

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT
THEREOF CAUSED BY INCREASED IMPORTS**

**NOTIFICATION PURSUANT TO ARTICLE 12.1(C)
OF THE AGREEMENT ON SAFEGUARDS**

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

PHILIPPINES

(Cement)

The following communication, dated 12 September 2019, is being circulated at the request of the delegation of the Philippines.¹

Further to G/SG/N/7/PHL/9 - G/SG/N/8/PHL/10 - G/SG/N/11/PHL/11 dated 4 February 2019 and pursuant to Article 12 and Article 9 of the WTO Agreement on Safeguards, the Permanent Mission of the Philippines to the WTO hereby notifies that a decision to apply a definitive safeguard measure on cement from various countries has been made.

1 SERIOUS INJURY OR THREAT CAUSED BY INCREASED IMPORTS

The increased imports were the substantial cause of threat of serious injury to the domestic industry based on the following:

- Imports of Type I (Portland Cement) and Type IP (Blended Cement) by traders grew at significant rates during the period of import surge (2016-2018) and continued to significantly rise in 2019, despite the imposition of a provisional safeguard measure, indicating the high likelihood of substantially increased importations in the near future.
- There was a significant deterioration in the overall position of the domestic cement industry during the period of import surge.

2 ABSOLUTE INCREASE IN IMPORTS OR AN INCREASE IN IMPORTS RELATIVE TO DOMESTIC PRODUCTION

Based on import data from 2013 to 2018, the surge in imports of cement (Type I and Type IP) commenced in 2016. The increase in volume of imports in 2016 was recent, sudden, sharp, and more importantly, was of such magnitude which can be considered significant.

The movements in the shares of imports relative to domestic production from 2013 to 2018 confirm that the surge in imports of cement began in 2016.

¹ A copy of the DTI Administrative Order has been submitted electronically. To consult this document please contact Ms. Richards (anne.richards@wto.org) or Ms. Naville (delphine.naville@wto.org) of the Rules Division.

A. Increased Volume of Imports: In Absolute Terms

From zero/minimal levels in the first two (2) years of the POI, imports of cement grew to nearly 300,000 MT in 2015. The following year, the volume spiked to 1.7M MT (a 491% increase from the previous year's level). In 2017, imports expanded by another 77% and peaked in 2018 at 4.6M MT, the highest over the POI and 168% higher than the 2016 volume.

B. Increased Volume of Imports: Relative to Domestic Production

Imports of cement represented a significant share of domestic cement production starting 2016. During this year, the import volume of 1.7M MT represented nearly 7% of domestic cement production of 23.4M MT, from minimal levels in the previous years. The share of imports to domestic production rose to 12% in 2017 and climbed further to 17% at the end of the period.

3 PRECISE DESCRIPTION OF THE PRODUCT INVOLVED

Type I Portland Cement (Ordinary Portland Cement) and Type IP Blended Cement (Portland-pozzolan Cement), classified under AHTN Codes 2523.2990 and 2523.9000, respectively.

4 PRECISE DESCRIPTION OF THE PROPOSED MEASURE

The Order provides the imposition of the definitive general safeguard measure in the amount of Php250/MT or Php10 per 40kg. bag for the first year, Php225/MT or Php9 per 40kg. bag for the second year and Php200/MT or Php8 per 40kg. bag for the third year of the implementation period. The amount of the measure shall be subject to regular review to give DTI the opportunity to modify the amount of the duty if necessary.

5 DATE OF INTRODUCTION OF THE DEFINITIVE GENERAL SAFEGUARD MEASURE

The definitive general safeguard measure is scheduled to enter into force upon the issuance of the relevant Customs Memorandum Order or fifteen (15) days after the publication of the DTI Order in two (2) newspapers of general circulation, whichever comes earlier. The Order signed by the Secretary of the DTI on 27 August 2019 was published in two (2) newspapers of general circulation on 11 September 2019.

6 EXPECTED DURATION OF THE SAFEGUARD MEASURE

The safeguard measure shall be imposed on imported cement from various countries for a period of three (3) years.

7 EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE

A definitive safeguard duty effective for three (3) years shall be imposed on imported cement from various countries to encourage and challenge the local cement industries to be globally competitive. The amount of the safeguard duty to be imposed shall be Php250/MT or Php10 per 40kg bag for the first year, Php225/MT or Php9 per 40kg bag for the second year, and Php200/MT or Php8 per 40kg bag for the third year of the implementation period. The amount of the measure shall be subject to regular review to give DTI the opportunity to modify the amount of the duty if necessary.

8 MAJOR EXPORTING MEMBERS OF IMPORTS OF THE PRODUCT INVOLVED

Viet Nam, China, Chinese Taipei and Thailand.

ANNEX
LIST OF DEVELOPING COUNTRIES AND SEPARATE CUSTOMS TERRITORIES EXCLUDED
FROM THE IMPOSITION OF THE PROVISIONAL SAFEGUARD MEASURE ON THE
IMPORTATION OF CEMENT

East & Southern Africa	West Africa	North Africa	South Asia
Angola	Benin	Algeria	Afghanistan
Botswana	Burkina Faso	Egypt, Arab Rep.	Bangladesh
Burundi	Cameroon	Libya	Bhutan
Comoros	Cape Verde	Morocco	British Indian Ocean Territory
Congo Dem. Rep.	Central African Rep.	Tunisia	East Timor
Djibouti	Chad		India
Eritrea	Congo, Rep.		Maldives
Eswatini	Cote d'Ivoire		Nepal
Ethiopia	Equatorial Guinea		Pakistan
Kenya	Gabon		Sri Lanka
Lesotho	Gambia, The		
Madagascar	Ghana		
Malawi	Guinea		
Mauritius	Guinea, Bissau		
Mozambique	Liberia		
Namibia	Mali		
Reunion	Mauritania		
Rwanda	Niger		
Seychelles	Nigeria		
Somalia	Sao Tome & Principe		
South Africa	Senegal		
Sudan	Sierra Leone		
Tanzania	Togo		
Uganda			
Zambia			
Zimbabwe			

Europe & Central Asia	Middle East	Americas	East Asia & Pacific
Albania	Bahrain	Anguilla	American Samoa
Armenia	Iran, Islamic Rep.	Antigua & Barbuda	Brunei Darussalam
Azerbaijan	Iraq	Argentina	Cambodia
Belarus	Israel	Aruba	Christmas Is.
Bosnia & Herzegovina	Jordan	Bahamas	Cocos (Keeling) Is.
Bulgaria	Kuwait	Barbados	Cook Is.
Croatia	Lebanon	Belize	Fiji
Cyprus	Oman	Bermuda	French Polynesia
Czech Republic	Qatar	Bolivia	Guam
Estonia	Saudi Arabia	Brazil	Hong Kong, China
Georgia	Syrian Arab Rep.	British Virgin Islands	Indonesia
Greenland	United Arab Emirates	Cayman Islands	Johnston Is.
Hungary	West Bank & Gaza	Chile	Kiribati
Kazakhstan	Yemen, Rep.	Colombia	Korea, Dem. Rep.
Kyrgyz Republic		Costa Rica	Korea, Rep.
Latvia		Cuba	Lao, PDR
Lithuania		Dominica	Macau, China
Macedonia, FYR		Dominican Rep.	Malaysia
Malta		Ecuador	Marshall Islands
Moldova		El Salvador	Micronesia, Fed. Sts.
Poland		Falkland Is. (Malvinas)	Midway Is.
Romania		French Guiana	Mongolia
Russian Federation		Grenada	Myanmar
Slovakia		Guadeloupe	Nauru
Slovenia		Guatemala	New Caledonia
Tajikistan		Guyana	Niue
Turkey		Haiti	Northern Marianas Is.
Turkmenistan		Honduras	Palau
Ukraine		Jamaica	Pitcairn Is.
Uzbekistan		Martinique	Papua New Guinea
Yugoslavia, Fed. Rep.		Mexico	Samoa
		Montserrat	Singapore
		Netherlands Antilles	Solomon Islands
		Nicaragua	Tokelau
		Norfolk Islands	Tonga
		Panama	Tuvalu
		Paraguay	Vanuatu
		Peru	Wake Is.
		Puerto Rico	Wallis & Futuna Is.
		St. Helena	
		St. Kitts & Nevis	
		St. Lucia	
		St. Pierre & Miquelon	
		St. Vincent & the Grenadines	
		Suriname	
		Trinidad & Tobago	
		Turks & Caicos Islands	
		Uruguay	
		US Virgin Islands	
		Venezuela	