



**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  
(EXTENSION OF THE MEASURE)**

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

PHILIPPINES

*(Testliner board)*

*Supplement*

The following notification, dated 22 September 2016, is being circulated at the request of the Delegation of the Philippines.<sup>1</sup>

Further to the Philippine notification G/SG/N/7/PHL/8-G/SG/N/8/PHL/8-G/SG/N/11/PHL/9 circulated on 10 June 2010 and notification G/SG/N/8/PHL/8/Suppl.3-G/SG/N/10/PHL/7/Suppl.2-G/SG/N/11/PHL/9/Suppl.3 circulated on 17 January 2014, and pursuant to Articles 12.1(b) and 12.1(c) and Article 9, footnote 2, of the Agreement on Safeguards, the Permanent Mission of the Philippines to the WTO hereby notifies that a decision for the final extension of the application of a definitive safeguard measure against the importation of testliner board from various countries has been made.

**1 SERIOUS INJURY OR THREAT THEROF CAUSED BY INCREASED IMPORTS**

Pursuant to Section 19(2) of RA 8800, Department of Trade and Industry referred to Tariff Commission, the request of PPMI for an extension of the definitive general safeguard measure on imported testliner board. The Commission concluded that:

- a. The production output of the domestic industry, represented by PPMI, constituted a major proportion of the total domestic production of testliner board.
- b. The current safeguard measure is effective. The domestic testliner board industry has shown improvements in its production, domestic sales, capacity utilization, labor productivity, cost of production and profitability in 2012 to 2014 and was able to maintain its market standing.
- c. While the safeguard measure has proven to be effective, the threat of increased imports that can cause serious injury to the domestic industry remains. Import volume in 2015 more than quadrupled over the previous year's level.

<sup>1</sup> A copy of the DTI Order Extension has been submitted electronically. To consult this document, please contact Ms Budd ([hilary.budd@wto.org](mailto:hilary.budd@wto.org)) or Ms Naville ([delphine.naville@wto.org](mailto:delphine.naville@wto.org)) of the Rules Division.

- d. The Philippines will continue to be a target market for imported testliner board. Discontinuance of the imposition of the safeguard measure will likely lead to the recurrence of imports in increased quantities that would cause serious injury to the domestic industry.
- e. The removal of the safeguard duty will make it difficult for the domestic industry to price its products at a level to at least recover cost to produce and sell.
- f. The domestic industry has complied substantially with its adjustment plan and there is evidence that the industry is making positive adjustment to import competition.
- g. Without the safeguard measure, the positive gains made by the domestic industry could be negated as it still needs additional time to fully put in place its commitments in the adjustment plan and effectively face import competition.

## 2 PRECISE DESCRIPTION OF THE PRODUCT INVOLVED

Testliner board is the outer layer of the corrugated board glued to the peaks, thus making a liner-fluting-liner sandwich. The product is classified under HS Codes 4805.24.00, 4805.25.10 and 4805.25.90.

## 3 PRECISE DESCRIPTION OF THE PROPOSED MEASURE

- i. The imposition of the definitive general safeguard measure on testliner board shall be extended for another four (4) years with an annual rate of reduction of 5%. Thus, a definitive general safeguard duty in the amount of Php 986.50/MT shall be imposed on the first year (12 June 2016 to 13 June 2017), Php 937.17/MT, for the second year (14 June 2017 to 15 June 2018), Php 890.31/MT for the third year (16 June 2018 to 17 June 2019) and Php 845.80/MT for the fourth year (18 June 2019 to 20 June 2020) on imported testliner board from various countries. The amount of the duty shall be subject to regular review to give the Department of Trade and Industry (DTI) the opportunity to modify the amount of the duty if necessary.
- ii. 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 the 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 countries and separate customs territories listed in Annex A are therefore excluded from the imposition of the definitive general safeguard measure on testliner board.

## 4 DATE OF INTRODUCTION OF THE DEFINITIVE GENERAL SAFEGUARD MEASURE

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

## 5 EXPECTED DURATION OF THE MEASURE

The measure shall be liberalized during the four (4) years of its final extension period.

## 6 EXPECTED TIMETABLE FOR PROGRESSIVE LIBERALIZATION OF THE MEASURE

If extended, the measure shall be liberalized after four (4) years from the date of entry into force.

## 7 MAJOR EXPORTING MEMBERS OF IMPORTS OF THE PRODUCT INVOLVED:

South Korea, China, and Japan are the major suppliers of the imported product in 2016 (January to May).

**ANNEX A****LIST OF DEVELOPING COUNTRIES AND SEPARATE CUSTOMS TERRITORIES EXCLUDED FROM THE IMPOSITION OF DEFINITIVE SAFEGUARD MEASURE ON TESTLINER BOARDS**

<b>East &amp; Southern Africa</b>	<b>West Africa</b>	<b>North Africa</b>	<b>South Asia</b>
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.	Chad	Tunisia	East Timor
Djibouti	Central African Rep.		India
Eritrea	Congo Rep.		Maldives
Ethiopia	Cote d'Ivoire		Nepal
Kenya	Equatorial Guinea		Pakistan
Lesotho	Gabon		Sri Lanka
Madagascar	Gambia, The		
Malawi	Ghana		
Mauritius	Guinea		
Mozambique	Guinea, Bissau		
Namibia	Liberia		
Reunion	Mali		
Rwanda	Mauritania		
Seychelles	Niger		
Somalia	Nigeria		
South Africa	Sao Tome & Principe		
Sudan	Senegal		
Swaziland	Sierra Leone		
Tanzania	Togo		
Uganda			
Zambia			
Zimbabwe			

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