



**IN THE MATTER OF THE APPLICATION FOR  
GENERAL SAFEGUARD MEASURES AGAINST THE  
IMPORTATION OF SODIUM TRIPOLYPHOSPHATES-  
TECHNICAL GRADE (STPP-TG) (CLASSIFIED UNDER  
HS CODE NO. 2835.3100) (SAFEGUARD CASE NO. 01-2006)**

**CAWC, INC.**

Protestant

X=====X

**ORDER**

DTI) accepted a properly phates-Technical Grade TG is being imported into ause of serious injury or lic Act 8800 (RA 8800), sought the imposition of of STPP-TG classified de.

th Section 8 of RA 8800 ys from the date of the oms Memorandum Order n two (2) newspapers of No. 170-2006 on 28 July forwarded to the Tariff

vestigation Report on the greement on Safeguards

panies, petitioner CAWC cle during the POI. PTP-TG.

ttly increased quantities, n, during the final year of

fering significant overall are; declining sales and n operations; and decline

overall impairment of the on of the product under injury to the domestic

On 13 February 2006, the Department of Trade and Industry (D documented application from the Philippine Sodium Tripolyphos (STPP-TG) industry, represented by CAWC, Inc. alleging that STPP-TG the Philippines in such increased quantities as to be a substantial c threat thereof to the domestic industry within the meaning of Reput other wise known as the "Safeguard Measures Act." The application provisional and definitive general safeguard measures on imports under HS or AHTN Code No. 2835.3100 of the Tariff and Customs Cx

The DTI made a positive preliminary determination in accordance w and the imposition of provisional measures not exceeding 200 da issuance by the Bureau of Customs (BOC) of the implementing Cust (CMO) or fifteen (15) days after the publication of the DTI Order i general circulation, whichever came earlier. The BOC issued CMC 2006 to implement the said DTI Order. The DTI's report was Commission as required by Section 7 for formal investigation.

On 05 January 2007, DTI received the Tariff Commission's Formal I said application and in accordance with RA 8800 and the WTO A held that:

1. As the sole manufacturer of STPP-TG in the Philip accounted for the entire domestic production of subject arti
2. Locally produced STPP-TG is a like product to imported S'
3. STPP-TG was imported into the Philippines in significai both in absolute terms and relative to domestic production the POI.
4. The domestic STPP-TG industry suffered and is suf impairment in its condition in terms of loss of market st production; underutilization of capacity; substantial loss i in productivity.
5. While there were other factors that contributed to the c condition of the domestic industry, increased importati consideration was the substantial cause of serious industry.

The existence of a causal link between the increased imports of the product under consideration and serious injury to the domestic industry having been established, the Commission recommends the imposition of the definitive general safeguard measure in the form of a tariff-rate quota and a specific duty on imported STPP-TG.

Section 5 of RA 8800 states that:

**"The Secretary shall apply a general safeguard measure upon a positive final determination of the Commission that a product is being imported into the country in increased quantities, whether absolute or relative to the domestic production, as to be a substantial cause of serious injury or threat thereof to the domestic industry; however, 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."**

Further, in the case of Southern Cross Cement Corporation vs. Cement Manufacturers Association of the Philippines (CEMAP), et. al (G.R. No. 158540, Aug. 03, 2005), the Supreme Court held that **"x x x At the same time, nothing in the Safeguard Measures Act (SMA) obliges the DTI Secretary to adopt the recommendations made by the Tariff Commission. In fact, the SMA requires that the DTI Secretary establish that the application of such safeguard measures is in the public interest, notwithstanding the Tariff Commission's recommendation on the appropriate safeguard measure upon its positive final determination. Thus, even if the Tariff Commission makes a positive final determination, the DTI Secretary may opt not to impose a general safeguard measure, or choose a different type of safeguard measure other than that recommended by the Tariff Commission."**

Accordingly, the DTI has reviewed the Commission's findings, taking into consideration the measures recommended by the Commission. Recognizing the need to first establish the condition that the imposition of the definitive measure will be in the public interest, we analyzed recent data and developments in the domestic industry and found that there was no significant improvement in the sales performance and production level of STPP. Principal users and importers of STPP were still able to source their STPP requirements from other countries which were exempted from the imposition of the provisional safeguard measure. Others imported 4A Zeolite, a substitute product to STPP in the manufacture of soap and detergents. The imposition of a definitive safeguard measure at this time will have more adverse effects on the downstream industries resulting to loss of employment to more people and potential loss of investment opportunities. Considering that STPP is an input to detergents which is an essential commodity used by consumers, it is extremely sensitive to any price fluctuation. Thus, the application of a definitive safeguard measure will not be in the public interest.

**IN VIEW THEREOF**, and in accordance with Section 5 of RA 8800, the application for general safeguard measures against the importation of Sodium Tripolyphosphates-Technical Grade (STPP-TG) (classified under HS Code No. 2835.3100) from various countries is hereby dismissed for public interest.

All cash bonds that may have been imposed on shipments originating from countries listed above which entered in or are withdrawn from warehouses in the Philippines for consumption starting 28 July 2006, the date of the effectivity of CMC 170-2006, shall be immediately returned to the concerned importer/s.

The notification requirements of Article 12 of the WTO Safeguards Agreement and Section 17 of RA 8800 and its IRR shall be complied with.

Let this Order 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.

06 February 2007



**PETER B. FAVILA**  
Secretary



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