



Republic of the Philippines
Department of Finance
BUREAU OF CUSTOMS
PORT OF MANILA
Customs District II-A
South Harbor, Manila



November 21, 2002

CUSTOMS MEMORANDUM ORDER
NO. 42-2002

TO: All District/Port Collectors
And Others Concerned

Subject: Imposition of Special Safeguard Duty on Chicken Imports with HS Code
0207.1120; 0207.1220; 0207.1412; 0207.1492; 1602.3290; and 1602.3210

Pursuant to instructions contained in the 1st Indorsement, dated October 24, 2002, of Secretary JOSE ISIDRO N. CAMACHO, Department of Finance, relative to the Department Order No. 4, which was issued 25 September 2002 by the Department of Agriculture pursuant to R.A. 8800, it is hereby directed that all importation of chicken with HS Code 0207.1120, 0207.1220, 0207.1412, 0207.1492, 1602.3290, and 1602.3210 from all countries shall be imposed an additional Special Safeguard Duty to be computed following the formula illustrated in Annex A of the Department Order No. 3, copy attached. Moreover, covered shipments entered into/withdrawn from warehouses in the Philippines for consumption shall, in addition to the regular Customs duties due thereon, be subjected to the aforesated safeguard duty, on a per shipment to shipment basis.

All concerned Customs offices/units are enjoined to coordinate with the appropriate DA offices/units for the proper application of the formula.

Lastly, pursuant to Section 23 (c) of the same R.A. 8800, the shipments of chicken that are in transit prior to the publication of this Order shall be exempted from the imposition of safeguard duty, provided they arrive before the effectivity of the same.

This Order shall take effect fifteen (15) days after publication and shall remain in force until revoked.

Please be guided accordingly.


ANTONIO M. BERNARDO
Commissioner

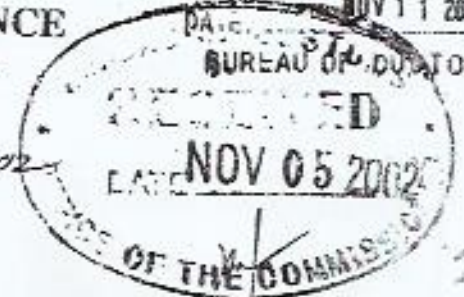


Republic of the Philippines
DEPARTMENT OF FINANCE

Roxas Boulevard Corner Pahlon Ocampo, St. Street
Manila 1004

ADMINISTRATIVE OFFICE

RECEIVED BY *[Signature]*
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CNO-42-02

1st Indorsement
24 October 2002

CNC-340-02

Respectfully referred to the Commissioner of Customs, Manila, for implementation and appropriate action is the within Department Order No. 3 dated 30 August 2002 issued pursuant to the provisions of R.A. 2200 by the Department of Agriculture re: Imposition of Special Safeguard Duty on Chicken Imports with HS Code 0207.11 20; 0207.12 20; 0207.14 12; 0207.14 92; 1602.32 90; and 1602.32 10.

Preferential attention hereto will be appreciated.

[Signature]
JOSE ISIDRO N. CAMACHO
Secretary
JINC-1599-00F12002

DC: *Rosquetan*
[Signature]

Dir. *Resulta*

[Signature]
11/8/2002

Pls. prepare document to disseminate & effect this order.

[Signature]

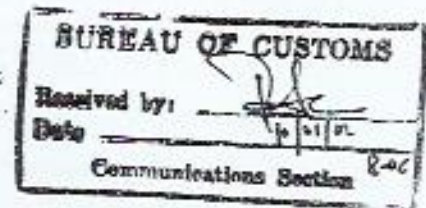




Republic of the Philippines
DEPARTMENT OF AGRICULTURE
Office of the Secretary
Elliptical Road, Diliman, Quezon City

25 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

HS CODE (2001)	Product Description	SSG Duty to be Imposed
0207.11 20	Meat and offal of fowls of the species Gallus domesticus, not cut in pieces, fresh or chilled	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.
0207.12 20	Meat of fowls of the species Gallus domesticus, not cut in pieces, frozen	
0207.14 12	Livers of the species Gallus domesticus, frozen	
0207.14 92	Other cuts and offal of fowls of the species Gallus domesticus, frozen	
1602.32 90	Meat or offal of fowls of the species Gallus domesticus, prepared or preserved other than in airtight containers	

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.

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B. Imposition of volume-based SSG duty

HS CODE (2001)	Product Description	Regular out-quota customs duty (2002)	SSG duty to be imposed
1602.32 10	Meat and offal of fowls of the species Gallus domesticus, prepared or preserved in airtight containers	50%	15%

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 Q. Montemayor
LEONARDO Q. MONTEMAYOR
Secretary

CNO-42-02

Annex A

CNC-342-02

An example:

Agricultural product - HS code 0207.14 12 (Livers of the species Gallus domesticus, frozen)

If current/actual c.i.f. price is 31.55 pesos per kg

$$\begin{aligned}\text{Price difference} &= \text{Trigger price less current (2002) c.i.f. import price} \\ &= 423.55 - 31.55 \\ &= 392 \text{ pesos per kg}\end{aligned}$$

This price difference is equivalent to 93% of the trigger price. Using the formula provided under section 24 of the law, which applies to the computed price difference exceeding 75% of the trigger price, the special safeguard (SSG) duty which may be imposed shall be as follows:

$$\begin{aligned}\text{SSG duty} &= [90\% \times \{\text{price difference} - (75\% \times \text{trigger price})\}] \\ &\quad [70\% \times \{\text{price difference} - (60\% \times \text{trigger price})\}] + \\ &\quad [50\% \times \{\text{price difference} - (40\% \times \text{trigger price})\}] + \\ &\quad [30\% \times \{\text{price difference} - (10\% \times \text{trigger price})\}] \\ &= [90\% \times \{392 - (75\% \times 423.55)\}] + [70\% \times \{392 - (60\% \times 423.55)\}] + \\ &\quad [50\% \times \{392 - (40\% \times 423.55)\}] + [30\% \times \{392 - (10\% \times 423.55)\}] \\ &= 66.90 + 96.51 + 111.29 + 104.89 \\ \text{SSG duty} &= 379.59 \text{ pesos per kg}\end{aligned}$$

Therefore, in this example wherein the c.i.f. import price of chicken liver imports is 31.55 pesos per kg, the SSG duty which may be imposed over and above the regular out-quota customs duty, is 379.59 pesos per kg.