



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
MANILA 1099

MEMORANDUM

TO : ALL DISTRICT AND SUB-PORT COLLECTORS
ALL CHIEFS, FORMAL ENTRY DIVISION and
EQUIVALENT UNITS
ALL EXAMINERS AND APPRAISERS

FROM : **ATTY. EDWARD JAMES AIDY BUCO**
Deputy Commissioner
Assessment and Operations Coordinating Group

SUBJECT : **SPECIFIC DESCRIPTION FOR SHIPMENTS OF FIBER,
YARN AND FABRIC**

DATE : March 21, 2018

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- 1.0 Reference(s):
- a. Memorandum of the Commissioner dated October 20, 2017 on *"Reiteration of CAO 8-2007, Re Description of Imported Articles in Tariff Terms"*.
 - b. Customs Memorandum Order No. 28-2007, *Proper Description of Imported Goods*, implementing CAO No. 8-2007
- 2.0 It has been observed that despite the reiteration of the above-mentioned CAO and CMO, violations thereof remain prevalent particularly on the aforesaid shipments.
- 3.0 In view of this, you are hereby directed to strictly implement proper and specific description for shipments of Fiber, Yarn and Fabric for declaration, valuation and classification and statistical purposes.
- 4.0 **Further, this shall serve as a stern warning to the District Collectors and Customs Operations Officers that failure to adhere to the required standard will be taken seriously pursuant to the provisions of CMO 28-2007.**
- 5.0 For strict compliance.

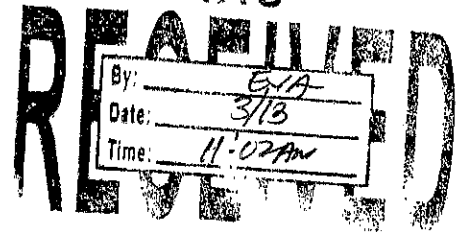
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March 9, 2018

OFFICE OF THE DIRECTOR
IAS



MR. JOFFREY TACIO
Director BOC - IAS
Bureau of Customs
Port Area, Manila

Dear Director Tacio,

Greetings from the Textile Mills Association of the Phils. Inc.!

We would like to report to you our findings based on the import data we gathered for the months of December 2017 & January 2018.

a. December 2017 Imports of the Top 20 Importers

<u>Product</u>	<u>Volume in Tons</u>	<u>Ave.Value/ kg.</u>
Fiber	1,460	\$ 1.26
Yarn	582	1.51
Fabric	2,128	0.79

b. January 2018 Imports of the Top 20 Importers

<u>Product</u>	<u>Volume in Tons</u>	<u>Ave.Value/ kg.</u>
Fiber	3,195	\$ 1.33
Yarn	1,310	2.02
Fabric	4,332	0.79

As expected the volume of textile imports in January returned to its normal monthly level. Please take note that the value per kilo increased for fiber and yarn. However, the value for fabric remained at the level \$ 0.79/ kg. which is way below the primary raw material of fiber at \$1.26/ kg. in December 2017 & \$ 1.3/ kg. in January.


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We are having difficulty in providing you with Reference Values for fabrics. Our difficulty stems from the fact that the FOB Price will vary based on its specifications. These factors are the type of yarn used, diameter, knitted or woven, textured, dyed or bleached, sanforized or stretchable etc. Our other difficulty is the non-compliance of importers to CMO 28 – 2007 - Proper Description of Imported Goods. This is tolerated by the present assessment groups. May we suggest IAS in challenging the declared values to use the values contained in the forms such as Form D for Asean, Form E for China submitted by the importers to avail of duty free imports as covered by the Asean - Cept agreement.

On a positive note, we are getting feedbacks that your office has been challenging entries with questionable declared values. We are getting feedback also from the market that amount payable for duties and taxes are increasing. Our hope is for a level playing field to allow manufacturers to compete!

Meanwhile, we have requested the Phil. Chamber of Commerce and Industry and the Federation of Phil. Industry to formally request Commissioner Sid Lapeña to issue an order to restore the role of the Industry Commodity Expert/Technical Expert to submit their recommendations on entries covered by the Sensitive List as contained in the original MOA between BOC, PCCI and FPI.

Very truly yours,



CLARO C. ARRIOLA
President

Cc.: IndoPhil Textile Mills
Solid Devt. Corp.