

*JK*  
**MASTER COPY**



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

October 22, 2019

CUSTOMS MEMORANDUM CIRCULAR

NO. 239-2019

To: All Deputy Commissioners  
All Service Directors  
All District/Port Collectors  
All Others Concerned

**SUBJECT: Imposition of Definitive General Safeguard Duty on Imported Cement from Various Countries Under AHTN Codes 2523.29.90 and 2525.90.00 Per DTI Department Administrative Order No. 19-13 Series of 2019.**

With reference to the attached DTI Department Administrative Order No. 19-13 Series of 2019 dated August 27, 2019 **RE: In the Matter Of The Definitive General Safeguard Measure On the Importation Of Cement From Various Countries (AHTN Codes 2523.29.90 and 2523.90.00) (Safeguard Measures Case No. 01-2018)**, all concerned are informed on the imposition of definitive general safeguard duty on imported cement from various countries under AHTN Codes 2523.29.90 and 2525.90.00.

For your information and guidance.

For records purposes, please confirm the dissemination of this Circular throughout your offices within fifteen (15) days from receipt.

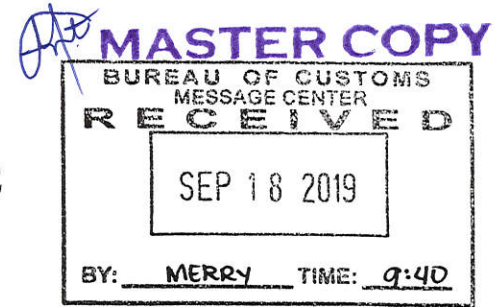
  
**REY LEONARDO B. GUERRERO**  
Commissioner ✕ **OCT 22 2019**



CMC No. 239-2019 p. 2

Republic of the Philippines  
**DEPARTMENT OF FINANCE**

Roxas Boulevard Corner Pablo Ocampo, Sr. Street  
Manila 1004



**REY LEONARDO B. GUERRERO**  
Commissioner  
Bureau of Customs  
South Harbor, Port Area Manila



**SUBJECT : Imposition of a general safeguard measure on imported cement from various countries under AHTN Codes 2523.2990 and 2525.9000**

Dear Commissioner Guerrero,

Pursuant to Section 8 of R.A. 8800 (The Philippine Safeguard Measures Act) and its IRR the Commissioner of Customs is hereby authorized to implement the decision of the Secretary of the Department of Trade and Industry contained in DTI Department Administrative Order No. 19-13 Series of 2019, imposing a definitive general safeguard duty, for a period of three years (i.e. from 2019 to 2022), in the form of a duty.

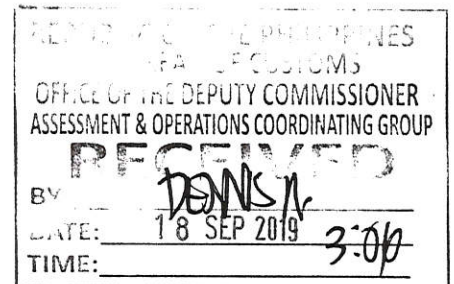
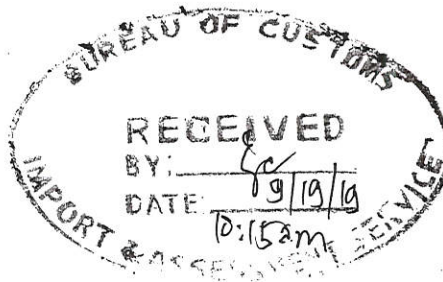
The amount of duty to be imposed for the first year shall be Php 250.00/MT or Php 10.00 per 40kg bag, for the second year – Php 225.00/MT or Php 9.00 per 40kg bag and for the third year – Php 200.00/MT or Php 8.00 per 40kg bag. The duty shall be applied to imported cement classified under AHTN Codes 2523.2990 and 2523.9000.

Please issue the necessary Customs Memorandum Order implementing this decision and furnish this Department and the Department of Trade and Industry - Office of the Secretary with a copy of the order.

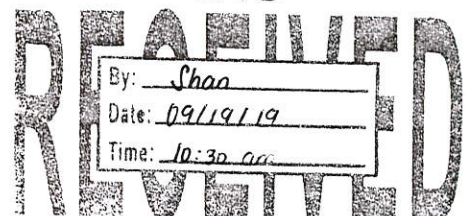
Thank you very much.

Very truly yours,

  
**CARLOS G. DOMINGUEZ**  
Secretary  
Department of Finance  
SEP 16 2019



OFFICE OF THE DIRECTOR  
IAS



CC:  
SEC. RAMON M. LOPEZ  
Department of Trade and Industry  
5/F Industry and Investment Building  
385 Sen. Gil J. Puyat Ave., Makati City 1200

CMC No. 239-2019 p.3



MASTER COPY

TRABAHO NEGOSYO KONSYUMER



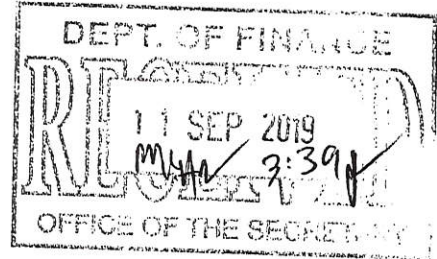
DEPARTMENT OF FINANCE  
Republic of the Philippines



27 August 2019

**HON. CARLOS G. DOMINGUEZ**

Secretary  
Department of Finance  
DOF Building, BSP Complex  
Roxas Blvd., Manila



Dear **Secretary Dominguez**:

This is to respectfully furnish your good office a copy of the Department of Trade and Industry's Order regarding the general safeguard measures on imported cement from various countries classified under AHTN Codes 2523.29.90 and 2523.90.00.

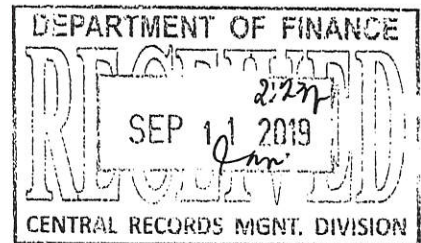
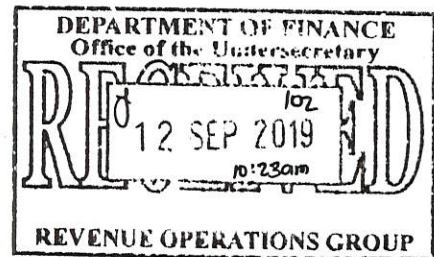
The Order provides for the imposition of the definitive general safeguard measure in the amount of ₱250/MT or ₱10 per 40kg. bag for the first year, ₱225/MT or ₱9 per 40kg. bag for the second year and ₱200/MT or ₱8 per 40kg. bag for the third year of the implementation period. The amount of the measure shall be subject to regular review to give DTI the opportunity to modify the amount of the duty if necessary.

May we therefore request your office to direct the Commissioner of the Bureau of Customs to collect the appropriate amount of the general safeguard duty on imported cement covered by the said DTI Order.

Thank you for your cooperation.

Very truly yours,

Ramon M. Lopez  
Secretary



cc: Commissioner Rey Leonardo Guerrero  
Bureau of Customs

OFFICE OF THE SECRETARY

CMC No. 239-2019 p.4



MASTER COPY  
TRABAHO  
NEG. SYO  
KONSUMER

Department Administrative Order No. 19 - 13  
Series of 2019

**IN THE MATTER OF THE DEFINITIVE  
GENERAL SAFEGUARD MEASURE  
ON THE IMPORTATION OF CEMENT FROM  
VARIOUS COUNTRIES  
(AHTN Codes 2523.29.90 and 2523.90.00)  
(Safeguard Measures Case No. 01-2018)**

X-----X

**ORDER**

On 09 August 2019, the Department of Trade and Industry (DTI) received the Tariff Commission's (Commission) Formal Investigation Report on the general safeguard measure against the importation of cement from various countries classified under ASEAN Harmonized Tariff Nomenclature AHTN Codes 2523.29.90 and 2523.90.00. The period covered by the investigation (POI) are the years 2013 to 2017 with updated data of 2018.

The Commission, in accordance with the Safeguard Measures Act (RA 8800), concluded that:

1. Eight (8) out of 10 local cement manufacturers represented the domestic cement industry in the formal investigation. This satisfies the domestic industry requirement under Section 4(f) of RA No. 8800;
2. Locally produced Type I and Type IP cement are "like" to imported Type I and Type IP cement;
3. Type I and Type IP cement were imported into the Philippines in increased quantities, both in absolute and relative to domestic production, starting in 2016. The increase in volume of imports was recent enough, sudden enough, sharp enough, and significant enough;
4. While the domestic cement industry suffered injury, as evidenced by deteriorating trends in industry market share, sales, production, profits and capacity utilization during the POI, the overall impairment in its position was not of a degree that may constitute serious injury;
5. There exists an imminent threat of serious injury and significant overall impairment to the position of the domestic cement industry in the near future, as shown by:
  - a. Significant rate of increase in cement importations starting 2016 until the first semester of 2019. Thus, indicating to the high likelihood that substantially increased importations will continue in the near future;

OFFICE OF THE SECRETARY

- b. The substantial freely disposable production capacities of exporters that can accommodate increasing exports to the Philippines and the importance of the Philippines as an export market by top suppliers Vietnam and China indicates the high chance of increased exports of cement to the Philippines in the near future;
  - c. Significant deterioration in the overall position of the domestic cement industry during the period of import surge (i.e., declines in sales, market share, production, profits and capacity utilization, and reduced ability to generate capital and/or investments to further modernize and expand capacities).
6. There is a direct causal relationship between increased imports of cement and the imminent threat of serious injury and significant overall impairment to the position of the domestic cement industry in the near future. While there were other factors that contributed to the impairment of the domestic cement industry, these were not substantial to cause serious injury to the local cement industry during the period of import surge.
  7. Serious injury to the domestic cement industry would occur imminently if a definitive safeguard measure against importations of cement is not applied.
  8. The circumstances provided in Article XIX or GATT 1994 need to be demonstrated since the product under consideration (type I and Type IP cement) is not the subject of any Philippine obligation or tariff concession under the WTO Agreement. Nonetheless, such inquiry is governed by the national legislation (RA No. 8800) and the terms and conditions of the Agreement on Safeguards.

The Commission recommended that the imposition of the safeguard measure be imposed for a period of three (3) years, i.e. from 2019 to 2022.

Accordingly, the DTI has reviewed the Commission's findings and recommendations and has established that the imposition of the definitive general safeguard measure shall be in the public interest. While DTI is mandated to protect consumers, there is a need to balance this taking into account other sectors such as investors and industry which provide employment to Filipinos. There is also a need to moderate imports to balance trade. If local manufacturers can adequately supply domestic requirements, they need to be provided a level playing field to enable them to compete with imports. This will allow expansion of the country's manufacturing base and generate more jobs for Filipinos. Further, users of cement retain their option to choose between the local and imported cement since imports will still be allowed. The imposition of a safeguard measure is not expected to cause a shortage of cement in the domestic market considering that the cement manufacturers have sufficient capacity to meet domestic demand.



**WHEREFORE, IN VIEW THEREOF**, and pursuant to Section 13 of RA 8800, the DTI hereby, issued the following:

1. A definitive safeguard duty effective for three (3) years shall be imposed on imported cement from various countries to encourage and challenge the local cement industries to be globally competitive. The amount of the safeguard duty to be imposed for the first year shall be P250.00/MT or P10.00 per 40kg bag, for the second year – P225.00/MT or P9.00 per 40kg bag, and for the third year – P200.00/MT or P8.00 per 40kg bag.

2. The amount of the measure shall be subject to regular review to give DTI the opportunity to modify the amount of the duty if necessary. The duty shall be applied to cement classified under AHTN Codes 2523.29.90 and 2523.90.00

Imports originating from developing countries listed in Annex A covered by Rule 8.8 of the IRR of RA 8800 shall not be subject to the definitive general safeguard measure. The composition of the developing countries on the de minimis list may change based on a review of the most recent data available as part of the annual review which will be conducted by the DTI during the implementation period.

3. Importers of cement originating from a country that is exempt from the safeguard duty shall submit a Certificate of Country of Origin (CO) issued by the authorized agency/office in the source country of manufacture subject to affixation of "Apostille" to the document or authenticated by the Philippine Embassy/Consulate General, as applicable.

The application of the definitive general safeguard measure shall be monitored and reviewed in accordance with Sections 15 and 16 of RA 8800. The domestic cement industry is also directed to comply with its adjustment plan.

The DTI Order of the definitive general safeguard measures can be accessed at the DTI website: <https://www.dti.gov.ph/media/advisories/13172-advisory-dti-order-in-the-matter-of-the-definitive-general-safeguard-measure-on-the-importation-of-cement-from-various-countries>.

The notification and consultation requirements under Article 12 of the WTO Safeguards Agreement and Section 17 of RA 8800 and its IRR shall be complied with. Imports originating from ASEAN Member states shall be governed by the provisions of Articles 11 and 23 of the ASEAN Trade in Goods Agreement (ATIGA).

Let this Order be published in two (2) newspapers of general circulation and let individual notices be sent to all interested parties including the country members concerned.

This Order shall take effect upon the issuance of the relevant Customs Memorandum Order or fifteen (15) days after the publication of the Order in two (2) newspapers of general circulation, whichever comes earlier.

SO ORDERED.

27 August 2019

*[Handwritten signature]*  
RAMON M. LOPEZ  
Secretary



*Handwritten signature*

**ANNEX A**

**List of Developing Countries and Separate Customs Territories  
Excluded from the Imposition of Definitive General Safeguard  
Measure on Cement**

| East & Southern Africa | West Africa          | North Africa     | South Asia                     |
|------------------------|----------------------|------------------|--------------------------------|
| 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.       | Central African Rep. | Tunisia          | East Timor                     |
| Djibouti               | Chad                 |                  | 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               |                      |                  |                                |

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