CUSTOMS MEMORANDUM ORDER
NO. 15-2004

SUBJECT: TEMPORARY LIFTING OF SPECIAL SAFEGUARDS DUTY ON IMPORTED CHICKEN AND CHICKEN PRODUCTS

Pursuant to the herein 1st Indorsement, dated 31 May 2004, signed by Secretary Juanita D. Amatong, Department of Finance, relative to the letter request dated 21 May 2004 of Secretary Luis P. Lorenzo, Jr., Department of Agriculture, this Office directs the implementation of the DA request for the "temporary lifting of the imposition of SSG duty on imported chicken and chicken products, effective immediately". This duty was imposed under DA Department Order No. 4 and covers imports under H.S. Code (2001) No. 0207.14.20; 0207.12.20; 0207.14.12; 0207.14.92, 1602.32.90 and 1602.32.10 implemented by Customs Memorandum Order No. 42-2002 dated 21 November 2002.

This Order supersedes CMO 42-2002 dated 21 November 2002.

This Order takes effect upon signing hereof until further notice or order from the Department of Agriculture.

ALEXANDER M. AREVALO
Deputy Commissioner
Officer-in-Charge

Date Signed: JUN-02-2004

Sec. Luis P. Lorenzo, Jr.
Department of Agriculture

Secretary Juanita D. Amatong
Department of Finance

Useo Macario Pulido Tan
Respectfully referred to the Commissioner of Customs, Manila, for immediate implementation and appropriate action, the within letter dated 21 May 2004 of the Secretary of the Department of Agriculture requesting "the temporary lifting of the imposition of the price-based Special Safeguards Duty on imported chicken and chicken products, effective immediately." This duty was imposed under DA Department Order No. 4 and covers imports under H.S. Code (2001) No. 0207.11.20; 0207.12.20; 0207.14.12; 0207.14.92 and 1602.32.90, subject of Customs Memorandum Order No. 42-2002 dated 21 November 2002.

Preferential attention hereto will be appreciated.

[Signature]

Secretary
21 May 2004

MR. ANTONIO M. BERNARDO
Commissioner
Bureau of Customs
Commissioner’s Building
South Harbor, Port Area
Manila

THRU: HON. JUANITA D. AMATONG
Secretary, Department of Finance
DOF-BSP Complex
Roxas Blvd. Manila

Sir:

This concerns the imposition of the price-based, Special Safeguards (SSG) Duty on the importation of chicken and chicken products pursuant to DA Department Order No. 4 dated 25 September 2002 and Customs Memorandum Order No. 42 dated 21 November 2002.

We have established, in consultation with the industry, that there may be a shortage in the supply of chicken in the coming months. This came about because of some production reduction measures done by industry in February and March due to the Avian Influenza scare and the surge in demand in April and May. These have contributed to increased prices.

In this regard, we are requesting for the temporary lifting of the imposition of SSG duty on imported chicken and chicken products, effective immediately. We may request for its imposition again in the future should conditions warrant it.

Thank you,

Very truly yours,

LUIS P. LORENZO, JR.
Secretary

[Signature]

[Stamp: Department of Finance]

[Stamp: Office of the Secretary]

[Stamp: Revenue Operations Group]
MR. ANTONIO M. BERNARDO
Commissioner
Bureau of Customs
Commissioner's Building
South Harbor, Port Area
Manila

THRU: HON. JUANITA D. AMATONG
Secretary, Department of Finance
DOF-BSP Complex
Roxas Blvd., Manila

Mr.

The concern, the imposition of the price-based, Special Safeguards (SSG) Duty on the importation of chicken and chicken products pursuant to DA Department Order No. 4 dated 28 September 2002 and Customs Memorandum Order No. 42 dated 21 November 2002.

We have established, in consultation with the industry, that there may be a shortage in the supply of chicken in the coming months. This came about because of some production reduction measures done by industry in February and March due to the Avian Influenza scare and the surge in demand in April and May. These have contributed to increased prices.

In this regard, we are requesting for the temporary lifting of the imposition of SSG duty on imported chicken and chicken products, effective immediately. We may request for its imposition again in the future should conditions warrant it.

Thank you.

Very truly yours,
Republic of the Philippines
DEPARTMENT OF AGRICULTURE
Office of the Secretary
Elliptical Road, Diliman, Quezon City

September 2002

DEPARTMENT ORDER
No. 4

Commissioner ANTONIO M. BERNARDO
Bureau of Customs

Thru: Secretary JOSE ISIDRO N. CAMACHO
Department of Finance

Subject: IMPOSITION OF SPECIAL SAFEGUARD DUTY ON CHICKEN IMPORTS

Pursuant to Republic Act 8800, referred to as the Safeguard Measures Act (chapter III, sections 21 and 23), we are requesting for the imposition of special safeguard (SSG) duty on chicken products eligible for SSG measure as follows:

A. Imposition of price-based SSG duty

<table>
<thead>
<tr>
<th>HS CODE (2001)</th>
<th>Product Description</th>
<th>SSG Duty to be Imposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>0207.11 20</td>
<td>Meat and offal of fowls of the species Gallus domesticus, not cut in pieces, fresh or chilled</td>
<td>Shall be on a shipment by shipment basis, depending on the difference between the actual c.i.f. import price and the product's trigger price</td>
</tr>
<tr>
<td>0207.12 20</td>
<td>Meat of fowls of the species Gallus domesticus, not cut in pieces, frozen</td>
<td></td>
</tr>
<tr>
<td>0207.14 20</td>
<td>Livers of the species Gallus domesticus, frozen</td>
<td></td>
</tr>
<tr>
<td>0207.14 92</td>
<td>Other cuts and offal of fowls of the species Gallus domesticus, frozen</td>
<td></td>
</tr>
<tr>
<td>1602.32 90</td>
<td>Meat of offal of fowls of the species Gallus domesticus, prepared or preserved other than in airtight containers</td>
<td></td>
</tr>
</tbody>
</table>

As shown, it is requested that additional duty be imposed for five (5) chicken products which are eligible for SSG because their respective trigger prices have been breached or that the actual c.i.f. import price of each product is less than its corresponding trigger price. The amount of SSG duty to be imposed shall be on a shipment-by-shipment basis and shall depend on the difference between the c.i.f. import price and the product's trigger price as illustrated in the example provided in Annex A.
II. Imposition of volume-based SSG duty

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<tr>
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</thead>
<tbody>
<tr>
<td>1602.32.10</td>
<td>Meat and offal of fowls of the species Gallus domesticus, prepared or preserved in airtight containers</td>
<td>50%</td>
<td>15%</td>
</tr>
</tbody>
</table>

For “meat and offal of fowls of the species Gallus domesticus, prepared or preserved in airtight containers” or chicken product with HS code 1602.3210, SSG duty is requested to be imposed because its trigger volume has been breached or that its cumulative import volume for year 2002 has already exceeded its trigger volume. The amount of SSG duty to be imposed shall be 15% or one third of the applicable out-quota customs duty (chapter III, rule 23.1 b of RA 8800). Further, this SSG duty is requested to be made effective immediately but up to the end of the year only.

May we further request that the imposition of the SSG duty on the specified chicken products be made effective immediately.

LEONARDO O. MONTEMAYOR
Secretary