for different diameters of galvanised wire. Diameters outside of those which have a specified NV(VFDE) amount, but within the description of the subject goods (see Section 2.1), e.g. greater than 4.00mm but not greater than 4.50mm, will be subject to the NV(VFDE) amount for the nearest diameter of wire for that exporter.
8. NV(VFDE) amounts are specified in Malaysian Ringgit (MYR).
9. The amount of anti-dumping duty to be paid on demand in respect of each importation of galvanised wire imported or intended to be imported into New Zealand from Malaysia is:
  - i. For subject goods from the suppliers/exporters listed above in section 2.3 (except RCI Wire Sdn Bhd), the amount per kilogram by which the NV(VFDE) amount exceeds the FOB invoiced value of the goods.
  - ii. For all other suppliers of subject goods, an *ad valorem* rate calculated on the FOB value per kg of the goods. The amount of duty payable using the *ad valorem* rate is capped at a NV(VFDE) rate for each size of galvanised wire.

### 3.2 Method

10. For each importation of galvanised wire it will be necessary to:
  - (i) Establish if the galvanised wire falls within the description of the subject goods. Normally this will simply be a matter of establishing if the size of the galvanised wire is within the range of 2 to 4.5mm in diameter (inclusive). If so record the diameter of each galvanised wire size in millimetres (each size is usually described by its diameter in millimetres).

- (ii) Establish the name of the Malaysian supplier of the galvanised wire. The supplier normally invoices the importer directly so their name should be obvious from the invoice.
- (iii) Take note of the product type listed on the invoice. Is it Armouring wire, High Tensile or Low Tensile galvanised wire? A different set of reference prices exists for each. Invoices may use Product name abbreviations. See Section 4.2 for further assistance with determining the appropriate category.

**Exporters Named in Section 2.3: (See Example “A” below)**

- (iv) RCI Wire is exempt from anti-dumping duties.
- (v) For exports from Southern Wire or SMI Wire, the FOB price per kilogram (kg) for each size of wire imported needs to be compared with the relevant NV(VFDE) amount for that exporter.
- (vi) To compare the invoiced FOB price per kg with the NV(VFDE), convert the invoiced FOB amount for each size of wire into MYR at the exchange rate applying at the date of import.
  - If the FOB price per kg (in MYR) is equal to or greater than the NV(VFDE) amount, no duty is payable.
  - If the FOB price per kg (in MYR) is less than the NV(VFDE), the amount of duty payable is the difference between the FOB amount and the NV(VFDE).

**Other Exporters: (See Example “B” below)**

- (vii) If the FOB price per kg, is higher than the capped rate, no duty is payable.
- (viii) If the FOB price per kg, is lower than the capped rate, compare the 'total' of the FOB price plus 11 percent (the Other Exporters Rate) with the relevant "Other Exporters" NV(VFDE) cap amount at the bottom of the table in Section 3.3.
  - If the 'total' is less than the capped amount, the amount of anti-dumping duty payable is 11 percent of the FOB invoice price.
  - If the 'total' is equal to or greater than the capped amount, the amount of duty payable (per kg) is the capped amount minus the FOB invoice price.

### 3.3 Rates of Duty

11. The NV(VFDE) amounts established for Southern Wire and SMI Wire and *ad valorem* rate for all other suppliers/exporters (excluding RCI Wire) are as follows:

**Anti-dumping Duties (in Malaysian Ringgit per kg)**

***Armouring Wire (ARM)***

|                      |        |        |        |
|----------------------|--------|--------|--------|
| Diameter in mm       | 2.00   | 2.50   | 3.15   |
| <u>Southern Wire</u> | ██████ | ██████ | ██████ |

***Galvanised Wire***

|                           |        |        |        |      |        |
|---------------------------|--------|--------|--------|------|--------|
| Diameter in mm            | 2.00   | 2.50   | 3.15   | 3.40 | 4.00   |
| <u>Southern Wire</u>      |        |        |        |      |        |
| - Low Tensile (LT or LC)  | ██████ | ██████ | ██████ | N/A  | ██████ |
| - High Tensile (HT of HC) | ██████ | ██████ | ██████ | N/A  | ██████ |

SMI

|                           |     |     |     |        |        |
|---------------------------|-----|-----|-----|--------|--------|
| - Low Tensile (LT or LC)  | N/A | N/A | N/A | ██████ | ██████ |
| - High Tensile (HT of HC) | N/A | N/A | N/A | ██████ | ██████ |

***Other Exporters Rate (for all types and sizes of wire)***

11%

NV(VFDE) Caps on Other Exporters Rate

|                           |        |        |        |        |        |
|---------------------------|--------|--------|--------|--------|--------|
| Diameter in mm            | 2.00   | 2.50   | 3.15   | 3.40   | 4.00   |
| - Armouring Wire (ARM)    | ██████ | ██████ | ██████ |        |        |
| - Low Tensile (LT or LC)  | ██████ | ██████ | ██████ | ██████ | ██████ |
| - High Tensile (HT of HC) | ██████ | ██████ | ██████ | ██████ | ██████ |

12. For imports of Medium Tensile (MT) galvanised wire, the appropriate category for determining duties is Low Tensile.

### 3.4 Examples

13. Below are examples of the calculation of the anti-dumping duty applicable to these goods. The values in examples are merely illustrative and do not represent actual prices.

| <b>Example “A” Facts</b>  |  |
|---|--|
| <i>Country of Origin:</i>   | Malaysia   |
| <i>Exporter:</i>  | Southern Wire  |
| <i>Goods, Quantity and FOB price:</i>   | High Tensile (HT) HGW 2.00mm, 40,000 kg, USD 22,000<br>Low Tensile (LT) HG wire 3.80mm, 20,000 kg, USD 11,800<br>Armouring Wire (ARM) 3.15mm, 5,000 kg, USD 4500   |
| <i>Exchange Rate:</i>   | USD1.00 = MYR 3.78. NZD1.00 = MYR 2.388.   |
| <b>Duty Calculation</b>   |  |
| Step 1- Identify Reference Price for comparison (Section 3.3)   | HT HGW 2.00mm = Ref price of MYR [REDACTED]<br>LT HGW 3.80mm = Ref price of MYR [REDACTED]<br>ARM 3.15mm = Ref price of MYR [REDACTED]   |
| Step 2- Calculate the FOB price per kg  | HT HGW 2.00mm: USD 22,000 ÷ 40,000 kg = USD 0.55 per kg.<br>LT HGW 3.80mm: USD 12,800 ÷ 20,000 kg = USD 0.64 per kg.<br>ARM 3.15mm: USD 4500 ÷ 5,000 kg = USD 0.90 per kg.   |
| Step 3- Convert FOB price to Ringgit  | HT HG wire 2.00mm = USD 0.55 × 3.78 = MYR 2.08<br>LT HG wire 3.80mm = USD 0.64 × 3.78 = MYR 2.42<br>ARM wire 3.15mm = USD 0.90 × 3.78 = MYR 3.40   |
| Step 4- Compare FOB price to Reference Price to establish whether duty is payable. If FOB price is less, duty is difference. IF FOB price is equal or more, no duty payable | HT HGW 2.00mm Ref Price ([REDACTED]) - HT HGW 2.00mm FOB price (2.08) = MYR [REDACTED]<br>LT HGW 3.80mm Ref Price ([REDACTED]) - LT HGW 3.80mm FOB price (2.42) = MYR - [REDACTED] (No duty payable)<br>ARM 3.15mm Ref Price ([REDACTED]) - ARM 3.15mm FOB price (3.40) = MYR [REDACTED] |
| Step 5- Calculate anti-dumping duty per kg in MYR. (Multiply quantity by duty payable per kg).  | HT HGW 2.00mm = MYR [REDACTED] × 40,000 kg = MYR [REDACTED]<br>LT HGW 3.80mm = No duty<br>ARM 3.15mm = MYR [REDACTED] × 5,000 kg = MYR [REDACTED]  |
| Step 6- Convert total anti-dumping duty to NZD.   | HT HGW 2.00mm = MYR [REDACTED] ÷ exchange rate (2.388) = NZD [REDACTED]<br>LT HGW 3.80mm = No duty<br>ARM 3.15mm = MYR [REDACTED] ÷ exchange rate (2.388) = NZD [REDACTED]   |

|                                  |  |
|----------------------------------|--|
| Step 7- Total Anti-dumping duty: | High Tensile HG wire 2.00mm = NZD [REDACTED]<br>Low Tensile HG wire 3.80mm = NIL<br>Armouring Wire 3.15mm = NZD [REDACTED] |
|                                  | = NZD [REDACTED]   |

| <b>Example “B” Facts</b>   |  |
|--|--|
| <i>Country of Origin:</i>  | Malaysia   |
| <i>Exporter:</i>   | XYZ Wire (not named in Section 2.3)  |
| <i>Goods, Quantity and FOB price:</i>  | High Tensile (HT) High Galvanised Wire 2.00mm, 40,000 kg, USD 18,000<br>Low Tensile (LT) Lightly Galvanised wire (LGW) 4.80mm = 20,000 kg @ USD 11,800.<br>Armouring Wire (ARM) 3.15mm = 5,000 kg @ USD 4500.  |
| <i>Exchange Rate:</i>  | USD1.00 = MYR 3.78 NZD1.00 = MYR 2.388.  |
| <b>Duty Calculation</b>  |  |
| Step 1- Identify Capped amount for comparison (Section 3.3)  | HT HG wire 2.00mm = Capped amount of MYR [REDACTED]<br>LT HG wire 4.80mm = <b>Outside of subject goods range</b><br>ARM 3.25mm = Capped amount of MYR [REDACTED] (Being closest cap amount, for 3.15 ARM)  |
| Step 2- Calculate the FOB price per kg   | HT HGW 2.00mm: USD 18,000 ÷ 40,000 kg = USD 0.45 per kg.<br>ARM 3.25mm: USD 4500 ÷ 5,000 kg = USD 0.90 per kg.   |
| Step 3- Convert FOB price to MYR   | HT HGW 2.00mm = USD 0.45 × 3.78 = MYR 1.70<br>ARM 3.25mm = USD 0.90 × 3.78 = MYR 3.40  |
| Step 4a- Compare FOB price to relevant cap amount to establish whether duty is payable. <b>If FOB price is greater than capped amount, no duty payable.</b>  | HT HGW 2.00mm FOB price (MYR 1.70). This is less than cap ([REDACTED]) so go to next step. Duty is payable.<br>ARM wire 3.25mm FOB price (MYR 3.40). This is less than 3.15mm cap ([REDACTED]) so go to next step. Duty is payable.  |
| Step 4b- Where the FOB price is less than the cap, multiply the FOB price by the <i>ad valorem</i> rate (11%). If total is < cap amount, use the <i>ad valorem</i> rate to calculate the duty. If total is ≥ cap amount, the duty will be the capped amount minus the FOB price. (See Section 3.2 (vii)) | HT HG wire 2.00mm FOB price (MYR 1.70) × 1.11 = MYR 1.89. This is less than cap ([REDACTED]) so duty is payable at the ad valorem rate. The residual rate is 11% so the duty is MYR 1.89 minus MYR 1.70 = MYR 0.19. (FOB price MYR 1.70 × 11%= MYR 0.19)<br>ARM wire 3.25mm FOB price (3.40) × 1.11 = MYR 3.77. This is greater than 3.15mm cap ([REDACTED]) so duty is calculated by deducting the FOB price from the capped amount; MYR [REDACTED] – MYR 3.40 = MYR [REDACTED] |

|  |  |
|--|--|
| Step 5- Calculate anti-dumping duty per kg in MYR. (Multiply quantity by duty payable per kg). | HT HG wire 2.00mm = MYR 0.19 × 40,000 kg = 7,600 MYR<br>LT HG wire 4.80mm = No duty<br>ARM wire 3.25mm = [REDACTED] MYR × 5,000 kg = [REDACTED] MYR              |
| Step 6- Convert total anti-dumping duty to NZD.  | HT HGW 2.00mm = MYR 7,600 ÷ ex rate (2.388) = NZD 3,182.58<br>LT HG wire 4.80mm = No duty<br>ARM wire 3.25mm = MYR [REDACTED] ÷ ex rate (2.388) = NZD [REDACTED] |
| Step 7- Total Anti-dumping duty:   | High Tensile HGW 2.00mm = NZD 3,182.58<br>Low Tensile HGW 4.80mm = NIL<br>Armouring Wire 3.25mm = [REDACTED]   |
|  | = NZD [REDACTED]   |

## 4. Notes

### 4.1 General

14. An ALERT has been put in place for Tariff Item 7217.20.10 and Statistical Keys 05L, 07G, 08E, 09C, 11E, 13A, 15H, 16F, 17D, 18B, 25E, 27A, 28K, 29H, 31K, 33F, 35B, 36L, 37J and 39E, and Tariff Item 7217.20.90 and Statistical Keys 05D, 07L, 08J, 09G, 11J, 13E, 15A, 16K, 17H and 18F of the Tariff of New Zealand for subject goods originating from Malaysia.

### 4.2 Abbreviations

15. The following abbreviations may show on invoices:

- (i) ARM (Cable Armouring wire)
- (ii) HT or HC (High Tensile galvanised wire)
- (iii) LT or LC (Low Tensile galvanised wire)
- (iv) MT or MC (Medium Tensile galvanised wire. Note: Use Low Tensile amount to determine appropriate product category)
- (v) HGW (Highly galvanised wire)\*
- (vi) LGW (Lightly galvanised wire)\*
- (vii) ACSR (Aluminium Conductor Steel Reinforced galvanised wire)\*

\*Check for tensile (HT or LC) to determine product category.

### 4.3 Invoicing

16. If the invoice prices are not FOB (that is, they include freight or insurance or both), the FOB price for individual product lines can be calculated as follows:
- (a) Calculate the percentage of the invoice dollar total represented by the product line.
  - (b) Apply this percentage to the foreign FOB price shown on the entry to calculate the FOB applicable to the product line.

## 5. Further Information

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17. The Frequently Asked Questions page [[http://www.med.govt.nz/buslt/trade\\_rem/faq/](http://www.med.govt.nz/buslt/trade_rem/faq/)] may provide additional guidance regarding the applicability of the duties.
18. Should you have any queries regarding the operation of the anti-dumping duties described in these instructions please contact the Tariff Policy and Trade Rules Group as shown below:

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|---|--|
| <b>Contacts for this Investigation:</b> | Jeff Stringer or Valerie Kirk  |
| Direct Telephone:                       | 04-462 4265 or 04-470 2276 respectively  |
| Email:                                  | traderem@med.govt.nz   |
| <b>General Contacts:</b>                |  |
| Telephone:                              | 04-472 0030  |
| Facsimile:                              | 04-499 8508  |
| Email                                   | traderem@med.govt.nz   |
| Postal Address:                         | Tariff Policy and Trade Rules Group<br>Regulatory and Competition Policy Branch<br>Ministry of Economic Development<br>PO Box 1473<br>WELLINGTON |
| Location:                               | Level 8<br>33 Bowen St<br>WELLINGTON   |