



**IN THE MATTER OF THE SAFEGUARD DUTY FOR
THE THIRD YEAR OF THE FINAL EXTENSION OF
THE DEFINITIVE GENERAL SAFEGUARD
MEASURE AGAINST THE IMPORTATION OF
CERAMIC FLOOR AND WALL TILES FROM
VARIOUS COUNTRIES**

**(AHN Code Nos. 6907.9010, 6907.9090,
6908.9011, 6908.9019, 6908.9021, 6908.9029,
6908.9090)**

(Safeguard Investigation No. 01-2007)

**Ceramic Tile Manufacturers' Association
Petitioner**

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ORDER

On 10 February 2009, the Secretary of DTI issued an Order reducing the amount of the definitive general safeguard measure on importation of ceramic floor and wall tiles from various countries to ₱1.86/kg for the second year of the final extension period. It was implemented on 14 March 2009, fifteen (15) days after the publication of the Order on 27 February 2009 in two (2) newspapers of general circulation.

As provided under Rule 15.6 of the IRR of RA 8800, the safeguard duty for the third (3rd) year of the final extension period will be subject to a review.

On 20 July 2009, DTI requested the domestic industry to submit statistical data/information on the ceramic floor and wall tiles operations for the period covered by the review i.e. January 2008 to June 2009. On 11 August 2009 importers, exporters and other concerned parties were notified and requested to submit their position papers. Responses were received from the Federation of Philippine Industries, Inc (FPI), Ceramic Tile Manufacturers' Association, Euroasia Marble and Granite, Inc., Citrinum Corporation, Foshan United Co. Ltd., Foshan Newpearl Trade Co., Ltd., Dyanasty Ceramic Public Company Ltd., Taicera Enterprise Company, Thai Ceramic Co., Ltd., RC International Corp., Ltd., Philippine Ceramic Products Importers Association, Inc., Korea Trade Center, Manila, Taipei Economic and Cultural Office in the Philippines, Ministry of International Trade Industry, Malaysia.

The DTI reviewed the movement in prices for both locally produced and imported ceramic floor and wall tiles as well as the import trends from January 2008 to June 2009. Selling price of domestic product in 2008 was higher by 9% than weighted average landed cost of imports with safeguard duty. However, in the first semester of 2009, selling price of domestic product is already lower by 8% than the weighted average landed cost of imports with safeguard duty.

For the period under review, PROC contributed the biggest share to total Philippine imports at 77% to 79%. Indonesia registered the second highest share at 6% to 8%. Imports from these countries accounted for more than 80% of total Philippine imports for the said period.

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IN VIEW THEREOF, and in accordance with Section 19(2) of RA 8800, the following is hereby issued:

1. The amount of the measure to be imposed on the third year of the final extension period of the definitive general safeguard measure on ceramic floor and wall tiles from various countries shall be reduced to ₱1.80/kg. The measure shall continue to be liberalized for the remaining period of the final extension to the extent of redressing or preventing the injury and to facilitate adjustment by the domestic industry from the adverse effects directly attributed to increased imports.
2. The imported ceramic tiles, however, from Japan and the member states of the European Union, which cannot be considered "like product or directly competitive product" as defined in Section 4 of RA 8800, are excluded from the imposition of the extended definitive general safeguard measure.
3. Pursuant to Section 13 of RA 8800 and Rule 13.1.d of its IRR, "a general safeguard measure shall not be applied to a product originating from a developing country if its share to total Philippine imports of the said product is less than three percent (3%): Provided, however, that developing countries with less than three percent (3%) share collectively account for not more than nine percent (9%) of the total Philippine imports of the product concerned". The following countries and separate customs territories are therefore excluded from the imposition of the extended definitive general safeguard measure on ceramic floor and wall tiles:

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

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

The composition of the developing countries on the *de minimis* list may change depending on the most recent data available during the period of annual review which will be conducted by DTI during the extension period.

The notification and consultation requirements of 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 Articles 6 and 8 of the Agreement on the CEPT Scheme.


The application of the extended definitive general safeguard measure shall be monitored and reviewed in accordance with Sections 15 and 16 of RA 8800.

This Order shall take effect upon the issuance of the relevant Memorandum Order by the Bureau of Customs or 15 days after the publication of this Order in two (2) newspapers of general circulation, whichever comes earlier.

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.

03 December 2009


PETER B. FAVILA
Secretary 