

Media Statement on the Malaysia Steel Council (MSC) Meeting on the 13th of July 2023

YB Liew Chin Tong, Deputy Minister of MITI, chaired the first Malaysia Steel Council (MSC) Meeting under the Unity Government on 13 July 2023. The previous MSC meeting took place on 29 October 2019 and was chaired by Dr. Ong Kian Ming, who was the then Deputy Minister of MITI.

The Malaysian steel sector is a strategic industry that has economic and trade significance. The sector is also a key component of the construction and industrial sectors which employs more than 350,000 workers with a cumulative investment of RM 29 billion since 2015.

A number of important issues concerning the iron and steel sector were discussed and highlighted. Many measures had been put in place since 2019 as recommended by the “Malaysian Iron and Steel Industry White Paper” of April 2019. These included:

- (i) Tightening the conditions under which the issuance of new Manufacturing Licences (ML) could take place particular for products which are already being produced in the local market in large quantities.
- (ii) Extending the import duty structure for respective long and flat products ranging from 5 to 15%.
- (iii) Introducing options for industry players for the production of steel for export purposes to apply for duty drawback from the Ministry of Finance.
- (iv) Putting in requirements that existing ML holders who are undertaking recycling activities to allow the importation of steel scrap (under HS Code 7204 for iron and steel) only after obtaining an approval from SIRIM.

As stated by YB Liew during the meeting, moving forward, MITI and the Malaysia Steel Institute (MSI), an agency under MITI, will work together with the Malaysia Iron and Steel Industry Federation (MISIF) and the Malaysian Steel Association (MSA) to formulate a new “Green Transition Roadmap for the Iron and Steel industry” which will be aligned to the New Industrial Master Plan 2030 and the i-ESG policy document, which will be launched in August and September respectively. This Roadmap will include policies and pathways to assist the iron and steel sector to commence the transition towards reducing their carbon footprint. It will include policy recommendations on the carbon pricing ecosystem, on ESG compliance and reporting, and on financing structures from public and private sources that will facilitate the iron and steel sector in its green transition.

To ensure greater collaboration between the various industry players, MITI will also include other relevant industry associations which are part of the iron and steel supply chain including the Malaysia Metal Recyclers Association (MMRA) and other associations who are involved in the downstream activities in the development of the green transition roadmap.

This will be part of the process of ensuring greater compliance to international ESG compliance and standards including Scope 1, 2, and 3 reporting. This will allow for more of the SMEs players especially those in the downstream activities to gain better access to more financing options which increasingly focus on ESG compliance and also increase their market access to countries and regions which will emphasise higher ESG standards for market entry.

We look forward to working with the industry players to create a more sustainable, dynamic, and internationally competitive iron and steel sector in the country.

Malaysia Steel Institute (MSI)

Note: MSI is the Secretariat to the Malaysia Steel Council (MSC)