

**NOTICE OF TERMINATION OF THE PRELIMINARY SAFEGUARD MEASURE
INVESTIGATION ON ALUMINUM ZINC (GL) SHEET AND COILS
(SG CASE NO. SG03-2020)**

On 14 January 2021, the Department of Trade and Industry (DTI), received a **Notice of Withdrawal** from Sonic Steel Industries, Inc. (Sonic), of its applications for safeguard measures (which it filed together with another Applicant/Petitioner), on Galvanized Iron (GI), Galvanized Aluminum Zinc (GL) and Pre-painted Galvanized Iron and Pre-painted Aluminum Zinc (PPGI-PPGL), and a request to archive the said applications, on the ground that, the issuance of the DTI-Department Administrative Order (DAO) No. 20-10, series of 2020, mandates that, all hot-dip metallic-coated and pre-painted galvanized steel coils and sheets for roofing and general applications shall have a minimum total coated thickness (base metal + coating material) of 0.4 mm as per Rule 9.4 thereof. In effect, the DTI-DAO effectively prohibited the manufacture and sale of all hot-dip metallic-coated and pre-painted galvanized steel coils and sheets for roofing and general applications which fall below the said specification.

Sonic claimed that the bulk of the surge in importations on which the safeguard measures applications were hinged on, are GI, GL, and PPGI-PPGL products which are below 0.4 mm. Thus, the applications for safeguard measure will become an exercise in futility, if not moot and academic, since these items are no longer allowed to be manufactured.


The instant case (SG Case No. SG03-2020), covered the importations of GL sheets and coils from various countries (classified under AHTN Codes 7210.61.11, 7210.61.91, 7210.61.99, 7210.69: 7210.69.11, 7210.69.91, and 7210.69.99, and GL strips falling under AHTN Codes 7212.50.19, 7212.50.23, 7212.50.24, 7212.50.29, 7212.50.93, 7212.50.94, and 7212.50.99), of which Sonic is the domestic producer/manufacturer of like products.

WHEREFORE, IN VIEW THEREOF, the preliminary safeguard investigation in SG Case No. SG03-2020 is hereby, terminated.

Let this Notice be published in two (2) newspapers of general circulation and let individual notices be sent to all interested parties including the country members concerned.

SO ORDERED.

24 September 2021



RAMON M. LOPEZ
Secretary



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Department Administrative Order No. 21-06
Series of 2021

**IN THE MATTER OF THE PRELIMINARY
DETERMINATION OF THE SAFEGUARD
MEASURES CASE ON GALVANIZED IRON
(GI) SHEETS, COILS AND STRIPS AND
PREPAINTED GALVANIZED IRON (PPGI)
AND PREPAINTED GALVANIZED
ALUMINUM ZINC (PPGL)**

(AHTN Codes 7210.41.11, 7210.41.19,
7210.41.91, 7210.41.99, 7210.49.91,
7210.49.99 (GI Sheets and Coils), and
7212.30.12, 7212.30.13, 7212.30.19,
7212.30.99 (GI Strips)

(AHTN Codes 7210.70.11, 7210.70.19,
7210.70.90, 7210.70.91, 7210.70.99 (PPGI and
PPGL); 7210.90.10, 7210.90.90 (other Coated
Products) and 7212.40.11, 7212.40.12,
7212.40.19, 7212.40.91, 7212.40.92,
7212.40.99 (Painted Strips)

(Safeguard Measures Case No. SG02-2020)

(Safeguard Measures Case No. SG04-2020)

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ORDER

The Philippine galvanized iron industry, represented by Puyat Steel Corporation, filed petitions for safeguard measures on galvanized iron (GI) sheets and coils, classified under AHTN Codes 7210.41.11, 7210.41.19, 7210.41.91, 7210.41.99, 7210.49.91, and 7210.49.99, as well as GI strips under AHTN Codes 7212.30.12, 7212.30.13, 7212.30.19 and 7212.30.99 and Prepainted Galvanized Iron (PPGI) and Prepainted Aluminum Zinc (PPGL), classified under AHTN Codes 7210.70.11, 7210.70.19, 7210.70.90, 7210.70.91, and 7210.70.99, including other Coated Products under AHTN Codes 7210.90.10, and 7210.90.90, as well as Painted Strips falling under AHTN Codes 7212.40.11, 7212.40.12, 7212.40.19, 7212.40.91, 7212.40.92, and 7212.40.99.

The period of investigation covered imports from 2014 to 2018. Updated data until 2019 were also presented and taken into consideration. For injury determination, the Department considered relevant information for the same period.

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The Department of Trade and Industry, acting under Section 5 of the Safeguard Measures Act (RA 8800), provides that: x x x *“in the case of non-agricultural products, the Secretary shall first establish that the application of such safeguard measures will be in the public interest.”*

The Department considered the Petitioner’s ability to supply and cater to the requirements of end users. Given the existing capacity of the Petitioner versus the demand, the Petitioner’s capacity to manufacture the products under protest, cannot sufficiently supply the Philippine market.

Imposition of safeguard measures at this time and under these circumstances can lead to price increases in GI sheets, coils and strips as well as to PPGI and PPGL including other coated products and painted strips. It can also cause a chilling effect on importers which reduce the level of imports of the said products and consequently lead to supply shortages. These could have detrimental effects on the construction and housing sector that use these products. Considering further that demand for housing currently exceeds supply, import restrictions on GI sheets, coils and strips as well as to PPGI and PPGL including other coated products and painted strips will drive up the costs of these products and consequently the costs of building residential homes.

Considering the foregoing and pursuant to Section 5 of RA 8800 and Rules 5.2 and 8.2 of its IRR, the Department finds that the application of safeguard measures on the subject products at this time is not in the public interest.

WHEREFORE, IN VIEW THEREOF, the Department hereby orders the dismissal of the safeguard measures investigation on GI sheets, coils and strips as well as PPGI and PPGL including other coated products and painted strips.


The non-confidential report of the preliminary safeguard measures investigation can be accessed at the DTI website: https://bit.ly/ADV_roofingmaterial

The notification and consultation requirements under Article 12 of the WTO Safeguards Agreement and Section 17 of RA 8800 and its IRR shall be complied with. Imports originating from ASEAN member states shall be governed by the provisions of Article 11 of the ASEAN Trade in Goods Agreement (ATIGA).

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SO ORDERED.

24 September 2021


RAMON M. LOPEZ
Secretary 