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

*A modernized and credible customs administration that upholds good governance and is among the world's best*

27 November 2024

**CUSTOMS MEMORANDUM CIRCULAR**  
**NO. 201-2024**

**TO :** ASSISTANT COMMISSIONER  
ALL DEPUTY COMMISSIONERS  
ALL DIRECTORS AND DIVISION CHIEFS  
ALL DISTRICT AND SUB-PORT COLLECTORS  
ALL OTHERS CONCERNED

**SUBJECT :** DEPARTMENT OF TRADE AND INDUSTRY (DTI)  
DEPARTMENT ADMINISTRATIVE ORDER (DAO) NO. 24-10  
SERIES OF 2024 WITH THE SUBJECT: IN THE MATTER OF  
THE PRELIMINARY DETERMINATION ON THE APPLICATION  
FOR ANTI-DUMPING DUTY ON GYPSUM BOARD FROM  
THAILAND (AHTN CODES 6809.11.00 AND 6809.19.90) (ANTI-  
DUMPING CASE NO. AD01-2023)

This has reference to the herein attached letter dated 05 November 2024 from Ma. Cristina A. Roque, Secretary, DTI, addressed to Ralph G. Recto, Secretary, Department of Finance (DOF), copy furnished Bienvenido Y. Rubio, Commissioner, Bureau of Customs (BOC), regarding DTI-DAO No. 24-10 series of 2024 with the subject: In the Matter of the Preliminary Determination on the application of for Anti-Dumping Duty on Gypsum Board from Thailand (AHTN Codes 6809.11.00 and 6809.19.90) (Anti-Dumping Case No. AD01-2023)

As stated in the above DAO, applicant Knauf Gypsum Philippines, Inc., filed a Petition for Anti-dumping duty on Gypsum Board which consists of a core of hardened extruded gypsum enclosed in a reinforcing layer of paper linerboard under AHTN Codes 6809.11.00 and 6809.19.90, from Thailand. The Petition alleged that imports of gypsum board originating from Thailand are being dumped in the country and by reason thereof is causing material injury to the domestic gypsum board industry.

The period of investigation (POI) for dumping is from January 2022 to May 2023, while the POI for injury is from 2019 to 2022 and updated to September 2023.

The DTI acting pursuant to Section 3 (f) of RA 8752 (Anti-Dumping Act of 1999), and on the basis of the information available, concluded that:

- a) the imported gypsum board with thickness of 9mm and 12mm from Thailand are being dumped;
- b) by reason thereof, the dumped imports have caused material injury to the domestic gypsum board industry; and



c) the imposition of provisional measure is necessary to prevent further material injury to the domestic industry.

Moreover, Section 8 (a) of the IRR of RA 8752 provides, "if the preliminary finding of the Secretary is affirmative and to prevent further injury during the investigation, the Secretary shall immediately issue through the Secretary of Finance, written instructions to the Commissioner of Customs to impose within three (3) days from receipt of instructions, a cash bond equal to the provisionally estimated margin of dumping, in addition to any other duties, taxes and charges imposed by law, on the allegedly dumped product."

**WHEREFORE**, in view of the foregoing, and pursuant to DTI-DAO No.24-10, Series of 2024, it is hereby ordered and imposed a provisional anti-dumping duty in the form of a cash bond on importations of gypsum board from Thailand, for a period of four (4) months commencing from the date of issuance of this Customs Memorandum Circular (CMC).

Attached hereto is the computed dumping margins for gypsum board per product model/type as Annex "A" for reference.

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

For your guidance and reference.

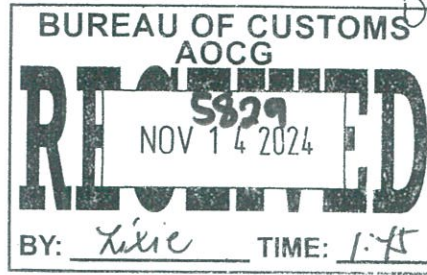
  
**BIENVENIDO Y. RUBIO**  
Commissioner



DEC 09 2024

05 November 2024

**HON. RALPH G. RECTO**  
Secretary  
Department of Finance  
DOF Bldg., BSP Complex,  
Roxas Blvd., Manila



09-52439

(09-52424)

Dear **Secretary Recto**:

This is to advise you of the Department of Trade and Industry's (DTI) affirmative findings in its preliminary determination on the petition for anti-dumping measures on gypsum board (AHTN Code 6809.19.90 and 6809.11.00) imported from Thailand filed by Knauf Gypsum Philippines, Inc.

Acting under RA 8752, the Anti-Dumping Act of 1999, DTI's preliminary determination found that the imported gypsum board with thickness of 9mm and 12mm from Thailand are being dumped, causing material injury to the domestic gypsum board industry.

We have issued an order imposing provisional anti-dumping duties in the form of a cash bond on the importation of the said products for four (4) months, from the date of its effectivity. (Copy attached)

RA 8752 (Anti-Dumping Act of 1999) provides, "the Secretary shall immediately issue, through the Secretary of Finance, written instructions to the Commissioner of Customs to impose within three (3) days from receipt of instructions a cash bond equal to the provisionally estimated anti-dumping duty but not greater than the provisionally estimated margin of dumping in addition to any other duties, taxes and charges imposed by law on like articles."

In view thereof, we are requesting the Secretary to forward written instructions to the Commissioner of Customs to issue the appropriate order imposing the provisional anti-dumping duties.

The case records will be forwarded to the Tariff Commission (TC) for a formal investigation. TC will evaluate whether all of the legal requirements for the application of definitive anti-dumping duties have been met.

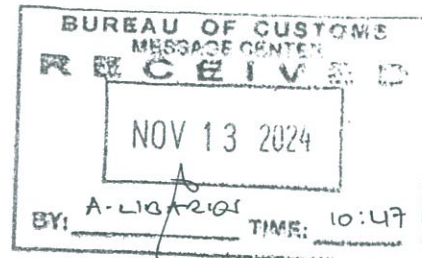
The DTI website has a non-confidential version of the preliminary determination report and Department Administrative Order issued in this case. It can be downloaded from this webpage: <https://dti.ly/ad-prelim-gypsumboard>

Thank you.

Sincerely,



**MA. CRISTINA A. ROQUE**  
Secretary



cc: Commissioner Bienvenido Y. Rubio  
Bureau of Customs

OFFICE OF THE SECRETARY



Department Administrative Order No. 24-10  
Series of 2024

**IN THE MATTER OF THE PRELIMINARY  
DETERMINATION ON THE APPLICATION  
FOR ANTI-DUMPING DUTY ON GYPSUM  
BOARD FROM THAILAND (AHTN Codes  
6809.11.00 and 6809.19.90)  
(ANTI-DUMPING Case No. AD01-2023)**

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**ORDER**

The Applicant Knauf Gypsum Philippines, Inc., filed a Petition for an Anti-dumping duty on Gypsum Board which consists of a core of hardened extruded gypsum enclosed in a reinforcing layer of paper linerboard under AHTN Codes 6809.11.00 and 6809.19.90, from Thailand. The Petition alleged that imports of gypsum board originating from Thailand are being dumped in the country and by reason thereof is causing material injury to the domestic gypsum board industry.

The period of investigation (POI) for dumping is from January 2022 to May 2023, while the POI for injury is from 2019 to 2022 and updated to September 2023.

The Department of Trade and Industry acting pursuant to Section 3 (f) of RA 8752 (Anti-Dumping Act of 1999), and on the basis of the information available, concluded that: a) the imported gypsum board with thickness of 9mm and 12mm from Thailand are being dumped; b) by reason thereof, the dumped imports have caused material injury to the domestic gypsum board industry; and c) the imposition of provisional measure is necessary to prevent further material injury to the domestic industry.

Section 8 (a) of the IRR of RA 8752 provides, "*if the preliminary finding of the Secretary is affirmative and to prevent further injury during the investigation, the Secretary shall immediately issue through the Secretary of Finance, written instructions to the Commissioner of Customs to impose within three (3) days from receipt of instructions, a cash bond equal to the provisionally estimated margin of dumping, in addition to any other duties, taxes and charges imposed by law, on the allegedly dumped product.*"

**WHEREFORE**, in view of the foregoing, the DTI hereby imposes a provisional anti-dumping duty in the form of a cash bond on importations of gypsum board from Thailand, for a period of four (4) months commencing from the date of issuance by the Bureau of Customs of the relevant Customs Memorandum Order (CMO).

OFFICE OF THE SECRETARY

The computed dumping margins for gypsum board per product model/type is hereto attached as Annex "A."

The Report on the Preliminary Determination together with the records of the case shall be transmitted to the Tariff Commission for the conduct of a formal investigation to determine if all the legal requirements for the application of a definitive Anti-Dumping duty has been met.


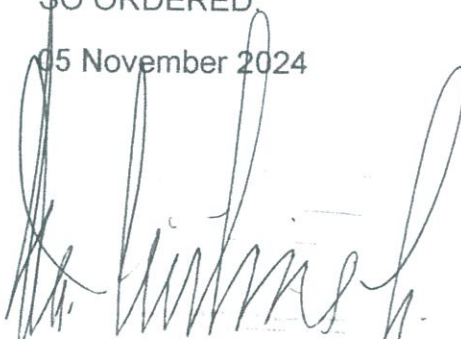
The non-confidential report of the preliminary determination can be accessed at the DTI website: <https://bit.ly/ad-prelim-gypsumboard>.

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 by the Bureau of Customs.

SO ORDERED

05 November 2024



MA. CRISTINA A. ROQUE  
Secretary

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Annex A

Computed Dumping Margins for the Following Exporters of Gypsum Board  
 Originating from Thailand

Exporter	Type	Size	Dumping Margin (Amount of Bond) (US\$/kg)	% Export Price
GYPMAM TECH COMPANY LIMITED	Standard	9MMX1220MMX2440MM	0.06	34.72
		12MMX1220MMX2440MM	0.06	33.81
THAI GYPSUM PRODUCTS PCL	Gypline	9MMX1220MMX2440MM	0.02	14.72
		12MMX1220MMX2440MM	0.01	4.65
	Gyproc	9MMX1220MMX2440MM	0.01	5.45
		12MMX1220MMX2440MM	0.01	7.78
ALL OTHERS RATE (OTHER THAI EXPORTERS)	Standard/Gypline/Gyproc	9MMX1220MMX2440MM	0.06	34.72
	Standard/Gypline/Gyproc	12MMX1220MMX2440MM	0.06	33.81

05 November 2024

**HON. RALPH G. RECTO**

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

Dear **Secretary Recto**:

This is to advise you of the Department of Trade and Industry's (DTI) affirmative findings in its preliminary determination on the petition for anti-dumping measures on gypsum board (AHTN Code 6809.19.90 and 6809.11.00) imported from Thailand filed by Knauf Gypsum Philippines, Inc.

Acting under RA 8752, the Anti-Dumping Act of 1999, DTI's preliminary determination found that the imported gypsum board with thickness of 9mm and 12mm from Thailand are being dumped, causing material injury to the domestic gypsum board industry.

We have issued an order imposing provisional anti-dumping duties in the form of a cash bond on the importation of the said products for four (4) months, from the date of its effectivity. (Copy attached)

RA 8752 (Anti-Dumping Act of 1999) provides, "the Secretary shall immediately issue, through the Secretary of Finance, written instructions to the Commissioner of Customs to impose within three (3) days from receipt of instructions a cash bond equal to the provisionally estimated anti-dumping duty but not greater than the provisionally estimated margin of dumping in addition to any other duties, taxes and charges imposed by law on like articles."

In view thereof, we are requesting the Secretary to forward written instructions to the Commissioner of Customs to issue the appropriate order imposing the provisional anti-dumping duties.

The case records will be forwarded to the Tariff Commission (TC) for a formal investigation. TC will evaluate whether all of the legal requirements for the application of definitive anti-dumping duties have been met.

The DTI website has a non-confidential version of the preliminary determination report and Department Administrative Order issued in this case. It can be downloaded from this webpage: <https://bit.ly/ad-prelim-gypsumboard>

Thank you.

Sincerely,



**MA. CRISTINA A. ROQUE**  
Secretary

cc: Commissioner Bienvenido Y. Rubio  
Bureau of Customs

OFFICE OF THE SECRETARY

# **DEPARTMENT OF TRADE AND INDUSTRY**

## **APPLICATION OF GYPSUM BOARD INDUSTRY**

### **PUBLIC VERSION**

**ANTI-DUMPING CASE NO.: AD01-2023**

**DATE : 05 November 2024**

### **REPORT ON THE PRELIMINARY INVESTIGATION ON THE APPLICATION FOR AN ANTI-DUMPING DUTY ON GYPSUM BOARD FROM THAILAND**



## REPORT ON THE PRELIMINARY INVESTIGATION ON THE APPLICATION FOR AN ANTI-DUMPING DUTY ON IMPORTED GYPSUM BOARD FROM THAILAND

### I. INTRODUCTION

This is a report on the preliminary investigation conducted by the Department of Trade and Industry (DTI) of the petition for anti-dumping filed by gypsum board manufacturer on the importation of Gypsum Board from Thailand.

On 24 November 2023, DTI accepted a properly documented application from the gypsum board manufacturer: Knauf Gypsum Philippines, Inc. (Knauf). The petition alleged that imports of gypsum board originating from Thailand are being dumped in the country and by reason thereof is causing material injury to the domestic gypsum board industry. On 28 November 2023, DTI notified the Embassy of Thailand in Manila that it has accepted the anti-dumping petition as properly documented. On 29 November 2023, DTI found merit to initiate a preliminary anti-dumping investigation. On 01 December 2023, a notice of initiation of the anti-dumping investigation was published in Business Mirror and Manila Standard. The domestic gypsum board manufacturer and the Embassy of Thailand were officially notified of the decision to initiate an investigation. Individual notices were sent to all interested parties on record.

This report addresses the issue of whether the pieces of evidence submitted by the applicant and respondents show that imported gypsum board are being dumped into the Philippine market. It also determines whether the dumping of the said products have caused material injury to the domestic gypsum industry. Furthermore, on whether the imposition of provisional measure to prevent further injury to the domestic gypsum board industry is necessary while the case is under formal investigation by the Tariff Commission.

The conduct of the preliminary investigation is based on Sub Section 3(f) of RA 8752, The Philippine Anti-Dumping Act of 1999 and its implementing rules and regulations. The investigation considered the pieces of evidence made available to DTI and submissions by identified exporters and importers.

### II. The Gypsum Board Manufacturer's Petition

#### II.A Parties in the Petition

##### II.A.1. Domestic Industry

Section 3 (s) 4 of RA 8752 defines "**domestic industry**" as referring to the "**domestic producers as a whole of the like product or to those of them whose collective output constitutes a major proportion of the total domestic production of that product, except when producers are related to the exporters or importers or are themselves importers of the allegedly dumped product, the term 'domestic industry' may be interpreted as referring to the rest of the producers.**"

Section 3 (b) paragraph 4 of RA 8752 further provides, "That application shall be considered to have been made "by or on behalf of the domestic industry if it is supported by those domestic producers whose collective output constitutes more than fifty percent (50%) of the total production of the like product produced by that portion of the domestic industry expressing either support for or opposition to the application. However, no investigation shall be initiated when domestic producers expressly supporting the application account for less than twenty-five percent (25%) of total production of the like product produced by the domestic industry".

The application was filed by Knauf Gypsum Philippines, Inc. which was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on 20 January 2016. The Company's immediate parent company is Knauf International GmbH (KIG), a company incorporated and domiciled in Germany. Majority of shares are held by the immediate parent Investments - und company (75%) and the remaining shares are held by Deutsche Entwicklungsgesellschaft GmbH (25%), <0.01% owned by others.

The Company is primarily engaged in the business of manufacturing, production, sub-contracting, export, import, purchase, sale and distribution of gypsum-based building materials, specifically plasterboards, such as lightweight performance standard core boards, fire resistant boards, moisture resistant boards, impact resistant boards, sound resistant boards, combination with the performance boards, among others.

The products they manufacture are: Shield 9 1220 2440, Standard Shield 12 1220 2440, Standard Shield 15 1220 2440, Span Shield 10 1220 2440, Fire Shield 13 1220 2440, Fire Shield 16 1220 2440, Moisture Shield 9 1220 2440, Moisture Shield 12 1220 2440, Multi Shield 13 1220 2440, Multi Shield 16 1220 2440, Dense Shield 13 1220 2440 and Dense Shield 16 1220 2440, the widths and lengths of the products are produced by request from the customers.

On 01 April 2021, the Knauf Group acquired the remaining 50% of USG Boral Joint Venture from the Boral Group, making the Knauf Group the 100% owner of the parent company of Boral Plasterboard Philippines Inc (now Knauf Trading Inc), USG Boral Building Products Sdn, Bhd. The principal activities of the company include manufacturing, processing, importation, distribution, trading at wholesale, and installation training of building and construction products.

### Industry Standing

Knauf Philippines, Inc. is the only manufacturer of gypsum board in the Philippines. Thus, it satisfies the domestic industry requirement.

Manufacturers	Plant	Domestic Production (MT) 9mm and 12mm			
		2019	2020	2021	2022
Petitioner	Calaca, Batangas	x x x	x x x	x x x	x x x
Other Manufacturers	None				

Source: Domestic Industry

## II.A.2. Exporters and Importers

The exporters and importers of gypsum board products during the period of the investigation are the following:

Exporters
Thai Gypsum Products PCL (Brand: Gyproc, Gypline)
Gypmam Tech Company Limited (Brand: GM, Eastberg)
The Siam Gypsum Industry Saraburi Co Ltd (Brand: Elephant on Board, USG Boral, Boral)

Source: Domestic Industry

Importers
Cebu Evergreen Industries Inc.
Cei Building Solutions Inc.
Deco Arts Marketing Inc.
Jea Steel Industries Inc.
Lexus Industrial Enterprise Corp.
Saint Gobain Philippines Co Ltd Inc Unit
Skydragon Construction Products Inc
Ultra Petronne Interior Supply Corp
Central Lumber Corporation
Boral Plasterboard Philippines, Inc

Source: Domestic Industry

## II.B. Allegations

Petitioner alleged that gypsum board is being imported from Thailand at dumped prices. There was a substantial margin of dumping of gypsum board from Thailand for the period January 2022 to May 2023 based on the domestic wholesale and export prices as gathered by the gypsum board industry. They claimed that dumped imports of gypsum board began causing injury in 2019 to 2022.

Petitioner further alleged that the key impact of dumping has been in the gypsum board industry's declining revenues resulting in lower profitability. With declining prices and declining profit margins, the gypsum industry reduced its sales to price-sensitive customers as it was unable to match the unsustainably low prices offered by importers.

## II.C Documents Received

Questionnaires were sent to importers and exporters that are considered interested parties to the case.

## II.C.1 Importer

Out of twenty-three (23) importers that DTI notified about the initiation of the investigation, five (5) responded to the notice.

### 1) **Budget Builders, Inc.**

On 21 December 2023, DTI received a letter from Budget Builders, Inc. informing the Bureau that their company was not engaged in the importation of gypsum board from Thailand or any other countries during the specified period of investigation.

### 2) **EHS Lens Philippines, Inc.**

On 28 December 2023, EHS Lens Philippines, Inc. sent an email to DTI stating that their company is engaged in manufacturing of ophthalmic lenses, glass mods, and spectacles. The company has not imported or used the subject product in manufacturing operation.

### 3) **Ure-shii Technologies, Inc.**

On 05 January 2024, DTI received a letter from Ure-shii Technologies, Inc. via email notifying the Bureau that the importation on record was the company's sole transaction made for their project which was already completed in December 2017. It was also reiterated that no other importation was recorded since 2017 to present, therefore, no relevant data can be provided to fulfill the importer's questionnaire.

### 4) **Saint-Gobain Philippines Co. Ltd.**

On 25 of January 2024, DTI received Saint Gobain Philippines Co Ltd Incs comments through email. They conclude that the complainant is not suffering any material injury, imports of Thai boards do not cause injury, injuries (if any) are caused by factors other than dumped imports, they say the complainant is not suffering any material injury, there is no evidence of price depression or price undercutting and that the complainant's production volumes and capacity utilization increased. Additionally, they also claim that certain niche boards should be excluded from the scope of the investigation such as perforated acoustic boards, high-density 'Habito' boards, and weather-resistant 'Glasroc X' and 'Glasroc H' boards because they have specific end uses and therefore cannot cause any injury to the complainant.

### 5) **Central Lumber Corporation**

On the 6<sup>th</sup> of February 2024, the response of Central Lumber Corporation was received through mail and delivered the complete documents to the Office. Central Lumber Corporation started in 1946. They argue that There is no dumping from there exporter Gypman Tech Co. LTD. There is no material injury or imminent threat thereof, there is no causal link between the alleged dumping and the alleged material injury or threat thereof to the Domestic industry. Furthermore, they claim Knauf dominating and monopolization of the market is in violation of the 1987 Philippine Constitution and the Philippine Competition Act (R.A 10667).

## II.C.2 Exporter

On 06 of December 2023, DTI delivered the Notice and documents relevant to the anti-dumping investigation to the Embassy of Thailand in the Philippines and requested assistance in disseminating the documents to the Thai gypsum board exporters. The DTI endorsed the letters to Thai exporters and to the Embassy of Thailand's Commercial Counselor. A total of three (3) exporters and two (2) Thai exporters responded to the Notice.

### 1) Thai Gypsum

On 25 January 2024, DTI received Thai Gypsums comments via email. They mention that, even if the complainant would suffer any injury, that injury is not caused by imports of Thai boards, but by imports from other countries, in particular Indonesia and Japan. They say that the complainant's sales volumes and values and market share increased significantly and that the Complainant is not suffering any material injury. They also mention that the impact of COVID-19 pandemic on demand for boards and on costs; and/or rising energy costs are also to blame. Thai Gypsum products remaining export sales are made up of a variety of niche Board types. No single such type accounts for more than 3% of export volume to the Philippines.

### 2) Gypman Tech Co. Ltd.

On 15 February 2024, DTI received the position paper of Gypman Tech Co. LTD through mail. Since the partnership with Central Lumber Corporation they exclusively supply and sell gypsum boards in the Philippines. They claim that the locally produced gypsum board have been increasing and that there is no causal link between the alleged dumping and the alleged material injury or threat thereof to the domestic industry. Regarding the product, Gypman mentioned a detailed explanation of the differences where those articles sold domestically are not identical to the articles exported to the Philippines. Furthermore, noted that while there was an increase in the liabilities of Knauf from 2021 to 2022, Knauf was sufficiently compensated by the increase in assets.

## II.C.3 Foreign Embassy

### a) Royal Thai Embassy - Department of Foreign Trade (DFT) of the Ministry of Commerce of the Kingdom of Thailand

The Royal Thai Embassy transmitted the position of the Kingdom of Thailand's Ministry of Commerce, specifically Department of Foreign Trade (DFT) to the DTI on 26 December 2023. The DFT stated that the Thai imports did not cause, and could not have caused, any injury to the Philippine domestic industry.

## II.D. Country of Origin

Thailand is the country of origin/export of the products subject of the petition.

### III. Role of the DTI under RA 8752 (Anti-Dumping Law)

#### III.A. Examination of Evidence to Justify Initiation of Preliminary Investigation

In establishing the sufficiency of evidence to justify the initiation of the investigation, the Secretary referred to the provisions of Section 3 (b) paragraph 7 of RA 8752 and its Implementing Rules and Regulations which provides, **“within five (5) working days from receipt of a properly documented application, the Secretary shall examine the accuracy and adequacy of the petition to determine whether there is sufficient evidence to justify the initiation of investigation. If there is no sufficient evidence to justify initiation, the Secretary shall dismiss the petition and properly notify the Secretary of Finance, the Commissioner of Customs, and other parties concerned regarding such dismissal. The Secretary shall extend legal, technical, and other assistance to the concerned domestic producers and their organizations at all stages of the anti-dumping action.”**

#### III.B. Preliminary Determination in the Context of the Anti-Dumping Law

In making a preliminary determination, Section 3(f) of RA 8752 and Section 7 (a) and (b) of its IRR provides, **“not later than thirty (30) working days from receipt of the answer of the respondent importer, exporter, foreign producer, exporting member-country and other interested parties, the Secretary shall, on the basis of the application of the aggrieved party and the answer of the respondent/s and their respective supporting documents or information, make a preliminary determination of the application for the imposition of an anti-dumping duty.**

In the preliminary determination, the Secretary shall determine the following:

- (1) Price difference between the export price and the normal value of the article in question in the country of export or origin;
- (2) The presence and extent of material injury or threat of injury to the domestic industry producing like product or the material retardation of the establishment of a domestic industry; and
- (3) The causal relationship between the allegedly dumped product, commodity or article and the material injury or threat of material injury to the affected domestic industry or material retardation of the domestic industry.”

Section 7 (c) of the Implementing Rules and Regulations of RA 8752 provides, **“the preliminary findings of the Secretary, if affirmative, together with the records of the case, shall be transmitted to the Tariff Commission for its immediate formal investigation within three (3) days from adopting the decision. However, if the preliminary findings of the Secretary are negative, the case shall be dismissed.”**

#### IV. THE PROCESS OF INITIATION OF INVESTIGATION

##### IV. A. Acceptance of the Petition and Decision for Preliminary Investigation

In accepting the petition of the Philippine gypsum manufacturers, the Secretary was guided by Section 3(d) of the IRR of RA 8752 which provides, **“the Secretary shall, within five (5) working days from the date of his letter accepting the properly documented application referred to in Section 3.c.4, examine the accuracy and adequacy of the petition to determine whether there is sufficient evidence to justify the initiation of an investigation. The evidence of both dumping and injury shall be considered simultaneously (a) in the decision whether or not to initiate an investigation, and (b) thereafter, during the course of the investigation, starting at the earliest date when provisional measures may be applied.**

In assessing the sufficiency of evidence provided in the application, the Secretary will only satisfy himself that there is evidence that indicates dumping or the likelihood of dumping, and material injury based on the evidences submitted by the applicant.

If there is no sufficient evidence to justify the initiation of an investigation, the Secretary shall dismiss the petition and notify the Secretary of Finance, the Commissioner of Customs and other parties concerned regarding such dismissal”.

##### IV.B. Preliminary Investigation Proper - Notice to parties and due process

Notice on the initiation of the preliminary investigation were published in the Manila Standard and Business Mirror on 01 December 2023 pursuant to Section 6 (a) of the IRR which states that **“within four (4) days after he makes the decision to initiate a preliminary investigation, the Secretary shall cause the publication of the notice of initiation of preliminary investigation in two (2) newspapers of general circulation. The date of publication shall be considered as day one (1) of the initiation of the investigation.**

The public notice of the initiation of an investigation shall contain, unless otherwise made available through a separate report, adequate information on the following matters:

- i. The nature of the allegedly dumped product;
- ii. The country concerned;
- iii. A summary of the particulars of the injury and basis of the allegedly dumping in the application;
- iv. The time period for the submission of evidences or views to the Secretary;
- v. The date of the initiation of the investigation; and
- vi. The address to which representations by interested parties shall be directed.”

#### IV.C. Submission of Evidence and Position Papers

Section 3 (e) of RA 8752 states that **"Within two (2) days from initiation of the investigation and after having notified the exporting country, the Secretary shall identify all interested parties, i.e. protestee-importer, exporter and/or foreign producer, notify and require them to submit within thirty (30) days from receipt of such notice, evidences and information or reply to the questionnaire to dispute the allegations contained in the application. At this point, the respondent is given the opportunity to present evidences to prove that he is not involved in dumping. He shall furnish them with a copy of the application and its annexes subject to the requirement to protect confidential information. The notice shall be deemed to have been received five (5) days from the date on which it was sent to the respondent or transmitted to the appropriate diplomatic representative of the exporting member, or an official representative of the exporting territory. If the respondent fails to submit his answer, he shall be declared in default, in which case, the Secretary shall make such preliminary determination of the case on the basis of the information available, among others, the facts alleged in the petition and the supporting information and documents supplied by the petitioner."**

Section 6 (b) of the IRR of RA 8752 further provides, **"within two (2) days from the initiation of the investigation and after having notified the country of export or origin, the Secretary shall:**

- i. Identify all known interested parties i.e. importer, foreign exporter and/or producer, and notify them of the initiation of the investigation;**
- ii. Furnish them with a copy of the initiation report, petitioner's application, and its annexes, subject to the requirement to protect confidential information; and**
- iii. Provide them with a pro-forma respondent's questionnaire."**

The respondent is required to submit within thirty (30) days from receipt of such notice the completed pro-forma respondent's questionnaire and other evidence and information to dispute the allegations contained in the application.

Section 6 (d) of the IRR also states that **"The Secretary and the Commission shall provide opportunities for industrial users of the allegedly dumped product, and for representative consumer organizations in cases where such product is commonly sold at the retail level, to provide information which is relevant to the investigation"**.

#### IV.D. Appreciation of Available Evidence

Section 6 (e) of the IRR of RA 8752 provides, **"The pro-forma respondent's questionnaire shall be used by both the Secretary and the Commission in their respective inquiries. Whenever any interested party fails to respond adequately to such questionnaire, is unable to produce information requested, refuses access to or otherwise does not provide any other information within the period allowed for the investigation, or otherwise significantly impedes the investigation, the preliminary or final determination of the conditions required in an anti-dumping investigation shall proceed on the basis of facts available. Even though**



the information provided by any interested party may not be complete in all respects, this shall not be disregarded provided the interested party is deemed to have acted to the best of his ability”.

Section 6 (f) of the IRR of RA 8752 provides, “if any evidence or information is not accepted by the Secretary, the supplying party shall be informed forthwith of the reason/s therefore, and shall be given an opportunity to provide further explanations: Provided, that this will not impede the investigation considering the period required for the Secretary to make a preliminary determination. If the explanations are not satisfactory, the reasons for the rejection of such evidence or information shall be given in the report containing the preliminary determination.”

#### IV.E. Termination of Investigation

Section 3 (g) of RA 8752 and Section 9 of its IRR provides, “the Secretary or the Commission, as the case may be, shall *motu proprio* terminate the investigation at any stage of the proceedings if the provisionally estimated margin of dumping is less than two percent (2%) of the export price or the volume of the dumped imports or injury is negligible. The volume of dumped imports from a particular country shall normally be regarded as negligible if it accounts for less than three percent (3%) of the imports of the like article in the Philippines unless countries which individually account for less than three percent (3%) of the imports of the like article in the Philippines collectively account for more than seven percent (7%) of the total imports of that article”.

### V. ANTI-DUMPING DUTY: PARAMETERS FOR EVALUATION

#### V.A. The Concept and Purpose of Anti-Dumping

Section 2 of RA 8752 provides, “it is hereby declared the policy of the State to protect domestic enterprises against unfair foreign competition and trade practices. Towards this end, substantive and procedural remedies available to domestic enterprises shall be strengthened and made responsive to recent developments in world trade.”

#### V.B. The Elements Required by Law

Section 3 (a) of RA 8752 provides, “whenever any product, commodity or article of commerce imported into the Philippines at an export price less than its normal value in the ordinary course of trade for the like product, commodity or article destined for consumption in the exporting country is causing or is threatening to cause material injury to a domestic industry, or materially retarding the establishment of a domestic industry producing the like product, the Secretary of Trade and Industry, in the case of non-agricultural product, commodity or article, or the Secretary of Agriculture, in the case of agricultural product, commodity or article (both of whom are hereinafter referred to as the Secretary, as the case may be), after formal investigation and affirmative finding of the Tariff Commission (hereinafter referred to as the Commission), shall cause the imposition of an anti-

dumping duty equal to the margin of dumping on such product, commodity or article and on like product, commodity or article thereafter imported to the Philippines under similar circumstances, in addition to ordinary duties, taxes and charges imposed by law on the imported product, commodity or article. However, the anti-dumping duty may be less than the margin if such lesser duty will be adequate to remove injury to the domestic industry. Even when all the requirements for the imposition have been fulfilled, the decision on whether or not to impose a definitive anti-dumping duty remains the prerogative of the Commission. It may consider, among others, the effect of imposing an anti-dumping duty on the welfare of consumers and/or the general public, and other related local industries.”

## VI. THE EVIDENCE PRESENTED BY THE INDUSTRY

### VI.A. The Product Subject to the Petition

As defined under Section 3 (s) 6 of R 8752, like product refers to “a product which is identical or alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration”.

#### VI.A.1. Domestic Product

##### a. Gypsum Board

The Applicant, Knauf Gypsum Philippines, Inc., produces a Gypsum Board which consists of a core of hardened extruded gypsum enclosed in a reinforcing layer of paper linerboard. The product is under both 6809.11.00 and 6809.19.90.

The board can be supplied in a range of thicknesses (normally from 6mm to 25mm), and any widths (normally from 600mm to 1400mm), and lengths (normally from 1800mm to 6000mm). It can also be supplied pre sawn into tile and panels into any sizes. The weight of the product is dependent on the thickness and core type, the standard core at 9mm thick is approximately 5.37kg/m<sup>2</sup> and for 12mm thick is approximately 7.89kg/m<sup>2</sup>. The following table shows examples of the specific products sold in the Philippine market by the Applicant.

Core Type	Thickness	Width	Length	Edge Type
Standard Shield	9mm, 12mm, 15mm	1220mm	2440mm	-Tapered -Square
Span Resistant (Span Shield)	10mm	1220mm	2440mm	-Tapered -Square
Fire Resistant (Fire Shield)	12mm, 13mm, 15mm, 16mm	1220mm	2440mm	-Tapered -Square
Moisture Resistant (Moisture Shield)	9mm, 12mm	1220mm	2440mm	-Tapered -Square
Fire & Moisture Resistant (Multi Shield)	12mm, 13mm, 15mm, 16mm	1220mm	2440mm	-Tapered -Square
Dense (Dense Shield)	12mm, 13mm, 15mm, 16mm	1220mm	2440mm	-Tapered -Square

Source: Domestic Industry

The specific product under protest sold in the Philippine market by the Applicant, described as:

Core Type	Thickness	Width	Length	Edge Type
Standard Shield	9mm and 12mm	1220mm	2440mm	-Tapered -Square

Source: Domestic Industry

**b. Uses and Applications - Standard Shield**

- Used for internal walls and ceilings
- Naturally heat and fire resistant
- Environmentally friendly
- Non-Hazardous

**c. Composition of Raw Materials**

The appearance of the product is paper surfaced, with the gypsum core being visible at the cut ends of the board. The chemical composition of the core is xxx (Gypsum), with minor amounts of other additives present.

The board can also be supplied in a number of core compositions for enhanced resistance to certain properties. Whilst these core compositions may contain additional reinforcing (e.g. fiberglass), they are primarily gypsum, and the fundamental reinforce gypsum board is the paper liner. The edges of the board are generally formed square, or with a recessed edge to allow flush jointing of two boards together, although other edge types are also possible. Typically, the major raw materials are liner paper, gypsum, energy and additives

**d. Manufacturing Process**

xxx

**e. Distribution Channels**

The applicant solely sells through independent distributors. These independent distributors then on-sell to retailers, builders and contractors. Retailers sell to builders, developers and contractors. The contractors and builders/developer's co-ordinate the labor for the installation of the product.

xxx

VI.A.2. Imported Product

The allegedly dumped imported gypsum board from Thailand are classified under the following AHTN codes:

Tariff Heading Map AHTN Code / Description		Applicable Tariff Rate (%)	
		MFN	ATIGA
68.09  Articles of Plaster or of compositions based on plaster  Boards, sheets, panels, tiles and similar articles, not ornamented:	6809.19.90 --- Other	5	0
	6809.11.00 --Faced or reinforced with paper or paperboard only	5	0

Source: Classification based on The Philippine Tariff Finder (PTF) of the Tariff Commission. Retrieved from <http://tariffcommission.gov.ph/finder>

AHTN ASEAN Harmonized Tariff Nomenclature  
MFN Most Favoured Nation

a) Thai Gypsum Products

Product exported by TGP to the Philippines	Product code exported product	Description	Comparable product sold by TGP in Thailand	Product code local product	If products/models are not identical, explanation of the differences
Gyproc Regular RE 9x1220x2440	100010020900004	Thickness: 9mm WxL = 1220mm x 2440mm Weight = 15.48 Core type = Gypsum	Gyproc Regular RE 9x1200x2400	100010020000005	Local product is 20mm narrower and 40mm shorter Local product weight = 14.98kg
GypLine Regular RE 9x1220x2440	100010020900014	Thickness: 9mm WxL = 1220mm x 2440mm Weight = 14.88 Core type = Gypsum	GypLine Regular RE 9x1200x2400	100010020900018	Local product is 20mm narrower and 40mm shorter Local product weight = 14.98kg
Gyproc Regular RE 12x1220x2440	100010021220001	Thickness: 12mm WxL = 1220mm x 2440mm Weight = 23.22 Core type = Gypsum	Gyproc Regular RE 12x1200x2400	100010020000044	Local product is 20mm narrower and 40mm shorter Local product weight = 22.46kg
GypLine Regular RE 12x1220x2440	100010021220005	Thickness: 12mm WxL = 1220mm x 2440mm Weight = 20.25 Core type = Gypsum	None	N/A	N/A

b) Gypman Tech Co. Ltd.

Product and Size Description
Board Standard Pro 9mm x 1220mm x 2440mm Taper Edge
Board Standard Pro 12mm x 1220mm x 2440mm Taper Edge
Board Echo Shield 12mm x 1220mm x 2440mm Taper Edge CR1 (ES-CP1)
Board Echo Shield 9mm x 610mm x 1220mm Taper Edge CR8 (ES-CP8)

**VI.A.3. Comparison between Imported and Domestic Product**

As defined under Section 3 (s) of RA 8752, like product refers to **"a product which is identical or alike in all respects to the product under consideration, or in the absence of such a product, another product which, although not alike in all respects, has characteristics closely resembling those of the product under consideration"**.

It is necessary to compare the imported gypsum board and the domestic product to determine if they are like products. This is important in establishing whether the petitioners can rightly claim relief or protection against the allegedly dumped imported product.

The WTO Anti-Dumping Agreement does not provide any guidance apart from the definition in Article 2.6 (Section 3(s) of RA 8752) with respect to which specific characteristics should be considered when assessing likeness between the subject product and the domestic product.

It is a common practice for investigating authorities to establish criteria which are applied on a case-to-case basis as guidance in considering whether one product has characteristics closely resembling those of another product. These may include physical characteristics (size, materials, chemical composition, etc.), degree of commercial interchangeability, method of manufacture, functions of the product, industry specification and end-use, pricing, distribution and marketing and tariff classification, among others.

From the foregoing gypsum board from Thailand and the domestically produced goods are considered to be like products based on information provided by the petitioner and the declarations found in import entry documents reflecting the AHTN Codes and descriptions of the subject products. These documents show that the subject products and those that are domestically produced are identical, alike in all respects and are therefore like products within the purview of Section 3(s) of RA 8752 and its IRR.

Further, the responses submitted by exporters show that subject imported gypsum board have the same tariff classification, physical characteristics, use and application, same manufacturing process, among others as domestically produced gypsum board.

Therefore, the subject products and domestically produced gypsum board are like products as defined under section 3 (s) of RA 8752 and its IRR.

## VI.B. Period of Investigation

The period of investigation (POI) for dumping is from January 2022 to May 2023, while the POI for injury is from 2019 to 2022 and updated to September 2023.

## VI.C. Determination of Dumping Margins

Section 11 (a) of the IRR of RA8752 provides, **“the Secretary and the Commission shall determine the existence of dumping by making a fair comparison between the export price and the normal value of the allegedly dumped product, covering all transactions for the allegedly dumped product during the period of investigation (POI).”**

Section 11 b further provides, **“the comparison shall be made at the same level of trade, normally at ex-factory level, and in respect of sales made at the same time or as near as possible to the date of exportation. Due allowance shall be made in each case for differences which affect price comparability including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics and any other differences which are also demonstrated to affect price comparability.”**

### VI.C.1. Normal Value

Section 3 (s) 3 of RA 8752 provides, **“Normal value refers to a comparable price at the date of sale of the like product, commodity or article in the ordinary course of trade when destined for consumption in the country of export.”**

Section 3 (n) of RA 8752 further provides, **“if the normal value of an article cannot be determined, the provisions for choosing alternative normal value under Article VI of GATT 1994 shall apply”.**

During the initiation of investigation, DTI used the normal value or the domestic prices of gypsum board from Thailand gathered by the Philippine Trade and Investment Center-Thailand through online research from the Thailand Ministry of Commerce, Division of Trade and Economic Indices. The reference exchange rate was sourced from an online research<sup>1</sup>. The normal value from Thailand per sheet was converted into US dollar per kilogram using the estimated conversion rate provided by KGPI.

The following conversion of Gypsum Board sheet to kilogram are as follows: 9mm – 15.99 kg/ sheet and for 12mm – 23.49kg/ sheet.

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<sup>1</sup> Baht/US\$ exchange rate: <https://www.bot.or.th/en/statistics/exchange-rate.htm>

The table below shows the conversion of the normal value of gypsum board in Thailand from Baht per sheet to US\$ per kilogram (kg).

Table 1: Conversion of Normal Value of Gypsum Board (Baht/sheet to US\$/kg)

Gypsum Board	Unit	Average Value (Baht)	US\$ per sheet	US\$ per kg
Standard gypsum board size 120 x 240 cm. thickness 9 mm. roc	sheet	CONFIDENTIAL		
size 120 x 240 cm. thickness 12 mm. gypsy	sheet			

During the preliminary determination stage, DTI provided the respondents, exporters and importers, the opportunity to comment on the aforementioned normal values. Two (2) exporters provided information on their domestic prices of gypsum board from Thailand which used as basis in the calculation of normal value. The DTI determined whether there are sales to related parties or sales made at prices below cost. Sales below cost were excluded in the calculation of the normal value. Prices provided by the gypsum board manufacturers from Thailand were used as basis in the calculation of normal value.

With the provision of domestic selling prices in unit price per piece in Thai Baht, DTI arrived at a weighted average domestic selling price in US dollar by tabulating all the individual transactions during the POI (January 2022 to May 2023). DTI used the following conversion of Gypsum Board sheet to kilogram are as follows: 9mm – 15.99kg/sheet and for 12mm – 23.49kg/sheet. DTI converted the said prices in US dollar using as reference exchange rate sourced from an online research.

Table below showed the normal value of gypsum board based on submitted data.

Gypsum Board	US\$ per kg
Gyproc size 120 x 240 cm. thickness 9 mm.	CONFIDENTIAL
Gypline size 120 x 240 cm. thickness 9 mm.	
Gyproc size 120 x 240 cm. thickness 12 mm.	
Gypline size 120 x 240 cm. thickness 12 mm.	

Source: submitted information by the participating exporters

The DTI measured the reliability of the data submitted by the respondents in consideration of the following:

- a) if the prices submitted by the respondents are either retail or wholesale prices;
- b) comparability of normal value to export price; and
- c) adjustments made to normal value and export price.

A fair comparison between the normal value and the export price must be made at the same level of trade, and in respect of sales made at as nearly as possible the same time.

DTI considered the submitted normal value provided by the participating exporters/manufacturers.

The Tariff Commission may gather complete normal value documents from all identified Thai exporters to further verify their domestic selling price of gypsum board in Thailand during the formal investigation.

#### VI.C.2. Export Price

Section 3 (s) 2 of RA 8752 states that **“Export price refers to (1) the ex-factory price at the point of sale for export; or (2) the F.O.B. price at the point of shipment. In cases where (1) or (2) cannot be used, then the export price may be constructed based on such reasonable basis as the Secretary or the Commission may determine.”**

DTI used the electronic Single Administrative Document-Import Entry and Internal Revenue Document (SAD-IEIRD) generated through the database of the Philippine Bureau of Customs as the basis in the computation of export price during the initiation stage.

In the preliminary determination, the participating exporters/manufacturers provided data on their export prices for gypsum board sold in the Philippines for the POI. DTI evaluated the submission of the exporters. Further, DTI determined the export prices reflected in the BOC-SAD. Based on the shipments from BOC, the buyers and sellers agreed on payment terms or incoterms such as FOB, CIF and CFR.

The DTI determined whether there are sales to related parties and found that all export sales were made to unaffiliated Philippine importers. Export prices indicated in the submission include FOB and CIF. DTI considered the export prices provided by the Thai exporter and the data from the Bureau of Customs – Import Entry Declarations covering all of the shipments of gypsum board from Thailand during the POI as it reflects the actual import data. In the determination of weighted average export price, DTI adopted the actual export prices provided by the exporter and the BOC-SAD converted in USD/kg.

The Tariff Commission may gather complete export sales documents from all identified Thai exporters to further verify the export prices of gypsum board imported from Thailand during the formal investigation.



### VI.C.3. Comparison between Export Price and Normal Value

Section 3 (n) paragraph 2 of RA 8752 states that **"If possible, an individual margin of dumping shall be determined for each known exporter or producer of the article under investigation. In cases where the number of exporters, producers, importers or types of products involved is so large as to make such determination impracticable, the Secretary and the Commission may limit their examination either to a reasonable number of interested parties or products by using samples which are statistically valid on the basis of information available to them at the time of the selection, or to the largest percentage of volume of exports from the country in question which can reasonably be investigated."**

Section 11 (a) of the IRRs of RA 8752 provides, **"Secretary and the Commission shall determine the existence of dumping by making a fair comparison between the export price and the normal value of the allegedly dumped product x x x"** and Section 11 (b) of its IRRs of RA 8752 provides, **"the comparison shall be made at the same level of trade, normally at the ex-factory level, and in respect of sales made at the same time or as near as possible to the date of exportation. Due allowance shall be made in each case for differences which affect price comparability including differences in conditions and terms of sale, taxation, levels of trade, quantities, physical characteristics and any other differences which are also demonstrated to affect price comparability."**

For comparability, the normal value in Thai Baht was converted into US\$/kg. The exchange rate was sourced from the submitted information by the exporters.

Using the normal value provided by the cooperating exporter and the export prices appearing in the available BOC-SAD covering the POI, the computed dumping margins for gypsum board of 9mm, ranging from x x x to x x x or 5.45% to 34.72%, of the export price were recorded. For 12mm gypsum board, the computed dumping margins ranging from x x x to x x x or 4.65% to 33.81%, of the export price were recorded. Margins of dumping are above the *de minimis* requirement of 2% of export price.

### VI.D. Determination of the Volume of Dumped Imports

Section 3 (g) of RA 8752 and Section 9(b) of its IRR further provides, **"the volume of the allegedly dumped products from a particular country shall normally be regarded as negligible if it accounts for less than three percent (3%) of the total imports of said product in the Philippines unless countries which individually account for less than three percent (3%) of the total imports of the said product in the Philippines collectively account for more than seven percent (7%) of the total imports of that product."**

Table 3: Volume of Allegedly Dumped Imports of Gypsum Board from Thailand Relative to Philippine Imports

Sources	2021	2022	2023 (Jan-May)
	Volume in MT	Volume in MT	Volume in MT
Allegedly Dumped Imports from Thailand	42,301	25,590	16,299
Non-Dumped Imports from Thailand	1,331	7,757	144
Imports from Thailand	43,632	33,347	16,443
Imports from Other Sources	8,284	12,955	7,403
Total Philippine Imports	51,916	46,302	23,846
<b>Allegedly Dumped Imports from Thailand as % of Total Philippine Imports</b>	<b>81.48%</b>	<b>55.27%</b>	<b>68.35%</b>

Source: BOC-SAD

Table above exhibited the dumped imports from Thailand against the total Philippine imports at 81% in 2021, 55% in 2022 and 68% in Jan-May 2023.

The volume of alleged dumped gypsum board product satisfies the *de minimis* volume requirement of three percent (3%).

#### VI.E. Evidence of Injury

Section 3 (i) paragraphs 1 and 2 of RA 8752 provides, "the presence and extent of material injury to the domestic industry, as a result of the dumped imports shall be determined on the basis of positive evidence and shall require an objective examination of, but shall not be limited to the following:

1. The rate of increase and amount of imports, either in absolute terms or relative to production or consumption in the domestic market;
2. The effect of dumped imports on the price in the domestic market for like product, commodity or article, that is, whether there has been a significant price undercutting by the dumped imports as compared with the price of the like product, commodity or article in the domestic market, or whether the effect of such imports is otherwise to depress prices to a significant degree or prevent price increases, which otherwise would have occurred, to a significant degree; and
3. The effect of the dumped imports on the domestic producers or the resulting retardation of the establishment of a domestic industry manufacturing like product, commodity or article, including an evaluation of all relevant economic

factors and indices having a bearing on the state of the domestic industry concerned, such as but not limited to, actual or potential decline in output, sales, market share, profits, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; the magnitude of dumping; actual and potential negative effects on cash flow, inventories, employment, wages, growth, and ability to raise capital or investments.

The extent of injury of the dumped imports to the domestic industry shall be determined by the Secretary and the Commission upon examination of all relevant evidence. Any known factors other than the dumped imports which at the same time are injuring the domestic industry shall also be examined and the injuries caused by these factors must not be attributed to the dumped imports. The relevant evidence may include, but shall not be limited to, the following:

1. The volume and value of imports not sold at dumping prices;
2. Contraction in demand or changes in consumption pattern;
3. Trade restrictive practices and competition between foreign and domestic producers;
4. Developments in technology; and
5. Export performance and productivity of the domestic industry".

#### VI.E.1. PRICE EFFECTS

Section 12 a (2) of the IRR of RA 8752 provides for an examination of **"the effect of the importation of the dumped products on the prices in the domestic market for the like product, that is, whether there has been a significant price undercutting by the dumped products as compared with the price of the like product in the domestic market, or whether the effect of such dumped products is otherwise to depress prices to a significant degree or to prevent price increases which otherwise would have occurred to a significant degree. Price depression shall refer to the extent by which the domestic producer reduced its selling price in order to compete with the dumped product, while price suppression shall refer to the extent by which the dumped product prevented the domestic producer from increasing its selling price to a level that will allow recovery of its cost of production."**

**VI.E.1.a. Price Undercutting**

Price undercutting as defined in Section 2 (v) of the IRR of RA 8752 refers to the "extent at which the allegedly dumped product is consistently sold at a price below the domestic selling price of the like product". To establish the existence and extent of any price undercutting, the importer's (ex-warehouse) selling price of the imported product is compared with the price of the domestic product, usually at the ex-factory level.

Table 3: Comparison between Landed Cost of Imports and Average Ex-work Price of Domestic Product in 2022 and 2023 (Jan-Sept)

Year/ Thickness	* Ex-work Price of Domestic Industry (P/MT)	**Wtd. Average Landed Cost of Imports from Thailand (PhP/MT)	% DIFFERENCE
<b>2022</b>			
9 mm	xxx	xxx	9.25
12 mm	xxx	xxx	12.37
<b>2023 (Jan-Sept)</b>			
9 mm	xxx	xxx	11.51
12 mm	xxx	xxx	11.20

Source: \* Domestic Industry  
\*\*BOC – SAD

Price undercutting for gypsum board was recorded at 9.25% in 2022 and 11.51% in 2023 (Jan-Sept) for thickness 9 mm while for thickness 12 mm at 12.37% in 2022 and 11.20% in 2023 (Jan-Sept).

**VI.E.1.b. Price Depression**

Price depression usually occurs when prices are lower than those in a market unaffected by dumping, usually in a previous period. As provided in Section 2(t) of the IRR of RA 8752, "price depression reflects the extent at which the domestic producer decreases its selling price in order to compete with the allegedly dumped product".

Table 4: Average Ex-work Price of Domestic Industry (P /MT)

Year	Ave. Ex-work Price of Domestic Industry (P /MT)*	% INCREASE/ (DECREASE)	Ave. Ex-work Price of Domestic Industry (P /MT)*	% INCREASE/ (DECREASE)
	9 mm	9 mm	12 mm	12 mm
2019	100	-	100	
2020	100	-	100	
2021	106	6.19	105	4.76
2022	128	20.67	130	24.14
2023(Jan-Sept)	135	5.67	142	9.00

Source: Domestic Industry  
\*Figures indexed due to confidentiality

No price depression was recorded during the POI.

### VI.E.1.c. Price Suppression

Price suppression as defined in Section 2(u) of RA 8752 refers to "the extent by which the allegedly dumped product prevents the domestic producer from increasing its selling price to a level that will allow full recovery of its cost of production". It usually occurs when the company despite increases in cost (which normally should be translated into price increases) could not increase its prices to a level that will allow full recovery of its cost of production.

Table 5: Comparison between Average Ex-work Price and Cost of Production (P/MT) of Domestic Product

Year	Average Ex-work Price (P/MT)*		Cost of Production (P/MT)*		Difference (P/MT)*		% Difference [(a-b)/b] x 100	
	9mm	12mm	9mm	12mm	9mm	12mm	9mm	12mm
2019	100	100	100	100	(100)	(100)	(7.47)	(18.01)
2020	100	100	126	133	(445)	(281)	(26.43)	(38.17)
2021	106	105	115	123	(222)	(204)	(14.47)	(29.97)
2022	128	130	53	85	871	122	122	26
2023(Jan-Sept)	135	142	51	80	997	199	147	45

Source: Domestic Industry

\*Figures indexed due to confidentiality

Price suppression was recorded from 2019 to 2021. However, no price suppression was observed in 2022 and 2023.

### VI.E.2. Volume Effect

Article 3.2 of the Anti-Dumping Agreement and paragraph (i) subparagraph 1 of RA 8752, provides that "investigating authorities shall consider whether there has been a significant increase in dumped imports, either in absolute terms or consumption in the importing member."

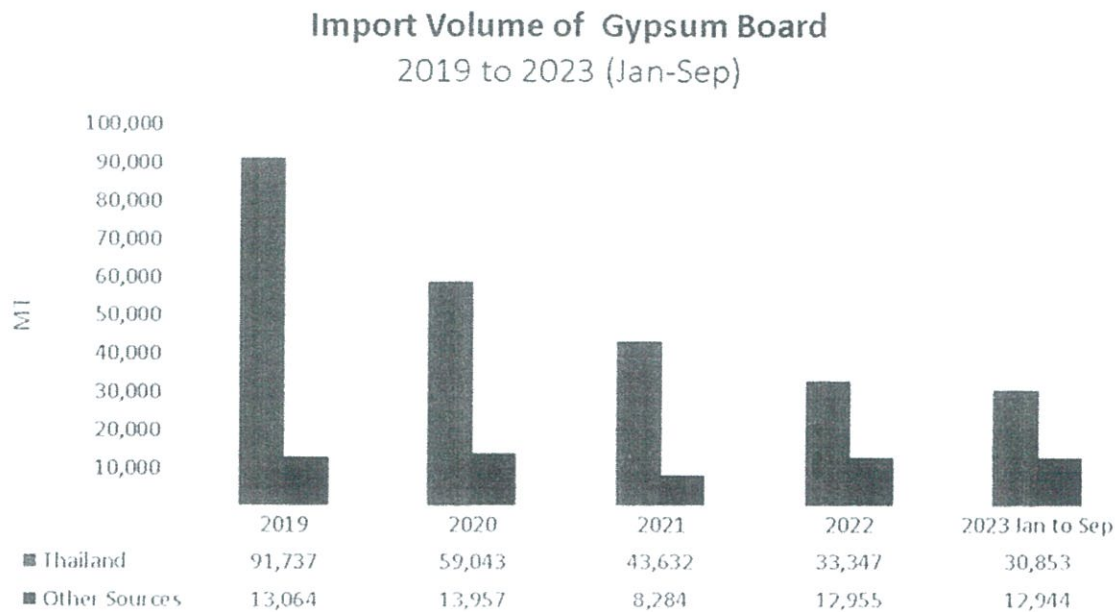
Table 6: Thailand Exports of Gypsum Board: 2019 to 2023 in MT

Rank	Country Destination	2019	2020	2021	2022	2023	Total 2019-2023	% Share
1	Cambodia	116,550	118,099	113,043	102,683	85,634	536,009	22.62%
2	Philippines	93,036	59,132	69,839	33,464	33,997	295,468	12.47%
3	Malaysia	52,834	40,359	42,848	51,904	89,021	276,966	11.69%
4	Singapore	34,672	29,853	43,436	49,649	67,342	224,952	9.49%
5	Viet Nam	73,022	43,348	19,020	59,430	20,232	215,052	9.07%
<b>Top 5 markets of Thailand</b>		<b>370,115</b>	<b>290,792</b>	<b>288,185</b>	<b>297,130</b>	<b>302,227</b>	<b>1,548,448</b>	<b>65.34%</b>
<b>Rest of the World (ROW)</b>		<b>240,417</b>	<b>156,383</b>	<b>147,597</b>	<b>148,473</b>	<b>128,582</b>	<b>821,453</b>	<b>34.66%</b>
<b>Grand Total</b>		<b>610,531</b>	<b>447,176</b>	<b>435,783</b>	<b>445,603</b>	<b>430,808</b>	<b>2,369,901</b>	<b>100.00%</b>

Source: Trademap, Tariff Codes : 68091990 & 68091100

Compared to other countries, the Philippines has become an attractive destination of Thailand exports of gypsum board ranking second to Cambodia.

**VI.E.2.1. Absolute Terms (2019 to September 2023) in MT**



**Table 7: Philippine Imports of Gypsum Board from 2019 to 2023 (Jan– Sep) in MT**

Particulars	2019	2020	2021	2022	2022 (Jan- Sep)	2023 (Jan-Sep)
Thailand	91,737	59,043	43,632	33,347	24,507	30,853
Other Sources	13,064	13,957	8,284	12,955	9,459	12,944
<b>Total Philippine Imports</b>	<b>104,802</b>	<b>73,000</b>	<b>51,916</b>	<b>46,302</b>	<b>33,966</b>	<b>43,797</b>
<i>Change In:</i>						
Thailand	-	(36%)	(26%)	(24%)	-	26%
Other Sources	-	(7%)	(41%)	56%	-	37%
Philippine Imports	-	(30%)	(29%)	(11%)	-	29%
<i>Imports from Thailand as % of:</i>						
Other Sources	702%	423%	527%	257%	259%	238%
<b>Total Imports</b>	<b>88%</b>	<b>81%</b>	<b>84%</b>	<b>72%</b>	<b>72%</b>	<b>70%</b>

Source: Import Volume - Bureau of Customs - Single Administrative Document (BOC-SAD)

Imports from Thailand totaled 92,000 MT in 2019 and showed a declining trend from 2020 to 2022 which can be attributed to the COVID-19 pandemic.

In 2023 (Jan – Sep), Thailand imports increased by 26% from the same period of 2022.

## VI.E.2.2. In Relation to Philippine Market - 2019 to 2023 (Jan-Sep) in MT

Table 8: Imports of Gypsum Board vis a vis Industry Sales and Philippine Market 2019 to 2023 (January – September) in MT

Particulars	Year					
	2019	2020	2021	2022	2022 (Jan - Sep)	2023 (Jan - Sep)
Total Imports	104,802	73,000	51,916	46,302	33,966	43,797
Imports from Thailand	91,737	59,043	43,632	33,347	24,507	30,853
Imports from Other Sources	13,064	13,957	8,284	12,955	9,459	12,944
Domestic Industry Sales*	100	51	84	214	147	137
Total Philippine Market*	100	64	60	94	66	70
<b>% Share in the Philippine Market</b>						
Domestic Industry	xxx	xxx	xxx	xxx	xxx	xxx
Total Imports	xxx	xxx	xxx	xxx	xxx	xxx
Imports from Thailand	xxx	xxx	xxx	xxx	xxx	xxx
Imports from Other Sources	xxx	xxx	xxx	xxx	xxx	xxx

Imports from other Sources: PROC, Republic of Korea, Japan, Chinese Taipei, Malaysia, Indonesia, Hong Kong, Viet Nam, Spain, and Portugal

Source: Import Volume - BOC-SAD

Domestic Sales - Domestic Industry

\*Figures indexed due to confidentiality

The Philippine apparent consumption during the POI showed an erratic trend. The Philippine market ranged from approximately x x x MT to x x x MT during the POI.

The market share of the domestic industry accounted for less than 40% of the Philippine market in 2019, declined to less than 25% in 2020, increased to less than 45% in 2021, and rose to less than 70% in 2022. From January to September 2023, the market share was at less than 60%.

On the other hand, the share of Thailand imports was steady in both 2020 and 2021. It declined in 2021 and dropped in 2022. From January to September 2023, Thailand's share of imports captured more than 30% of the Philippine market.

**VI.E.2.3. In Relation to Domestic Production**

Table 9: Domestic Production of Gypsum Board Relative to Imports from Thailand - 2019 to 2023 (January-September)

Source	Year (in MT)					
	2019	2020	2021	2022	2022 (Jan-Sep)	2023 (Jan-Sep)
Thailand	91,737	59,043	43,632	33,347	24,507	30,853
Domestic Production*	100	55	88	243	100	102
<b>Imports from Thailand as % of:</b>						
Domestic Production	xxx	xxx	xxx	xxx	xxx	xxx

Source: Import Volume - BOC-SAD

Domestic Production - Domestic Industry

\*Figures indexed due to confidentiality

Relative to total domestic production, import volumes of gypsum board were growing more rapidly from 2019 to 2020. The share of imports from Thailand relative to domestic production was recorded at more than 200% in 2019. This rose to more than 250% in 2020, then declined to more than 120% in 2021, and further dropped to less than 50% in 2022.

From Jan to Sep 2023, imports from Thailand accounted for more than 50% of domestic production, an increase from more than 40% during the same period in 2022.

**VI.E.3. Economic Impact**

Section 12 a (3) of the IRR of RA 8752 provides for an objective examination of "the effect of the importation of the dumped products on the domestic producers or the resulting retardation of the establishment of a domestic industry producing the like product, including an evaluation of all relevant economic factors and indices having a bearing on the state of the domestic industry concerned, such as, but not limited to, actual or potential decline in output, sales, market share, profits, productivity, return on investments, or utilization of capacity; factors affecting domestic prices; the magnitude of dumping; and actual and potential negative effects on cash flow, inventories, employment, wages, growth, and ability to raise capital or investments. This list is not exhaustive, nor can one or several of these factors necessarily give decisive guidance".

Section 12 (c) of the IRR of RA 8752 further provides, "the effect of the importation of the dumped products shall be assessed in relation to the domestic production of the like product by separate identification of that production based on such criteria as production processes, sales and profits. If such is not possible, the effect of the importation of the dumped products shall be assessed by the examination of the production of the narrowest group or range of products which includes the like product for which the necessary information is available."



VI.E.3.a. Domestic Sales

Table 10: Domestic Sales Volume and Value

Year	Sales Volume (MT)*	% Increase (Decrease)	Sales Value (Php Million)*	% Increase (Decrease)
2019	100	-	100	-
2020	51	(49.30)	56	(43.98)
2021	84	64.93	93	65.51
2022	214	155.48	288	210.84
2022 (Jan-Sept)*	100	-	100	-
2023 (Jan-Sept)	93	(6.85)	100	0.28

Source: Domestic Industry

\*Figures indexed due to confidentiality

Sales volume 2019 for gypsum board sizes (9mm and 12mm) and value declined by 49% and 44%, respectively in 2020. In 2021, sales volume and value increased by 65% and 66%, respectively. According to the domestic industry, sales volume has improved as the sourcing of plasterboard has gradually been localized starting 3<sup>rd</sup> quarter of 2021 with the acquisition of the Boral business. However, sales volume in 2021 was still lower by 16% compared to the 2019 level and sales value lower by 7%.

In 2022, sales volume and value more than doubled compared to the 2021 level of sales with the percentage increase higher in sales value due to the 20% increase in price. Comparing the first three quarters of 2022 and 2023, sales volume declined by 7% while sales value slightly increased by 0.28%.

VI.E.3.a. Market Share

Table 11: Philippine Market

SOURCES	2019	2020	2021	2022	2022 (Jan to Sep)	2023 (Jan to Sep)
Total Imports	104,802	73,000	51,916	46,302	33,966	43,797
<i>Imports from Thailand</i>	91,737	59,043	43,632	33,347	24,507	30,853
<i>Imports from Other Sources</i>	13,064	13,957	8,284	12,955	9,459	12,944
Domestic Industry Sales (9mm&12mm) *	100	51	84	214	100	93
Total Philippine Market *	100	64	60	94	100	105
<b>% Share in the Philippine Market</b>						
Domestic Industry	xxx	xxx	xxx	xxx	xxx	xxx
Total Imports	xxx	xxx	xxx	xxx	xxx	xxx
Imports from Thailand	xxx	xxx	xxx	xxx	xxx	xxx
Imports from Other Sources	xxx	xxx	xxx	xxx	xxx	xxx

Source: Import Volume – BOC-SAD  
Domestic Sales – Domestic Industry (2019 to 2023)  
\*Figures indexed due to confidentiality

The share of Thailand imports was more than xxx in 2020, decreased to less than xxx in 2021 and further to less than xxx in 2022. Comparing the first 3 quarters of 2023 to the same period in 2022 (Jan – Sep), Thailand’s share of imports increased to more than xxx.

Market share of domestic gypsum board accounted less than xxx of the Philippine market in 2019 and increased to less than xxx in 2022. However, comparing 2023 (Jan to Sep) from the same period in 2022, market share dropped to less than xxx.

### VI.E.3.b. Production

Table 12: Total Production

Year	2019	2020	2021	2022	2022 (Jan-Sept)	2023 (Jan-Sept)
Production (MT)*	100	55	88	243	100	102
% Increase/ (Decrease)	-	(44.79)	59.73	175.54	-	1.79

Source: Domestic Industry

\*Figures indexed due to confidentiality

The domestic industry invested and commenced local production in the last quarter of 2018. In 2020, production declined by 45% as sales declined by 49%. In 2021, the acquisition of Boral business showed an improvement in volume towards the end of 2021, recording an increase of 60% year on year, as the industry started producing the boards locally in the 4th quarter.

In 2022, production volume more than doubled compared to the 2021 level. The production increased as sales volume increased. Comparing the first three quarters of 2022 and 2023, production increased by 2%.

### VI.E.3.c. Finished Goods Inventory

Table 13: Finished Goods Inventory

Year	Volume (MT) *	% Increase (Decrease)	Value (Php Million) *	% Increase (Decrease)
2019	100	-	100	-
2020	128	28.10	177	76.69
2021	156	22.15	187	5.85
2022	168	7.62	363	93.84
2022 (Jan-Sept)	100	-	100	-
2023 (Jan-Sept)	79	(20.67)	108	8.28

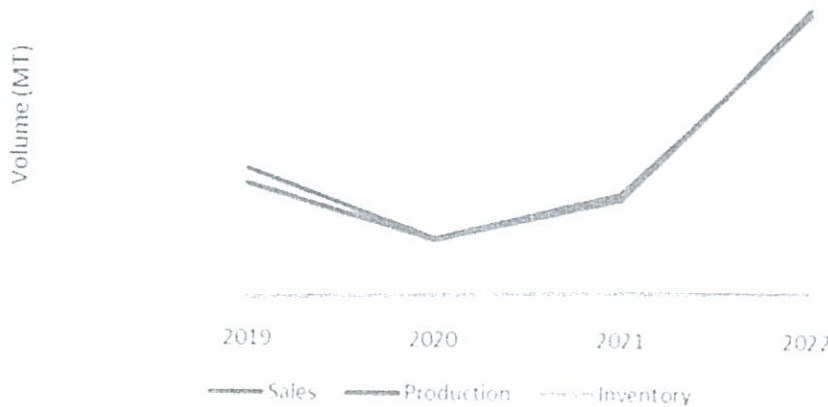
Source: Domestic Industry

\*Figures indexed due to confidentiality

The finished goods inventory volume increased year on year from 2019 to 2022 by 28%, 22% and 7%, respectively. Meanwhile, the value of finished goods inventory increased by 77% in 2020, 6% in 2021 and 94% in 2022. The highest inventory was recorded in 2022 with production volume higher than sales within the year.

For the 3<sup>rd</sup> quarter ended in 2022 and 2023, inventory volume declined by 21% with a corresponding 9% increase in value due to increasing production cost.

Figure 1: Sales, Production and Finished Goods Inventory Volume



Based on the figure above, the sales and production volume followed a similar trend throughout the POI. The domestic industry managed and maintained a minimal finished goods inventory level.

#### VI.E.3.d. Capacity Utilization

Table 14: Capacity Utilization

Year	Rated Capacity (MT)*	Total Production (MT)*	Capacity Utilization Rate (%)	% Increase (Decrease)
2019	100	100	39.78	20.12
2020	100	55	21.98	(44.74)
2021	100	89	35.41	61.06
2022	97	182	74.64	110.81
2022 (Jan-Sept)	100	100	79.41	-
2023 (Jan-Sept)	97	77	62.78	(20.94)

Source: Domestic Industry

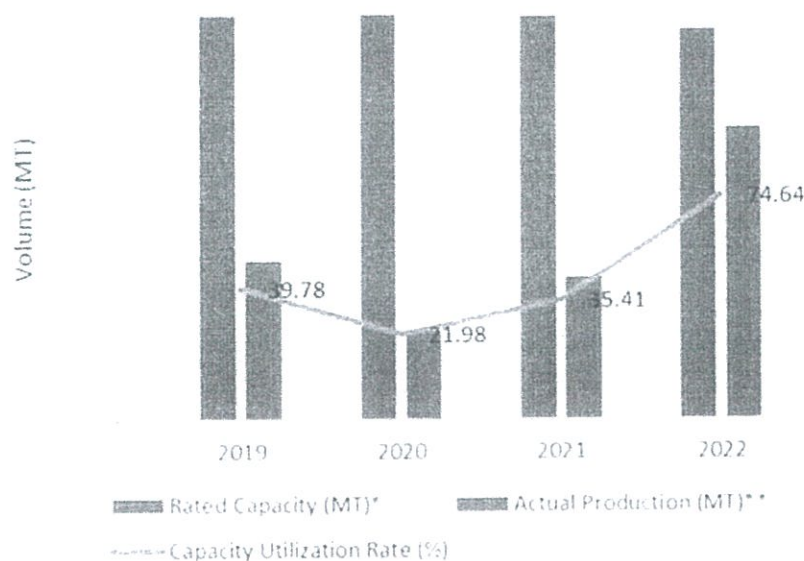
\*Figures indexed due to confidentiality

Table 14 shows the capacity utilization of the domestic industry considering the rated capacity of the plant and the total production of all sizes of gypsum board.

The capacity utilization has been increasing since the start of the production in the last quarter of 2018 to 2022, except a decline of capacity utilization by 45% in 2020.

According to the domestic industry, capacity utilization improved as a result of the acquisition of Boral business.

Figure 2: Rated Capacity, Production and Utilization Rate



**VI.E.3.e. Financial Performance/ Profitability**

**1. Profit and Loss**

Table 15: Earnings Before Interest and Taxes

Particulars	2019	2020	2021	2022	% Increase (Decrease) (2020 vs.2019)	% Increase (Decrease) (2021 vs.2020)	% Increase (Decrease) (2022 vs.2021)	2022 (Jan-Sept)	2023 (Jan-Sept)
Sales*	100	56	93	242	(43.98)	65.51	161.11	100	84
Cost of Goods Sold*	100	50	101	204	(50.18)	103.48	101.48	100	68
Gross Profit*	100	71	71	336	(28.41)	(0.89)	375.20	100	115
Operating Expenses*	100	61	71	103	(38.49)	15.77	44.42	100	124
Operating Profit (Loss)*	(100)	(53)	(72)	98	47.14	(35.11)	237.21	100	103

Source: Domestic Industry

\*Figures indexed due to confidentiality

The domestic industry started its operation in the last quarter of 2018. For the purpose of analyzing the profitability, 2019 was the base year. In 2020 (height of the Covid-19 pandemic), the industry’s gross profit declined by 28% and further declined by almost 1% in 2021 despite the increase of sales revenue by 66%. The effect can be attributed to the increase of the cost of goods sold by 103% which is higher than the increase in sales. According to the domestic industry, gross profit remained below 2019 level due to inability of the domestic industry to recover escalating cost due to downward price

pressure from the parties importing the dumped product. In 2022, gross profit increased by 375% attributing to the higher rate of increase in sales revenue than cost of goods sold.

The industry recorded operating losses from 2019 until 2021. According to the domestic industry, they had to secure additional bank loans in 2021 in order to fund continued operations. Meanwhile, the domestic industry started to record operating profit in 2022. According to the domestic industry, the ramping up of local manufacturing which started in the last quarter of 2021 contributed to a better revenue. However, the industry claimed that their move to increase prices to cover rising cost of inputs and build an acceptable return has impacted sales volume which resulted to profitability levels lower than expected or desired, thus, affecting the company’s cash flow and its ability to source capital and justify additional investments necessary for its growth.

**2. Return on Sales**

Table 16: Return on Sales

Particulars	2019	2020	2021	2022	2022 (Jan-Sept)	2023 (Jan-Sept)
Sales (Million)*	100	56	93	242	100	84
Operating Profit (Loss)*	(100)	(53)	(72)	98	100	103
Return on Sales	(xxx)	(xxx)	(xxx)	xxx	xxx	xxx

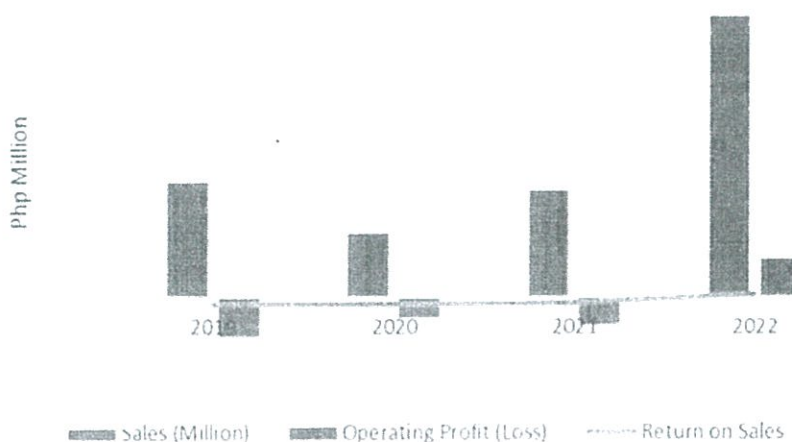
Source: Domestic Industry

\*Figures indexed due to confidentiality

Return on Sales (ROS) is a measure of how efficiently a company turns sales into profits.

The ROS based on operating profit was recorded in 2022. Prior to that, loss on sales were recorded ranging from 25% to 35% during the years 2019 to 2021. ROS in the first 3 quarters of 2023 is higher compared to both the 3 quarters of 2022 and considering the full year of 2022.

Figure 3: Sales, Operating Profit and Return on Sales



VI.E.3.f. Employment and Labor Productivity

1. Employment

Table 17: Employment

Particulars	2019	2020	2021	2022	2022 (Jan-Sept)	2023 (Jan-Sept)
Manufacturing*	100	100	224	208	100	102
Support	100	100	212	224	100	94
Direct	100	100	217	217	100	97
Indirect Employment	100	100	70	85	100	100
Total	100	100	164	170	100	97
% Increase (Decrease)	(2.13)	-	64.13	3.31	3.97	(2.55)

Source: Domestic Industry

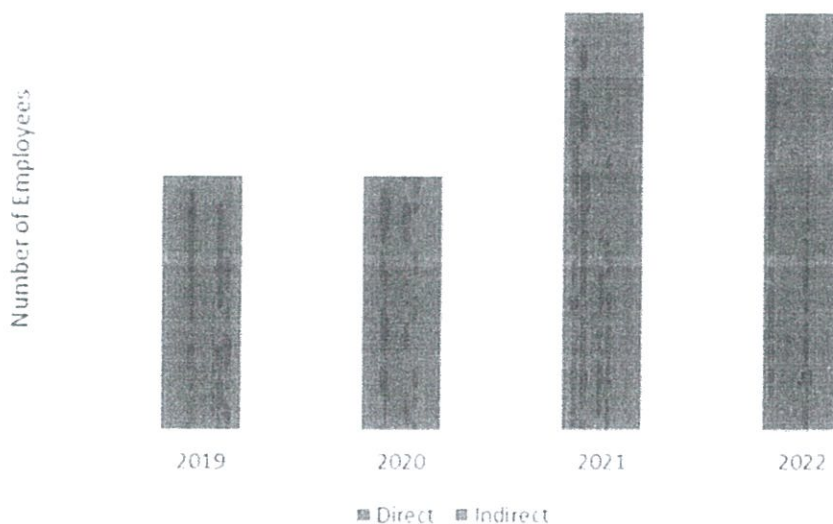
\*Figures indexed due to confidentiality

The table above shows the number of direct and indirect employment of the domestic industry.

In 2019, employment slightly declined by 2% and total employment remained even in the height of pandemic in 2020. Employment increased in 2021 by 64% and further by 3% in 2022.

According to the domestic industry, the acquisition of Boral business resulted to the regularization of the existing contractual employees and absorption of Boral's direct and indirect employees to complement the bigger organization with a stable manpower.

Figure 4: Employment



## 2. Productivity

Table 18: Labor Productivity

Year	Production Volume*	Employees for Production*	Labor Productivity (MT/employees)	% Increase (Decrease)
2019	100	100	xxx	401.21
2020	55	100	xxx	(44.59)
2021	89	136	xxx	17.92
2022	182	138	xxx	101.80
2022 (Jan-Sep)	100	100	xxx	-
2023 (Jan-Sep)	77	101	xxx	(24.10)

Source: Domestic Industry

\*Figures indexed due to confidentiality

The labor productivity was computed by dividing total employees (less support employees) from the total production. The table shows an increasing trend of labor productivity from the start of operation until 2022 except in 2020 where a decline of 45% in labor productivity was recorded.

## VII. CONCLUSIONS

### VII.A Determination of Like or Directly Competitive Product

- The product covered by the petition falling under AHTN Codes 6809.11.00 and 6809.19.90 described as Gypsum Board which consists of a core of hardened extruded gypsum enclosed in a reinforcing layer of paper linerboard. The board can be supplied in a range of thicknesses (normally from 9mm to 12mm), and any widths (normally from 600mm to 1200mm), and lengths (normally from 1800mm to 2440mm). Used for internal walls and ceilings, naturally heat and fire resistant, environmentally friendly and non-hazardous.

#### VII.B1. Dumping for Gypsum Board

##### a) Dumping Margins

- Comparison between the export price and normal value of gypsum board from Thailand for January 2022 to May 2023 indicated a dumping margin of 5.45% to 34.72% of export price for 9mm, and 4.65% to 33.81% of export price for 12 mm.

##### b) Volume of Allegedly Dumped Imports

- Dumped imports from Thailand against the total Philippine imports at 81% in 2021, 55% in 2022 and 68% in Jan-May 2023. The volume of allegedly dumped gypsum board product satisfies the *de minimis* volume requirement of three percent (3%).



### VII.B.3. Economic Factors

#### a. Domestic Sales

- Comparing the first three quarters of 2022 and 2023, sales volume declined by 7% while sales value slightly increased by 0.28%. In 2023, 60% of the demand was supplied by the domestic industry while 30% was captured by dumped imports from Thailand.

#### b. Market Share

- Market share of domestic product increased during the POI from xxx in 2019 to xxx in 2022.
- Share of imports from Thailand increased to 62% in 2020 and 2021. It declined to 49% in 2021 and dropped to 24% in 2022. However, comparing the first 3 quarters of 2023 to the same period in 2022 (Jan – Sep), Thailand's share of imports increased to 30% from 25%.

#### c. Prices

- Recorded price undercutting on the following thickness: for 9mm - 9% in 2022 and almost 12% in 2023 (Jan-Sept); for 12mm – 12% in 2022 and 11% in 2023. There is price suppression during the POI, from 2019 to 2021.

#### d. Profits and Losses

- Gross profit declined by 28% and further declined by almost 1% in 2021 despite the increase of sales revenue by 66%.
- Recorded operating losses from 2019 until 2021 but the domestic industry started to record operating profit in 2022.

#### e. Return on Sales

- ROS based on operating profit was recorded in 2022. Prior to that, loss on sales were recorded ranging from 25% to 35% during the years 2019 to 2021. ROS in the first 3 quarters of 2023 is higher compared to both the 3 quarters of 2022 and considering the full year of 2022.

#### f. Production

- In 2020, production declined by 45% as sales declined by 49%. In 2021, the acquisition of Boral business showed an improvement in volume towards the end of 2021, recording an increase of 60% year on year, as the industry started producing the boards locally in the 4th quarter.
- Comparing the first three quarters of 2022 and 2023, production increased by 2%.

**g. Capacity Utilization**

- Increased capacity utilization since the start of the production in the last quarter of 2018 to the 3 quarters of 2022, except a decline of capacity utilization by 45% in 2020.

**h. Employment**

- In 2019, employment slightly declined by 2% and total employment remained even in the height of pandemic in 2020.
- Employment increased in 2021 by 64% and further by 4% in the first 3 quarters of 2022.

**i. Productivity**

- Increasing trend of labor productivity from the start of operation until 2022 except in 2020 where a decline of 45% in labor productivity was recorded.

**j. Inventories**

- Inventory volume increased year on year from 2019 to 2021 by 28% and 22% respectively.
- For the 3rd quarter ended in 2022 and 2023, inventory volume declined by 21% with a corresponding 9% increase in value due to increasing production cost.

**VII.C. Other Causes of Injury**

Substantial competition continued with imported product since the applicant invested and commenced local production in 2018. Injury exacerbated during 2020 when the entire region experienced a decline in demand and the overseas producers have excess capacity and having the advantage to fill the capacity as long as they cover the variable cost.

Without relief, local manufacturer will become unviable due to the poor margins, lack of return on investment and inability to grow volumes. Without a strong local manufacturer, the Thai manufacturers will have the ability to dictate future prices for the gypsum board in the Philippines.

The pricing level in the Philippine market is beginning to make it unviable for a local manufacturer to survive based on volumes achievable against Thai exports at current pricing levels.

## VIII. CAUSATION

Volume of dumped imports declined from 42,301MT or 81% of the total Philippine imports in 2021 to 25,590 MT or 55% of the total Philippine imports in 2022. From January to May 2023, volume of dumped imports increased to 68%.

Imports from Thailand relative to production increased in 2020 but began to decline in 2021 and the three quarters of 2022. It can be noted that in April 2021, Knauf Group acquired the Boral Business, in effect, the import requirement of Boral Plasterboard Philippines Inc. was locally produced by Knauf starting the 4th quarter of 2021. Imports from Thailand relative to production in the 3 quarters of 2023 is still high at 51%.

Market share of domestic product increased during the POI from 30% in 2019 to 67% in 2022. However, comparing the 3 quarters of 2023 from the same period in 2022, market share declined to 58% from 66%.

The domestic industry suffered material injury in terms of declining market share, domestic sales, and capacity utilization rate in the 3 quarters of 2023 compared to the same period while seemingly the industry has recovered due to operating profit starting in 2022. The move of the industry to increase prices to recover increasing costs made the prices not competitive compared with the dumped products which undercuts the same at 9.25% for 9mm and at 12% for 12mm in 2022 and further by 12% for 9mm and at 11% for 12mm in 2023 (January to September).

Based on the above, the action of the domestic industry to acquire the Boral business resulted in an improvement to Knauf Gypsum Philippines, Inc.'s revenue and operations. However, evidence shows that the domestic gypsum industry suffered material injury before the acquisition, as indicated by its low market share (ranging from 23% to 40%), operating losses, and price suppression from 2019 to 2021, as well as price undercutting in 2022 and 2023 (January to September).

The gypsum local industry continued to suffer material injury from dumped imports even after the operations improvements resulting from the acquisition. The industry has lost a substantial share of its market, with 30% captured by dumped imports from Thailand in the first three quarters of 2023. The continued price undercutting of the domestic industry has made domestic prices uncompetitive, severely impacting its overall operations.

## IX. RECOMMENDATION

On the basis of information available, it is concluded that there is reasonable cause to believe that:

- a. the imported gypsum board with thickness of 9mm and 12mm from Thailand are being dumped;
- b. by reason thereof, the dumped imports have caused material injury to the domestic gypsum board industry; and
- c. the imposition of provisional measure is necessary to prevent further material injury to the domestic industry.

Section 8 (a) of RA 8752 and its IRR provides, "if the preliminary finding of the Secretary is affirmative and to prevent further injury during the investigation, the Secretary shall immediately issue through the Secretary of Finance, written instructions to the Commissioner of Customs to impose within three (3) days from receipt of instructions, a cash bond equal to the provisionally estimated margin of dumping, in addition to any other duties, taxes and charges imposed by law, on the allegedly dumped product."

WHEREFORE, premises considered, the DTI hereby imposes a provisional anti-dumping duty in the form of a cash bond on importations of gypsum board from Thailand, for a period of four (4) months commencing from the date of issuance of the Bureau of Customs of the relevant Customs Memorandum Order.

The computed dumping margins for gypsum board per product model/type are 5.45% to 34.72% of export price for thickness of 9mm and 4.65% to 33.81% of export price for thickness of 12 mm during the POI. For other exporters that did not participate during the preliminary determination, the highest dumping duties shall be imposed. (Annex B)

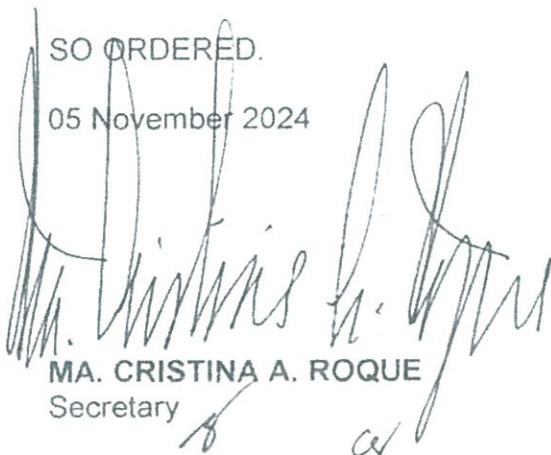
Let the notice of this Order be published in two (2) newspapers of general circulation and be furnished to the Department of Finance for the collection of the provisional anti-dumping duty by the Bureau of Customs in the amount stated above, against imports of gypsum board from Thailand.

Also, let the surety bond in the amount of Php500,000.00 be immediately released to the petitioner in view of the affirmative findings.

Individual notices shall likewise be sent to all interested parties including the country member concerned and the records of the case shall be forwarded to the Tariff Commission for formal investigation.

SO ORDERED.

05 November 2024



MA. CRISTINA A. ROQUE  
Secretary

## ANNEX A

**Computed Dumping Margins for the Following Exporters of Gypsum Board  
Originating from Thailand**

Exporter	Type	Size	Dumping Margin (Amount of Bond) (US\$/kg)	% Export Price
GYPMAM TECH COMPANY LIMITED	Standard	9MMX1220MMX2440MM	0.06	34.72
		12MMX1220MMX2440MM	0.06	33.81
THAI GYPSUM PRODUCTS PCL	Gypline	9MMX1220MMX2440MM	0.02	14.72
		12MMX1220MMX2440MM	0.01	4.65
	Gyproc	9MMX1220MMX2440MM	0.01	5.45
		12MMX1220MMX2440MM	0.01	7.78
ALL OTHERS RATE (OTHER THAI EXPORTERS)	Standard/Gypline/Gyproc	9MMX1220MMX2440MM	0.06	34.72
	Standard/Gypline/Gyproc	12MMX1220MMX2440MM	0.06	33.81