

TABLE OF CONTENTS

	PAGE
Tables and Figures	v
Annexes	vii
Abbreviations	viii
Executive Summary	x
1 INTRODUCTION	
1.1 The Initial Application of Definitive Safeguard Measure...	1
1.2 Extension of Definitive Safeguard Measure	1
1.3 The Petition for Maximum Extension of the Measure.....	2
1.4 The Monitoring of the Adjustment Plan	2
1.5 Period Under Review	2
2 THE SAFEGUARD ACTION AND THE ROLE OF THE COMMISSION	
2.1 RA 8800 (The Safeguard Measures Act of 2000)	3
Extension and Re-Application of Safeguard Measures	3
Effective Period of Any Safeguard Measure	4
The Formal Investigation	4
Decision	5
2.2 The World Trade Organization (WTO) Agreement on Safeguards	5
2.3 Article 6 and 8 of the ASEAN Agreement on the Common Effective Preferential Tariff (CEPT) Scheme	6
3 THE COMMISSION'S FORMAL INVESTIGATION	
3.1 Notifications	8
3.1.1 Commencement of Formal Investigation	8
3.1.2 Schedule of Public Hearing/Consultation	9

	PAGE
3.2 Preliminary Conference	9
3.3 Staff Report	10
3.3.1 Nitoo Enterprises, Inc.	10
3.3.2 Guardian Industries Corporation	10
3.4 Public Hearing/Consultation	12
3.5 Plant Visit/Data Verification	12
4 THE PARTICIPANTS' POSITIONS	
4.1 Submissions to the Commission	13
4.2 The Domestic Industry's Case	13
Adjustment Plan	14
AGPH's Adjustment Plan	14
4.3 The Opposing Case	16
4.3.1 Guardian Industries Ltd. Corporation, Thailand	16
4.3.2 Comglasco Aguila Glass Corporation	17
4.3.3 Nitoo Enterprises, Inc.	17
4.3.4 San Francisco Mirror Corporation	18
4.3.5 Luoyang Glass Company. Ltd. (China)	18
4.3.6 The Government of Thailand	18
4.4 Other Submissions	19
4.4.1 Korea Trade Center, Manila	19
4.4.2 Philippine Trade and Investment Center – Ha Noi, Viet Nam	19
4.4.3 Ministry of Trade of the Republic of Indonesia	19
5 THE DOMESTIC INDUSTRY AND MARKET	
5.1 The Domestic Product	20
5.2 Market Participants	20
5.2.1 Domestic Producer	20
5.2.1.1 Ownership Structure	20
5.2.1.2 Production Capacity	21

	5.2.1.3 Distribution Channels	22
	5.2.2 Importers	23
	5.2.3 Users	25
6	PRODUCT SUBJECT OF DEFINITIVE SAFEGUARD DUTY	
	Subject to Definitive Safeguard Duty	26
7	IMPACT OF SAFEGUARD ACTION ON IMPORTS	
	7.1 Volume of Imports in Absolute Terms	28
	7.2 Volume of Imports Relative to Domestic Production.....	28
	7.3 Country Suppliers	29
	7.4 <i>De Minimis</i> Import Volume	30
	7.5 Findings	30
8	DETERMINATION OF THE EFFECTIVENESS OF SAFEGUARD ACTION ON THE DOMESTIC INDUSTRY	
	8.1 Domestic Industry	31
	8.2 Impact of the Safeguard Duty	31
	8.2.1 Market Share	31
	8.2.2 Production, Sales and Inventory	32
	Production	32
	Sales	33
	Finished Goods Inventory	33
	8.2.3 Capacity Utilization	33
	8.2.4 Cost of Production	34
	8.2.5 Employment and Productivity	35
	8.2.6 Profitability	35
	8.2.7 Return on Sales	36
	8.3 Findings	37

	PAGE	
9	DETERMINATION OF RECURRENCE OF INCREASED IMPORTS AND SERIOUS INJURY	
9.1	Foreign Industry Developments	38
9.1.1	China	39
9.1.2	Indonesia	40
9.1.3	Other Asian Countries	40
9.2	Impact of Safeguard Measure on Prices	41
9.3	Findings	42
10	EFFORTS OF THE INDUSTRY TO ADJUST TO IMPORT COMPETITION	
10.1	Adjustment Plan	43
10.2	Specific Efforts of the Domestic Industry	43
10.3	Findings	45
11	FINAL DETERMINATION	
11.1	Summary of Findings	46
11.2	Conclusion and Recommendation	47
12	DEFINITIVE MEASURE	
12.1	Recommended Definitive Safeguard Measure	48
12.2	Review of Definitive Measures	49
13	EFFECTS OF THE AFFIRMATIVE RECOMMENDATION	
13.1	On Competition	50
13.2	On the Domestic Industry	50
13.3	User Industries and Consumer Welfare	50
13.4	On Employment	50
13.5	On Regional Development	51

TABLES AND FIGURES

Tables		PAGE
1	Amount of Definitive Safeguard Duty (₱/MT)	1
2	Monitoring of the Adjustment Plan	2
3	Marketing Network of AGPH	23
4	Top Importers of Clear Float Glass	23
5	Top Importers of Tinted Float Glass	24
6	Tariff Schedule	26
7	Definitive Dumping Duty on Clear Float Glass	27
8	Major Country Suppliers of Clear Float Glass	29
9	Major Country Suppliers of Tinted Float Glass	29
10	Developing Countries with <i>De Minimis</i> Import Volume	30
11	Production, Sales and Inventory	30
12	Capacity Utilization	33
13	Cost to Produce and Sell	34
14	Employment and Productivity	35
15	Financial Performance	35
16	Return on Sales	36

FIGURE	DESCRIPTION	PAGE
1	Distribution Flow of Float Glass	22
2	Import Volume	28
3	Market Share	31
4	Comparative Cost and Prices of AGPH and Imports on Tinted Float Glass	41
5	Comparative Cost and Prices of AGPH and Imports on Clear Float Glass	41

ANNEXES

- A-1 Notice of Formal Investigation, Published in The Manila Standard Today
- A-2 Notice of Formal Investigation, Published in The Manila Times
- B-1 Notice of Public Hearing/Consultation, Published in The Manila Standard Today
- B-2 Notice of Public Hearing/Consultation, Published in The Manila Times
- C List of Attendees: Preliminary Conference
- D List of Attendees: Public Hearing/Consultation
- E List of Submissions
- F AGPH's updated Adjustment Plan (non-confi)

ABBREVIATIONS

ACCPAC	Accounting Package
ACFTA	ASEAN-China Free Trade Agreement
AFTA	ASEAN Free Trade Area
AGPH	Asahi Glass Philippines
AHTN	Asean Harmonized Tariff Nomenclature
AKFTA	ASEAN-Korea Free Trade Agreement
BIS	The Bureau of Import Services
BFO	Bunker Fuel Oil
CEPT	Common Effective Preferential Tariff
CFG	Clear Float Glass
CIF	Cost in Freight
Comglasco AG Commission	Comglasco Aguila Glass Corporation Tariff Commission
CMO	Customs Memorandum Order
CTA	Court of Tax Appeals
CUDBAS	Curriculum Development Based on Ability Structure
DDD	Dot Defect Detector
DTI	Department of Trade and Industry
GATT	General Agreements on Tariffs and Trade
HS	Harmonized System
HSL	Highly Sensitive List
IRR	Implementing Rules and Regulations
JPEPA	Japan Philippines Economic Partnership Agreement
KOTRA	Korea Trade Center
MAV	Minimum Access Volume
MT	Metric Tons
MFN	Most Favored Nation
Nitoo	Nitoo Enterprises, Inc.
PEZA	Philippine Economic Zone Authority
RA	Republic Act
RA 8800	Safeguard Measures Act
RAGC	Republic-Asahi Glass Corporation
RGC	Republic Glass Corporation
RGHC	Republic Glass Holdings Corporation
SEC	Securities and Exchange Commission
Secretary	DTI Secretary
SEZs	Special Economic Zones
SG	Safeguard

SL
VAT
WTO

Sensitive List
Value Added Tax
World Trade Organization