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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS

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21 March 2025

CUSTOMS MEMORANDUM CIRCULAR
NO. 70-2025

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 – DEPARTMENT
ADMINISTRATIVE ORDER NO. 25-01, SERIES OF 2025, RE: IN
THE MATTER OF THE PRELIMINARY DETERMINATION OF
THE SAFEGUARD MEASURES INVESTIGATION ON THE
IMPORTATION OF ORDINARY PORTLAND CEMENT AND
BLENDED FROM VARIOUS COUNTRIES (SAFEGUARD
MEASURE CASE NO. SG01-2024)

This has reference to the Memorandum dated 17 March 2025 from Secretary Ralph G. Recto, Department of Finance, with an attached letter from Secretary Ma. Cristina Aldeguer-Roque, Department of Trade and Industry (DTI), transmitting the Order and Report on the abovementioned subject.

In compliance with Department Administrative Order (DAO) No. 25-01 and pursuant to Section 8 of Republic Act (RA) No. 8800, otherwise known as the Safeguard Measures Act, and following DTI's preliminary determination that increased imports are causing serious injury to the domestic cement industry, a provisional safeguard duty shall be imposed in the form of a cash bond amounting to **PhP400.00/metric ton (MT) or PhP16.00/40kg bag.**

The affected tariff classifications include:

- **AHTN Code 2523.29.90** (*Ordinary Portland Cement*)
- **AHTN Code 2523.90.00** (*Blended Cement*)

The provisional safeguard measure shall be effective **for two hundred (200) days from the date of issuance of this Circular**, pending the outcome of the formal investigation by the Tariff Commission.



Gate 3, South Harbor, Port Area, Manila 1018

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Page 1 of 2

EXEMPTIONS:

1. **Developing countries listed in Annex "A"** (see attached) of the Implementing Rules and Regulations of RA No. 8800 shall be **exempt from this provisional safeguard** measure.
2. Importers of Ordinary Portland Cement and Blended Cement from **countries exempt from the safeguard duty shall submit a valid Certificate of Origin** issued by the authorized agency or office in the source country, authenticated or apostilled by the Philippine Embassy or Consulate General, as applicable.

ADDITIONAL GUIDANCE:

- The provisional safeguard duty is temporary and will not result in cement shortages, considering the local industry's capacity to meet the domestic demand.
- Consumers will retain the option to choose between local and imported cement.
- The non-confidential report of the preliminary safeguard measures investigation may be accessed at the DTI website: https://bit.ly/SG_Prelim_Cement

Attached for reference is a copy of DAO No. 25-01, series of 2025.

For records purposes, please disseminate throughout your respective offices and submit the necessary confirmation within fifteen (15) days from receipt hereof.

For information and guidance.

By
BIENVENIDO X. RUBIO
Commissioner



MAR 27 2025



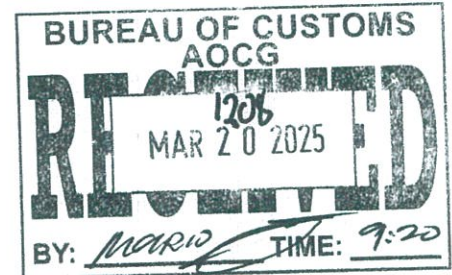
Republic of the Philippines
DEPARTMENT OF FINANCE
Roxas Blvd. corner P. Ocampo St., 1004 Manila

**MEMORANDUM**

TO : **BIENVENIDO Y. RUBIO**
Commissioner
Bureau of Customs

FROM : **RALPH G. RECTO**
Secretary of Finance

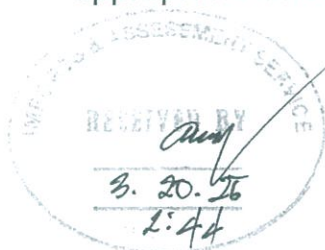
SUBJECT : **Department Administrative Order No. 25-01, entitled "In the Matter of the Preliminary Determination of the Safeguard Measures Investigation on the Importation of Ordinary Portland Cement (AHTN Code 2523.29.90) and Blended Cement (AHTN Code 2523.90.00) from Various Countries"**



This pertains to the letter dated 20 February 2025 of Secretary Ma. Cristina Aldeguer-Roque, Department of Trade and Industry (DTI), transmitting the Order and Report on the preliminary safeguard investigation on imported cement initiated by DTI, motu proprio under Section 6 of Republic Act No. 8800 or the Safeguard Measures Act.

DAO No. 25-01 or the Order provides for the imposition of a provisional safeguard duty in the form of a cash bond amounting to Php400.00/MT or Php16.00/40kg bag on imported cement classified under AHTN Codes 2523.29.90 and 2523.90.00. Further, the duration of the imposition of provisional duty is 200 days, and the order shall take effect upon issuance of the relevant Customs Memorandum Order (CMO) or Customs Memorandum Circular (CMC).

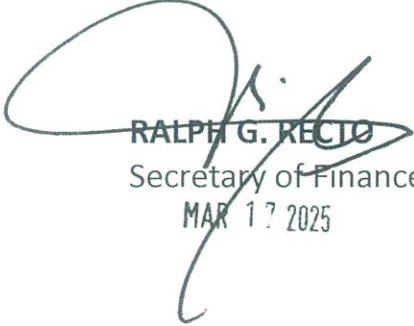
As provided in Section 8 of RA 8800, the Secretary of Trade and Industry shall immediately issue, through the Secretary of Finance, instructions for the Commissioner of Customs to issue the relevant CMO or CMC, and to collect the appropriate amount of the provisional safeguard duty.



Hence, the Bureau of Customs is hereby directed to issue the necessary CMO or CMC, requiring the importers of the product under consideration to post the appropriate cash bond.

Thank you.

Very truly yours,


RALPH G. RECTO
Secretary of Finance
MAR 17 2025



20 February 2025



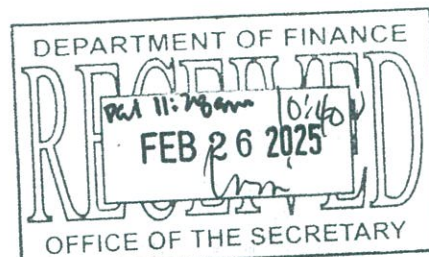
DEPARTMENT OF FINANCE
Republic of the Philippines



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HON. RALPH GONZALEZ RECTO

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



Dear **Secretary Recto**:

This is to provide the Secretary a copy of the Order and Report (non-confidential version) on the preliminary safeguard investigation on imported cement initiated by the Department of Trade and Industry, motu proprio under Section 6 of Republic Act 8800 or the Safeguard Measures Act.

The Order provides for the imposition of a provisional safeguard duty in the form of a cash bond amounting to ₱400.00/MT or ₱16.00/40 kg bag on imported cement classified under AHTN Codes 2523.2990 and 2523.9000. The duration of the imposition of provisional duty is 200 days. The Order shall take effect upon the issuance of the relevant Customs Memorandum Order/Customs Memorandum Circular.

Pursuant to Section 8 of RA 8800 and its IRR, the Secretary of Trade and Industry shall immediately issue, through the Secretary of Finance, a written instruction to the Commissioner of Customs authorizing the imposition of the provisional safeguard duty in the form of a cash bond for 200 days on the products as cited above.

Rule 8.5 of RA 8800 which provides, *"Within three (3) calendar days from receipt of the preliminary findings of the Secretary (Trade and Industry), the Secretary of Finance shall instruct the Commissioner of Customs to impose the cash bond. It shall be mandatory for the Commissioner of Customs to instruct the Collector of Customs within three (3) days from receipt of instructions from the Secretary of Finance, to require importers of the product under consideration to post the appropriate cash bond. All importations which enter the Philippines after the date of the decision of the Secretary shall be covered by the bond. It shall also be mandatory for the Collector of Customs to immediately implement the instructions of the Customs Commissioner upon receipt thereof."* (underscore supplied)

In view thereof, we are requesting the Secretary to direct the Commissioner of Customs to issue the Customs Memorandum Order/Customs Memorandum Circular in order to collect the appropriate amount of the provisional safeguard duty on imported cement covered by the said Order.

The Non-Confidential Report on the Preliminary Investigation and Department Administrative Order can be accessed at the DTI web page: https://bit.ly/SG_Prelim_Cement

Thank you for your cooperation.

Sincerely,

MA. CRISTINA ALDEGUER - ROQUE
Secretary

cc: Commissioner Bienvenido Y. Rubio
Bureau of Customs

ROG-USEC OFFICE
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OFFICE OF THE SECRETARY

Department Administrative Order No. 25-01
Series of 2025

**IN THE MATTER OF THE PRELIMINARY
DETERMINATION OF THE SAFEGUARD
MEASURES INVESTIGATION ON THE
IMPORTATION OF ORDINARY PORTLAND
CEMENT (AHTN CODE 2523.29.90) and
BLENDED CEMENT (AHTN CODE
2523.90.00) FROM VARIOUS COUNTRIES
(Safeguard Measures Case No. SG01-2024)**

X-----X

ORDER

The Department of Trade and Industry initiated *motu proprio* a safeguard measures investigation on the importation of Ordinary Portland Cement under ASEAN Harmonized Tariff Nomenclature (AHTN) Code 2523.29.90 and Blended Cement under AHTN Code 2523.90.00, from various countries. The period of investigation covered imports from 2019 to June 2024.

The Department, acting under Section 7 of RA 8800, the "Safeguard Measures Act", and on the basis of evidence and submissions of interested parties, established after preliminary investigation the existence of a causal link between the increased imports of the products under consideration and serious injury to the domestic industry. The increased volume of imports, both in absolute terms and relative to domestic production, was found to be the substantial cause of the over-all impairment in the local industry.

Further, pursuant to Section 8 of RA 8800 which provides that, "*in critical circumstances where a delay would cause damage which would be difficult to repair, and pursuant to a preliminary determination that increased imports are the substantial cause of serious injury to the domestic industry*", a provisional safeguard measure in the form of a cash bond amounting to ₱400/MT or ₱16.00/40kg bag classified under AHTN Code Nos. 2523.29.90 and 2523.90.00, shall be imposed while the case is under formal investigation by the Tariff Commission. The provisional measure shall be imposed for a period of Two Hundred (200) days from the date of issuance by the Bureau of Customs of the relevant Customs Memorandum Order/Customs Memorandum Circular.

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 provisional safeguard measure.

OFFICE OF THE SECRETARY

Importers of Ordinary Portland Cement and Blended Cement from a country that is exempt from the safeguard duty shall submit a Certificate of Origin (CO) issued by the authorized agency/office in the source country of manufacture, subject to affixation of "Apostille" to the document or authentication by the Philippine Embassy/Consulate General, as applicable.

Moreover, Rule 5.2 of the Implementing Rules and Regulations (IRR) of RA 8800 provides that *"the Secretary when establishing that the application of a safeguard measure will be in the public interest shall take into consideration the following factors; among others: x x x (ii) the extent to which such imposition will cause a shortage of a product under consideration in the domestic market"*.

Accordingly, the DTI has established that the imposition of the provisional safeguard measure shall be in the public interest. With the commitment of the domestic industry to upgrade its facilities, and improve its production efficiency, consumers will have a better and wider range of products to choose from at competitive prices. However, while DTI is mandated to protect consumers, there is a need to balance this with the other sectors such as the investors and industries 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 the expansion of the industry's manufacturing base and sales which will generate more jobs for Filipinos and allow the continuity of employment for the existing employees of the industry.

Further, users/consumers of Ordinary Portland Cement and Blended Cement will retain their option to choose between local and imported cement since imports will still be allowed. The imposition of the safeguard measure will only be temporary and is not expected to cause a shortage of cement in the domestic market considering that cement manufacturers have sufficient capacity to meet the domestic demand.

WHEREFORE, IN VIEW THEREOF, the case records will be transmitted to the Tariff Commission for the conduct of a formal investigation to determine whether or not there is a need to impose a definitive safeguard measure.

The non-confidential report of the preliminary safeguard measures investigation can be accessed at the DTI website: https://bit.ly/SG_Prelim_Cement

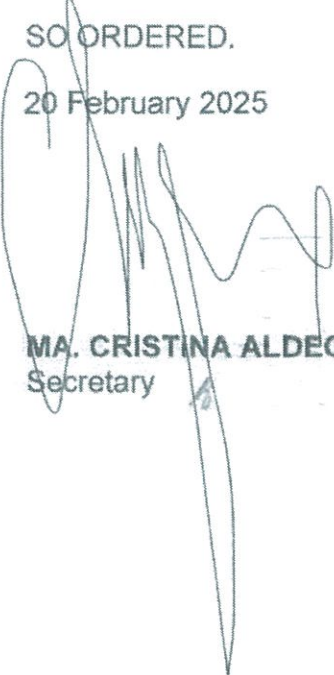
The notification and consultation requirements under Article 12 of the WTO Safeguards Agreement and Section 17 of RA 8800 and its IRR shall be complied with. Imports originating from ASEAN member states shall be governed by the provisions of Articles 11 and 23 of the ASEAN Trade in Goods Agreement (ATIGA). Other imports originating from member states of Free Trade Agreements that the Philippines entered into, such as ACFTA, PJEPA, AJCEPA, AKFTA, AIFTA, AANZFTA, PH-EFTA FTA, AHKFTA, and RCEP shall follow the notification and/or consultation requirements provided under the said FTAs.

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/Customs Memorandum Circular by the Bureau of Customs.

SO ORDERED.

20 February 2025


MA. CRISTINA ALDEGUER-ROQUE
Secretary *CR*

ANNEX A

**List of Developing Countries and Separate Customs Territories
Excluded from the Imposition of Provisional Safeguard Measure
on Ordinary Portland Cement and Blended 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
Eswatini	Cote d' Ivoire		Nepal
Ethiopia	Equatorial Guinea		Pakistan
Kenya	Gabon		Sri Lanka
Lesotho	Gambia, The		
Madagascar	Ghana		
Malawi	Guinea		
Mauritius	Guinea, Bissau		
Mozambique	Liberia		
Namibia	Mali		
Reunion	Mauritania		
Rwanda	Niger		
Seychelles	Nigeria		
Somalia	Sao Tome &		
South Africa	Principe		
Sudan	Senegal		
Tanzania	Sierra Leone		
Uganda	Togo		
Zambia			
Zimbabwe			

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

DEPARTMENT OF TRADE AND INDUSTRY

SAFEGUARD MEASURES CASE NAME:

**MOTU PROPRIO SAFEGUARD MEASURES
INVESTIGATION ON THE IMPORTATION OF
CEMENT FROM VARIOUS COUNTRIES**

PUBLIC VERSION

SGM CASE NO. : 01-2024

DATE : 20 February 2025

**REPORT ON THE PRELIMINARY
DETERMINATION OF THE SAFEGUARD
MEASURES INVESTIGATION ON THE
IMPORTATION OF CEMENT FROM VARIOUS
COUNTRIES**

REPORT ON THE PRELIMINARY DETERMINATION OF THE MOTU PROPRIO SAFEGUARD MEASURES INVESTIGATION ON THE IMPORTATION OF CEMENT FROM VARIOUS COUNTRIES

INTRODUCTION

This is a report on the preliminary determination conducted by the Department of Trade and Industry (DTI) under Section 7 of Republic Act (RA) 8800, The Safeguard Measures Act, on the motu proprio initiation of the preliminary safeguard investigation on imported cement.

The product subject to the preliminary determination is classified under the ASEAN Harmonized Tariff Nomenclature (AHTN) Codes 2523.29.90 and 2523.90.00. To establish the trend in imports, the Department of Trade and Industry (DTI) relied on data from the Bureau of Customs - Single Administrative Document (BOC-SAD).

This report addresses whether the evidence submitted by the domestic industry, the importers, exporters, and other interested parties show that increased imports are the substantial cause of, or threaten to substantially cause, serious injury to the domestic industry. The period of investigation (POI) covers imports and serious injury to the domestic industry from 2019 to 2024 (January to June).

I. THE PROCESS OF SAFEGUARD MEASURES

I. A. Motu Proprio Investigation

The investigation was initiated according to the following provisions of RA 8800 and its Implementing Rules and Regulations (IRRs):

Section 6, provides, *"In the absence of such a petition, the Secretary may, motu proprio, initiate a preliminary safeguard investigation, if there is evidence that increased imports of the product under consideration are a substantial cause of, or are threatening to substantially cause, serious injury to the domestic industry."*

Further, Rule 6.4.c of the Implementing Rules and Regulations (IRRs) of RA 8800 states that, *"The Secretary may also motu proprio, initiate a preliminary safeguard investigation without having received a verified petition by or on behalf of a domestic industry if there is evidence that increased imports are a substantial cause of, or threatens to substantially cause, serious injury to the domestic industry."*

1. The Like Products Subject of the Petition - Domestic Product

Section 4 (h) of RA 8800 defines like product as *"a domestic product which is identical, i.e. alike in all respects to the imported product under consideration, or in the absence of such a product, another domestic product which, although not alike in all respects, has characteristics closely resembling those of the imported product under consideration"*.

Pursuant to the above, a comparison of the imported cement with the domestic product was made to establish whether the locally produced cement is a like product to imported cement.

The types of cement that can be considered a like product to that of imported cement are Type 1 Ordinary Portland cement (OPC) and blended cement.

Type 1 Ordinary Portland Cement which has 90%-95% clinker content, conforms to the American Society for Testing and Materials (ASTM) C 150 and Philippine National Standard (PNS) 07 requirements. It has faster setting time, high performance, consistent strength and compatibility to most chemical and mineral admixtures.

Type 1P, Type 1T, Type 1S, Type P and Type 1L are all blended hydraulic cements under one reference standard, PNS 63:2019.

PNS 63:2019 applies to the following types of blended cement that generally are intended for use as indicated. As per Clause 4.1 of PNS 63:2019, Type 1P and Type 1T and Type 1S, Type P and Type 1L are all classified under blended hydraulic cements for general concrete construction, to wit:

Type 1S	Portland blast-furnace slag cement
Type 1P	Portland-pozzolan cement
Type P	Portland-pozzolan cement for use when higher strengths at early ages are not required
Type 1L	Portland-limestone cement
Type 1T	Ternary blended cement

2. The Product under Investigation – Imported Product

Section 4 (h) of RA 8800 defines like product as *"a domestic product which is identical, i.e. alike in all respects to the imported product under consideration, or in the absence of such a product, another domestic product which, although not alike in all respects, has characteristics closely resembling those of the imported product under consideration"*.

Pursuant to the above, a comparison of the imported cement with the domestic product was made to establish whether the locally produced cement is a like product to imported cement.

The product under investigation falls under the following tariff headings:

Table 1. Classification under the Philippine Tariff and Customs Code

25.23 Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cement, whether or not coloured or in the form of clinkers	2523.29 -- Other	2523.29.90 --- Other
		2523.9000 - Other hydraulic cement

Cement falling under the aforementioned tariff headings is not the subject of any tariff concession under the WTO Agreement. The applied MFN rate of duty is 0%. Table 2 shows the applicable MFN and preferential tariffs based on the Philippines' various trade agreements

Table 2: Applicable Tariff Rates

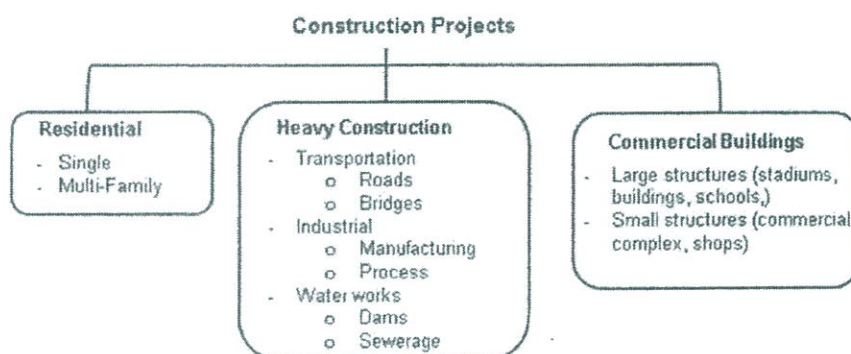
Tariff Heading Map AHTN Code / Description			Applicable Tariff Rate (%)								
			MFN	ANZFTA	ACFTA	AIFTA	AJCEPA	AKFTA	ATIGA	PJEPA	AHKFTA
25.23 Portland cement, aluminous cement, slag cement, super sulphate cement and similar hydraulic cement, whether or not coloured or in the form of clinkers	2523.29 -- Other	2523.29.90 --- Other	0	4	0	5	0	0	0	0	0
		2523.90.00 - Other hydraulic cement	0	4	0	5	0	0	0	0	0

Source: Tariff Commission <http://tariffcommission.gov.ph/finder>

AHTN	ASEAN Harmonized Tariff Nomenclature
MFN	Most Favoured Nation
AANZFTA	ASEAN-Australia/New Zealand Free Trade Agreement
ACFTA	ASEAN-China Free Trade Agreement
AIFTA	ASEAN-India Free Trade Agreement
AJCEPA	ASEAN-Japan Comprehensive Economic Partnership Agreement
AKFTA	ASEAN-Korea Free Trade Agreement
ATIGA	ASEAN Trade in Goods Agreement
PJEPA	Philippines-Japan Economic Partnership Agreement

3. Uses and Application

Type 1 cement - Ordinary Portland Cement (OPC) and blended hydraulic cement are used for general construction purposes and concrete applications. They are available in 40 kg bag, 1MT bag, bulk and distributed through dealers, retailers, and cement plant/terminal for bulk orders.



4. Composition of Raw Materials

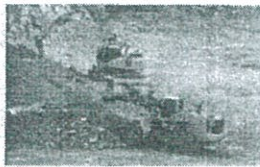
The major raw materials in the domestic cement industry are clinker, supplementary cementitious materials (SCM) and gypsum.

5. Production Process

Cement Manufacturing Process

a) Raw Material Preparation

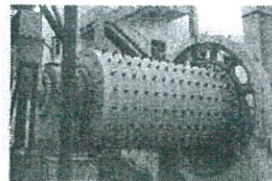
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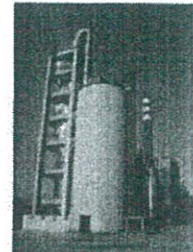
Quarrying



Crushing



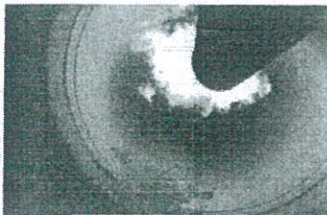
Raw Milling



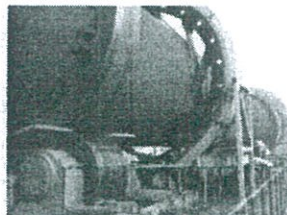
Homogenizing

b) Clinker Production

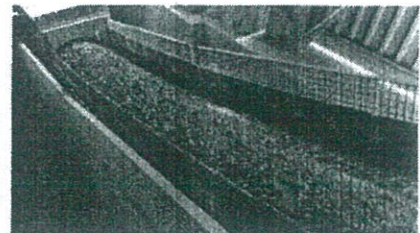
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Preheating



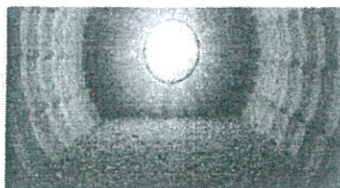
Burning



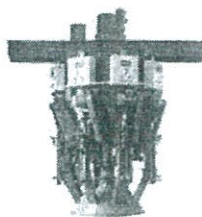
Cooling

c) Cement Production

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Finish Milling



Packing



7. Comparison between Imported and Domestic Product

Locally produced and imported cement are like products. Both have the same industrial application, are subject to the same industry standards (ASTM and PNS), have the same tariff classification, uses the same major ingredient (clinker from limestone) and have the same distribution channels.

I.B. Period of Investigation (POI)

The POI covers imports of the product subject to investigation which entered the Philippine market from 2019 to June 2024. The volume of imports were updated up to December 2024. All position/comments of the concerned parties were considered in the preliminary investigation. Likewise, the domestic industry's performance for this period was assessed to determine whether increased imports were the substantial cause of serious injury to the industry.

I.C. Parties to the Investigation

- **Domestic Industry**

Section 4 (f) of RA 8800 defines "domestic industry" as referring to the "domestic producers, as a whole, of like or directly competitive products manufactured or produced in the Philippines or those whose collective output of like or directly competitive products constitutes a major proportion of the total production of those products".

Rule 4.1(b) of the IRRs of RA 8800 further provides that: "(1) in the case of a domestic producer which also imports the product under consideration, only its domestic production of the like or directly competitive product shall be treated as part of the domestic production, or (2) in the case of a domestic producer which produces more than one product, only that portion of its production of the like or directly competitive product may be treated as part of such domestic industry".

The Philippine cement industry is composed of the following:

Cement Manufacturers' Association of the Philippines (CeMAP)	Non-CeMAP
❖ Republic Cement and Building Materials, Inc.	❖ Eagle Cement
❖ Taiheiyo Cement Philippines, Inc. (TCPI)	❖ Northern Cement
❖ Holcim Philippines, Inc.	❖ Mabuhay Filcement
❖ CEMEX Philippines i.e. Apo Cement Corp & Solid Cement Corp.	❖ Goodfound Cement

- **Cement Manufacturers which Provided Evidence**

CeMAP Members composed of Republic Cement & Building Materials, Inc., Holcim Philippines Inc. and CEMEX Philippines (i.e. Apo Cement Corporation and Solid Cement Corporation) replied to the request of DTI to submit data/information on factors relevant to serious injury. Individual companies submitted data/information in confidential and

non-confidential versions to DTI. Eagle Cement Corporation expressed its support to the motu proprio investigation being conducted by the DTI.

- **Importers and Exporters**

The list of importers and exporters were identified based on the Bureau of Customs' Single Administrative Document – Import entry and Internal Revenue Document (SAD-IERD). They were requested to accomplish and submit the DTI Importer's and Exporter's Questionnaire. The list of importers and exporters are attached as Annexes A and B.

- **Others**

DTI notified other interested parties such as consumer groups and industry associations regarding the motu proprio safeguard measure investigation and requested them to submit their positions thereof. The list of associations and consumer groups is attached as Annex C.

I. D. Preliminary Investigation under RA 8800 – Role of the DTI Secretary

In coming up with a preliminary determination, Section 7 of RA 8800 provides:

"xxx the Secretary shall, on the basis of the evidence and submission of the interested parties, make a preliminary determination that increased imports of the product under consideration are a substantial cause of, or threaten to substantially cause, serious injury to the domestic industry. In the process of conducting a preliminary determination, the Secretary shall notify the interested parties and shall require them to submit their answers within five (5) working days from receipt of such notice. The notice shall be deemed received five (5) working from the date of transmittal to the respondent or appropriate diplomatic representative of the country of exportation or origin of the imported product under consideration."

X X X

"Upon a positive preliminary determination that increased importation of the product under consideration is a substantial cause of, or threatens to substantially cause, serious injury to the domestic industry, the Secretary shall, without delay, transmit its records to the Commission for immediate formal investigation."

1) Notice to Parties and Due Process

On 28 October 2024, the DTI informed the domestic industry and the appropriate diplomatic or official representatives of the identified exporting countries. On 29 October 2024, the DTI informed the concerned importers, exporters, Philippine Commercial Attaches, consumer groups, and concerned associations. The importers and exporters were also requested to submit their responses to the questionnaires as well as evidence and information relevant to the said investigation within five (5) working days from receipt of notice as provided under Section 7 of RA 8800 and its IRR.

On 31 October 2024, Notice of Initiation was published at the Business Mirror and Manila Standard Today as provided under Rule 6.5a of the IRR which states that:

"Within two (2) calendar days after the Secretary 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 investigation."

2) Submission of Evidence and Position Papers

As provided under Rule 6.5b of the IRR of RA 8800:

X X X

"The respondents are required to submit within five (5) working days from the receipt of such notice their response or comment and other evidence and information to dispute all allegations contained in the petition. The notice shall be deemed to have been received five (5) working days from the date on which it was transmitted to the respondent or the appropriate diplomatic or official representative of the country of export or origin of the product under consideration. In cases where the number of known interested parties is so large that it is impractical to provide a non-confidential copy of the documents to each of them, a copy will be given to the government of the country of export or origin and/or to the representative organizations. These documents shall also be made available to other interested parties upon request."

3) Documents Received from the Interested Parties

Questionnaires were sent to importers and exporters that are considered interested parties to the case. Further, concerned foreign embassies, construction, consumer and industry associations were informed of the motu proprio investigation and requested to submit comments/position.

A summary of the questionnaire responses as well as the position/comments submitted by the interested parties are attached in Attachments I to III.

3.1. Exporters

Out of thirty-three (33) identified exporters, nine (9) submitted responses to the DTI Questionnaire, as follows:

a) NCL Trading Joint Stock Company – Viet Nam

On 11 November 2024, DTI received NCL Trading Joint Stock Company's submission. According to NCL the main reason for increasing trend of cement imported from Vietnam is not from the dumping behavior of Vietnamese cement exporters. The lack of supply in the domestic industrial and infrastructural markets in recent years in the Philippines along with the limited production capacity of the domestic manufacturers for the subject articles are the reason why the importers and consumers seek the like products from Vietnam market. In addition, the domestic cement producers of the Philippines have also been supported through the governments imposition of safeguards measures starting from 2023. In case DTI imposes anti-dumping tax, cements imported from Vietnam will be imposed with two (2) different taxes. This violates Article VI.5 of the General Agreement on Tariffs and Trade.

b) Vissai Ninh Binh JSC – Viet Nam

On 18 November 2024, DTI received Vissai Ninh Binh JSC's comments. As the data Vissai provided during the investigation period, the export volume in the period 2019-2020 increased compared to the previous year, but it was consistent with the shortage of the Philippine market when the difficulties caused by the COVID pandemic forced many factories to close. Thus, the increase in import volume has a positive impact on the Philippine economy. The period from 2021-2024, after being imposed anti-dumping duties, has limited Vissai's export volume to this market, specifically in 2022, it decreased by 7% compared to 2021 and by 10 months of 2024, it decreased by 32% compared to 2023.

The DTI's allegation against Vissai that the increase in import volume is a significant cause or threat of causing significant serious injury to the domestic industry is incorrect. Furthermore, the new report analyzes the sales of the applicant. The report does not analyze the sales of other companies other than the applicant in the Philippines. Therefore, the Investigating Authority should analyze the sales volume of other companies in the Philippines to see if these companies have taken market share from the applicant in the POI.

c) Xypex Chemical Corporation

On 26 November 2024, DTI received a position from Xypex Chemical Corporation via email notifying DTI that the Xypex product which is marketed as "Patch'n Plug" imported under the code AHTN 2523.29.90 does not fall within the scope of Republic Act (RA) No. 8800.

Xypex does export cement but a specialized construction product, which contains a small amount of cement and is designed for concrete repair. It offers fast-setting, non-shrink properties, and high-bond strength when mixed with water, making it suitable for quickly patching and repairing concrete deficiencies. Xypex Patch'n Plug is a specialized repair product for concrete issues like active leaks and large cracks. It does not compete with

cement products sold in the Philippines but rather complements them by enhancing the durability and value of concrete structures.

d) Vietnam Trading Services and Import Export Limited Company (Viet Trade)

On 14 November 2024, Viet Trade requested the DTI for an extension to submit position/questionnaire responses and was granted until 28 November 2024. On 26 November 2024, DTI received the accomplished confidential and non-confidential questionnaire from Viet Trade. According to them, the presence of high anti-dumping taxes on imported Vietnamese cement significantly reduces its competitiveness compared to domestic cement, suggesting that imported cement does not pose a substantial threat to the domestic industry.

The increase in imported cement is largely attributed to the surge in government infrastructure projects, exceeding the production capacity of domestic cement factories. To avoid significant project delays and ensure adequate supply, the importation of cement from countries like Vietnam, Pakistan, China, and India is crucial to bridge the gap between demand and supply in the Philippine market.

Increased cement imports have not only filled supply gaps but also fostered the development of related logistics and warehousing services, creating jobs for local workers and improving cost-effectiveness for contractors and importers, while also promoting price competitiveness in line with free trade agreements like AFTA. Instead of seeking government protection, local cement factories should focus on improving their capacity, services, and pricing to remain competitive in the market.

e) Long Son Co. Ltd. (LSC)

On 26 November 2024, DTI received Long Son Co. Ltd.'s position, stating that LSC has not been exporting cement to the Philippines or any like products since 2023 up to May 2024. In May, 2024, LSC has been exporting a small quantity (x x x MT).

Historical data show that LSC does not pose any threat of serious injury to the local cement industry.

f) Tokuyama Corporation

On 22 November 2024, Tokuyama Corp. requested the DTI for an extension to submit position/questionnaire responses, and was granted until 28 November 2024. On 27 November 2024, DTI received their comments stating that besides the increase in the import volume of the subject cement, they alleged that all of the costs such as natural resources, raw material, freight, electricity, labor costs, and so on have increased due to several factors including exchange rate, inflation, conflicts that happened across the world. These have caused serious injury.

g) Sumitomo Osaka Cement Co. Ltd. (SOC)

On 26 November 2024, Sumitomo Osaka Cement Co. Ltd. (SOC) requested the DTI for an extension to submit position/questionnaire responses and was granted until 02 December 2024. On 28 November 2024, DTI received the accomplished questionnaire and confidential supporting documents from SOC.

According to SOC, the increase in cement importation is due to the Philippine market needs. As an example, if SOC mainly exports Ordinary Portland Cement (OPC) Type 1, it means that there's a shortage of this type of cement in the Philippine market, and this might be due to the domestic manufacturers' decision to focus more on producing blended cement.

SOC also took note of the disruptions during the COVID-19 pandemic, when many cement plants in the Philippines were forced to shut down due to lockdowns. The conflict between Ukraine and Russia since 2022 has disrupted global supply chains and significantly increased energy costs, particularly coal prices. This sharp rise in costs has negatively impacted the financial performance of many cement manufacturers worldwide.

h) Omanco Material Vietnam Company Limited

On 02 December 2024, DTI received the accomplished questionnaire and confidential annexes from Omanco Material Vietnam Company Limited. It is stated that Omanco is a trading company. The company does not manufacture cement products. They only buy from factories and sell to the customers.

Omanco stated that imported goods do not cause any damage to the domestic cement market in the Philippines. It was also alleged that there is a high cost and selling price of cement in the Philippines because of the following: (1) factories are making high profits; (2) factories lack advanced technology and scientific methods to reduce cement costs, resulting in high production costs and decreased competitiveness; and (3) poor management of factories and raw materials are not available.

Also, Omanco suggests that the DTI should have an objective view of the impact of imported cement in the Philippine cement industry.

**i) Nhuan Phat Trading Services and Transportation Company Limited
(Nhuan Phat TST Co. Ltd.)**

On 04 December 2024, Nhuan Phat TST Co. Ltd. requested the DTI for an extension to submit position/questionnaire responses not later than 06 December 2024. On 06 December 2024, DTI received the accomplished confidential and non-confidential questionnaire from Nhuan Phat TST Co. Ltd.).

Nhuan Phat would like to emphasize that their involvement in the Philippine market was driven by a desire to offer consumers more product choices at competitive prices, supporting the market without compromising quality or affordability. The company believes that its efforts have positively impacted the market and been well-received by consumers. It also stated that their activities are conducted under fair trade practices and market demands, adhering to all regulations and standards set forth by relevant authorities.

Nhuan Phat believes its activities have fostered healthy competition and expanded consumer choices in the Philippines. The company remains committed to a positive and transparent presence in the market.

3.2. Importers

Out of forty-four (44) identified importers, nine (9) submitted responses to the DTI Questionnaire, as follows:

a) NGC Marketing Corporation

On 05 November 2024, NGC Marketing Corporation requested the DTI for an extension to submit position/questionnaire responses and was granted until 15 November 2024. DTI received NGC Marketing Corporation's comments through its Counsel Villaraza & Angangco Law Offices on 15 November 2024, stating that the elements necessary to impose Safeguard Measures are absent in the instant case, considering that there has been no unexplained surge in the importation of the subject products. Any increase in the importation was brought about by necessity due to demand and the decrease in production of the domestic industry. Also, NGC explained that there was no injury suffered by the domestic industry. The market data shows that the domestic industry continues to command more than 80% of the local market. Disclosures from the domestic industry show that they remained profitable during the POI. Further, assuming there was indeed an injury suffered by the domestic industry during the POI, the same was not caused by the increase in importation of the subject products, but due to external factors beyond the control of both the domestic industry and importers.

Given the absence of all the elements to impose Safeguard Measures, the Petition should be immediately denied or dismissed.

b) COHACO Merchandising & Development Corporation

On 05 November 2024, COHACO Merchandising & Development Corporation requested the DTI for an extension to submit position/questionnaire responses and was granted until 15 November 2024. DTI received COHACO's comments through its Counsel Villaraza & Angangco Law Offices on 15 November 2024, citing that the elements necessary to impose Safeguard Measures are absent in the instant case, considering that:

a) There has been no unexplained surge in the importation of the subject products. Any increase in importation was brought about by necessity due to demand and the decrease in production of the domestic industry;

b) There was no injury suffered by the domestic industry. The market data shows that the domestic industry continues to command more than 80% of the local market. Disclosures from the domestic industry show that they remained profitable during the POI; and

c) Assuming there was indeed an injury suffered by the domestic industry during the POI, the same was not caused by the increase in importation of the subject products, but due to external factors beyond the control of both the domestic industry and importers.

Given the absence of all the elements to impose Safeguard Measures, the Petition should be immediately denied or dismissed.

c) Samstone Multi Resources Inc. (Samstone)

On 12 November 2024, DTI received Samstone Multi Resources Inc.'s comments explaining that the increase in the volume of imported cement is due to the increase in

demand for cement caused by higher government spending on infrastructure projects. The local cement manufacturers per record cannot meet the increase in demand. As stated there is a big gap in demand and supply situation in Philippine cement market. Whether it is from Vietnam, Pakistan, India, or Indonesia, imported cement would fill in the demand. It is for Philippine cement manufacturers to be efficient and not ask for protection. Trade protection would only benefit a particular sector but a loss to the general public.

The government should not coddle the local cement manufacturers as if they are an infant industry that needs protection. They have been in a monopolistic situation and acting like a cartel for almost 20 years in the Philippine cement market but they failed to invest in order to compete price wise against imported cement.

If there is no importation, government projects and employment situations would be adversely impacted. Imported cement is a big factor that resulted to government projects completed on time. The availability of cement means more employment in the construction sector.

The government has imposed safeguard duties on cement. To impose the duty on the basis of unclear and wrong reason again would unduly affect the general public and a loss to the economy in general.

d) PHILCEMENT Corporation

On 05 November 2024, PHILCEMENT Corporation requested the DTI for an extension to submit position/questionnaire responses and was granted until 15 November 2024. DTI received comments through its Counsel Villaraza & Angangco Law Offices on 15 November 2024, emphasizing that the local industry maintains its market leadership with at least 81% market share. It is the allocation of market shares within the local industry that has shifted with the entry of new local players and the emergence of San Miguel as the market leader. Price adjustment is a natural consequence of the additional local players and the expansion of other local players.

The local industry has long been enjoying excessive support and protection through both tariff and non-tariff barriers. Prolonged overprotection discourages fair competition and may not be aligned with economic developments goals of the country. Imposing safeguard duties only adds to the already existing protections that the industry enjoys, discouraging innovation and market efficiencies in an industry that is overly protected and dominant.

Philcement also introduces manufacturing and processing activities prior to bringing its cement to the market. Philcement does not merely trade cement. It has a value adding activities in its supply chain that necessitates significant investment and state-of-the-art facilities and technologies amounting to billions of pesos in the area where it operates. As such Philcement's cost structure is different from that of most importers. Thus, when considering ex-plant prices of Philcement, manufacturing costs and other distribution costs, that are typically not applicable to other importers, should be included.

The POI of 2019-2024 overlaps with several investigations already conducted about the same purported injury and the same subject products. The same facts are rehashed over to establish the same alleged injury. Over the POI, the Philippine peso severely deteriorated against the appreciating U.S. Dollar. As cement importers typically pay in US

Dollars, importers' costs are highly affected by foreign exchange volatility and its impact to cement importers' operational costs is more than that of domestic players.

The Philippine cement industry is a highly protected and regulated industry. Safeguard measures were imposed in 2021 to 2022 and Anti-dumping duties were also imposed on exporters who are allegedly dumping.

Moreover, the Tatak Pinoy Act was enacted which aims to provide priority and preference to locally manufactured products over imported products. The government likewise offers very good tax incentives to those who invest in the industry. This includes income tax holidays and enhanced deductions.

e) Marlusa Construction Supply

On 12 November 2024, DTI received Marlusa Construction Supply's comments stating that the increase in the volume of imported cement is due to the increase in demand of cement caused by higher government spending in infrastructure projects. The local cement manufacturers per record cannot meet the increase in demand. As stated there is a big gap in demand and supply situation in the Philippine cement market. Whether it is from Vietnam, Pakistan, India, or Indonesia, imported cement would fill in the demand. It is for Philippine cement manufacturers to be efficient and not ask for protection. Trade protection would only benefit a particular sector but a loss to the general public.

The government should not cuddle the local cement manufacturers as if they are an infant industry that needs protection. They have been in a monopolistic situation and acting like a cartel for almost 20 years in the Philippine cement market but they failed to invest in order to compete price wise against imported cement.

If there is no importation, government projects and employment situation would be adversely impacted. Imported cement is a big factor that resulted to government projects completed on time. Availability of cement means more employment in the construction sector.

The government has imposed safeguard duties on cement. To impose the duty on the basis of unclear and wrong reason again would unduly affect the general public and a loss to the economy in general.

f) Fortem Cement Corporation

On 15 November 2024, Fortem Cement Corporation submitted a reply to the Importer's Questionnaire with attached comments citing that Fortem understands the concern raised by local producers regarding the increased volume of imports, Fortem believes that implementing safeguard duties or similar measures would ultimately raise costs for consumers, which could negatively impact infrastructure projects and overall economic growth. Instead, Fortem recommends exploring alternative measures that ensure market stability and accountability while protecting consumers.

In summary, Fortem proposes that DTI considers alternatives to safeguard duties, such as regulating importer experience requirements and drawing on successful international models. These measures would support local industry without raising costs for consumers, ensuring a stable, competitive market that benefits all stakeholders. Safeguard duties, while sometimes offering short-term relief, often fail to address deeper

industry challenges and can lead to unintended consequences for consumers and the wider economy.

g) Bostik Philippines, Inc.

On 18 November 2024, DTI received Bostik Philippines, Inc.'s comments stating that Bostik Philippines, Inc., (Bostik) imports Bostik Boscocem Slurry (also Known as Blocked C350 Boscocem Slurry) from affiliates in Asia Pacific.

The subject product is a cement-based, two-component acrylic reactive polymer modified waterproofed coating.

The two-way system waterproofing product sells in the local market as a SET and is in no way being produced by any of the members of the Cement Manufacturers' Association of the Philippines.

Based on the foregoing, Bostik submits that its products (while classified under AHTN 2523.29.90 and 2523.90.00) are not covered by the Preliminary safeguard investigation, since they do not pose any serious injury or threat to the domestic industry.

h) Lemery Cement Silo Tank Corporation

On 18 November 2024, DTI received Lemery Cement Silo Tank Corporation's comment. Lemery claimed that imported cement is of good quality and higher strength than the domestic manufactured cement, based on sample testing by Lemery Cement. There is no regular production of Type 2 Ordinary Portland Cement needed by the Lemery Cement customers, therefore, Type 2 Ordinary Portland Cement should not be covered by the safeguard duty.

i) XPRT Ventures Inc.

On 27 November 2024, DTI received XPRT Ventures Inc.'s comments. XPRT does not import cement or raw materials used in the production of cement. While XPRT caters to several customers within the cement industry, XPRT's role does not involve supplying them with cement. XPRT however, provides its cement industry customers with analytical instruments for use in their laboratories.

3.3. Association

a) Philippine Chamber of Commerce and Industry

On 27 November 2024, the DTI received comments from the Philippine Chamber of Commerce and Industry (PCCI) expressing strong support for the DTI's preliminary safeguard measure investigation. PCCI stated that the local cement industry has been facing challenges brought about by increasing imports, dumping from other countries, and struggling demand. Despite having a surplus in local production, more than enough to meet market demand – imports continue to flood the market, threatening the viability of the local industry.

Further, PCCI stated that the local industry embodies the "Tatak Pinoy" brand, which represents quality and reliability, and the hard work, innovation, and resilience of the Filipino workers. The local cement industry is a significant contributor to the economy, accounting for at least 1% of the GDP, generating an estimated 130,000 direct and indirect jobs, and contributing a multiplier of around three times to the economy. Additionally, it generates more tax revenues for the government versus the importers of cement.

b) Concerned Citizens of the Philippines

On 19 November 2024, the DTI received the comments and position of the concerned citizens of the Republic of the Philippines. They stated that the purpose of importation of cement products is to address the shortage of supply of said products in the different provinces such as Iloilo, Davao, General Santos City, Bacolod, Palawan, Cotabato, Zamboanga, and Cagayan de Oro. It is essential to ensure adequate supply in provinces outside major production centers like Metro Manila and Cebu, where cement shortages are common. They also affirmed that cement imports have increased competition, leading to a significant price drop from Php300.00 to Php200.00 per bag between 2019 and 2024. This price reduction benefits Filipinos by making construction more affordable, leading to more affordable housing, and commercial and/or industrial spaces which creates opportunities for Filipinos.

On the contrary, they also asserted that restricting cement imports could create a monopoly for local manufacturers, leading to price increases, inflation, and hardship for Filipinos. This is especially true in provinces where there is no local cement producer, restricting imports would likely cause severe shortages and further price hikes.

Their position reiterated that the focus should be on the best interests of the Filipino people, not just a few local cement industry players. Maintaining an open and competitive market is crucial to prevent potential abuse by local conglomerates. They also urged the DTI to prioritize the interests of all Filipinos when considering safeguard measures.

3.4. Foreign Embassies

The following foreign embassies submitted their comments relevant to the investigation:

a) Government of Thailand

On 07 November 2024, the Department of Foreign Trade (DFT), Ministry of Commerce of the Kingdom of Thailand commented that pursuant to Article 9.1 of the WTO Agreement on Safeguards, "Safeguard measures shall not be applied against a product originating in a developing country Member as long as its share of imports of the product concerned in the importing Member does not exceed 3 per cent".

The imports of concerned products from Thailand were below three (3) percent during the past five years and six months (2019 to June 2024) as shown in the public version of the report on the initiation of a preliminary investigation on the application for the above safeguard measures. Therefore, Thailand should not be included in the safeguard measure from the outset. Under this circumstance, the DFT requested the Department of Trade and Industry to exclude Thailand from the imposition of measures in accordance with Article 9.1 of the WTO Agreement on Safeguards.

b) Government of Indonesia

On 11 November 2024, the Government of Indonesia (GOI) through the Ministry of Trade Republic of Indonesia, submitted its position to the investigation. The GOI would like to remind the Authority of the requirement that under Article 2 of the Agreement on Safeguards that stipulated "...A Member may apply a safeguard measure to a product only if that Member has determined, pursuant to the provisions set out below, that such product is being imported into its territory in such increased quantities, absolute or relative to domestic production, and under such conditions as to cause or threaten to cause serious injury to the domestic industry that produces like or directly competitive products."

According to GOI's Central Statistics Agency (furthermore processed by the Ministry of Trade's data and information system center), there was no increase at all for export cement products with HS number 2523.29.90. and 2523.90.90 from Indonesia to the Philippines from the year 2019 to the year 2024 (January-August).

In the report issued by DTI in subsection F3, it is stated that the imported product or product under investigation caused the domestic industry unable to increase its selling price and sells below the cost of production, and then causing injury to the domestic industry.

Analysis of the price effect in safeguard investigations is not required, the agreement on safeguard itself does not regulate and requires the investigating authority to analyze the price effect on the injury suffered by the domestic industry. They mentioned that the inability of the domestic industry to sell the product under investigation above the cost of production is because of the inefficiency of the domestic industry itself that is caused by other factors, not because of the increase in imports, especially from Indonesia. Hence, the GOI requests the Authority to consider terminating the investigation against Indonesia.

c) Government of Mexico

On 11 November 2024, DTI received the International Trade Practices Unit – Secretariat of Economy of Mexico comments regarding the global safeguard proceeding concerning the imports of cement, currently classified under the Association of Southeast Asian Nations (ASEAN) Harmonized Tariff Nomenclature (AHTN) codes 2523.29.90 and 2523.90.00. The Government of Mexico would like to express that according to the data from the UN Comtrade Database from the United Nations, there were no Mexican exports of this product to the Philippines from 01 January 2021 to 31 December 2023. Therefore, as provided by Article 9.1 of the World Trade Organization Agreement on Safeguards and due to the fact that Mexico is a developing country Member of the WTO, they requested the exclusion of the imports of Mexican products from the application of any safeguard measures derived from such proceeding.

4) Additional Documents Received

On 12 and 15 November 2024, DTI received the Cement Manufacturers' Association of the Philippines (CEMAP) position paper relevant to the critical circumstances existing in the cement industry to support the issuance of a provisional safeguard measure on imported cement.

On 15 November 2024, DTI received from Eagle Cement Corporation (ECC) its position extending its full support to DTI's initiation of a safeguard investigation. ECC and CEMAP emphasized that assistance and protection from the government are necessary under the circumstances that there is clear and sufficient evidence that there is an increase in imports, the domestic industry is suffering from serious injury caused by the surge in imports and the serious injury suffered by the domestic industry is directly attributable to the rapid increase in imports.

II. APPRECIATION OF AVAILABLE EVIDENCE

Rule 6.5.c of the IRR states that:

"Whenever any interested party fails to respond adequately or 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 determination of the conditions required in a safeguard investigation shall proceed on the basis of facts derived from the evidence at hand. Even though the information provided by an 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."

Out of thirty-eight (38) identified exporters, nine (9) submitted responses to the DTI Questionnaire. For the importers, out of forty-four (44) identified importers, nine (9) submitted responses to the DTI Questionnaire.

After a thorough evaluation of the position/comments received from the exporters and importers, the following were considered in the analysis:

- **Verification of Volume Contested by Exporters**

The DTI verified the export data contested by the respondent exporters in their position papers submitted to the Department:

- a) **NCL Trading Joint Stock Company – Viet Nam**

NCL Trading Joint Stock Company is a specialized cement exporter, exclusively focused on international trade. According to NCL, their operations do not extend to the domestic market. The lack of supply in the domestic industrial and infrastructural markets in recent years in the Philippines along with the limited production capacity of the domestic manufacturers for the subject articles are the reason why the importers and consumers seek the like products from Vietnam market.

Based on the BOC-SAD, the company exported cement in 2019 xxx, 2020 xxx, 2021 xxx, 2022 xxx, 2023 xxx, and 2024 xxx through Fortem Cement Corporation, Newgate Import Export Corporation, Philippine Super Metro Cement Corp., St. John Paul Countertrade Corporation, Summit Concrete Products Corp. and Syblings Steel and Hardware Corp. Likewise, NCL Trading JSC, PROC recorded xxx of cement in 2022 through its importer Fortem Cement Corporation.

- b) **Vissai Ninh Binh JSC – Viet Nam**

Vissai NB affirmed that they manufactured and exported Portland cement Type I and Type IP, in bulk, sling bags, and jumbo bags to the Philippine market during the POI. In which, Ha Nam Cement Factory and Ninh Binh Cement Factory mainly produce and export bagged cement products, while Song Lam Cement Factory produces and exports bulk cement.

xxx

- c) **Xypex Chemical Corporation - Canada**

Xypex responded to the questionnaire and claimed that the company has not exported cement to the Philippines, but a specialized construction product, which contains a small amount of cement and is designed for concrete repair. It offers fast-setting, non-shrink properties, and high-bond strength when mixed with water, making it suitable for quickly patching and repairing concrete deficiencies. The company stated that Xypex Patch 'n Plug is a specialized repair product for concrete issues like active leaks and large cracks. It does not compete with cement products sold in the Philippines, but rather complements them by enhancing the durability and value of concrete structures. Xypex exported only xxx of Patch'n Plug to the Philippines, with a total sales value of xxx (inclusive of base price and shipping costs) from July 2021 to November 2024.

Based on the data from BOC-SAD, Xypex Chemical Corporation Canada exported patch'n plug and admix C1000NF to the Philippines from 2021 to 2024 through its importer Richmond Waterproofing Inc.

Aside from Patch 'n plug, the product Admix C-1000 NF was also excluded in the total volume of imports. Based on research, Xypex is a unique chemical treatment for the waterproofing, protection and improvement of concrete. Xypex Admix C-1000/C-1000 NF¹ is introduced into the concrete mix during batching. The active ingredients react with the moisture in fresh concrete and the byproducts of cement hydration, initiating a catalytic process. This results in the formation of non-soluble crystals that spread throughout the concrete's pores and capillaries, creating a permanent seal that blocks the penetration of water and other liquids from any direction.

d) Long Son Co. Ltd. (LSC) - Viet Nam

LSC claimed that the company did not export cement to the Philippines or any like products since 2023. In May 2024, the company exported a small quantity xxx of cement. Based on BOC-SAD, LSC exported cement in 2019 xxx, 2020 xxx, 2021 xxx, 2022 xxx and 2024 xxx. No recorded exports of cement in 2023.

- **Verification of Volume Contested by the Importers**

The DTI verified the import data contested by the respondent importers in their position papers submitted to the Department:

a) PHILCEMENT Corporation

Philcement submitted its position stating that they introduce manufacturing and processing activities prior to bringing its cement to the market. The company does not merely trade cement. It has a value adding activities in its supply chain that necessitates significant investment and state-of-the-art facilities and technologies amounting to billions of pesos in the area where it operates. As such Philcement's cost structure is different from that of most importers. Thus, when considering ex-plant prices of Philcement, manufacturing costs and other distribution costs, that are typically not applicable to other importers, should be included.

xxx

b) Bostik Philippines, Inc.

Bostik Philippines, Inc.'s clarified that they import Bostik Boscocem Slurry (also known as Blocked C350 Boscocem Slurry) from their affiliates in the Asia Pacific. The subject product is a cement-based, two-component acrylic reactive polymer modified waterproofed coating. The two-way system waterproofing product sells in the local market as a SET and is in no way being produced by any of the members of the Cement Manufacturers' Association of the Philippines. The company submits that its products (while classified under AHTN 2523.29.90 and 2523.90.00) are not covered by the Preliminary safeguard Investigation, since they do not pose any serious injury or threat to the domestic industry.

Based on the BOC-SAD, Bostik Philippines, Inc. imported Boscocem Slurry (Blocked C350 Boscocem Slurry B) in 2019 xxx, 2020 xxx, 2021 xxx, 2022 xxx and 2023 xxx from

¹ <https://www.xypex.com/>

Bostik Findley Malaysia SDN BHD. The said importations were excluded in the total volume of imports.

c) Lemery Cement Silo Tank Corporation

Lemery Cement Silo Tank Corporation's claimed that imported cement are of good quality and high strength more than the domestic manufactured cement, based in sample testing by Lemery Cement. There is no regular production of Type 2 Ordinary Portland Cement needed by the Lemery Cement customers, therefore, Type 2 Ordinary Portland Cement should not be covered by the safeguard duty.

Based on the BOC-SAD, Lemery Cement Silo Tank Corporation imported xxx in 2024 described as "Ordinary Portland Cement Type II Uno Brand" through Long Son Company Limited (Thanh Hoa) Viet Nam.

d) XPRT Ventures Inc.

On 27 November 2024, DTI received XPRT Ventures Inc.'s comments. The company stated that they are not importing cement or raw materials used in the production of cement. While XPRT caters to several customers within the cement industry, XPRT's role does not involve supplying them with cement. XPRT however, provides its cement industry customers with analytical instruments for use in their laboratories. Based on BOC-SAD, XPRT Ventures, Inc. recorded an import of Portland Cement SRM 114Q Fineness STD" at xxx in 2023.

III. VOLUME OF IMPORTS

A. Determination of Increased Volume of Imports

Rule 7.2 a of the IRRs of RA 8800 provides, *"the Secretary shall essentially determine whether there has been an increase in the volume of imports, in particular, either in absolute terms or relative to production in the Philippines, The Secretary shall evaluate import data for the last five (5) years preceding the application to substantiate claims of significant increase in import volume. Provided, however, that in some cases, the period may be adjusted to cover a shorter period, if necessary, in order to take into account other considerations that will ensure the appropriateness of the chosen period, e.g. seasonality of product, availability of data or facility in verification of data."*

II.A.1. Absolute Terms

II.A.1.a. Import Volume

The period of investigation (POI) covers imports of cement from 2019 to June 2024, with data updated to reflect the entire year of 2024. All data was obtained from the BOC-SAD.

The DTI determined during the initiation stage that cement is being imported in increased quantities, both in absolute and relative terms. This finding was further validated during the preliminary determination through the review of additional documents and information submitted by interested parties (i.e. exporters, importers, associations, embassies etc.).

In the preliminary determination, certain import transactions recorded during the POI were excluded from the volume of imports because they are not considered products within the scope of the investigation.

Figure 1: Volume of Cement

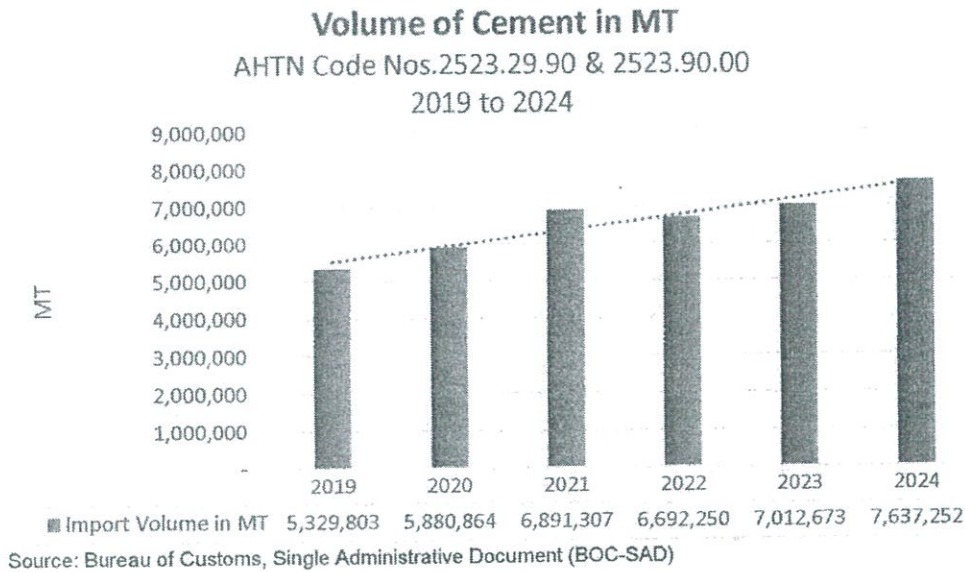


Table 1: Import Volume of Cement from 2019 to 2024

Year	2019	2020	2021	2022	2023	2024
Volume (MT)	5,329,803	5,880,864	6,891,307	6,692,250	7,012,673	7,637,252
Absolute Increase/(Decrease)	-	551,061	1,010,443	(199,057)	320,423	624,578
% Growth Rate		10.34	17.18	(2.89)	4.79	8.91

Source: BOC-SAD

Note: Data excludes cement imported by local manufacturers during the POI.

The volume of imported cement increased during the POI, except in 2022. The increases compared with the previous years are: in 2020 - 10%, in 2021 - 17%, in 2023 - 5%. In 2024 cement level of imports shows an increase of about 9% over the 2023 level.

The increase in imports of cement during the POI was both sharp and significant up to the most recent period.

According to Viet Trade, increased cement imports in the Philippines are driven by government infrastructure projects exceeding domestic production. Imports from Vietnam, Pakistan, China, and India are essential to prevent project delays and meet demand.

NGC and COHACO cited that the elements necessary to impose Safeguard Measures are absent in the instant case, considering that there has been no unexplained surge in the importation of the subject products. Increased imports were necessary due to demand and decreased domestic production

Philcement stated that the entry of imports was driven by market need. The number of import volumes has remained at the same level in the last three (3) years, supporting the

assessment that this is the capacity that the market can absorb given the actual domestic capacities and product mix available in the country.

II.A.1.b. Share of Imports (by Country)

Table 2: Import Volume of Cement (by country of origin) from 2019 to 2024

Country	2019		2020		2021		2022		2023		2024	
	Volume	Share	Volume	Share	Volume	Share	Volume	Share	Volume	Share	Volume	Share
Viet Nam	4,232,387	79.41%	5,375,966	91.41%	6,381,001	92.59%	6,341,460	94.76%	6,878,572	98.09%	7,209,705	94.40%
PROC	948,794	17.80%	271,793	4.62%	78,401	1.14%	16,550	<1%	0.70	<1%	12,111	<1%
Indonesia	0.25	<1%	220,600	3.75%	310,622	4.51%	195,950	2.93%	88,250	1.26%	96,970	1.27%
Japan	-	-	-	-	119,882	1.74%	114,790	1.72%	45,850	<1%	318,465	4.17%
Other Sources*	148,622	2.79%	12,505	<1%	1,401	<1%	23,500	<1%	-	-	0.95	<1%
Total Imports	5,329,803	100%	5,880,864	100%	6,891,307	100%	6,692,250	100%	7,012,673	100%	7,637,252	100%

Note: *Other Sources: Thailand (2019 to 2020); Pakistan (2019, 2021 and 2022); Singapore (2019), Republic of Korea (2020), Chinese Taipei (2024), Iran (2019 and 2021) and USA (2019 to 2021)

Source: BOC-SAD - Volume of Imports

Viet Nam

Viet Nam accounted for the largest share of the country's cement importation during the POI. Viet Nam's share recorded at 4,232,387 MT in 2019 or 79% of the country's cement imports. Viet Nam further increased its share of total imports to 91% in 2020, 93% in 2021, and 95% in 2022 and remained the dominant supplier in 2023 with 6,878,572 MT or 98% share. In 2024, cement imports from Viet Nam accounted for 94% of total Philippine imports.

NCL argues that increased Vietnamese cement imports are primarily due to domestic supply shortages and limited production capacity within the Philippines, not a result of dumping by Vietnamese exporters.

PROC

In 2019, cement sourced from PROC recorded at 18% share of total Philippine imports. From 2020 to 2024, PROC's import share continues to decline from 5% share to less than one percent share.

Indonesia

Imports of cement from Indonesia were negligible in 2019. In 2020 and 2021, its share of total cement imports increased to 4% and 5%, respectively. In 2022, Indonesia's share of imports dropped to 3% and further declined to 1% in both 2023 and 2024.

Japan

Japan has no recorded imports in 2019 and 2020. In 2021 and 2022, imports of cement from Japan recorded at 119,882 MT or 2% share and 114,790 MT or 2% share of total imports, respectively, but dropped to 1% in 2023. In 2024, Japan accounted for 4% of the country's total cement imports.

According to Sumitomo Osaka Cement Co. Ltd. (SOC), the increase in cement importation is due to the Philippine market needs. SOC also took note of the disruptions during the COVID-19 pandemic, when many cement plants in the Philippines were forced to shut down due to lockdowns, as well as the conflict between Ukraine and Russia since 2022, which has disrupted global supply chains and significantly increased energy costs, particularly coal prices.

Other Sources

Other sources of cement for the POI include Thailand, Pakistan, Singapore, the Republic of Korea, Chinese Taipei, Iran, and the United States.

II.A.1.c. Top 10 Traders and Foreign Exporters of Cement: 2019 to 2024

Table 3: Top 10 Philippine Importers of Cement from 2019 to 2024

NO.	IMPORTER	2019	2020	2021	2022	2023	2024	Total 2019- 2024	% Share
1	PHILCEMENT CORPORATION	610,494	1,477,241	1,956,500	1,750,033	1,841,582	1,819,727	9,455,577	23.97%
2	FORTEM CEMENT CORPORATION	1,288,534	1,194,199	1,625,475	1,147,272	1,172,295	1,037,578	7,465,353	18.93%
3	DVAO TRADING	-	-	677,485	1,257,012	1,259,906	248,832	3,443,235	8.73%
4	NGC MARKETING CORPORATION	-	-	-	181,300	738,330	943,103	1,862,733	4.72%
5	NGC LAND CORPORATION	576,949	614,324	528,718	106,200	-	-	1,826,191	4.63%
6	NEWGATE IMPORT EXPORT CORPORATION	-	-	-	625,341	447,886	685,376	1,758,603	4.46%
7	MARLUSA CONSTRUCTION SUPPLY	284,964	271,296	420,498	402,000	169,900	162,700	1,711,358	4.34%
8	DAVAO MULTIBUILD CORPORATION	305,493	268,638	302,427	203,900	193,345	143,748	1,417,551	3.59%
9	SAYGIN CONSTRUCTION SUPPLY	-	759,041	425,873	-	-	-	1,184,914	3.00%
10	ZAENNA TRADING	-	-	-	23,500	-	998,454	1,021,954	2.59%
Total: Top 10 Philippine Importers		3,066,434	4,584,739	5,936,976	5,696,558	5,823,244	6,039,518	31,147,468	78.97%
Total: Other Importers		2,263,368	1,296,125	954,331	995,692	1,189,430	1,597,734	8,296,681	21.03%
Grand Total		5,329,803	5,880,864	6,891,307	6,692,250	7,012,673	7,637,252	39,444,149	100.00%

Source: BOC-SAD – Import Volume

Table 4: Top 10 Foreign Exporters of Cement from 2019 to 2024 (by volume in MT)

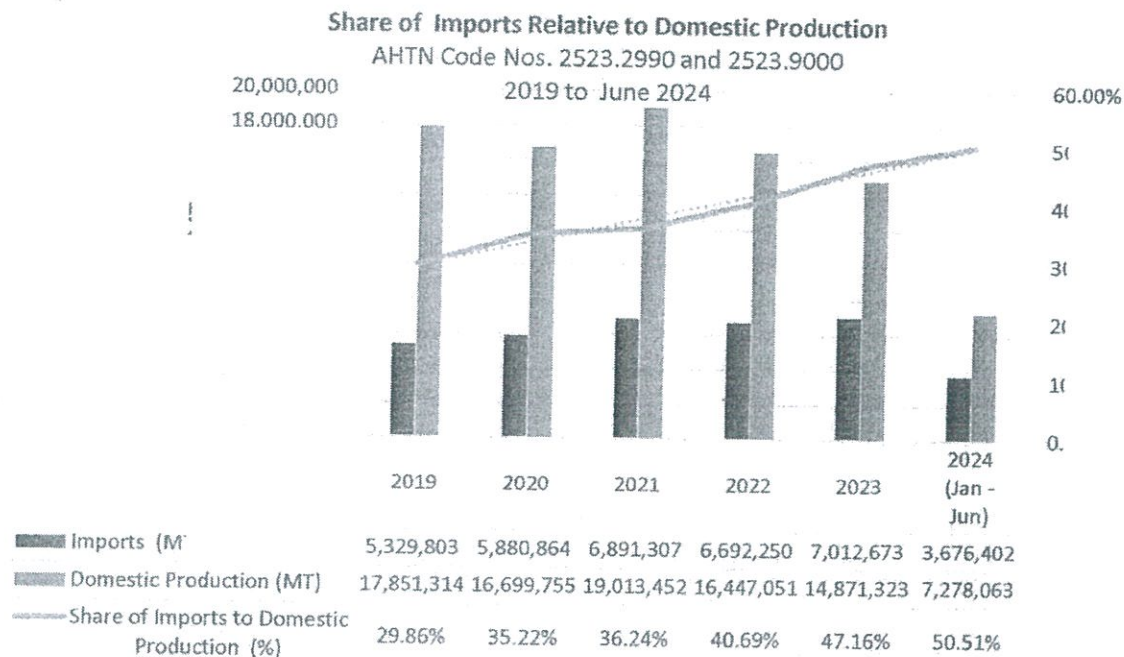
NO.	EXPORTER	COUNTRY	2019	2020	2021	2022	2023	2024	Total (2019 - 2024)	% Share
1	VISSAI NINH BINH JSC	Viet Nam	682,358	1,477,241	1,836,618	1,635,243	1,795,732	1,501,262	8,928,454	22.64%
2	NCL TRADING JOINT STOCK COMPANY	Viet Nam	506,775	690,607	1,301,502	1,631,105	1,190,636	1,167,848	6,488,473	16.45%
3	OMANCO MATERIAL VIET NAM COMPANY LIMITED	Viet Nam	-	812,041	1,088,324	817,444	1,259,906	1,250,755	5,228,470	13.26%

4	VIETNAM TRADING SERVICES AND IMPORT EXPORT LIMITED COMPANY	Viet Nam	705,126	745,920	687,016	416,301	987,539	1,431,002	4,972,904	12.61%
5	VICEM TAM DIEP CEMENT ONE MEMBER CO., LTD	Viet Nam	78,810	135,160	100,075	176,388	871,094	797,895	2,159,422	5.47%
6	CHINFON CEMENT CORPORATION	Viet Nam	86,037	27,500	-	-	427,976	814,511	1,356,024	3.44%
7	SHANGHAI CONCH BLDG MATERIALS INTERNATIONAL TRADE CO., LTD.	PROC	803,721	271,792	78,400	-	-	-	1,153,913	2.93%
8	NAM ANH TRADE AND EXPORT JOINT STOCK CO.	Viet Nam	172,127	268,638	302,427	203,900	84,050	38,750	1,069,892	2.71%
9	VICEM HAI PHONG CEMENT COMPANY LIMITED	Viet Nam	271,664	187,996	216,000	378,800	-	-	1,054,460	2.67%
10	PT CONCH NORTH SULAWESI CEMENT	Indonesia	-	220,600	302,323	195,950	88,250	96,970	904,093	2.29%
Total: Top 10 Exporters			3,306,618	4,837,495	5,912,685	5,455,131	6,705,182	7,098,993	33,316,104	84%
Total: Other Exporters			2,023,184	1,043,369	978,622	1,237,119	307,491	538,259	6,128,045	16%
Grand Total			5,329,803	5,880,864	6,891,307	6,692,250	7,012,673	7,637,252	39,444,149	100%

Source: BOC-SAD – Import Volume

II.A.2. Relative Terms

Figure 2: Comparison of Volume of Imports to Domestic Production of Cement 2019 to June 2024



Sources: BOC-SAD – Import Volume
Cement Industry – Domestic Production

The table above presents the share of imports of cement in the Philippine market relative to domestic production.

During the POI (i.e. 2019 to June 2024), relative to domestic production, the volume of imports of cement increased from approximately 30% in 2019 to approximately 40% in 2022. In 2023, the share of imports to domestic production increased further to almost 50%. In the first half of 2024, imports accounted for about 50% of domestic production.

Thus, cement imports relative to domestic production significantly increased during the POI.

According to NGC Corporation and Cohaco, the increase in the volume of imports in relative terms may be attributed to the decrease in domestic production of the subject products. The increase of imports in relative terms is brought about by necessity/demand due to a halt in domestic production brought about by COVID. In other words, an increase in importation is a consequence of the reduction in domestic production in order to meet the demand.

Viet Trade explained that the increase in imported cement is largely attributed to the surge in government infrastructure projects, exceeding the production capacity of domestic cement factories.

IV. EVIDENCE OF SERIOUS INJURY

A. Determination of Serious Injury

Rule 3.1 of the IRRs of RA 8800 provides that "a general safeguard measure under Chapter II of these IRRs shall apply where there is an increase in the quantity of a product being imported, whether absolute or relative to the domestic production, which is determined to be a substantial cause of serious injury or threat thereof to the domestic industry".

Section 4 (o) of RA 8800 provides that "serious injury shall mean a significant impairment in the position of the domestic industry after evaluation by competent authorities of all relevant factors of an objective and quantifiable nature having a bearing on the situation of the industry concerned. In particular, the rate and amount of the increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in levels of sales, production, productivity, capacity utilization, profit and losses, and employment".

Section 12 of RA 8800 further provides that "in reaching a positive determination that the increase in the importation of the product under consideration is causing serious injury or threat thereof to a domestic industry producing like products or directly competitive products, all relevant factors having a bearing on the situation of the domestic industry shall be evaluated. These shall include, in particular, the rate and amount of the increase in imports of the products concerned in absolute and relative terms, the share of the domestic market taken by the increased imports, and changes in the level of sales, production, productivity, capacity utilization, profits and losses, and employment.

Such positive determination shall not be made unless the investigation demonstrates on the basis of objective evidence, the existence of the causal link between the increased imports of the product under consideration and serious injury or threat thereof to the domestic industry. When factors other than increased imports are causing injury, such injury shall not be attributed to increased imports."

A.1. Market Size and Market Share

Table 5: Market Size and Market Share (in MT) - 2019 to June 2024

Year	Imports (MT)	% Increase/ (Decrease)	Domestic Industry Sales Volume (MT)*	% Increase/ (Decrease)	Total Apparent Philippine Market (MT)*	% Increase/ (Decrease)	% Share to Philippine Market	
							Domestic	Imports
2019	5,329,803	-	100	-	100	-	xxx	xxx
2020	5,880,864	10.34%	91	(9.44%)	95	(5.08%)	xxx	xxx
2021	6,891,307	17.18%	102	12.45%	108	13.66%	xxx	xxx
2022	6,692,250	(2.89%)	88	(13.81%)	96	(10.93%)	xxx	xxx
2023	7,012,673	4.79%	79	(10.33%)	90	(5.98%)	xxx	xxx
2024 (Jan-June)	3,676,402	-	39	-	45	-	xxx	xxx

Source: BOC SAD – Volume of Imports
Cement Industry – Domestic Sales Volume
*Figures indexed due to confidentiality

The total apparent Philippine market showed a declining trend during the POI, except in 2021. The apparent Philippine market for cement declined by 5% in 2020 due to a 9% drop in domestic industry sales and a 10% increase in imports. In 2021, the apparent Philippine market recorded its highest growth at approximately 14% as imports grew by 17% and domestic industry by 12%. In 2022, the apparent Philippine market declined by 11% and further declined by 6% in 2023 as imports increased by 5% while domestic sales dropped by 10%.

During the POI, the share of the domestic cement industry exhibited a declining trend from almost 78% share in 2019 to almost 68% share in 2023. From January to June 2024, the share of the domestic industry to the total market was recorded at approximately 66%.

As the market size showed a declining trend, from 2019 to 2021, the share of imported cement recorded an increasing trend from 5.3million MT to 6.9million MT, respectively. In 2022, imported cement declined by approximately 3% but increased by 5% in 2023 despite the decline in market size.

According to Sumitomo Osaka Cement Co. Ltd. (SOC), the increase in cement importation is due to the Philippine market needs. SOC also took note of the disruptions during the COVID-19 pandemic, when many cement plants in the Philippines were forced to shut down due to lockdowns, as well as the conflict between Ukraine and Russia since 2022, which has disrupted global supply chains.

Vissai stated that the increased imports from 2019 to 2020 were attributed to market shortages caused by COVID-19-related factory closures in the Philippines.

Samstone explained that the increase in the volume of imported cement is due to the increase in demand for cement caused by higher government spending on infrastructure projects. The local cement manufacturers per record cannot meet the increase in demand.

B.1 Sales in the Domestic Market of Locally Produced Cement

Table 6: Domestic Sales Volume and Value

Year	Sales Volume (MT)*	% Increase (Decrease)	Sales Value (Php Million)*	% Increase (Decrease)
2019	100	-	100	-
2020	91	(9.44)	85	(15.35)
2021	102	12.45	93	9.57
2022	88	(13.81)	90	(3.05)
2023	79	(10.33)	81	(9.37)
2024 (Jan-Jun)	39	-	37	-

Source: Domestic Industry

*Figures indexed due to confidentiality

The cement industry's domestic sales volume declined year-on-year throughout the POI from 2019 to 2023 except a remarkable increase in 2021 by 12%. Sales volume declined by 9% in 2020 due to the onslaught of the pandemic, increased in 2021 by 12% but declined by 14% in 2022 and further by 10% in 2023. In the first half of 2024, sales volume is less than half compared to the 2023 level.

The sales value likewise followed a similar trend with the sales volume. Sales value declined by 15% in 2020, increased in 2021 by 10% but declined by 3% in 2022 and further by 9% in 2023. In the first half of 2024, sales value is less than half compared to the 2023 level.

Cohaco stated that the drop in sales is directly linked to the shift in production focus, specifically the introduction and production of Type 1T cement. The sales volume was arguably impacted with the significant decline in output and changing market dynamics.

B.2 Production

Table 7: Total Production

Year	2019	2020	2021	2022	2023	2024 (Jan-Jun)
Production (MT)*	100	94	107	92	83	41
% Increase (Decrease)	-	(6.45)	13.85	(13.50)	(9.58)	-

Source: Domestic Industry

*Figures indexed due to confidentiality

The industry's production volume followed the trend of sales volume throughout the POI. Production volume declined by 6% in 2020 due to the onslaught of the pandemic, increased in 2021 by 14% but declined by 14% in 2022 and further by 10% in 2023. In the first half of 2024, production volume is less than half compared to the 2023 level. Production recorded its highest in 2021 and the lowest in 2023.

Cohaco emphasized that the cement production of the domestic industry-factoring in the production of Type 1T cement- actually increased from 2019 to 2021, despite the negative effects of the pandemic.

B.3 Finished Goods Inventory

Table 8: Finished Goods Inventory

Year	Volume (MT)*	% Increase (Decrease)	Value (Php Million) *	% Increase (Decrease)
2019	100	-	100	-
2020	103	2.50	97	(2.85)
2021	93	(8.81)	96	(0.86)
2022	83	(11.45)	114	18.47
2023	81	(2.16)	114	(0.28)
2024 (Jan-Jun)	78	-	87	-

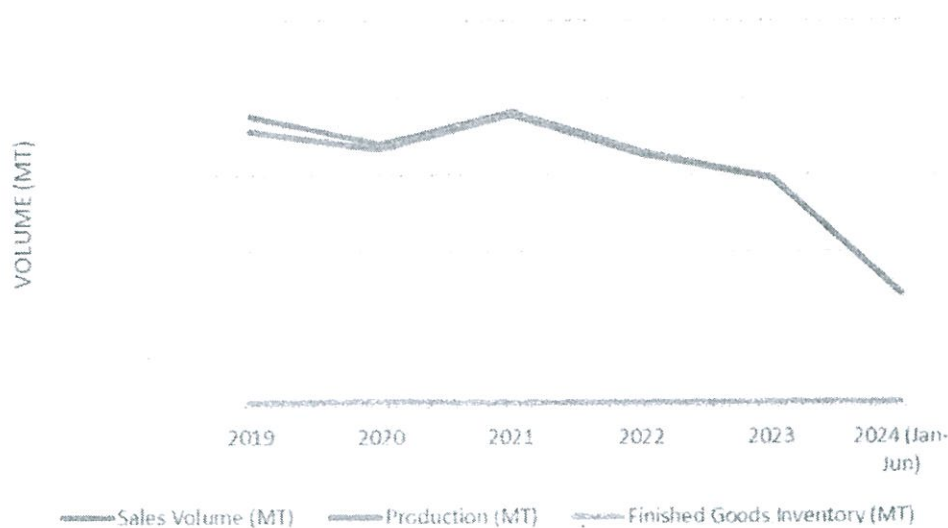
Source: Domestic Industry

*Figures indexed due to confidentiality

The finished goods inventory volume increased by 3% in 2020 due to the slow movement of products during the pandemic. Inventory volume declined by 9% in 2021, 12% in 2022 and further by 2% in 2023. Cement has a short shelf life and cannot be kept for long periods under inventory. With proper storage and handling, cement can only last between three to six months.

The finished goods inventory value, declined by 3% in 2020, slightly declined by 1% in 2021, increased in 2022 by 18% while slightly declined by less than 1% in 2023.

Figure 3: 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 maintained a minimal finished goods inventory due to the short shelf life of cement.

B.4 Capacity Utilization

Table 9: Capacity Utilization

Year	Rated Capacity (MT)*	Production (MT)*	Capacity Utilization Rate (%)	% Increase (Decrease)
2019	100	100	79.48	-
2020	102	94	72.69	(8.55)
2021	113	107	74.98	3.15
2022	113	92	64.86	(13.50)
2023	113	83	58.64	(9.58)
2024 (Jan-Jun)	56	41	57.37	(2.18)

Source: Domestic Industry

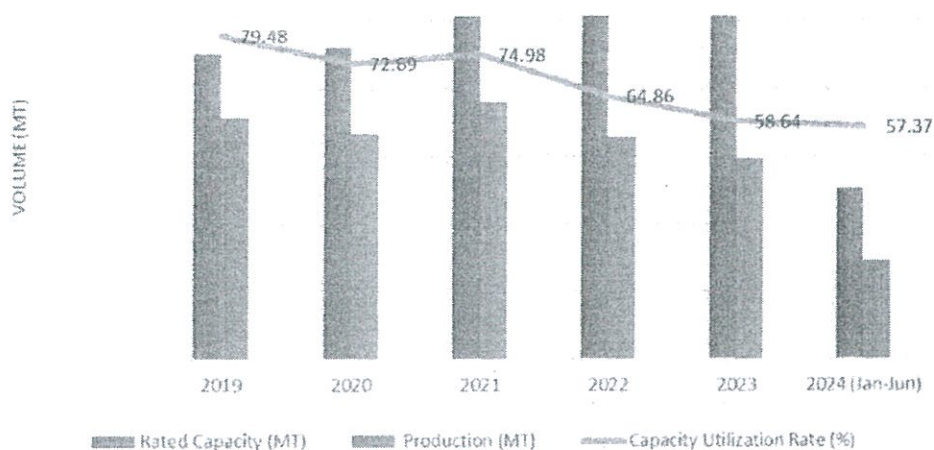
*Figures indexed due to confidentiality

The industry's capacity utilization followed a similar trend to the production. Capacity utilization declined by 9% in 2020 due to the onslaught of the pandemic. It slightly increased in 2021 by 3%, recording its second highest utilization at 75% which indicated recovery from the pandemic since there was increase in capacity, and the production volume recorded its highest on the said year. However, capacity utilization declined by 14% in 2022 and further by 10% in 2023. In the first half of 2024, capacity utilization declined by 2% compared to the 2023 level. The highest capacity utilization is recorded pre-pandemic at 80% in 2019.

Fortem Cement Corporation stated that some local producers may have limitations in production capacity, making it difficult to keep up with the growing demand for cement, especially with large infrastructure projects underway. Imports help bridge this gap to prevent supply shortages, but this demand-supply balance may add to local producers' concerns about competition.

Based on the capacity utilization data, the domestic cement industry has a declining capacity utilization rate and has still a free capacity of at least 40% as of 2023.

Figure 4: Rated Capacity, Production and Utilization Rate



C. Financial Performance/ Profitability**C.1 Profit and Loss**

Table 10: Operating Profit (Loss) - M Php

Particulars	2019	2020	2021	2022	2023	2024 (Jan-Jun)	% Increase (Decrease) (2020 vs.2019)	% Increase (Decrease) (2021 vs.2020)	% Increase (Decrease) (2022 vs.2021)	% Increase (Decrease) (2023 vs.2022)
Sales*	100	85	93	90	81	37	(15.18)	9.77	(3.75)	(9.56)
Cost of Goods Sold*	100	83	93	99	92	43	(16.95)	12.35	5.98	(6.70)
Gross Profit*	100	90	93	65	51	21	(10.43)	3.34	(30.05)	(21.28)
Selling, General and Administrative Expenses*	100	90	88	86	90	5,818	(10.23)	(1.91)	(2.07)	4.94
Operating Profit*	100	89	100	31	(12)	(1,215)	(10.75)	11.70	(69.12)	(137.40)

Source: Domestic Industry

*Figures indexed due to confidentiality

The industry's gross profit declined in 2020 by 10%, increased slightly by 3% in 2021 and declined gradually by 30% in 2022 and further by 21% in 2023.

The selling, general and administrative expenses (SGAE) declined year-on-year throughout the POI from 2019 to 2022 by 10%, 2% and further by 2%, respectively. In 2023, there was a 5% increase in SGAE.

Despite the decreasing SGAE, operating profit declined during the POI, recording its first operating loss in 2023. Operating profit declined by 11% in 2020, increased by 12% in 2021, significantly declined by 69% in 2022 and declined further by 137% which recorded an operating loss in 2023. The industry recorded its highest operating profit in 2019 pre-pandemic.

Cohaco stated that on profitability, data from consolidated income statements of the various corporations in the domestic industry show that the major players continue to report gross profits, negating the claim of injury. For several years during the POI, the entire domestic industry has posted both gross and net profits. The losses, if any, suffered by the domestic industry are due to factors not attributable to the importation of the subject product. The domestic industry remained profitable during the POI despite the alleged increase in import volume and decrease in market share. Different members of the domestic industry have even reported record earnings during the POI, which underscores the fact that the alleged injury is more imaginary than real.

C.2 Return on Sales

Table 11: Return on Sales

Particulars	2019	2020	2021	2022	2023	2024 (Jan-Jun)
Sales (M Php)*	100	85	93	90	81	37
Operating Profit (M Php)*	100	89	100	31	(12)	(15)
Return on Sales	xxx	xxx	xxx	xxx	(xxx)	(xxx)

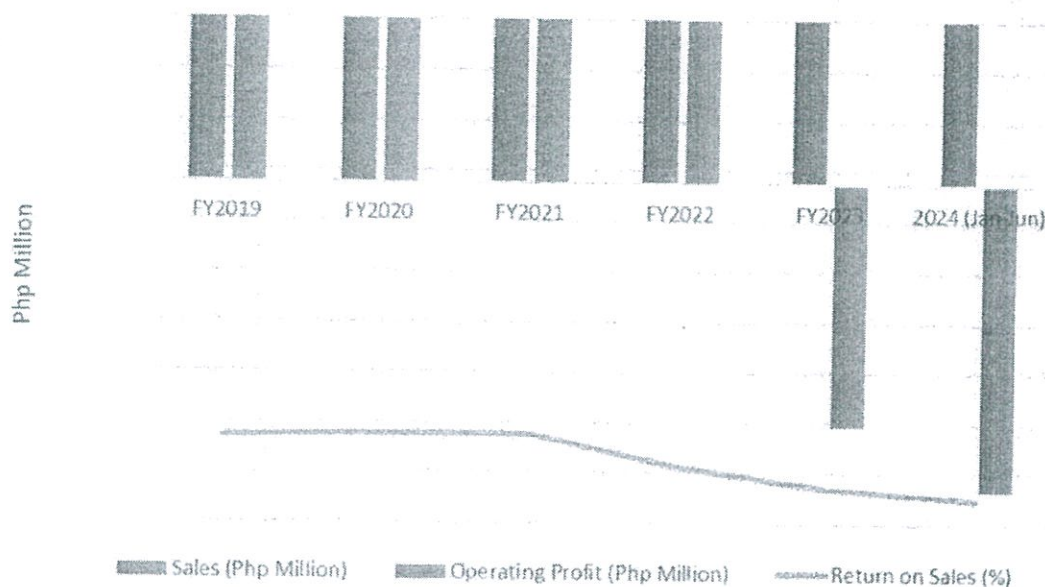
Source: Domestic Industry

*Figures indexed due to confidentiality

Return on Sales (ROS) is a profitability ratio which provides insight into how much profit is being produced per peso of sales.

Return on sales (ROS) based on operating profit increased from 2019 to 2021 ranging from 10% to 11% before it declined to less than 4% in 2022 and recorded a loss on sales in 2023.

Figure 5: Sales, Operating Profit and Return on Sales



The figure above shows a steady ROS from 2019 to 2021 while the industry faced a declined ROS in 2022. In 2023 and in the first half of 2024, they experienced loss on sales.

D. Employment and Labor Productivity

D.1 Employment

Table 12: Employment

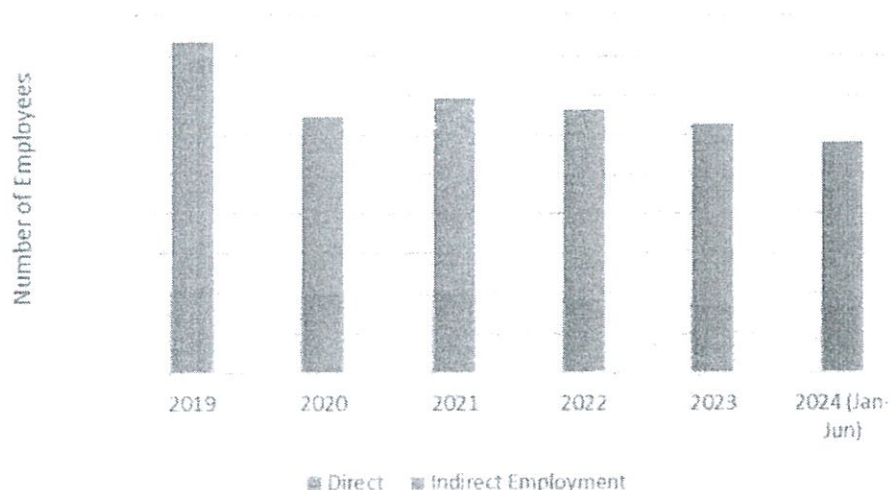
Year	Employees for Production*	Indirect Employees*	Total*	% Increase (Decrease)
2019	100	100	100	-
2020	96	71	78	(22.30)
2021	95	79	83	7.23
2022	88	78	80	(3.78)
2023	82	73	75	(5.95)
2024 (Jan-Jun)	81	66	70	(7.51)

Source: Domestic Industry

*Figures indexed due to confidentiality

The table above shows the direct and indirect labor personnel in the cement industry. The total employment in 2020 decreased by 22% while it increased by 7% in 2021. From 2021 to the first half of 2024, employment declined by 4% in 2022, declined further by 6% in 2023 and declined by 8% in the first half of 2024 compared to the 2023 level.

Figure 6: Employment



Based on the figure above, the level of direct employees slightly declined but relatively maintained, while, the indirect employees sharply declined, recording the highest-level pre-pandemic.

D.2 Productivity

Table 13: Labor Productivity

Year	Production Volume (MT)*	Employees for Production*	Labor Productivity (MT/employees)	% Increase (Decrease)
2019	100	100	xxx	-
2020	94	96	xxx	(2.90)
2021	107	95	xxx	15.48
2022	92	88	xxx	(6.19)
2023	83	82	xxx	(3.65)
2024 (Jan-Jun)	41	81	xxx	-

Source: Domestic Industry

*Figures indexed due to confidentiality

The labor productivity declined throughout the POI except for the increase of 15% in 2021 due to the highest recorded production on that year.

E. Price Effects

E.1 Cost to Produce and Sell

Table 14: Cost to Produce per MT

Particulars	2019	2020	2021	2022	2023	2024 (Jan-Jun)
Raw Materials (M Php)*	100	86	93	81	77	34
Direct Labor (M Php)*	100	95	96	99	86	43
Manufacturing Overhead (M Php)*	100	81	97	120	110	52
Cost to Produce (M Php)*	100	84	95	103	95	44
Cost to Produce per MT*	100	89	89	112	115	109
% Increase (Decrease)-COP per MT	-	(10.57)	0.07	24.85	2.60	-

Source: Domestic Industry

*Figures indexed due to confidentiality

The industry's production cost per MT declined by 11% in 2020, slightly increased by 0.07% in 2021, drastically increased in 2022 by 25% and slightly increased in 2023 by 3%. The drastic increase in manufacturing cost in 2022 is a combination of increase in raw materials cost and manufacturing overhead cost.

According to Vissai Ninh Binh JSC, the ex-work price of the Philippines is high due to the fact that the cement production cost in the Philippines is also higher than in neighboring countries. Energy costs are a major factor with power and coal together accounting for almost half of production costs. Energy costs are relatively high in the Philippines as industrial electricity rates can be as high as US\$0.11/kWh compared to US\$0.07/kWh in Vietnam. Similarly, coal prices are typically elevated in the Philippines as most coals are imported (e.g. Holcim Philippines Inc. imports coals from Indonesia, Solid Cement Corporation and APO Cement Corporation imports coals from the United States). Additionally, age and insufficiency of many cement plants consume more heat per kg of clinker and more power per ton of blended cement. The specific heat consumed by some

domestic plants per kg is about 850-900kcal, while that of a modern, efficient plant is only about 700kcal. It is believed that old cement plants consume up to 90100kWh per ton of blended cement, while efficient one should only consume about 75kWh.

F. Prices

F.1 Price Undercutting

Price undercutting reflects the extent at which the imported product is consistently sold at a price below the domestic selling price of the like product.

Table 15: Comparison between Landed Cost of Imports and Average Ex-plant Price of Domestic Product in 2023 to 2024 (Jan-June)

YEAR	*Landed Cost of Imports (PhP/MT)	**Ex-factory Price of Domestic Industry (PhP/MT)	% Difference
Viet Nam	xxx	xxx	18.37
Japan	xxx	xxx	16.12
Indonesia	xxx	xxx	17.44
2023	xxx	xxx	24.17
Viet Nam	xxx	xxx	17.92
Japan	xxx	xxx	19.67
Indonesia	xxx	xxx	14.66
2024 (Jan-June)	xxx	xxx	11.64

Source: * BOC – SAD

** Domestic Industry

There is a price undercutting of 24% in 2023 and 12% in 2024 (Jan-June). The major sources from 2023 to January to June 2024 are Viet Nam, Japan, and Indonesia with recorded price undercutting.

Cohaco and NGC Corporation stated that there is no price undercutting. The price monitoring of the importers reveals that some of the products of the domestic industry are priced Php10 to Php 15 lower per bag than equivalent products of the importers in the same market segment.

Philcement explained that since domestic players maintain market leadership, they are naturally the price leaders. Based on Philcement's retail price monitoring, Union Cement is sold at prices higher than those of the competitors. Generally, Union Cement is Php10-15 per bag higher than the lowest-priced domestic player. Therefore, there can be no price undercutting.

F.2 Price Depression

Price depression reflects the extent at which the domestic producer decreases its selling price in order to compete with the imported product.

Table 16: Price Depression of Local Cement (P/MT)

Year	Ave. Ex-factory Price of Domestic Industry (P/MT)*	% Increase/ (Decrease)
2019	100	-
2020	93	(7.15)
2021	92	(1.02)
2022	102	10.98
2023	100	(2.27)
2024 (Jan-June)	92	-

Source: Domestic Industry

*Figures indexed due to confidentiality

During the period of investigation, price depressions were recorded in 2020 at 7.15%, in 2021 at 1.02%, and in 2023 at 2.27%

Cohaco and NGC emphasized that there is no price depression of the subject products. The domestic industry generally prices their products at a much lower price than that of the importers. It is the domestic industry that leads in driving the price reductions.

According to Philcement's sales team, the domestic players are the ones leading price reductions in the market and are competing among themselves to be the lowest-priced player. The fact that the prices of domestic players are generally lower than imports only mean there can be no price depression.

F.3 Price Suppression

Price suppression refers to the extent to which the imported product prevents the domestic producer from increasing its selling price to a level that will allow full recovery of its cost of production.

Table 17: Price Suppression of Locally Produced Cement (P/MT)

Year	Ave. Selling Price of Domestic Product (Php/MT)* (a)	Cost of Production		Gross Margin (Php/MT)* (d) (a-b)	% Gross Margin (e) [(a-b)/b]	Average % Gross Margin (f) (2019-2022)
		Php/MT* (b)	% Increase/ (Decrease) (c)			
2019	100	100	-	100	34.15	33.42
2020	93	89	(10.57)	103	39.28	
2021	92	89	0.07	99	37.76	
2022	102	112	24.82	74	22.49	
2023	100	115	2.61	56	16.67	16.67
2024 (Jan-Jun)	92	109	-	42	13.25	-

Source: Cement Industry

*Figures indexed due to confidentiality

Price suppression was recorded in 2023. The cost of production increased by almost 3% in 2023. However, the domestic industry was not able to pass on the increased cost. The gross margin went down to 17% in 2023, indicating a price suppression of 16% compared to the 33% average gross margin for the last four years.

Cohaco and NGC explained that there is no price suppression. Based on the audited FS of the domestic manufacturers, most of the domestic industry players have posted gross profits for the years 2020 to 2023.

Philcement is also of the position that there is no price suppression. The domestic manufacturers reported positive gross profits. This indicates their revenues, a factor of price and volume, are sufficient to cover the direct costs of producing their goods. Therefore, the domestic cement manufacturers are not prevented from increasing their prices to a level that allows them to fully recover their production cost. Low price levels are not necessarily due to the presence of imports in the market, it is an effect of competition among domestic players themselves. To make a generalization based on average prices without looking at prices at a per market, per product, and per segment level will lead to incorrect conclusions.

B. Other Causes of Injury

- High Logistical Costs

Philippine producers face significant logistical challenges, which result in higher costs for transporting and distributing materials across the archipelago. The infrastructure limitations and geographical dispersion increase both delivery times and expenses, making it difficult for local producers to ensure consistent supply at a reasonable cost. These high logistical costs directly impact availability, often creating inconsistencies that leave consumers struggling to secure a steady supply.

- Reliance on Imports as a Supplement

While local producers are rated to meet substantial capacity, actual availability often falls short due to production and logistical limitations. Imported cement is only filling the supply gap. Imported cement is a big factor that resulted in government projects being completed on time. The availability of cement means more employment in the construction sector.

- Rising Costs

Global increases in the prices of key cement components such as clinker and limestone have raised production costs for local producers. Since these materials are essential for cement production, the price hikes directly affect local producers' ability to keep prices stable and competitive. All of the costs such as natural resources, raw material, freight, electricity, labor costs, and so on have been increased due to several factors including exchange rate, inflation, and conflicts that happened across the world. Energy costs are a major factor with power and coal together accounting for almost half of production costs.

V. PUBLIC INTEREST CLAUSE

Rule 8.2 of the IRR of RA 8800 states, *"in the case of non-agricultural products, the Secretary shall first establish that the imposition of the provisional safeguard measure would be in the public interest."*

Rule 5.2 of the IRR of RA 8800 provides, *"The Secretary, when establishing that the application of a safeguard measure will be in the public interest, shall take into consideration the following factors, among others: i) whether the imposition of the provisional measure will result in a political or economic crisis; and ii) the extent to which such imposition will cause a shortage of the product under consideration in the domestic market."*

The DTI informed the identified importers, foreign embassies of concerned countries, consumer groups, associations, the Federation of Philippine Industries (FPI), and the Philippine Chamber of Commerce and Industry (PCCI) relevant to the public interest clause.

Marlusa construction supply stated that the government has imposed safeguard duties on cement. Imposing the duty on the basis of unclear and wrong reasons again would unduly affect the general public and a loss to the economy in general.

Samstone Multi Resource stated that public infrastructure projects in Samstone's area rely on imported cement. Without imported cement, contractors of government projects would find it difficult to look for a steady and reliable supply of cement. In Samstone's area of operation, there is no cement plant that can sufficiently meet the demand for cement. The distribution of local cement especially to contractors/direct buyers is hampered by the limits imposed by the logistics capability of the local cement producers. Samstone further stated that an importer helps and contributes to the local economy by finding a competitive and high-quality source of cement in the midst of a big supply gap in Samstone's area of operation. Samstone's service as an importer enables contractors to deliver or finish on time public construction projects and provide steady employment in the area.

A letter from the concerned citizens was submitted emphasizing that restricting cement imports could create a monopoly for local manufacturers, leading to price increases, inflation, and hardship for Filipinos. This is especially concerning in provinces lacking local cement producers, where restricted imports would likely cause severe shortages and further price hikes. Their position reiterated that the focus should be on the best interests of the Filipino people, not just a few local cement industry players. Maintaining an open and competitive market is crucial to prevent potential abuse by local conglomerates. They also urged the DTI to prioritize the interests of all Filipinos when considering safeguard measures.

PCCI expressed strong support for the DTI preliminary safeguard measure investigation. PCCI stated that the local cement industry has been facing challenges brought about by increasing imports, dumping from other countries, and struggling demand. Despite having a surplus in local production, more than enough to meet market demand, imports continue to flood the market, threatening the viability of the local industry. PCCI emphasized that the local cement industry embodies the "Tatak Pinoy" brand, which represents quality and reliability, and the hard work, innovation, and resilience of Filipino workers. It is a significant contributor to the economy, accounting for at least 1% of the GDP, generating an estimated 130,000 direct and indirect jobs, and contributing a multiplier of around 3x to the economy. It also generates more tax revenues for the government versus the importers of cement. These could be jeopardized if the government allows the influx of imported cement without considering the current production capacity of the local manufacturers.

The Cement Manufacturers Association of the Philippines (CEMAP), together with its members—CEMEX Holdings Philippines (APO Cement Corporation and Solid Cement Corporation), Holcim Philippines, Inc., Republic Cement Builders and Building Materials, Inc., and Taiheiyo Cement Philippines, Inc.—submits that there is compelling evidence to support the claim that the recent surge in imports of cement products is substantially causing serious injury to the domestic cement industry.

According to CEMAP, the domestic industry's performance over the same period indicates a consistent decline in sales, production, capacity utilization, profitability, and employment. The first half of 2024 saw a sharp drop in both sales and production, recording less than half the figures of 2023, signaling possible continued setbacks in the industry. As imports have increased, the domestic industry has experienced a decline in market share, sales, and production, alongside significant financial losses. In 2023, when imports were at their peak, the market share of imported cement grew despite an overall market contraction, while the domestic industry faced its lowest sales volume, production,

and capacity utilization. This led to a decline in profitability, with the domestic industry reporting a loss for that year.

CEMAP also stated that there is a clear causal link between the influx of imports and the adverse effects on the domestic industry. According to CEMAP, domestic cement manufacturers are struggling to compete with the sudden surge in imports and need government support to adjust and ensure fair competition. It is important to highlight that the domestic industry has sufficient capacity to produce high-quality cement products to meet domestic demand, with an annual production capacity of 50 million metric tons (MT), and expected to grow in the coming years.

According to CEMAP, the domestic industry has already made significant investments in the country's manufacturing sector, created numerous direct and indirect jobs, and contributed to economic progress. CEMAP is committed to ongoing improvements and adjustments to enhance its competitiveness in the face of import challenges

DTI is mandated by RA 8800 (The Safeguard Measures Act) to protect domestic industry from serious injury caused by a surge in imports. While DTI is also mandated to protect consumers, there is a need to balance this taking into account other sectors such as investors and industry which provides 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 the expansion of the country's manufacturing base and generate more jobs for Filipinos. Further, users of cement retain their option to choose between 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. For these reasons, DTI has determined that it is in the public interest to impose the provisional safeguard measure.

VI. SUMMARY AND CONCLUSIONS

A. Volume of Imports

A.1 In Absolute Terms

- Continuous increase from 2019 to 2024 except in 2020 (i.e. 10% in 2020, 17% in 2021, 5% in 2023 and 9% in 2024)
- Increase in imports during the POI was both sharp and significant up to the most recent period
- From 2019 to 2024, Viet Nam remained to be the top supplier of cement to the Philippines

A.2 In Relative Terms

- The share of imports relative to domestic production continuously increased during the POI at 30% (2019), 35% (2020), 36% (2021), 41% (2022), and 47% (2023).
- The share of imports in the first half of 2024 significantly increased to its highest level at 51%.

B Serious Injury

B.1 Market Size

- Philippine market ranged from 21 million MT to 26 million MT during the POI

B.2 Market Share

- Share of domestic sales to the Philippine market exhibited a downward trend from almost 78% in 2019 to almost 74% in 2020 and 2021 to 71% in 2022 and further decline to almost 68% in 2023.
- The share of imports steadily rose from 22% in 2019 to 29% in 2023

B.3 Domestic Sales

B.3.a Sales Volume

- Sales volume declined year-on-year throughout the POI from 2019 to 2023 except an increase in 2021 by 12%. Sales volume declined by 9% in 2020 due to the onslaught of the pandemic, increased in 2021 by 12% but declined by 14% in 2022 and further by 10% in 2023. In the first half of 2024, sales volume is less than half compared to the 2023 level.

B.3.b Sales Value

- Sales value declined year-on-year throughout the POI from 2019 to 2023 except an increase in 2021 by 10%. Sales value declined by 15% in 2020 due to the onslaught of the pandemic, increased in 2021 by 10% but declined by 3% in 2022 and further by 9% in 2023. In the first half of 2024, sales value is less than half compared to the 2023 level.

B.4 Production

B.4.a Total Production

- The industry's production volume followed the trend of sales volume throughout the POI.
- Production volume declined by 6% in 2020 due to the onslaught of the pandemic, increased in 2021 by 14% but declined by 14% in 2022 and further by 10% in 2023.
- In the first half of 2024, production volume is less than half compared to the 2023 level.
- Production recorded its highest in 2021 and the lowest in 2023

B.4.b Capacity Utilization

- The industry's capacity utilization followed a similar trend to the production.
- Capacity utilization declined by 9% in 2020 due to the onslaught of the pandemic. It slightly increased in 2021 by 3%, recording its second highest utilization at 75% which indicated recovery from the pandemic since there was increase in capacity, and the production volume recorded its highest on

the said year. However, capacity utilization declined by 14% in 2022 and further by 10% in 2023.

- In the first half of 2024, capacity utilization declined by 2% compared to the 2023 level. The highest capacity utilization is recorded pre-pandemic at 80% in 2019.

B.4.c Inventories

- The finished goods inventory volume increased by 3% in 2020 due to the slow movement of products during the pandemic. Inventory volume declined by 9% in 2021, 12% in 2022 and further by 2% in 2023.
- The finished goods inventory value, declined by 3% in 2020, slightly declined by 1% in 2021, increased in 2022 by 18% while slightly declined by less than 1% in 2023

B.4.d Cost of Production

- The industry's production cost per unit declined by 11% in 2020, increased by 0.07% in 2021, in 2022 by 25% and in 2023 by 3%.

B.5 Profitability

B.5.a Profit and Loss

- Operating profit declined during the POI recording its first operating loss in 2023.

B.5.b Return on Sales

- Return on sales (ROS) based on operating profit increased from 2019 to 2021 ranging from 10.52% to 11.27% before it declined to 3.61% in 2022 and recorded a loss on sales of 1.49% in 2023.

B.6 Employment

- The total employment in 2020 decreased by 22% while it increased by 7% in 2021. From 2021 to the first half of 2024, employment declined by 4% in 2022, declined further by 6% in 2023 and declined by 8% in the first half of 2024 compared to the 2023 level.

B.7 Productivity

- Labor productivity declined throughout the POI except for the increase of 15% in 2021 due to the highest recorded production on that year.

B.8 Prices

B.8.a Price Undercutting

- Price undercutting were recorded at 24.17% in 2023 and 11.64% in 2024 (Jan-June).

B.8.b Price Depression

- Price depression were recorded in 2020 at 7.15%, in 2021 at 1.02%, and in 2023 at 2.27%.

B.8.c Price Suppression

- Cost of production increased by almost 3% in 2023. Cement manufacturers were unable to pass on the increased cost in view of lower-priced imported cement.

VII. CAUSATION

The above evidence shows that serious injury to the domestic industry was caused by increased imports based on the following:

1. Significant increases in the volume of imported cement from 2019 to 2023 preceded the serious injury to the industry in 2023;
2. While the apparent market contracted throughout the POI except in 2021 when the economy started recovering from the pandemic, the conditions of the competition showed that the market share of local cement producers decreased during the POI from almost 78% in 2019 to almost 68% in 2023, as imports in the domestic market displaced locally produced cement from approximately 22% market share of imports in 2019 to 32% in 2023.
3. The domestic industry suffered serious injury by experiencing declining sales, production, capacity utilization, profitability, and employment except in 2021 when the economy started to recover from the pandemic. The condition of the domestic industry worsened in 2023 when imports recorded its highest market share at 32% while the domestic industry shrank to the lowest level of sales. In addition, the domestic industry's lowered price even with the rising cost of production to compete with the imports has impacted the domestic industry's profitability, recording its first operating loss in the POI

a) Imposition of Provisional Safeguard Measures

Section 8 of RA 8800 states that:

"In critical circumstances where a delay would cause damage which would be difficult to repair, and pursuant to a preliminary determination that increased imports are substantial cause of, threaten to substantially cause, serious injury to the domestic industry, the Secretary shall immediately

issue, through the Secretary of finance, a written instruction to the Commissioner of Customs authorizing the imposition of a provisional general safeguard measures.

Such measure shall take the form of a tariff increase, either ad valorem or specific, or both, to be paid out through a cash bond set at a level sufficient to redress or to prevent serious injury to the domestic industry x x x The cash bond shall be deposited with a government depository bank and shall be held trust for the importer who posted the bond. The duration of the provisional measure shall not exceed two hundred (200) days from the date of imposition xxx".

Accordingly, the DTI has established that the imposition of the provisional safeguard measure shall be in the public interest. With the commitment of the domestic industry to upgrade its facilities, and improve its production efficiency, consumers will have a better and wider range of products to choose from at competitive prices. However, while DTI is mandated to protect consumers, there is a need to balance this with the other sectors such as the investors and industries 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 the expansion of the industry's manufacturing base and sales which will generate more jobs for Filipinos and allow the continuity of employment for the existing employees of the industry.

Further, users/consumers of Ordinary Portland Cement and Blended Cement will retain their option to choose between local and imported cement since imports will still be allowed. The imposition of the safeguard measure will only be temporary and is not expected to cause a shortage of cement in the domestic market considering that cement manufacturers have sufficient capacity to meet the domestic demand.

DTI computed the amount of the provisional safeguard duty by comparing the weighted average domestic selling price of locally produced cement with the weighted average landed cost of imported cement including transport and warehousing costs in 2024, i.e. ₱3,651/MT for locally produced and ₱3,251/MT for imported cement with a price difference of ₱400/MT.

b) Recommended Measures

The existence of a causal link between the increased imports of the product under consideration and serious injury to the domestic industry has been established in the investigation. The evidence submitted by all interested parties justify the imposition of the provisional measure to prevent further injury to the local industry which is difficult to repair.

The case records will be forwarded to the Tariff Commission for its formal investigation. It must be emphasized that a formal investigation by the Commission is wider in scope as it includes marathon public hearings to give all parties directly affected and such other interested parties the opportunity to be heard and to present evidence including the opportunity to respond to the presentations of other parties and to submit their views.

Considering the above premises, the Department thereby recommends a ₱400/MT or ₱16.00/40 kg bag provisional safeguard measure in the form of a cash bond on imported cement, classified under AHTN Codes 2523.2990 and 2523.9000 while the case is under

formal investigation by the Tariff Commission. The measure shall be effective for a period of 200 days from the date of issuance of BOC of the relevant Customs Memorandum Order/Customs Memorandum Circular.

VII. ADJUSTMENT PLAN

To enhance the competitiveness of local cement companies and address challenges posed by cement imports, the industry plans to implement strategic adjustment plans, focusing on sustainable operations, energy efficiency, and supply chain enhancements. Key initiatives include:

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According to the cement industry, the above adjustments are not exhaustive and can be further improved. The adjustment plans not only aim to improve the competitiveness of local cement companies but also align with environmental sustainability and energy efficiency goals, reinforcing the industry's commitment to responsible and resilient growth.

VIII. THE WORLD TRADE ORGANIZATION AGREEMENT ON SAFEGUARDS

Article XIX (Emergency Action on Imports of Particular Products) of the General Agreement on Tariffs and Trade (GATT) 1994 provides that: *"If, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under this Agreement, including tariff concessions, any product is being imported into the territory of that contracting party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products the contracting party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession."*

Cement is not the subject of any tariff concession under the WTO Agreement. The investigation is also governed by RA 8800, the Safeguard Measures Act, and the terms and conditions of the Agreement on Safeguards.

VIII.a. Unforeseen Developments

The global cement industry, a cornerstone of modern construction, is grappling with a significant challenge: overcapacity. This phenomenon, characterized by the production of more cement than demanded by the market, has far-reaching implications for both producers and consumers.

China has the largest excess capacity in the world, with 45% of the global overcapacity. China is the world's largest producer and consumer of cement and is also the leading contributor to global cement emissions².

India, the world's largest democracy and second-largest cement market, will reportedly struggle to exceed 70% capacity utilization in the forthcoming 2020-2021 fiscal year, according to the credit ratings agencies ICRA, India Ratings, and Crisil³.

Indonesia has a cement production capacity of 119.1 million tons, but domestic demand only reached 65.5 million tons in 2023. Indonesia is transitioning to more sustainable cement production, including investigating ways to make the production of carbon neutral⁴.

Viet Nam is the second-largest cement-producing country in Southeast Asia. The cement industry is facing a capacity surplus due to lower demand from the construction industry. The cement industry is also a major contributor to global carbon dioxide emissions, with global cement manufacturing producing 1.6 billion metric tonnes of CO₂ in 2022⁵.

South Africa imposed provisional anti-dumping duties on Pakistani cement imports after an investigation by the International Trade Administration Commission (ITAC). The duties ranged from 14.29% to 77.15%.⁶

In 2022, the anti-dumping duties on Portland cement imports from Pakistan were extended for another five years.⁷

² <https://www.linkedin.com/pulse/overcapacity-major-problem-world-cement-industry-ali-emir-adiguzel#:~:text=Currently%20China%20has%20the%20greatest,to%20higher%20inland%20logistics%20costs.>

³ <https://www.globalcement.com/news/itemlist/tag/Overcapacity>

⁴ <https://www.cemnet.com/News/story/175339/indonesia-remains-gripped-by-cement-overcapacity.html>

⁵ <https://arc-group.com/asia-cement-industry/#:~:text=Production%20and%20consumption%20of%20cement,tons%20of%20production%20per%20year>

⁶ <https://www.aggbusiness.com/node/128775>

⁷ <https://www.moneyweb.co.za/mymoney/moneyweb-tax/new-concerns-about-agreements-for-protection-against-anti-dumping/#:~:text=The%20anti%20dumping%20duties%20on%20Portland%20cement%20imports,but%20only%20in%20the%20nic%20of%20time>

VIII.b. Notification Requirement

Article 12.1 of the WTO Agreement on safeguards provides that a Member shall immediately notify the Committee on Safeguards upon:

- (a) Initiating an investigatory process relating to serious injury or threat thereof and the reasons for it;
- (b) making a finding of serious injury or threat thereof caused by increased imports; and
- (c) taking a decision to apply or extend a safeguard measure.

On 31 October 2024, the Philippine Permanent Mission in Geneva was officially notified of the initiation of a motu proprio safeguard measures investigation on imported cement.

VIII.c. Articles 11 & 23 of the ASEAN Trade in Goods Agreement (ATIGA)

Articles 11 and 23 of the ATIGA provide provisions on the Notification Procedures and Temporary Modification or Suspension of Concessions as follows:

"Article 11 - Notification Procedures

1. *Unless otherwise provided in this Agreement, Member States shall notify any action or measure that they intend to take:*
 - (a) *which may nullify or impair any benefit to other Member States, directly or indirectly under this Agreement; or*
 - (b) *when the action or measure may impede the attainment of any objective of this Agreement.*
2. *x x x*
3. *A Member State shall make a notification to Senior Economic Officials Meeting (SEOM) and the ASEAN Secretariat before effecting such action or measure referred to in paragraph 1 of this Article. Unless otherwise provided in this Agreement, notification shall be made at least sixty (60) days before such an action or measure is to take effect. A Member State proposing to apply an action or measure shall provide adequate opportunity for prior discussion with those Member States having an interest in the action or measure concerned."*

"Article 23 - Temporary Modification or Suspension of Concessions

1. *In exceptional circumstances other than those covered under Article 10, Article 24 and Article 86 where a Member State faces unforeseen difficulties in implementing its tariff commitments, that Member State may temporarily modify or suspend a concession contained in its Schedules under Article 19.*
2. *A Member State which seeks to invoke the provision of paragraph 1 of this Article (hereinafter referred to as the "applicant Member State"), shall notify in writing of such temporary modification or suspension of concessions to the ASEAN Free Trade Area (AFTA) Council at least one hundred and eighty (180) days prior to the date when the temporary modification or suspension of concessions is to take effect.*

3. Member States who are interested in engaging in consultations or negotiations with the applicant Member State, pursuant to paragraph 4 of this Article, shall notify all ASEAN Member States of this interest within ninety (90) days following the applicant Member State's notification of the temporary modification or suspension of concessions. "

The Philippines is required to notify any safeguard action to the Senior Economic Officials Meeting (SEOM) and the ASEAN Secretariat before effecting such action or measure and adequate opportunity for consultation for the affected ASEAN Member States.

On 31 October 2024, the ASEAN Secretariat was notified of the initiation of a motu proprio safeguard measures investigation on imported cement.

IX. DECISION

Cognizant that there are other factors that contributed to the serious injury suffered by the domestic cement industry, the DTI found in its preliminary investigation the elements considered in the safeguard measures investigation.

The increased volume of imports, both in absolute terms and relative to domestic production, was found to be a significant cause of serious injury to the domestic industry. The imported cement products are like products, and their presence has resulted in a significant overall impairment in the position of the domestic. After evaluating all relevant factors such as market share, sales levels, production, capacity utilization, employment, and profit/loss — it was determined that there is a direct causal link between imports and serious injury. The serious injury to the domestic industry is directly caused by imported products. Therefore, it is deemed necessary to provide the cement industry with the opportunity for a formal investigation by the Tariff Commission.

It must be emphasized that a formal investigation by the Commission is wider in scope as it includes marathon public hearings to give all parties directly affected and such other interested parties the opportunity to be heard and to present evidence including the opportunity to respond to the presentations of other parties and to submit their views.

DTI, acting under Section 8 of RA 8800, authorizes the imposition of provisional safeguard measures in the form of a cash bond amounting to ₱400/MT or ₱16.00/40kg bag on imported cement classified under AHTN Codes 2523.2990 and 2523.9000 for a period of 200 days from the date of issuance of the Bureau of Customs CMO/CMC.

However, imports originating from developing countries covered by Rule 8.8 of the IRR of RA 8800 shall not be subject to the provisional safeguard measure. Attached as Annex D is the list of said developing countries.

Importers of cement originating from a country that is exempt from the safeguard duty shall submit a Certificate of Origin (CO) issued by the authorized agency/office in the source country of manufacture authenticated by the Philippine Embassy/Consulate General.

The notification and consultation requirements of Article 12 of the WTO Safeguards Agreement and Section 17 of RA 8800 and its IRR shall be complied with.

The case records will be transmitted to the Tariff Commission for a formal investigation to determine whether or not there is a need to impose a definitive safeguard measure.

SO ORDERED.

20 February 2025



MA. CRISTINA ALDEGUER-ROQUE
Secretary *dn*

ANNEX A

LIST OF EXPORTERS SOURCED FROM BUREAU OF CUSTOMS (BOC-SAD)

	Exporters	Country
1	VISSAI NINH BINH JSC	Viet Nam
2	NCL TRADING JOINT STOCK COMPANY	Viet Nam
3	OMANCO MATERIAL VIETNAM COMPANY LIMITED	Viet Nam
4	VIETNAM TRADING SERVICES AND IMPORT EXPORT LIMITED COMPANY	Viet Nam
5	VICEM TAM DIEP CEMENT ONE MEMBER COMPANY LIMITED	Viet Nam
6	CHINFON CEMENT CORPORATION	Viet Nam
7	LHP VIET NAM TECHNOLOGY INVESTMENT COMPANY LIMITED	Viet Nam
8	VICEM HAI PHONG CEMENT COMPANY LIMITED	Viet Nam
9	PT.CONCH NORTH SULAWESI CEMENT	Indonesia
10	NAM PHUONG IMEX IMPORT & EXPORT JSC	Viet Nam
11	NAM ANH TRADE AND EXPORT JOINT STOC	Viet Nam
12	AN VIETNAM INTERNATIONAL TRADING COMPANY LIMITED	Viet Nam
13	SUMITOMO OSAKA CEMENT CO., LTD.	Japan
14	TOKUYAMA CORPORATION	Japan
15	NHUAN PHAT TST CO., LTD	Viet Nam
16	THANG LONG CEMENT JOINT STOCK	Viet Nam
17	CAM PHA CEMENT JOINT STOCK COMPANY	Viet Nam
18	HA LONG CEMENT JOINT STOCK COMPANY	Viet Nam
19	LONG SON COMPANY LIMITED (THANH HOA BRANCH LONG SON CEMENT PLANT)	Viet Nam
20	LUCKY CEMENT LIMITED	Pakistan
21	VIET HP IMPORT EXPORT AND INVESTMENT JSC	Viet Nam
22	JALAPRATHAN CEMENT PUBLIC CO LTD	Thailand
23	SCHLUMBERGER OVERSEAS S A	Thailand
24	TPI POLENE PUBLIC COMPANY LIMITED	Thailand
25	VINTRADE TRADING JOINT STOCK COMPANY	Viet Nam
26	JALAPRATHAN CEMENT PUBLIC COMPANY	Viet Nam
27	DOWELL SCHLUMBERGER EASTERN INC	Brunei Darussalam
28	BAKER HUGHES OPERATIONS LTD.	Thailand
29	GUANGZHOU YUANJUN IMP. & EXP.	PROC
30	BOSTIK FINDLEY MALAYSIA SDN BHD	Malaysia
31	GUANGZHOU CITY BEILEIMAO TRADE CO.	PROC
32	XYPER CHEMICAL CORPORATION	Canada
33	GUANGDONG XINGHUOYUNTU TRADING CO LTD	PROC
34	POWER ENTERPRISES CO.LTD.	Taiwan
35	GUANGZHOU HAOQI TRADING	PROC
36	WELLSTON TRADING CORPORATION	Japan
37	GILSON COMPANY	USA
38	NIST	USA

ANNEX B

LIST OF IMPORTERS SOURCED FROM THE BUREAU OF CUSTOMS (BOC-SAD)

Importers	
1	PHILCEMENT CORPORATION
2	FORTEM CEMENT CORPORATION
3	DVAO TRADING
4	NGC MARKETING CORPORATION
5	NEWGATE IMPORT EXPORT CORPORATION
6	MARLUSA CONSTRUCTION SUPPLY
7	COHACO MERCHANDISING & DEVT. CORP
8	DAVAO MULTIBUILD CORPORATION
9	ZAENNA TRADING
10	SAMSTONE MULTI RESOURCES INC.
11	UNLISTEEL DEPOT CORPORATION
12	FULLWAY RESOURCES INC.
13	DEQUINA CONSTRUCTION
14	ILOILO GRAND EMPEROR TRADING CORP.
15	HONGHUI PIONEER S CEMENT INTERNATIO
16	SUMMIT KONCRETE PRODUCTS CORP.
17	NGC LAND CORPORATION
18	FENIX(CEZA) INTL INC
19	OBBO HOLDINGS INC
20	BLUE STAR TECHNOLOGY CORPORATION
21	SENERGY POWER AND TECHNOLIGIES INC
22	GRACE CONSTRUCTION CORP
23	ST. JOHN PAUL COUNTERTRADE CORPORAT
24	MULTIGROWELL TRADING INC
25	GLOBALINK EXIMPORT TRADING CORP.
26	GLOBAL TRANSIT TRADING PHILS INC
27	ABBAH KING CEMENT CORPORATION
28	RIVER VALLEY DISTRIBUTION INC.
29	PHILIPPINE SUPER METRO CEMENT CORP
30	HA LONG PILIPINAS INC
31	SCHLUMBERGER ASIA SERVICES LIMITED
32	CSA RESOURCES CORPORATION
33	LEMERY CEMENT SILO TANK CORPORATION
34	UZMA ENGINEERING LIMITED PHILIPPINE
35	E A VALENZUELA IMPORT EXPORT INC.
36	NOVTEK CORPORATION
37	BOSTIK PHILIPPINES INC.
38	ARRO SPECIALIZED GOODS TRADING
39	RICHMOND WATERPROOFING INC
40	NECTAR STEEL TRADING
41	KOTEN ENTERPRISES CO INC.
42	SOLID CHARM TRADING
43	TAGANITO HPAL NICKEL CORPORATION
44	XPRT VENTURES INC

ASSOCIATION & CONSUMER GROUPS	
1	Association of Structural Engineers of the Philippines, Inc. (ASEP)
2	Bataan Construction Association of the Philippines
3	Cebu Chamber of Commerce & Industry
4	Coalition for Consumer Protection & Welfare, Inc. (CCPW)
5	Citizenwatch Philippines
6	Consumer Welfare Office of Parañaque
7	Chamber of Real State and Builders Associations (CREBA)
8	Consumers Right for Economic Welfare (CREW)
9	The Consumers Union of the Philippines (CUP)
10	Davao Constructors Association Center, Inc.
11	EcoWaste Coalition
12	Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc.
13	Federation of Philippine Industries, Inc.
14	The Japanese Chamber of Commerce and Industry of the Philippines, Inc.
15	National Consumer Council of the Philippines
16	Philippine Constructors Association, Inc.
17	Philippine Chamber of Commerce and Industry
18	Privileged, Empowered and Responsive Consumer Society, Inc. (PERCS)
19	Philippine Institute of Civil Engineers, Inc.
20	Society of Contractors of Agusan-Surigao and Butuan City
21	United Architects of the Philippines (UAP)
22	Nationwide Association of Consumers, Inc. (NACI)

ANNEX D

**List of Developing Countries and Separate Customs Territories
Excluded from the Imposition of Provisional Safeguard Measure
on Imported Ordinary Portland Cement and Blended 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
Eswatini	Cote d' Ivoire		Nepal
Ethiopia	Equatorial Guinea		Pakistan
Kenya	Gabon		Sri Lanka
Lesotho	Gambia, The		
Madagascar	Ghana		
Malawi	Guinea		
Mauritius	Guinea, Bissau		
Mozambique	Liberia		
Namibia	Mali		
Reunion	Mauritania		
Rwanda	Niger		
Seychelles	Nigeria		
Somalia	Sao Tome &		
South Africa	Principe		
Sudan	Senegal		
Tanzania	Sierra Leone		
Uganda	Togo		
Zambia			
Zimbabwe			

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

Attachment I
Summary of Comments/Position Submitted by the Exporters of Cement
1) NCL Trading Joint Stock Company

Particulars	Position/Comments		
Ownership	<ul style="list-style-type: none"> • 100% Vietnamese owned • xxx 		
Products /Nature and Functions and Distribution Channels	Supply Portland Cement, inclusive of the following: ASTM C 150 type I <ul style="list-style-type: none"> • ASTM C595 Type IP • ASTM C150 Type II • EN197-1: 2011/CEM 1 52.5N NCL is a specialized cement exporter, exclusively focused on international trade. NCL operation does not extend to the domestic market		
Other Exporter/ Manufacturers of the Subject Product being shipped to the Philippines	<ul style="list-style-type: none"> • Vicem Tam Diep One Member Company Limited • Chinfon Cement Corporation • Vietnam Export and Trading Company • Omanco Material Viet Nam Company Limited 		
Products manufactured and Exported to the Philippines	Product Name	Cement ASTM C150 Type I (PNS 07:2018)	Cement ASTM C595 Type IP (PNS 63:2019)
	Model Type	ASTM C150 Type I	ASTM C595 Type IP
Sales Volume to the Philippines (MT)	xxx		
Value of Export to the Philippines (USD)	xxx		

<p>General Comments</p> <ul style="list-style-type: none"> • supply and demand, prices and Other Factors that Affect the Philippine Industry 	<ul style="list-style-type: none"> • From 2020 to 2021, Vietnam's domestic market witnessed significant growth. This expansion facilitated Vietnamese cement producers to achieve economies of scale, thereby reducing both production and inventory costs. Consequently, Vietnamese cement can be offered at competitive prices to both domestic and international buyers, including importer and end-users in the Philippines. • Moreover, Vietnam is endowed with abundant natural resources, particularly ores suitable for cement production. The strategic geographic location of Vietnam combined with a skilled taskforce presents a compelling value proposition for both end-users and traders seeking to re-export Vietnamese cement to other countries.
<p>- Injury and Other Factors that Affect the Philippine Industry</p>	<ul style="list-style-type: none"> • When assessing the impact of dumped imports from Vietnam, the Initiation Application appears to focus exclusively on the sales volume of a limited number of large domestic manufacturers. It is conceivable that the decline in sales experienced by these companies maybe attributable to increased competition from other domestic producers rather than solely from imports. • They urge the investigating agency to conduct a comprehensive analysis of the sales volumes of all relevant companies within the domestic market. • It is assumed that the applicant's production has diversified into a wide range of product categories, including Pozzoland, Type N, Premium, Type M, Masonry, Drymix, Specialty Products, Type 2, Type P, type T, Type 1S and Type 1L. This diverse product mix necessitates a complex manufacturing process and an extended supply chain, thereby increasing overall production and logistical costs. • In 2020, many cement factories and production areas in the Philippines are closed due to the impact of Covid-19 pandemic. The four largest cement companies in the Philippines, Holcim Philippines Inc., Eagle Cement Corporation, Republic Cement and Building Materials, Inc. and CEMEX – Solid Cement Corporation/Apo cement Corporation, were forced to close many factories to serve the community distancing. • The election event that took place in May of 2019 also partly affected the construction of domestic infrastructure in the Philippines. The decrease in construction demand at the same time reduced the demand for cement in the country. However, the total cement consumption in the Philippines in 2019 is still higher than in 2018. • The increase in the amount of cement imports from other countries to serve the demand in the domestic market is a perfectly reasonable and is an inevitable trend. • 2019-2022: The main reason for the increasing trend of cement imported from Vietnam is not from the dumping behavior of Vietnamese cement exporters. But is from the lack of supply in the domestic industrial and infrastructural markets in recent years in the Philippines, along with the limited production capacity of the domestic

	<p>manufacturers for the subject articles are the reason why the importers and consumers seek the like products from Vietnam market. (Source: Public Version, SGM case no.:01-2024, date 28 Oct 2024, page 17)</p> <ul style="list-style-type: none">• 2022-2023: In 2023, total apparent consumption declined by 6%, while imports increased by 5%. Consequently, the share of domestic sales dropped by 10%. Although an anti-dumping duty was imposed on imported cement in March 2023, which should have reduced import volumes, the domestic market share still declined significantly. This suggests that domestic producers may have faced challenges related to increased production costs, including raw material costs, labor costs, and manufacturing overhead. Additionally, potential inefficiencies in productivity may have contributed to the decline in market share. (Source: Public Version, SGM case no.:01-2024, date 28 Oct 2024, page 17)• They contend that their export activities do not adversely impact the production or sales volume of the PH domestic industry, due to their high-quality ores and minerals, coupled with a large domestic market, enables them to optimize production costs and selling prices.• Their exports contribute to the development of high-quality infrastructure in the Philippines. Therefore, imposing safeguards duties on cement would not benefit the domestic industry's end-consumers, or Philippine economy.• Vietnam's export cement price in the investigated period has not changed much. Meanwhile, the retail price of cement in the Philippine market increased slightly during this period. Therefore, cement from Vietnam do not cause price-squeezing and price clamping effects on the PH domestic market.• The domestic manufacturers have not been able to meet the strong demand for cement in the Philippines such as the industrial market and the infrastructure market, leading to make up for the shortfall by importing cement from Vietnam.• Safeguard duties on cement products exported from Vietnam will likely lead to substantial price increases for housing and infrastructure projects, potentially hindering economic growth and negatively affecting social welfare.• In addition, the domestic cement producers of the Philippines have also been supported through the governments imposition of safeguards measures starting from 2023. In case DTI imposes anti-dumping tax, cements imported from Vietnam will be imposed with two (2) different taxes. This violates Article VI.5 of the General Agreement on Tariffs and Trade
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2) Vissai Ninh Binh JSC

Particulars	Position/Comments															
Ownership	xxx															
Products	Portland Cement Type I Type IP PCB 40 (similar to Type I) Portland Cement CEM II 42.5N/R and 32.5N/R and CEM I 52.5 Clinker															
Other Exporter/Manufacturers of the Subject Product being shipped to the Philippines	<table><tr><td>1. Cam Pha Cement Joint Stock Company</td></tr><tr><td>2. Chinfon Cement Corporation</td></tr><tr><td>3. Nam Phuong Imex Import and Export Joint Stock Company</td></tr><tr><td>4. Thang Long Cement Joint Stock Company</td></tr><tr><td>5. OMANCO MATERIAL VIET NAM COMPANY LIMITED</td></tr><tr><td>6. Vicem Tam Diep Cement One Member Co., Ltd</td></tr><tr><td>7. Vincem Hai Phong Cement Company, Ltd.</td></tr><tr><td>8. Vietnam Trading Services and Import Export Co., Ltd.</td></tr><tr><td>9. Long Son Company Ltd., Thanh Hoa Branch, Long Son Cement Plant</td></tr><tr><td>10. Nam Anh Trade and Export Joint Stock Company</td></tr><tr><td>11. Vincem Ha Long Cement</td></tr><tr><td>12. An Vietnam Intl. Trading Co. LTD</td></tr><tr><td>13. NCL Trading Joint Stock Company</td></tr><tr><td>14. Nhuan Phat TST Co., Ltd.</td></tr><tr><td>15. LHP VIET NAM TECHNOLOGY INVESTMENT COMPANY LIMITED</td></tr></table>	1. Cam Pha Cement Joint Stock Company	2. Chinfon Cement Corporation	3. Nam Phuong Imex Import and Export Joint Stock Company	4. Thang Long Cement Joint Stock Company	5. OMANCO MATERIAL VIET NAM COMPANY LIMITED	6. Vicem Tam Diep Cement One Member Co., Ltd	7. Vincem Hai Phong Cement Company, Ltd.	8. Vietnam Trading Services and Import Export Co., Ltd.	9. Long Son Company Ltd., Thanh Hoa Branch, Long Son Cement Plant	10. Nam Anh Trade and Export Joint Stock Company	11. Vincem Ha Long Cement	12. An Vietnam Intl. Trading Co. LTD	13. NCL Trading Joint Stock Company	14. Nhuan Phat TST Co., Ltd.	15. LHP VIET NAM TECHNOLOGY INVESTMENT COMPANY LIMITED
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13. NCL Trading Joint Stock Company																
14. Nhuan Phat TST Co., Ltd.																
15. LHP VIET NAM TECHNOLOGY INVESTMENT COMPANY LIMITED																
Products manufactured and Exported to the Philippines	<ul style="list-style-type: none">- Portland cement Type I- Type IP- PCB 40 <p>Vissai NB manufactured and exported Portland cement Type I and Type IP, in bulk, sling bags and jumbo bags to the Philippines market during the POI. In which, Ha Nam Cement Factory and Ninh Binh Cement Factory mainly produce and export bagged cement products, while Song Lam Cement Factory produces and exports bulk cement.</p>															
Production Capacity	xxx															
Actual Production Volume	xxx															
Injury and Other Factors that Affect the Philippine Industry	<ul style="list-style-type: none">• Firstly, during the POI and up to now, the domestic demand of the Philippines has been steadily increased															

	<p>while the domestic supply has both been sufficient to meet such increasing demand. The Philippine market has gradually increased at 8.5% per year since 2009. In 2019, the total consumption was about 32-34 million. The increasing trend was interrupted by a declining 10% due to the Covid-19 pandemic in 2020. The cement industry in the Philippines is expected to bounce back in 2021 according to the applicant.</p> <p>On the other hand, the total production of the Philippine cement industry was estimated at about 28 million tons in 2019, well below the domestic demand, which was estimated at about 34 million tons in 2019. This was due to the shortage of clinker in the domestic market and low capacity's effective utilization caused by the industry's outdated technologies coupled with the higher downtime of cement factories in the Philippines.</p> <ul style="list-style-type: none"> Secondly, in terms of Price imports of cement at a reasonable price is crucial to the Philippine's infrastructure development as planned by the Philippine Government. The ambitious Build! Build! Build! Program by the Philippine government that started in 2017 caused a major spike in demand for construction supplies including cement. However, with most cement facilities outdated, and its total production outputs mostly consumed, the domestic cement industry has not been prepared to meet such increasing demand. Thus, imports have been needed to fill the gap between supply and demand in the domestic market. Indeed, without reasonable priced imports, the high production costs and low capacity utilization rate of the Philippine cement industry would make it very costly for Philippine Government and people to implement the country's ambitious infrastructure development plan.
Comments on other relevant factors	(1) the cement industry does not suffer any injury; and (2) imports from Viet Nam were not the causes of injury, if any, to the Philippine cement industry.
Decreasing inventory of Finished Goods (in Peso)	The value of finished goods in the inventories of Holcim Philippines, Inc. decreased in 2017 – 2019 period, as demonstrated in the table above. As for CEMEX Holdings Philippines, Inc. The value of finished goods in inventories is on a downward trend from 2018 till 2020. Thus, Vissai believe that the two applicants have been performing well in selling products and there is no injury caused to production sales of these companies
Cost of production	The ex-work price of the Philippines is high due to the fact that the cement production cost in the Philippines is also higher than in neighboring countries. Energy costs are a major factor with power and coal together accounting for almost half of production costs. Energy costs are relatively high in the Philippines as industrial electricity rates can be as high as US\$0.11/kWh compared to US\$0.07/kWh in Vietnam. Similarly, coal prices are typically elevated in the Philippines as most coals are imported (e.g. Holcim Philippines Inc. imports coals from Indonesia, Solid

	<p>Cement Corporation and APO Cement Corporation imports coals from the United States). Additionally, age and insufficiency of many cement plants consume more heat per kg of clinker and more power per ton of blended cement. The specific heat consumed by some domestic plants per kg is about 850-900kcal, while that of a modern, efficient plant is only about 700kcal. It is believed that old cement plants consume up to 90100kWh per ton of blended cement, while efficient one should only consume about 75kWh.</p>
COVID-19 Pandemic and adverse weather condition	<p>2020 marks the year the whole world suffered deeply from the COVID-19 global pandemic. 75% of the Philippine economy shut down temporarily in 2020 due to the crisis, causing the decline in economy situation in general. The Philippine cement industry is no exception with cement plants forced to shut down and the consumption decreasing by 25-30% in the first half of the year. These factors negatively affected the production output, capacity utilization and sale performance.</p>
Political and environmental factors	<p>In 2019, Holcim Philippines Inc. reported revenue decrease and recognized in their Annual Report for FY2019 the temporary closure of one plant and delayed government plan as the causes of the decline. Early 2019, Holcim Philippines Inc. was ordered to close one of its plants (i.e., the grinding plant in Mabini, Batangas) for an environment-related legal proceeding". Therefore, the Vietnam imports price does not account for Holcim Philippines Inc.'s revenue decrease in 2019.</p> <p>The slowdown in construction activities in 2019 due to the mid-term election in May put negative impact on the cement industry and subdued the increasing trend of cement consumption in the Philippines starting from 2009. However, the consumed domestic production still managed to surpass which of 2018, as demonstrated in Figure 1. With the demand still increasing and insufficient domestic production, importing cement from other countries is reasonable. The consumed domestic production in 2019 also slightly increased compared to 2018.</p>
Comment on each specific claim made by the applicant in regards to material injury	<p>The applicant claimed that the cement imports from Vietnam negatively caused 1) volume effects; and 2) economic indicators. There are errors in these analyses.</p> <p>1. Volume effects</p> <p>As mentioned in the answer to question 3.1, the amount of cement imported from Vietnam only fills the gap between domestic cement supply and demand. Furthermore, in the Initiation Report, in Section IV of the evidence of injury analysis, the report simply compares the increase in import volume and the relative decrease in the domestic market share without analyzing the internal factors of specific domestic producers such as production, capacity, production infrastructure, and whether the input factors of the units are guaranteed or not because Cement is an industry that requires limestone and clay reserves, the shortage of these inputs are the cause of the decrease in output and does not ensure that production meets domestic demand.</p> <p>As the data Vissai provided during the investigation period, the export volume in the period 2019-2020 increased compared to the</p>

	<p>previous year, but it was consistent with the shortage of the Philippine market when the difficulties caused by the Covid pandemic forced many factories to close. Thus, the increase in import volume has a positive impact on the Philippine economy. The period from 2021-2024, after being imposed anti-dumping duties, has limited Vissai's export volume to this market, specifically in 2022, it decreased by 7% compared to 2021 and by 10 months of 2024, it decreased by 32% compared to 2023.</p> <p>So, the DTI's allegation against Vissai that the increase in import volume is a significant cause or threat of causing significant serious injury to the domestic industry is incorrect.</p> <p>Furthermore, the new report analyzes the sales of the applicant. The report does not analyze the sales of other companies other than the applicant in the Philippines. Therefore, Vissai respectfully request the Investigating Authority to analyze the sales volume of other companies in the Philippines to see if these companies have taken market share from the applicant in the POI.</p> <p>Please refer the total quantity and value of cement products were exported to the Philippines by the Vissai NB during the period 2019 - October of 2024</p>
Economic factors and indices	<p>a. Domestic sale</p> <p>Table 2 below shows that Eagle Cement Corp - the third-largest cement producer and Cemex Holdings Philippines ("the Cemex") - the fourth-largest cement producer did increase the sale revenue of cement during the period 2017-2019. In the same period, there were fluctuations in the cement sale revenue of Holcim Philippines, Inc. ("the Holcim"). Specifically, the sale revenue increased in 2018 before decreasing in 2019.</p> <p>The decrease in 2019 is mainly attributable to the temporary closure of one plant and delayed government projects as the Holcim publicly recognized in its 2019 annual report as follows:</p> <p>"Lower revenue earned for the year was mainly attributable to lower volume due to delayed government projects and temporary closure of Mabini Plant". Nowhere in the 2019 annual report mentions the decrease in the sale revenue was due to the cement imports from Vietnam.</p> <p>In 2020, all of these companies experienced decreases in the sale revenue. However, it is not attributable to the cement imports from Vietnam. It is widely known that 2020 marks the year the whole world suffered deeply from the COVID-19 global pandemic. 75% of the Philippine economy shut down temporarily in 2020 due to the crisis, causing the decline in economy situation in general. The Philippine cement industry is no exception with cement plants forced to shut down and the consumption decreasing by 25-30% in the first half of the year. This statement is in line with the Cemex and the Holcim's 2020 financial statements.</p>

Cemex reported: "The decrease in revenue of 16.5% in 2020 compared to 2019 was attributed to a 11% decline in domestic gray cement volumes mainly due to the impact of the COVID-19 Pandemic ". Holcim, on the other hand, in its Q1 2020 financial statement, stated: "At the end of the first quarter, the Group posted net sales of P7.3 billion, lower by 10% compared to P8.1 billion reported in the same period last year.

Lower volume in March versus prior year was mainly due to the Enhanced Community Quarantine (ECQ) implemented by the government in Luzon to prevent the spread of COVID-19. Road closures from localized quarantine measures have hampered movement of labor and logistics around the country, further slowing down construction activity in other parts of the country. Visayas and Mindanao operations have continued.

Table 2. Sales Revenues

	2017	2018	2019	2020
Cemex Holdings Philippines, Inc.	x x x	x x x	x x x	x x x
Change (%)		8.6%	0.7%	(16.6)
Eagle Cement Corp	x x x	x x x	x x x	x x x
Change (%)		11.8%	20%	(29.8%)
Holcim Philippines Inc.	x x x	x x x	x x x	x x x
Change (%)		5%	(7%)	(16%)

	<table><tr><th colspan="8">b. Profit and Loss</th></tr><tr><th>Particulars</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>%Increase (Decrease) (2017 vs. 2018)</th><th>%Increase (Decrease) (2018 vs. 2019)</th><th>%Compared to the 2019 level</th></tr><tr><td>Sales Revenue*</td><td>100</td><td>104</td><td>99</td><td>39</td><td>4.44</td><td>(4.91)</td><td>39.42</td></tr><tr><td>Cost of Goods Sold*</td><td>100</td><td>110</td><td>105</td><td>42</td><td>9.75</td><td>(4.55)</td><td>40.05</td></tr><tr><td>Gross Profit*</td><td>100</td><td>92</td><td>87</td><td>33</td><td>(7.90)</td><td>(5.92)</td><td>37.65</td></tr><tr><td>Operating Expenses</td><td>100</td><td>99</td><td>74</td><td>32</td><td>(1.34)</td><td>(24.73)</td><td>42.50</td></tr><tr><td>Operating Profit*</td><td>100</td><td>72</td><td>125</td><td>36</td><td>(27.93)</td><td>72.80</td><td>28.81</td></tr></table>	b. Profit and Loss								Particulars	2017	2018	2019	2020	%Increase (Decrease) (2017 vs. 2018)	%Increase (Decrease) (2018 vs. 2019)	%Compared to the 2019 level	Sales Revenue*	100	104	99	39	4.44	(4.91)	39.42	Cost of Goods Sold*	100	110	105	42	9.75	(4.55)	40.05	Gross Profit*	100	92	87	33	(7.90)	(5.92)	37.65	Operating Expenses	100	99	74	32	(1.34)	(24.73)	42.50	Operating Profit*	100	72	125	36	(27.93)	72.80	28.81
b. Profit and Loss																																																									
Particulars	2017	2018	2019	2020	%Increase (Decrease) (2017 vs. 2018)	%Increase (Decrease) (2018 vs. 2019)	%Compared to the 2019 level																																																		
Sales Revenue*	100	104	99	39	4.44	(4.91)	39.42																																																		
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Gross Profit*	100	92	87	33	(7.90)	(5.92)	37.65																																																		
Operating Expenses	100	99	74	32	(1.34)	(24.73)	42.50																																																		
Operating Profit*	100	72	125	36	(27.93)	72.80	28.81																																																		
	<p>c. Production and capacity utilization</p> <p>According to the Initiation Report, the applicant alleged that their actual production and capacity utilization declined 6.75% and 9.5% in 2019 and 2020, respectively. In this regard, Holcim - the largest cement producer stated in its 2019 annual report that it temporarily shut down one plant in 2019. This is the main factor that caused the decrease in actual production and capacity utilization of the applicant in aggregate.</p> <p>In 2020, as mentioned above, the Philippines suffered from the Covid-19 pandemic which caused the cement producers to shut down in the first six (6) months of 2020. This is the main factor that caused the decrease in actual production and capacity utilization of the applicant. Both of these factors were not analyzed in the application</p>																																																								
General Comments	<ul style="list-style-type: none">Vissai provided export volume data for the period 2019-2020. It shows there was an increase compared to the previous year, but it was consistent with the shortage of the Philippine market when the difficulties which were caused by the Covid pandemic. Thus, the increase in import volume has a positive impact on the Philippine economy. The period from 2021-2024, after being imposed anti-dumping duties, has limited Vissai's export volume to this market, specifically in 2022, it decreased by 7% compared to 2021 and by 10 months of 2024, it decreased by 32% compared to 2023.So, the DTI's allegation against Vissai that the increase in import volume is a threat of causing serious injury to the domestic industry is incorrect. Furthermore, the new report analyzes the sales of the applicant. The report does not analyze the sales of other companies in the Philippines. Therefore, it is requested that the Investigating Authority to analyze the sales volume of other companies in the Philippines to see if these companies perhaps have taken market share from the applicant during the POI.																																																								
Anti-dumping duties already applied	<ul style="list-style-type: none">The Philippine government has already applied anti-dump duty on products from Vietnam in the Department Administrative Order No. 23-01 series of 2023 dated 14th February, Vissai Ninh Binh has been subject to anti-dumping tax 12.06% equivalent 4.78 USD/ton cement. If the Philippine government agrees on this request, it would impose a double																																																								

	remedy specifically prohibited by Article VI.5 of the GATT "No product of the territory of any contracting party imported into the territory of any other contracting party shall be subject to both anti-dumping and countervailing duties to compensate for the same situation of dumping or export subsidization".
Applicant is a large importer	<ul style="list-style-type: none"> The Applicants is also a large importer of cement from other countries. As mentioned in Section 1 of our response to Question 3.1, the domestic cement industry cannot meet the high demand for this product. Applying more duties on products from Vietnam would only stress the supply of cement for the construction industry of the Philippines, this would destabilize the price of the products in the local market, which may lead to the Philippine economy suffering more.
Trade Relations between Viet Nam and Philippines relationship	<ul style="list-style-type: none"> The investigation into the Philippines' safeguard measures affects the economy negatively. This also affects trade and investment relations between Vietnam and the Philippines, directly affecting the confidence and enthusiasm of Philippine investors in Viet Nam.

3) Xypex Chemical Corporation

Particulars	Position/Comments
Product Exported to the Philippines	Xypex does export cement but a specialized construction product, which contains a small amount of cement and is designed for concrete repair. It offers fast-setting, non-shrink properties, and high-bond strength when mixed with water, making it suitable for quickly patching and repairing concrete deficiencies.
Difference (between the exported product and those manufactured by the domestic industry)	Xypex Patch'n Plug is a specialized repair product for concrete issues like active leaks and large cracks. It does not compete with cement products sold in the Philippines but rather complements them by enhancing the durability and value of concrete structures.
Export Volume	Xypex exported only xxx metric tons of Patch'n Plug to the Philippines, with a total sales value of xxx (inclusive of base price and shipping costs) from July 2021 to November 2024.
General Comments	The nature and volume of our imported product, as well as its lack of competition with domestic cement, indicate that our product does not adversely affect the domestic cement industry or fall within the scope of RA 8800.

4) Vietnam Trading Services and Import Export Limited Company (Viet Trade)

Particulars	Position/Comments
Products Manufactured and Exported to the Philippines	<ul style="list-style-type: none"> ASTM C150 type I ASTM C150 type II ASTM C595 type IP/1 PM
Production and Capacity	<p>xxx</p> <ul style="list-style-type: none"> Viet Trade has no year-ending inventories for last five (5) years. The company cannot give specific numbers for projected capacity utilization in the next 2 years because it depends on many objective factors such as: customer's demand, manufacturer's cost, raw material price, sea freight, etc.

Quantity and Value of the Subject Products Exported to the Philippines	xxx <ul style="list-style-type: none">The company cannot give specific numbers for projected shipments to the Philippines for the next 2 years because it depends on many objective factors such as: customer's demand, manufacturer's cost, raw material price, sea freight, etc.
Comments on Philippine Market	The importation of cement does not pose a significant threat to the Philippine cement industry, which is dominated by strong local players such as APO, Holcim, and Republic. In fact, importation can benefit the industry by providing consumers with greater choice in terms of quality and price. Given the substantial demand for cement driven by ongoing infrastructure projects and the limitations of domestic supply, importation can help mitigate potential supply shortages, preventing project delays and mitigating the risk of price increases for end-users and contractors. Also, the geographic aspect of the Philippines presents logistical challenges for cement distribution, particularly to islands like Zamboanga, Iloilo, Ozamiz, and Palawan, which are distant from major production facilities.
Cause of Serious Injury Claimed by the Applicant	<p>Applicants may claim injury due to increased import market share, however, isolating import surge as the sole cause of injury is insignificant and complex due to various factors. Most injury assessments rely on comparative methods, that will lead to an overestimation of the margin. Furthermore, non-attribution factors such as taxation, lack of infrastructure to release product, and removal of input subsidies, and government projects decline the domestic share. Therefore, it's crucial to consider a range of factors when assessing injury to the domestic industry, recognizing that it may be a result of some combination of other factors and not be the product of imports alone.</p> <ul style="list-style-type: none">The 2020 COVID-19 pandemic and the 2022 Russian invasion of Ukraine significantly impacted the global cement industry, creating uncertainties that led to a substantial decrease in domestic cement utilization rates worldwide.Despite claims that Vietnamese cement imports caused injury due to price dumping, Vietnamese cement companies have not received significant government support to lower prices, and have instead faced challenges such as increased taxation and electricity tariffs.

Figure 13: Electricity Tariff for Manufacturing Sectors in Voltage Level from 110kV to Over, VND/kWh

Date	Normal hours	Low hours	Peak hours
12-Jul	~1,200	~1,000	~1,400
12-Dec	~1,250	~1,050	~1,450
13-Aug	~1,300	~1,100	~1,500
14-May	~1,350	~1,150	~1,550
15-Mar	~1,400	~1,200	~1,600
17-Dec	~1,450	~1,250	~1,650
19-Mar	~1,500	~1,300	~1,700
23-May	~1,550	~1,350	~1,750
Nov-23 onward	~1,600	~1,400	~1,800

<ul style="list-style-type: none">Despite facing challenges like increased taxation and electricity tariffs, the Vietnamese cement industry maintains competitive pricing due to abundant local resources, stabilized coal prices, and continuous

	improvements in production technology and quality standards, enabling them to effectively compete in global markets, including the Philippines.
General Comments	<p>The presence of high anti-dumping taxes on imported Vietnamese cement significantly reduces its competitiveness compared to domestic cement, suggesting that imported cement does not pose a substantial threat to the domestic industry.</p> <p>The increase in imported cement is largely attributed to the surge in government infrastructure projects, exceeding the production capacity of domestic cement factories. To avoid significant project delays and ensure adequate supply, the importation of cement from countries like Vietnam, Pakistan, China, and India is crucial to bridge the gap between demand and supply in the Philippine market.</p> <p>Increased cement imports have not only filled supply gaps but also fostered the development of related logistics and warehousing services, creating jobs for local workers and improving cost-effectiveness for contractors and importers, while also promoting price competitiveness in line with free trade agreements like AFTA. Instead of seeking government protection, local cement factories should focus on improving their capacity, services, and pricing to remain competitive in the market.</p>

5) Long Son Co. Ltd. (LSC)

Particulars	Position/Comments
Ownership	<ul style="list-style-type: none"> 100% Vietnamese owned
Products	<ul style="list-style-type: none"> LSC manufactures the following products <ul style="list-style-type: none"> 56 types of cement 3 types clinker LSC is a manufacturer of cement based products and clinkers. Manufacturing takes place on 1 factory in Vietnam
Sales Volume to the Philippines (MT)	xxx
Production Capacity	xxx
Production Volume	xxx
Capacity Utilization and Ending Inventory	xxx
General Comments	<p>LSC has not been exporting cement to the Philippines or any like products since 2023 up to may 2024. In May, 2024, LSC has been exporting a small quantity</p> <p>Historical data show that LSC does not pose any threat of serious injury to the local cement industry.</p> <ol style="list-style-type: none"> The delivery volume of LSC from 2019 to June 2024 only captured the following exportation to the Philippines. The data above show that LSC delivery volume of cement constantly decreased annually. Even if LSC exports cement or any like products, LSC only contributes a small portion of the importation of cement in the Philippines. LSC has only two (2) clients in the Philippines: Globalink and Prominent Ventures, Inc., For which LSC has a constantly decreasing exportation from 2020 until 2022.
	<ul style="list-style-type: none"> Strong dollar, resulting in high inflation, prevailing domestic prices, and demand/supply considerations, have strongly disrupted the domestic prices of imported cement. <ul style="list-style-type: none"> From 2017 to 2021, or from the period of material injury determination of the Commission, the dollar-peso exchange rate generally had fluctuated between PHP48 to PHP50 per USD 1, except on July 02, 2018 where the exchange rate reached the PHP 53 per USD 1. In the Final Report on the Extension of Safeguard Measure, the Commission truthfully declared that a strong dollar kicks up "the domestic prices of imported cement and other imported goods, to the

	detriment of the consumers and construction sector."
	<ul style="list-style-type: none"> • Positive adjustments have been installed by the local cement industry players precisely to import competition - In the final Report on the Extension of the Safeguard Measure (released in Oct 2022), the Commission determined that the local cement industry players have been making positive adjustments such as: mill expansions and equipment upgrades; construction of additional warehouse; and cost-saving/productivity-improving measures, to import competition

6) Tokuyama Corporation

Particulars	Position/Comments
Products	The Cement Business Division consists of two segments, the Cement business, Recycling and Environment business. The Cement business focuses on the manufacture and sales of cement and ready-mixed concrete, and the Recycling and Environment business undertakes the business of waste recycling mainly by using cement kilns.
Products manufactured and Exported to the Philippines	Cement Type: <ul style="list-style-type: none"> - SDS-Portland Cement Clinker - Cement Type 1
Production Capacity	xxx
Actual Production Volume	xxx
Capacity Utilization and Ending Inventory	xxx
Sales Volume to the Philippines (MT)	xxxx
Value of Export to the Philippines (USD)	xxx
General Comments	<ul style="list-style-type: none"> • As a general prospective, compared to other countries, The Philippine market has been stable and growing year by year with various large-scale development projects under the Government initiative "Build Build Build" • They cannot comment to the current Philippine industrial situation such as balance of supply and demand or industry as they have not exported the subject cement to the Philippines since March, 2023. They are not familiar with the current situation. • They understand from the report that the import volume of the subject cement has increased in the last five (5) years, and the main suppliers are from Vietnam. Other

	<p>than these facts, they cannot comment as they do not know the actual trade condition and situation.</p> <ul style="list-style-type: none"> Besides the increase of import volume of the subject cement, they think all of costs such as natural resources, raw material, freight, electricity, labor costs and so on had increased due to several factors including exchange rate, inflation, conflicts that happened across the world. PH cement manufacturers think these are parts of the cause of serious injury.
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7) Sumitomo Osaka Cement Co. Ltd. (SOC)

Particulars	Position/Comments
Products Manufactured and Exported to the Philippines	<ul style="list-style-type: none"> Ordinary Portland Cement (Type I) conforming to PNS 07:2018 and 2019 Blended Hydraulic Cement (Type IP) conforming to PNS 63:2019
Production and Domestic Sales	xxx
Volume of the Subject Products Exported to the Philippines and other Countries	xxx <ul style="list-style-type: none"> Annual year basis SOC has not agreed yet for the export contracts on 2025 & 2026.
Comments on Philippine Market	<ul style="list-style-type: none"> Domestic market in Philippine needed imported cement because of lack of supply, which supports the data that SOC exported to the Philippine cement companies from 2019 to 2021.
Cause/Factors of Serious Injury Claimed by the Applicant	<ul style="list-style-type: none"> According to the information that SOC has gathered, the increase in cement importation is due to the Philippine market needs. As an example, if SOC mainly exports Ordinary Portland Cement (OPC) Type 1, it means that there's a shortage of this type of cement in the Philippine market and might be because domestic manufacturers tend to focus more on producing blended cement. SOC also took note of the disruptions during the COVID-19 pandemic, when many cement plants in the Philippines were forced to shut down due to lockdowns. The conflict between Ukraine and Russia since 2022 has disrupted global supply chains and significantly increased energy costs, particularly coal prices. This sharp rise in costs has negatively impacted the financial performance of many cement manufacturers worldwide.

8) Omanco Material Vietnam Company Limited

Particulars	Position/Comments
Products Manufactured and Exported to the Philippines	<ul style="list-style-type: none"> - Portland Cement (Type I) - Blended Cement (Type IP)
Production and Capacity	xxx
Quantity of Products Exported to the Philippines (last 5 years and next 2 years)	xxx
Comments on Domestic Market and Other Factors that Affect the Philippine Industry	<ul style="list-style-type: none"> - In the Vietnamese market, current domestic cement demand is growing gradually. However, there's potential for significant future growth, particularly driven by increased public investment. - Viet Nam currently produces 135 million tons of cement annually, while domestic demand only absorbs 60 million tons. This overproduction necessitates exporting a substantial 75 million tons per year. Unfortunately, numerous cement factories are facing closure due to various challenges that hinder their ability to successfully export their products. <p>The below factors influence on price of exporting and how much a factory can export:</p> <ol style="list-style-type: none"> 1. Geographical location: Cement factories located closer to seaports benefit from lower transportation costs, which directly translates to lower export prices and also crucial for competitiveness. Their analysis indicates that logistics costs should ideally account for less than 10% of the export price to ensure profitability and avoid selling products at a loss (dumping). 2. Investment value: Significant investments in cement production facilities result in substantial financial liabilities for factories. Heavy investments often lead to rapid depreciation of equipment and high maintenance costs, increasing overall production expenses. To generate revenue and meet debt obligations, some factories may resort to dumping their products at below-cost prices to secure immediate cash flow. 3. Poor Management: Inefficient management practices, which is common to older factories, those owned by the government, or those with significant state investment, contribute to significant operational challenges. These challenges include high variable costs, poor sales performance, and factories tend to resort to selling their products at low prices in the export market simply to stay in business.
Comment on Serious Injury Claimed by the Applicant	<ul style="list-style-type: none"> - Vietnam and the Philippines possess distinct geographical, resource, and investment landscapes for the cement industry. - Vietnam enjoys significant advantages, including extensive coastline for efficient logistics, abundant limestone and coal reserves for raw materials and fuel, a well-developed mechanical industry for equipment and spare parts, and a large, skilled workforce offering competitive labor costs. These factors

	<p>contribute to lower production costs and enhanced competitiveness in the Vietnamese cement sector.</p> <ul style="list-style-type: none"> - The complaint unfairly assumes all factories are struggling. Many are efficient, well-managed, and enjoy favorable conditions, leading to low costs and competitive pricing. Individual factory performance must be assessed. - If the safeguard duty is high, it will not promote scientific and technological innovation to reduce production costs in the Philippines. High safeguard duties on cement will negatively impact Filipino consumers and the government. Increased cement prices will affect consumers and inflate the costs of government projects.
<p>Factors considered to be the cause of serious injury claimed by the applicant</p> <p>General Comment</p>	<ul style="list-style-type: none"> - Omanco stated that imported goods do not cause any damage to the domestic cement market in the Philippines. - It is also alleged that there is high cost and selling price of cement in the Philippines because of the following: <ol style="list-style-type: none"> 1. Factories are making high profits. 2. Factories lack advanced technology and scientific methods to reduce cement costs, resulting to high production costs and decreased competitiveness. 3. Poor management of factories and raw materials are not available. - Omanco suggests that the DTI should have an objective view on the impact of imported cement in the Philippine cement industry.

**9) Nhuan Phat Trading Services and Transportation Company Limited
(Nhuan Phat TST Co. Ltd.)**

Particulars	Position/Comments
Products Manufactured and Exported to the Philippines	<ol style="list-style-type: none"> 1. Portland Cement (Type I) conforming to PNS 07:2018 standards: <ul style="list-style-type: none"> - packed into jumbo bags with the volume of 1 ton/bag or; - packed into PK/PP bags with a volume of 40kg/bag, then packed into sling bags of 2 tons/1 sling bag 2. Blended Cement (Type IP) conforming to PNS 63:2019 standards: <ul style="list-style-type: none"> - packed into jumbo bags with the volume of 1 ton/bag or; - packed into PK/PP bags with a volume of 40kg/bag, then packed into sling bags of 2 tons/1 sling bag.
Production and Domestic Sales	<p>xxx</p> <ul style="list-style-type: none"> - Nhuan Phat does not contribute cement or clinker to their domestic market.
Volume and Value of the Subject Products Exported to the Philippines	xxx

Comments on Domestic Market and Other Factors that Affect the Philippine Industry	<ul style="list-style-type: none"> - Nhuan Phat is contributing to the Philippine market by alleviating the long-standing cement shortage, meeting high demand, and providing local end-users, particularly in construction, with high-quality cement at competitive prices.
Comment on Serious Injury Claimed by the Applicant	<p>The company's primary objective is to support Filipinos by addressing the existing cement shortage in the market. They aim to achieve this by providing high-quality cement at competitive and affordable prices, thereby offering consumers more choices and options. Nhuan Phat believes in contributing to the market by alleviating scarcity rather than solely focusing on competition. Their goal is to ensure that more Filipinos can benefit from the quality and affordability of their products.</p>
Factors considered to be the cause of serious injury claimed by the applicant	<ul style="list-style-type: none"> - It is also alleged that local cement manufacturers are attempting to manipulate the market by deliberately limiting production to capitalize on high demand and create artificial scarcity. This anti-competitive behavior drives up prices, harms consumers, and stifles innovation. Addressing these practices is crucial to ensure fair competition, to level the playing field for all market participants and to protect consumer interests.
General Comment	<ul style="list-style-type: none"> - Nhuan Phat would like to emphasize that their involvement in the Philippine market was driven by a desire to offer consumers more product choices at competitive prices, supporting the market without compromising quality or affordability. The company believes that their efforts have positively impacted the market and been well-received by consumers. It is also stated that their activities are conducted in accordance with fair trade practices and market demands, adhering to all regulations and standards set forth by relevant authorities. <p>In conclusion, Nhuan Phat believes its activities have fostered healthy competition and expanded consumer choices in the Philippines. The company remains committed to a positive and transparent presence in the market.</p>

Attachment II

Summary of Comments/Position Submitted by the Importers of Cement

1) MARLUSA CONSTRUCTION SUPPLY

Particulars	Position/Comments
Ownership	<ul style="list-style-type: none"> • Single Proprietorship
Products Imported (Subject to Safeguard Measures Investigation)	<ul style="list-style-type: none"> • Portland Cement Type 1 and Blended Cement Type 1P
Source Country of Imports	<ul style="list-style-type: none"> • Socialist Republic of Vietnam
Source Exporter	xxx
Import Volume and Value	<p>xxx</p> <p>Marlusa's terms of sales is FOB with exporters in Vietnam. Marlusa negotiates separately with cargo vessel and paying by way of telegraphic transfers. Marlusa Construction Supply does not receive any discounts or special terms from the exporter or trader.</p> <p>Demand for cement in the next two years, Marlusa expects to be flat caused by budgetary constraints.</p>
Distribution Channels	xxx
Organizational Structure	xxx
Differences Between the Imported Products and Those Manufactured by the Domestic Industry	Domestic industry is producing Type 1T and marketed their Type 1 and Type 1P with distinctive marketing feature while Marlusa's imported product is plain Type 1 and Type 1P.
Price Structure	xxx
Philippine Market and Comments on Other factors that Affect the Philippine Industry	<p>The cement market in the Philippines is geographically segmented. Just like in other countries, logistic cost varies from place to place and it has an effect on the price. Also, proximity to existing local plant has an effect on the supply.</p> <p>Likewise, local cement producers (Apo, Holcim, Republic) are dominant in the retail market with their strong and established distribution channels. As an importer, Marlusa cannot penetrate</p>

the retail market because of the strong presence of local cement brands.

Cement dealers especially hardware stores would not sell Marlusa brand due to their strong affiliation with CEMEX, Holcim and Republic. There are certain incentives by the local cement manufacturers that Marlusa cannot provide. Local producers have also an aggressive sales and marketing, which Marlusa cannot match.

Marlusa relies for their market on personal connection with owners of local contractor firms and dealers. Marlusa distribution channel is more on a personal basis and support to contractors of their cement needs.

As a local business entity limited in its market focus in Panay Island, Marlusa does not have the size and reach regardless of the price of imported cement, to drive CEMEX, Holcim or Republic, all multinationals out of the market or make them less profitable. Marlusa depends on goodwill and personal rapport to sell its imported cement. Marlusa's business is focused on markets that cannot be served by the multinational companies.

Marlusa's business model in the cement industry is to provide service to contractors in its area by importing their cement requirements. Marlusa provides services to them and are paid for it by way of price margins.

Marlusa Construction advances and pays for the importation of the cement requirements of local contractors.

Historically, CEMEX, Holcim and Republic, prior to the presence of imported cement in Marlusa's area of operation, could not meet the demand requirements of contractors. Purchase orders were served at the minimum of two weeks that resulted in delays in government projects.

Public infrastructure projects in Marlusa's area rely on imported cement. Without imported cement, contractors of government projects would find it difficult to look for a steady and reliable supply of cement. In Marlusa's area of operation, there is no cement plant that can sufficiently meet the demand for cement. The distribution of local cement especially to contractors/direct buyers are hampered by the limits imposed by the logistics capability of the local cement producers.

Marlusa Construction Supply as an importer helps and contributes to the local economy by finding competitive and high-quality source of cement in the midst of big supply gap in Marlusa's area of operation.

Marlusa's service as an importer enable contractors to deliver or finish on time public construction projects and provide steady employment in the area.

<p>Comment on Each of the Applicant's Specific Claim of Serious Injury</p>	<p>Marlusa Construction Supply is a small and local single proprietorship, and thus its business could not cause serious injury to big multinational companies such as CEMEX, Holcim and Republic. Being multinational companies, they have the technical knowhow, marketing savvy and trade efficiency to meet any market condition especially in Marlusa's area of operation. Likewise, as multinational companies with worldwide operation and reach, they have business and financial strength and operating efficiency to face the supply and price challenge from cement plants in Vietnam and other parts of the world.</p> <p>Marlusa operates like a mom and pop store with the owner directly involved in selling and marketing operations and has no executives to pay and no middle managers to provide with incentives. Marlusa's manpower costs are shared with other products sold by the hardware store, and this is the area where Marlusa is at an advantage against the CEMEX, Holcim and Republic.</p> <p>Imported cement is only filling the supply gap. The competitive price and presence of imported cement in Marlusa's area of operation, is advantageous to the Philippine economy. It lowers construction cost of public infrastructure projects. Assuming for the sake of argument that the price of cement from Vietnam is subsidized in terms of cheap power and other incentives for the Vietnamese government, that subsidy directly and indirectly benefits the Philippine economy by way of a good price for cement.</p>
<p>Other Factors Considered as Cause of Serious Injury Claimed by the Applicants</p>	<p>The claim of applicants of serious injury that would require protection from the government is self-serving. The price of imported cement especially the FOB and freight price is dictated by market forces and cost of freight. Marlusa Construction Supply has to bargain from traders and ship owners to get the best possible price and freight.</p> <p>Through the years, the multinational companies constituted a cartel and dictated the price and supply of cement, and still they failed to be efficient in order to meet the challenges of globalization and free trade. These multinationals should be the last to cry that they suffered damages on account of free and unhampered trade of goods.</p>
<p>General Comments</p>	<p>The increase in the volume of imported cement is due to the increase in demand of cement caused by higher government spending in infrastructure projects. The local cement manufacturers per record cannot meet the increase in demand. As stated there is a big gap in demand and supply situation in Philippine cement market. Whether it is from Vietnam, Pakistan, India or Indonesia, imported cement would fill in the demand. It is for Philippine cement manufacturers to be efficient and not ask for protection. Trade protection would only benefit a particular sector but a loss to the general public.</p>

	<p>The government should not cuddle the local cement manufacturers as if they are an infant industry that needs protection. They have been in a monopolistic situation and acting like a cartel for almost 20 years in the Philippine cement market but they failed to invest in order to compete price wise against imported cement.</p> <p>If there is no importation, government projects and employment situation would be adversely impacted. Imported cement is a big factor that resulted to government projects completed on time. Availability of cement means more employment in the construction sector.</p> <p>The government has imposed safeguard duties on cement. To impose the duty on the basis of unclear and wrong reason again would unduly affect the general public and a loss to the economy in general.</p>
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2) COHACO Merchandising & Development Corporation

Particulars	Position/Comments
Ownership	xxx
Products Imported (Subject to Safeguard Measures Investigation)	Portland Cement Type 1 and Type 1P from Vietnam under Barako and Kaito Brand
Tariff Classification and Tariff Duty	AHTN Codes 2523.29.90 and 2523.90.00 with 12%VAT and Permanent Safeguard Duty of ₱250/MT in 2019/2020 and ₱245/MT in 2021.
Source Country of Imports	Vietnam
Source Exporter	xxx
Distribution Channels	xxx
Comments on Other factors that Affect the Philippine Industry	<p>Prior investigation and existing protectionist measure covering the Period of Investigation.</p> <ul style="list-style-type: none"> - Domestic manufacturers have already received extensive protection through multiple remedies and successive protectionist measures. Thus, there is no justifiable basis for the re-imposition of safeguard measures on the importation of the subject product. <p>On the required elements of the safeguard measures</p> <ul style="list-style-type: none"> - the imposition of safeguard measure is not warranted. <p>On the increased imports of like or directly competitive products</p> <ul style="list-style-type: none"> - a portion of imported cement is being used as a raw material by the importer's own locally manufactured cement. - Growth rate of importation remained at an annual average of less than 5%, which is hardly considered a surge under WTO standards. - Alleged decline in the domestic production is doubtful as CeMAP President even declared that cement production has risen significantly with expansion projects and investments from new players. - The increase in volume of imports in relative terms may be attributed to the decrease of domestic production of the subject products. - Increase of imports in relative terms is brought about by necessity/demand due to halt in domestic production brought about by COVID. In other words, increase in importation is a consequence in the reduction in domestic production in order to meet the demand.

<p>Comment on the Applicant's Claim of Serious Injury</p>	<p>There is no serious injury or threat thereof being suffered by the domestic manufacturers.</p> <ul style="list-style-type: none"> - The findings of the Honorable Office as stated in the Notice to Initiate are erroneous. For the years 2019 to 2021, it is established that there is no serious injury or even a threat of serious injury that would warrant the imposition of safeguard measures on the subject products. This is clear from the extension Final report adopted by the honorable Office. - The alleged "imminent threat of serious injury" to be suffered by the domestic industry as found in the Preliminary Report is not what is contemplated in the Safeguard Measures Act IRR, the Safeguards Agreement, and as defined by the WTO decisions. - The decline in the apparent market of the subject products is attributable solely to the decline of production of the domestic industry, which is again caused by their shift in production to Type 1T Cement. - Cement production of the domestic industry-factoring in the production of Type 1T cement- actually increased from 2019 to 2021, despite the negative effects of the pandemic. - The drop in sales is directly linked to the shift in production focus, specifically the introduction and production of Type 1T cement. The sales volume was arguably impacted with the significant decline in output and changing market dynamics. - There is no price undercutting. The price monitoring of the importers reveals that some of the products of the domestic industry are priced Php10 to Php 15 lower per bag than equivalent products of the importers in the same market segment. - There is no price depression of the subject products. The domestic industry generally prices their products at a much lower price than that of the importers. It is actually the domestic industry that leads in driving the price reductions. - There is no price suppression. Based on the audited FS of the domestic manufacturers, most of the domestic industry players have posted gross profits for the years 2020 to 2023. - On profitability, data from consolidated income statements of the various corporations in the domestic industry show that the major players continue to report gross profits, negating the claim of injury. For several years during the POI, the entire domestic industry has posted both gross and net profits. - The losses, if any, suffered by the domestic industry are due to factors not attributable to the importation of the subject product. - The domestic industry remained profitable during the POI despite the alleged increase in import volume and decrease in market share. Different members of the domestic industry have even reported record earnings during the PO, which underscores the fact that the alleged injury is more imaginary than real.
<p>Causal Link</p>	<p>Even assuming arguendo that there is an increase in importation, and that there is injury, there is no causal link.</p> <ul style="list-style-type: none"> - The injury suffered by the domestic industry, if any, is attributable to several factors:

	<ol style="list-style-type: none"> 1) The domestic industry's pivot from the subject products to Type 1T cement directly equated to the contraction of its market share both in the production and sale aspect of the subject products. However, there was actually an increase in the total output by the domestic industry if Type 1T is factored in. 2) The alleged overcapacity of the foreign cement producing countries are not relevant to the present proceedings. These factors are subject to another measure particularly anti-dumping duties. Imposing safeguard measures based on factors sought to be deterred by anti-dumping is essentially a circumvention of the said law. 3) The members of the domestic industry themselves also point towards external market fundamentals such as higher operating costs, and quarantine restrictions as the main challenges in the attainment of their financial targets. As explicitly provided by law, "when factors other than increased imports are causing injury, such injury shall not be attributed to increased imports.
General Comments	<p>In summary, the elements necessary to impose Safeguard Measures are absent in the instant case, considering that:</p> <ol style="list-style-type: none"> a) There has been no unexplained surge in the importation of the subject products. Any increase in the importation was brought about by necessity due to demand and the decrease in production of the domestic industry; b) There was no injury suffered by the domestic industry. The market data shows that the domestic industry continues to command more than 80% of the local market. Disclosures from the domestic industry show that they remained profitable during the POI; and c) Assuming there was indeed an injury suffered by the domestic industry during the POI, the same was not caused by the increase in importation of the subject products, but due to external factors beyond the control of both the domestic industry and importers. <p>Given the absence of all the elements to impose Safeguard Measures, the Petition should be immediately denied or dismissed.</p>

3) FORTEM CEMENT CORPORATION

Particulars	Position/Comments
Ownership	<ul style="list-style-type: none"> 100% Privately owned
Products Imported (Subject to Safeguard Measures Investigation)	<p>Cement – Portland Cement Type 1, II</p> <p>Blended Cement Type 1P, 1T and 1L (Attachments 2.1 – 2.4)</p>
Tariff Classification and Tariff Duty	<p>Portland Cement Type 1 and Type II AHN Code: 2523.29.90 Rate of Duty: 0%</p> <p>Blended Cement Type 1P, 1T and 1L AHN Code: 2523.90.00 Rate of Duty: 0%</p>
Source Country/ies of Imports	Viet Nam, China and Indonesia
Source Exporters	xxx
Differences in the imported products and those manufactured by the domestic industry	<p>Imported Cement Product – The composition of imported cement may differ slightly based on the raw materials available in the country of origin. Variations in mineral content, additives, and production processes lead to difference in cement performance characteristics such as setting time, strength development, and durability. Cement produced in other countries might employ different technologies, such as more advanced or older equipment, or alternative fuel sources in the manufacturing process.</p> <p>Domestic Cement Product – Domestic manufacturers often adhere to local industry standards and regulations which can result in a slightly different product formulation. Local raw material availability and regulations around additives may also influence the cement's composition.</p>
Distribution Channels	xxx
Comments Philippine Market/Serious Injury	<ul style="list-style-type: none"> Market Segmentation <p>Brand Name vs. Generics: Fortem's brand has firmly established a reputation across various regions as high-quality, safe and reliable. This recognition makes them especially appealing to both general contractors and developers, particularly those involved in high-profile projects that prioritize quality and reliability. In these cases, developers will not use just any brand but prefer those from reputable sources, ensuring materials meet the stringent standards required for long-term infrastructure integrity.</p> <p>Geographic Division: Across different regions, the selection of construction materials is often influenced by the brand's reputation and endorsement by</p>

key industry leaders. Contractors and developers are inclined to trust brands that are backed by authorities such as DPWH and the Philippine Contractors' Association, as these endorsements provide assurance of product quality, safety, and consistency – essential for critical projects and compliance with regional standards.

- Historical and Expected Demand Patterns

Historical Demand:

Demand for construction materials in the Philippines has been on the steady rise, driven largely by ongoing and planned infrastructure projects, including the government's Build, Build, Build program. This trend has continued despite the challenges of recent years, with essential infrastructure projects moving forward even during the COVID-19 pandemic. Report from leading news sources reflect this resilience, noting increased demand for construction materials as the country prioritizes infrastructure to support economic growth and urbanization.

Comparison to ASEAN Markets:

Compared to other ASEAN countries, the Philippines has substantial growth potential due to its large growing population and rising GDP. However, despite the demand, the Philippines faces considerable challenges in cement production and distribution, particularly due to limited production and logistical capacities. As infrastructure needs increase, the country's ability to meet these demands remains a significant factor, highlighting the need for both increased production capacity and efficient distribution networks.

- Changes in Consumer Preference

Preference for Quality and Compliance:

Consumers in the Philippines, especially contractors and developers, prioritize materials that comply with regulatory standards set by the Department of Trade and Industry and DPWH. There is a market preference for reputable brands that not only meet these standards but also ensure the safety, durability and reliability – essential for long term infrastructure projects. Buyers are selective and prioritize trusted brands over lesser-known alternatives, focusing on product integrity and consistency as essential components of successful project outcomes.

- Distribution Channels

Role of Dealers and Wholesalers:

In the Philippine market, a substantial portion of construction materials is distributed through dealers and wholesalers who manage availability across regions and handle pricing to the end-consumer. This distribution model helps ensure that products are accessible even in remote areas, though pricing may vary based on logistical challenges, demand, and regional market conditions.

	<p>Direct Sales to Major Developers:</p> <p>For larger construction projects, and high-profile developers, direct procurement from manufacturers or importers is common, especially for bulk purchases that can streamline supply consistency and ensure timely delivery. However, in these transactions as well, the emphasis remains on securing availability and reliability over cost.</p> <ul style="list-style-type: none"> • Factors Affecting Philippine Producers <p>High Logistical Costs:</p> <p>Philippine producers face significant logistical challenges, which result in higher costs for transporting and distributing materials across the archipelago. The infrastructure limitations and geographical dispersion increase both delivery times and expenses, making it difficult for local producers to ensure consistent supply at a reasonable cost. These high logistical costs directly impact availability, often creating inconsistencies that leave consumers struggling to secure a steady supply.</p> <p>Reliance on Imports as a Supplement:</p> <p>While local producers are rated to meet substantial capacity, actual availability often falls short due to production and logistical limitations. This has created a reliance on imports, which are essential to supplement the demand that local producers alone cannot meet. Although imports fill critical gaps, they are not positioned to dominate the market, but instead to support consumer demand where local supply proves inconsistent. Before imports were introduced, local producers often charge significantly higher prices due to the scarcity of supply, limiting access for many consumers and creating affordability barriers. The presence of imports has alleviated some of this burden by helping maintain availability and promoting a more balanced market.</p>
<p>Comment on the Applicant's Specific Claim of Serious Injury</p>	<ul style="list-style-type: none"> • Multiple factors influence the entire cement and construction industry in the Philippines: <p>Market Conditions Beyond Imports – The challenges in the market are not solely due to imported cement but also come from factors like rising infrastructure demands, high logistical costs, and global economic conditions. The Philippine market requires both local and imported cement to meet the demands and keep the supply steady. Imports are necessary to supplement local production, especially given the infrastructure needs and logistical challenges in the country.</p> <p>Commitment to Reliable and Affordable Products – Fortem's responsibility is to ensure that consumers have access to a reliable and reasonably priced product. By meeting demand effectively, Fortem supports the industry and consumers by helping maintain a stable supply, which benefits everyone</p>

	<p>involved in construction projects, from developers to local producers.</p> <p>Impact on All Companies Not Just Local Producers – The economic pressure facing the industry, like fuel price increases, currency shifts, and supply chain disruptions, affect all companies not just local producers. These issues have led to increased costs for everyone in the market, and the presence of imported cement has actually helped prevent potential price hikes by ensuring that there is enough supply to meet the demand.</p> <p>Responsibility to Manage Costs and Global Impacts – As those who supply to consumers everybody has the responsibility to manage own costs and adapt to global impacts. It is also the responsibility of the local producers to control their expenses and adjust to market conditions, just as other businesses in the industry must. While imported cement supplements the local supply, it is ultimately up to each company to navigate economic challenges and operate sustainably within the broader market.</p>
Comments on the Details of Factors Considered as Cause of Serious Injury by the Applicants	<ul style="list-style-type: none"> • Main Issues contributing to the difficulties of the local producers: <ol style="list-style-type: none"> 1) High logistics and Transportation Costs – The unique geography of the Philippines, with its many islands makes transporting cement across regions costly and complex. Local producers bear these high logistical costs which can impact their overall competitiveness. 2) Infrastructure limitations like port congestion can further add to these expenses, making it more challenging to maintain steady supplies at competitive rates. 3) Rising Costs of Raw Materials – Global increases in the prices of key cement components such as clinker and limestone have raised production costs for local producers. Since these materials are essential for cement production, the price hikes directly affect local producers' ability to keep prices stable and competitive. 4) Currency Fluctuations and Global economic Pressures - The Philippine Peso has seen fluctuations against major currencies especially the U.S. dollar. Many raw materials and equipment needed for cement production are imported, so when the peso weakens, the costs for local producers increase. Additionally, rising global fuel and energy costs affect all businesses, adding further pressure on local producers' operations. 5) Production Capacity Constraints – Some local producers may have limitations in production capacity, making it difficult to keep up with growing demand for cement, especially with large infrastructure projects underway. Imports help bridge this gap to prevent supply shortages, but this demand-supply balance may add to local producers' concerns about competition. 6) Market Demand for Reliable and Consistent Supply – With a high demand for construction materials, consumers prioritize suppliers that can consistently meet project timelines and quality

	<p>standards. While local producers play a crucial role in the market, imports help ensure there is enough supply to meet demand reliability, particularly when local production faces challenges.</p> <p>7) Competitive Pricing Expectations – The market expects cement to be available at competitive prices. While local producers face high costs that may limit their pricing flexibility, consumers look for both quality and cost-effectiveness. This demand for affordable and dependable supplies can place added pressure on local producers who may struggle to balance operational costs with competitive pricing.</p>
Other Issues/ General Comments	<ul style="list-style-type: none"> • While Fortem understand the concern raised by local producers regarding the increased volume of imports, Fortem believes that implementing safeguard duties or similar measures would ultimately raise costs for consumers, which could negatively impact infrastructure projects and overall economic growth. Instead, Fortem recommends exploring alternative measures that ensure market stability and accountability while protecting consumers. <p>1) Market Conditions Beyond Imports –</p> <p>2) Proposed Alternatives to Safeguard Duties –</p> <p>3) Lessons from International Approaches to Industry Support –</p> <p>4) Alternative Measures that have Been Proven Successful –</p> <p>5) Responsibility to Manage Costs and Global Impacts –</p> <p>Conclusion – In summary Fortem proposes that DTI considers alternatives to safeguard duties, such as regulating importer experience requirements and drawing on successful international models. These measures would support local industry without raising costs for consumers, ensuring a stable, competitive market that benefits all stakeholders. Safeguard duties, while sometimes offering short-term relief, often fail to address deeper industry challenges and can lead to unintended consequences for consumers and the wider economy.</p>

4) NGC Corporation

Particulars	Position/Comments
Ownership	NGC Marketing Corporation is a Filipino company owned xxx
Products Imported (Subject to Safeguard Measures Investigation)	Portland Cement Type 1 and Type 1P
Tariff Classification and Tariff Duty	<p>AHTN Codes 2523.29.90 and 2523.90.00 with 0% duty, and 12 % VAT</p> <p>Safeguard Duty of Php 250/MT in 2019/2020 and Php 245/MT in 2021</p>

Source Country of Imports	Vietnam
Source Exporter	xxx
Differences between the Imported Product and Those Manufactured by the Domestic Industry	NGC Marketing Corporation imports from Vietnam conforming to the Philippine Standards for Portland Cement and for Blended Portland Cement.
Distribution Channels and Pricing Structures	xxx
Comments on Other factors that Affect the Philippine Industry	<ul style="list-style-type: none"> • Prior investigation and existing protectionist measure covering the Period of Investigation. Domestic manufacturers have already received extensive protection through multiple remedies and successive protectionist measures. Thus, there is no justifiable basis for the re-imposition of safeguard measures on the importation of the subject product. <p>On the required elements of the safeguard measures - the imposition of safeguard measure is not warranted.</p> <p>On the increased imports of like or directly competitive products - a portion of imported cement is being used as a raw material by the importer's own locally manufactured cement.</p> <p>Growth rate of importation remained at an annual average of less than 5%, which is hardly considered a surge under WTO standards.</p> <p>Alleged decline in the domestic production is doubtful as CeMAP President even declared that cement production has risen significantly with expansion projects and investments from new players.</p> <p>The increase in volume of imports in relative terms may be attributed to the decrease of domestic production of the subject products.</p> <p>Increase of imports in relative terms is brought about by necessity/demand due to halt in domestic production brought about by COVID. In other words, increase in importation is a consequence in the reduction in domestic production in order to meet the demand.</p>
Comment on the Applicant's Claim of Serious Injury	<ul style="list-style-type: none"> • There is no serious injury or threat thereof being suffered by the domestic manufacturers. <p>- The findings of the Honorable Office as stated in the Notice to Initiate are erroneous. For the years 2019 to 2021, it is established</p>

	<p>that there is no serious injury or even a threat of serious injury that would warrant the imposition of safeguard measures on the subject products. This is clear from the extension Final report adopted by the honorable Office.</p> <ul style="list-style-type: none"> - The alleged "imminent threat of serious injury" to be suffered by the domestic industry as found in the Preliminary Report is not what is contemplated in the Safeguard Measures Act IRR, the Safeguards Agreement, and as defined by the WTO decisions. - The decline in the apparent market of the subject products is attributable solely to the decline of production of the domestic industry, which is again caused by their shift in production to Type 1T Cement. - Cement production of the domestic industry-factoring in the production of Type 1T cement- actually increased from 2019 to 2021, despite the negative effects of the pandemic. - The drop in sales is directly linked to the shift in production focus, specifically the introduction and production of Type 1T cement. The sales volume was arguably impacted with the significant decline in output and changing market dynamics. - There is no price undercutting. The price monitoring of the importers reveals that some of the products of the domestic industry are priced Php10 to Php 15 lower per bag than equivalent products of the importers in the same market segment. - There is no price depression of the subject products. The domestic industry generally prices their products at a much lower price than that of the importers. It is actually the domestic industry that leads in driving the price reductions. - There is no price suppression. Based on the audited FS of the domestic manufacturers, most of the domestic industry players have posted gross profits for the years 2020 to 2023. - On profitability, data from consolidated income statements of the various corporations in the domestic industry show that the major players continue to report gross profits, negating the claim of injury. For several years during the POI, the entire domestic industry has posted both gross and net profits. - The losses, if any, suffered by the domestic industry are due to factors not attributable to the importation of the subject product. - The domestic industry remained profitable during the POI despite the alleged increase in import volume and decrease in market share. Different members of the domestic industry have even reported record earnings during the PO, which underscores the fact that the alleged injury is more imaginary than real.
Causal Link	<ul style="list-style-type: none"> • Even assuming arguendo that there is an increase in importation, and that there is injury, there is no causal link.

	<p>- The injury suffered by the domestic industry, if any, is attributable to several factors:</p> <p>1) The domestic industry's pivot from the subject products to Type 1T cement directly equated to the contraction of its market share both in the production and sale aspect of the subject products. However, there was actually an increase in the total output by the domestic industry if Type 1T is factored in.</p> <p>2) The alleged overcapacity of the foreign cement producing countries are not relevant to the present proceedings. These factors are subject to another measure particularly anti-dumping duties. Imposing safeguard measures based on factors sought to be deterred by anti-dumping is essentially a circumvention of the said law.</p> <p>3) The members of the domestic industry themselves also point towards external market fundamentals such as higher operating costs, and quarantine restrictions as the main challenges in the attainment of their financial targets. As explicitly provided by law, "when factors other than increased imports are causing injury, such injury shall not be attributed to increased imports.</p>
General Comments	<ul style="list-style-type: none"> • In summary, the elements necessary to impose Safeguard Measures are absent in the instant case, considering that: <ul style="list-style-type: none"> a) There has been no unexplained surge in the importation of the subject products. Any increase in the importation was brought about by necessity due to demand and the decrease in production of the domestic industry; b) There was no injury suffered by the domestic industry. The market data shows that the domestic industry continues to command more than 80% of the local market. Disclosures from the domestic industry show that they remained profitable during the POI; and c) Assuming there was indeed an injury suffered by the domestic industry during the POI, the same was not caused by the increase in importation of the subject products, but due to external factors beyond the control of both the domestic industry and importers. <p>Given the absence of all the elements to impose Safeguard Measures, the Petition should be immediately denied or dismissed.</p>

5) PHILCEMENT CORPORATION

Particulars	Position/Comments
Ownership	PHILCEMENT Corporation is a Filipino company xxx
Products Imported (Subject to Safeguard Measures Investigation)	Ordinary Portland Cement Type 1 and Blended Cement Type 1P
Tariff Classification and Tariff Duty	AHTN Code 2523.10.90 AHTN Code 2523.29.90 AHTN Code 2523.90.00
Source Country of Imports	Vietnam and Japan
Source Exporter	xxx
Distribution Channels	xxx
Differences Between the Imported Product and those Manufactured by the Domestic Industry	<p>Philcement offers products that surpass local and international quality standards. Philcement's imported products pass 28-day strength in 7 days, which is unusual for most locally manufactured cement.</p> <p>Philcement's products are also preferred by contractors due to it being "cool" compared to local products. This is critical to them as it reduces abrupt evaporation of water, eliminating the risks of cracks/lines and the costs associated with "cooling" "hot cement" (e.g., water, ice).</p>
Comments on Alleged Injury and Causal Link	<ul style="list-style-type: none"> On the Surge of Imports – the entry of imports was driven by market need. The number of import volumes has remained at the same level in the last 3 years, supporting the assessment that this is the capacity that the market can absorb given the actual domestic capacities and product mix available in the country. The argument that imports will continue to rise due to any excess capacity in the region assumes infinite port capacities, which the Philippines does not have. <p>Since domestic players maintain market leadership, they are naturally the price leaders. Based on Philcement's retail price monitoring, Union Cement is sold at prices higher than those of the competitors. Generally, Union Cement is Php 10-15 per bag higher than the lowest-priced domestic player. Therefore, there can be no price undercutting.</p> <ul style="list-style-type: none"> Based on the actual experience of Philcement's sales team, the domestic players are the ones leading price reductions in the market and are competing among themselves to be the lowest-priced player. The fact that the prices of domestic players are

	<p>generally lower than imports mean there can be no price depression.</p> <ul style="list-style-type: none"> • Philcement is also of the position that there is no price suppression. The domestic manufacturers reported positive gross profits. This indicates their revenues, a factor of price and volume, are sufficient to cover the direct costs of producing their goods. Therefore, the domestic cement manufacturers are not prevented from increasing their prices to a level that allows them to fully recover their production cost. Low price levels are not necessarily due to the presence of imports in the market, it is an effect of competition among domestic players themselves. To make a generalization based on average prices without looking at prices at a per market, per product, and per segment level will lead to incorrect conclusions. • On financial performance – domestic manufacturers, particularly those who have made investments, continued to have healthy returns despite the pandemic and its impact to the economy. These companies explicitly attributed the decline in financial performance to a myriad of factors. The presence of imported cement, while cited as a contributing to competition in the industry, is not the sole cause or the direct cause of the issues faced by the domestic manufacturers. There are also significant expenses, such as payments to foreign parent companies, that are inherent in the business model of some of the domestic companies. Without these substantial payments, those who reported losses could have generated positive income.
Comment on Other Causes of Injury	<ul style="list-style-type: none"> • In 2020, the COVID-19 pandemic necessitated global, national, and localized shutdowns and quarantine measures. • Global shocks, particularly the conflict between Russia and Ukraine in 2022, put the global economy hat is still reeling from the pandemic into a more unpredictable situation. <p>Other geopolitical conflicts, such as the Israel-Hamas, West Philippine Sea, and other offshoot conflicts, occurred in 2023 and are still ongoing. These conflicts have contributed to protracted challenges in the global and regional trade routes, resulting in higher commodity prices and freight.</p> <ul style="list-style-type: none"> • Similar to Philippine cement companies, Vietnamese cement manufacturers had to increase cement prices as their costs were driven up by the rise of raw material and transport costs. Vietnamese cement manufacturers also reported a decline in their profits due to the rise in their costs. The similar experiences between the cement manufacturers in Vietnam and the Philippines in the face of global chain issues and geopolitical tensions is evidence that any alleged injury is not caused by the importation of cement. Instead, these are a direct and natural consequence of the disruptions in the global supply chain.
Other Issues/ General Comments	<ul style="list-style-type: none"> • The local industry maintains its market leadership with at least 81% market share. It is the allocation of the market shares within the local industry that has shifted with the entry of new local players and the emergence of San Miguel as the market leader.

Price adjustment is a natural consequence of the additional local players and the expansion of other local players.

- The local industry has long been enjoying excessive support and protection through both tariff and non-tariff barriers. Prolonged overprotection discourages fair competition and may not be aligned with economic developments goals of the country. Imposing safeguard duties only adds to the already existing protections that the industry enjoys, discouraging innovation and market efficiencies in an industry that is overly protected and dominant.

- Philcement also introduces manufacturing and processing activities prior to bringing its cement to the market. Philcement does not merely trade cement. It has a value adding activities in its supply chain that necessitates significant investment and state-of-the-art facilities and technologies amounting to billions of pesos in the area where it operates. As such Philcement's cost structure is different from that of most importers. Thus, when considering ex-plant prices of Philcement, manufacturing costs and other distribution costs, that are typically not applicable to other importers, should be included.

- The POI of 2019-2024 overlaps with several investigations already conducted about the same purported injury and the same subject products. The same facts are rehashed over to establish the same alleged injury.

- Over the POI, the Philippine peso severely deteriorated against the appreciating U.S. Dollar. As cement importers typically pay in US Dollars, importers' costs are highly affected by foreign exchange volatility and its impact to cement importers' operational costs is more than that of domestic players.

- Protectionist Measures – The Philippine cement industry is a highly protected and regulated industry. Safeguard measures were imposed in 2019 to 2022 and Anti-dumping duties were also imposed on exporters who are allegedly dumping.

- Moreover, the Tatak Pinoy Act was enacted which aims to provide priority and preference to locally manufactured products over imported products. The government likewise offers very good tax incentives to those who invest in the industry. This includes income tax holidays and enhanced deductions.

6) SAMSTONE MULTI RESOURCES INC.

Particulars	Position/Comments
Ownership	Corporation
Products Imported (Subject to Safeguard Measures Investigation)	Portland Cement Type 1 and Blended Cement
Source Country of Imports	Socialist Republic of Vietnam
Source Exporter	xxx
Import Volume and Value to the Philippines	xxx
	Demand for cement in the next two years, Samstone expects to be flat caused by budgetary constraints.
Distribution Channels	xxx
Price Structure	xxx
Philippine Market and Comments on Other factors that Affect the Philippine Industry	<ul style="list-style-type: none"> The cement market in the Philippines is geographically segmented. Just like in other countries, logistic cost varies from place to place and it has an effect on the price. Also proximity to existing local plant has an effect on the supply. <p>Likewise, local cement producers (APO, HOLCIM, REPUBLIC) are dominant in the retail market with their strong and established distribution channels. As an importer, Samstone Multi Resource cannot penetrate the retail market because of the strong presence of local cement brands.</p> <p>Cement dealers especially hardware stores would not sell Samstone Multi Resource brand due to their strong affiliation with CEMEX, Holcim and Republic. There are certain incentives by the local cement manufacturers that Samstone Multi Resource cannot provide. Local producers have also an aggressive sales and marketing, which Samstone Multi Resource cannot match.</p> <p>Samstone relies for their market on personal connection with owners of local contractor firms and dealers. Samstone distribution channel is more on a personal basis and support to contractors of their cement needs.</p> <p>As a local business entity limited in its market focus in Panay Island, Samstone does not have the size and reach regardless of the price of imported cement, to drive CEMEX, HOLCIM or REPUBLIC, all multinationals out of the market or make them less profitable. Samstone depends on goodwill and personal rapport</p>

	<p>to sell its imported cement. Samstone's business is focused on markets that cannot be served by the multinational companies.</p> <p>Samstone's business model in the cement industry is to provide service to contractors in its area by importing their cement requirements. Samstone provides services to them and are paid for it by way of price margins.</p> <p>Samstone Multi Resource advances and pays for the importation of the cement requirements of local contractors.</p> <p>Historically, CEMEX, Holcim and Republic, prior to the presence of imported cement in Samstone's area of operation, could not meet the demand requirements of contractors. Purchase orders were served at the minimum of two weeks that resulted in delays in government projects.</p> <p>Public infrastructure projects in Samstone's area rely on imported cement. Without imported cement, contractors of government projects would find it difficult to look for a steady and reliable supply of cement. In Samstone's area of operation, there is no cement plant that can sufficiently meet the demand for cement. The distribution of local cement especially to contractors/direct buyers are hampered by the limits imposed by the logistics capability of the local cement producers.</p> <p>Samstone Multi Resource as an importer helps and contributes to the local economy by finding competitive and high- quality source of cement in the midst of big supply gap in Samstone's area of operation.</p> <p>Samstone's service as an importer enable contractors to deliver or finish on time public construction projects and provide steady employment in the area.</p>
<p>Comment on Each of the Applicant's Specific Claim of Serious Injury</p>	<ul style="list-style-type: none"> Samstone Multi Resource is a small and local single proprietorship, and thus its business could not cause serious injury to big multinational companies such as CEMEX, Holcim and Republic. Being multinational companies, they have the technical knowhow, marketing savvy and trade efficiency to meet any market condition especially in Samstone's area of operation. Likewise, as multinational companies with worldwide operation and reach, they have business and financial strength and operating efficiency to face the supply and price challenge from cement plants in Vietnam and other parts of the world. <p>xxx</p> <p>Imported cement is only filling the supply gap. The competitive price and presence of imported cement in Samstone's area of operation, is advantageous to the Philippine economy. It lowers construction cost of public infrastructure projects. Assuming for the sake of argument that the price of cement from Vietnam is subsidized in terms of cheap power and other incentives for the Vietnamese government, that subsidy directly and indirectly</p>

	benefits the Philippine economy by way of a good price for cement.
Other Factors Considered as Cause of Serious Injury Claimed by the Applicants	<ul style="list-style-type: none"> • The claim of applicants of serious injury that would require protection from the government is self-serving. The price of imported cement especially the FOB and freight price is dictated by market forces and cost of freight. Samstone Multi Resource has to bargain from traders and ship owners to get the best possible price and freight. <p>Through the years, the multinational companies constituted a cartel and dictated the price and supply of cement, and still they failed to be efficient in order to meet the challenges of globalization and free trade. These multinationals should be the last to cry that they suffered damages on account of free and unhampered trade of goods.</p>
Other Issues/ General Comments/Rebuttals	<ul style="list-style-type: none"> • The increase in the volume of imported cement is due to the increase in demand of cement caused by higher government spending in infrastructure projects. The local cement manufacturers per record cannot meet the increase in demand. As stated there is a big gap in demand and supply situation in Philippine cement market. Whether it is from Vietnam, Pakistan, India or Indonesia, imported cement would fill in the demand. It is for Philippine cement manufacturers to be efficient and not ask for protection. Trade protection would only benefit a particular sector but a loss to the general public. <p>The government should not cuddle the local cement manufacturers as if they are an infant industry that needs protection. They have been in a monopolistic situation and acting like a cartel for almost 20 years in the Philippine cement market but they failed to invest in order to compete price wise against imported cement.</p> <p>If there is no importation, government projects and employment situation would be adversely impacted. Imported cement is a big factor that resulted to government projects completed on time. Availability of cement means more employment in the construction sector.</p> <p>The government has imposed safeguard duties on cement. To impose the duty on the basis of unclear and wrong reason again would unduly affect the general public and a loss to the economy in general.</p>

7) LEMERY CEMENT SILO TANK CORPORATION

Particulars	Position/Comments
Ownership/Administrators	Corporation xxx
Products Imported into the Philippines	Type 2 Ordinary Portland Cement in bulk (Jumbo Bags and 40kg bags)
Tariff Classification of Imported Product	AHTN Code 2523.29.90 (Ordinary Portland Cement)
Source Country	Vietnam
Source Exporter	xxx
Differences Between the Imported Product and Those Manufactured by the Domestic Industry	<ul style="list-style-type: none"> Imported cement are of good quality and high strength more than the domestic manufactured cement, based in sample testing by Lemery Cement.
Inventory	<ul style="list-style-type: none"> Importation just started last year 2024.
Distribution Channels	xxx
General Comments/Rebuttals	<ul style="list-style-type: none"> There is no regular production of Type 2 Ordinary Portland Cement needed by the Lemery Cement customers, therefore, Type 2 Ordinary Portland Cement should not be covered by the safeguard duty.

8) BOSTIK PHILIPPINES, INC.

Particulars	Position/Comments
General Comments	<ul style="list-style-type: none"> Bostik Philippines, Inc., (Bostik) imports Bostik Boscocem Slurry (also Known as Blocked C350 Boscocem Slurry) from affiliates in the Asia Pacific. <p>The subject product is a cement-based, two-component acrylic reactive polymer modified waterproofed coating.</p> <p>The two-way system waterproofing product sells in the local market as a SET and is in NO way being produced by any of the members of the Cement Manufacturers' Association of the Philippines.</p> <p>Based on the foregoing, Bostik submits that its products (while classified under AHTN 2523.29.90 and 2523.90.00) are NOT covered by the Preliminary safeguard Investigation, since they</p>

	do not pose any serious injury or threat to the domestic industry.
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9) XPRT VENTURES, INC.

Particulars	Position/Comments
General Comments	<p>XPRT does not import cement or raw materials used in the production of cement. While XPRT cater to several customers within the cement industry, XPRT's role does not involve supplying them with cement.</p> <p>XPRT however, provides its cement industry customers with analytical instruments for the use in their laboratories.</p>

Attachment III

Summary of Comments/Position Submitted by the Cement Manufacturers' Association of the Philippines (CEMAP) and its Members

- The Cement Manufacturers Association of the Philippines (CEMAP), together with its members—CEMEX Holdings Philippines (APO Cement Corporation and Solid Cement Corporation), Holcim Philippines, Inc., Republic Cement Builders and Building Materials, Inc., and Taiheiyo Cement Philippines, Inc.—submits that there is compelling evidence to support the claim that the recent surge in imports of cement products is substantially causing serious injury to the domestic cement industry.
- CEMAP stated that the data shows a significant increase in imports, which has caused harm to the domestic industry. According to CEMAP, data from the Bureau of Customs and the initiation report on the Motu Proprio Initiation of a Preliminary Safeguard Measures Investigation on the Importation of Cement from Various Countries, imports have been steadily rising throughout the period of investigation (2019–2024), with only a slight decrease in 2022.
- According to CEMAP the domestic industry's performance over the same period indicates a consistent decline in sales, production, capacity utilization, profitability, and employment. The first half of 2024 saw a sharp drop in both sales and production, recording less than half the figures of 2023, signaling possible continued setbacks in the industry. As imports have increased, the domestic industry has experienced a decline in market share, sales, and production, alongside significant financial losses. In 2023, when imports were at their peak, the market share of imported cement grew despite an overall market contraction, while the domestic industry faced its lowest sales volume, production, and capacity utilization. This led to a decline in profitability, with the domestic industry reporting a loss for that year.
- CEMAP further stated that the data shows the presence of price undercutting, depression, and suppression as a direct result of surge in imports, and according to CEMAP based on current trends, it is reasonable to conclude that the domestic industry's condition is now even worse than in 2023. Without immediate government intervention to address the surge in imports, serious injury to the domestic industry will not only persist but may worsen.
- CEMAP also stated that there is a clear causal link between the influx of imports and the adverse effects on the domestic industry. According to CEMAP, domestic cement manufacturers are struggling to compete with the sudden surge in imports and need government support to adjust and ensure fair competition. It is important to highlight that the domestic industry has sufficient capacity to produce high-quality cement products to meet domestic demand, with an annual production capacity of 50 million metric tons (MT), and expected to grow in the coming years.
- According to CEMAP, the domestic industry has already made significant investments in the country's manufacturing sector, created numerous direct and indirect jobs, and contributed to economic progress. CEMAP is committed to ongoing improvements and adjustments to enhance its competitiveness in the face of import challenges.